

# FY2022 IR presentation

May 17, 2023

Mitsubishi UFJ Financial Group, Inc.



- ✓ I am Kamezawa. Thank you for taking time out of your busy schedule today to attend our MUFG IR Presentation.
- ✓ Please turn to page 6 of the 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	GCTB:	Global Corporate & Investment Banking
MUAH:	MUFG Americas Holdings Corporation	GCB:	Global Commercial Banking
MUB:	MUFG Union Bank	AM/IS:	Asset Management & Investor Services

## Key messages

### FY22 result and FY23 target

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

### Progress of the medium-term business plan

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

### Capital policy

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

### Approach to sustainability

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

\*1 Profits attributable to owners of parent

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FY22 financial results



## FY22 financial results

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

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

\*<sup>1</sup> Profits attributable to owners of parent \*<sup>2</sup> Breakdown is on a after-tax basis \*<sup>3</sup> Valuation losses on assets held by MUB, etc. (after considering hedging effect, refer to page 71) and one-time expenses related to the sale such as advisory, expert, and business support fees: approx. ¥(40.0)bn (before tax)  
\*<sup>4</sup> One-time costs associated with U.S. pension buyouts ¥(78.1)bn (before tax) and loss on sale of shares of Chukyo Bank ¥(29.4)bn (before tax)

- ✓ I will start with an overview of the FY22 financial results.
- ✓ In FY22, line 6, profits attributable to owners of parent was 1,116.4 billion yen, achieving the performance target of 1 trillion yen and on par with FY21, which was a record high.
- ✓ Line 1, gross profits increased by 539 billion yen year on year to a record high of 4,503 billion yen. Although we made progress in recording losses on sale of foreign bonds, the large increase was thanks to an increase of overseas interest income of loans and deposits due to global interest rate hikes and lending spread improvement, an increase in foreign loan-related fees, as well as foreign exchange and trading income by capturing market fluctuations.
- ✓ Line 2, G&A expenses increased by 161.4 billion yen year on year but decreased by around 30 billion yen in real terms, excluding the impact of foreign exchange and other factors. As a result, line 3, NOP was 1,594.2 billion yen, up by 377.5 billion yen, recovering to the level prior to the introduction of negative interest rates.
- ✓ Line 4, total credit costs increased by 343.4 billion yen year on year, but in real terms, after adjusting for impact of valuation losses on loans held by MUB, credit costs decreased by 50.5 billion yen year on year.
- ✓ Line 6, profits attributable to owners of parent achieved the performance target of 1 trillion yen and was on par with the record-high level in FY21, thanks to an increase in NOP, mainly in the customer segments, despite valuation losses of bonds held by MUB, as well as foreign bond position rebalance and one-time expenses to mitigate future risks.
- ✓ Please turn to page 8.

## Income statement summary

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

\*1 Adjusted the valuation losses on assets held by MUB which was reversed as extraordinary gains. Total credit cost: ¥393.9bn, other non-recurring gains: ¥341.0bn, ordinary profits: ¥735.0bn, net extraordinary gains: (¥735.0bn) (refer to page 71) \*2 Impact of FX fluctuation was approx. +¥130.0bn  
\*3 The impact of difference between Japanese GAAP and U.S. GAAP, the impact of transfers across entities with different consolidation periods and the absence of expense due to deconsolidation of MUB: approx. +¥60.0bn.

### 1 Gross profits

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

### 2 G&A expenses / Expense Ratio

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

### 3 Total credit costs

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

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

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

### 5 Net extraordinary gains (losses)

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

### 6 Profits attributable to owners of parent

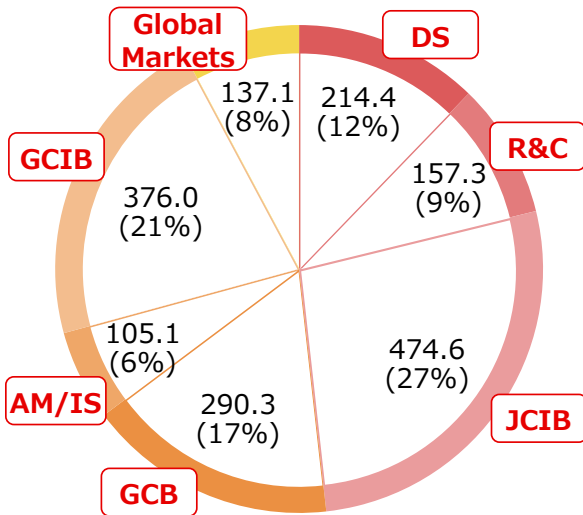
- Profits attributable to owners of parent decreased by ¥(14.3)bn to ¥1,116.4bn YoY, exceeding ¥1tn two years in a row.

# Net operating profits results by business group

Net operating profits by business group\*1 Consolidated

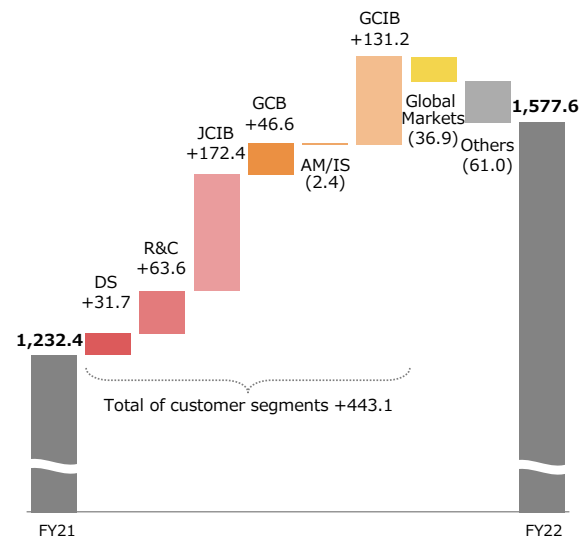
(¥bn)

**FY22 ¥1,577.6bn\*2**



Changes by business group Consolidated

(¥bn)



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

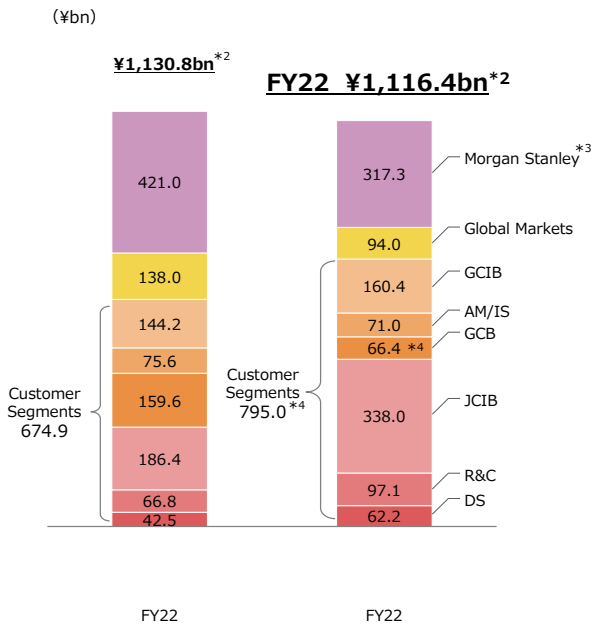
- ✓ This page shows NOP by business groups.
- ✓ As shown in the step chart on the right, customer segments in total posted a significant increase of 443.1 billion yen, while AM/IS decreased slightly due to the absence of large performance fees we had in FY21.
- ✓ Other business groups enjoyed a profit increase, including higher net interest income from loans and deposits and foreign exchange related income.
- ✓ In the Global Markets business group, we made progress in recording losses on sale of foreign bonds, but on the other hand, sales and trading revenues from foreign exchange and interest rates grew substantially, which curbed the decline in profit.
- ✓ Please skip to page 16.



# Net income results by business group

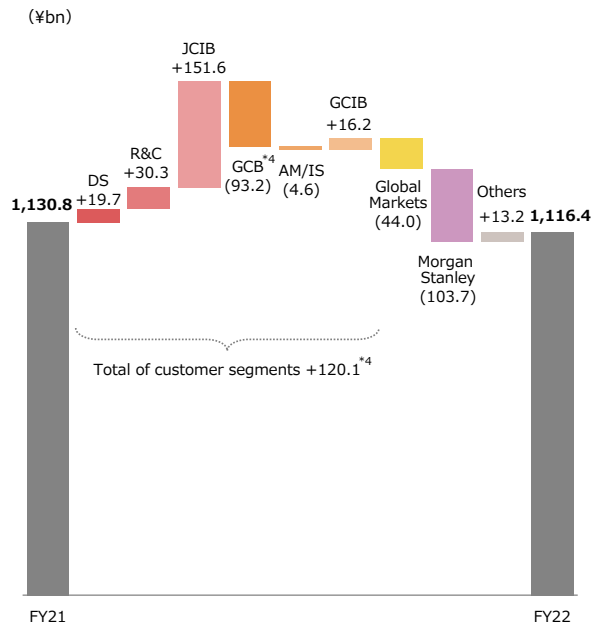
Net income by business group, etc.\*1

Consolidated



Changes by business group, etc.

Consolidated



\*1 On a managerial accounting basis (preliminary results). Local currency basis  
 \*2 Include other net income (FY21 : ¥(103.1)bn, FY22 : ¥(89.9)bn)  
 \*3 These figures includes gains/losses on change in equity (FY21 : ¥36.8bn, FY22 : ¥(23.7)bn)  
 \*4 Exclude the impact of MUB's valuation losses

## Results by business group (1)

Consolidated Business group	Net operating profits (¥bn) <sup>*1</sup>		Expense ratio <sup>*1</sup>		ROE <sup>*2</sup>		RWA (¥tn) <sup>*3</sup>	
	FY22	YoY	FY22	YoY	FY22	YoY	FY22	Changes from end Mar 22
Digital Service <span style="border: 1px solid red; border-radius: 5px; padding: 2px;">DS</span>	209.7	27.1	72%	(4ppt)	6%	2ppt	9.5	(0.1)
Retail & Commercial Banking <span style="border: 1px solid red; border-radius: 5px; padding: 2px;">R&amp;C</span>	146.8	53.9	76%	(8ppt)	5.5%	1.5ppt	16.6	0.3
Japanese Corporate & Investment Banking <span style="border: 1px solid red; border-radius: 5px; padding: 2px;">JCIB</span>	412.2	127.5	43%	(9ppt)	10%	4ppt	33.2	0.6
Global Corporate & Investment Banking <span style="border: 1px solid red; border-radius: 5px; padding: 2px;">GCIB</span>	269.4	77.6	51%	(7ppt)	8.5%	1ppt	22.8	(0.0)
Global Commercial Banking <span style="border: 1px solid red; border-radius: 5px; padding: 2px;">GCB</span>	246.8	17.2	66%	(2ppt)	5.5% <sup>*4</sup>	(3ppt)	10.7	(5.9)
Asset Management & Investor Services <span style="border: 1px solid red; border-radius: 5px; padding: 2px;">AM/IS</span>	97.2	(6.0)	70%	1ppt	28%	(3ppt)	2.7	0.6
Global Markets <span style="border: 1px solid red; border-radius: 5px; padding: 2px;">Global Markets</span>	143.4	(61.9)	63%	10ppt	3%	(1.5ppt)	20.9	0.9

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

\*3 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of March).

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

## Results by business group (2)

### Digital Service\*1

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

### Retail & Commercial Banking\*1

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

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

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

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

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

## Results by business group (3)

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

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

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

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

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

## Results by business group (4)

### Global Commercial Banking\*1

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

(¥bn)	FY21	FY22	YoY
<b>Net profits</b>	159.6	<b>66.4</b> <sup>*4</sup>	(93.2)
MUAH <sup>*2</sup>	101.1	<b>(5.3)</b> <sup>*4</sup>	(106.4)
KS <sup>*3</sup>	75.2	<b>67.2</b>	(8.0)
BDI	10.7	<b>22.4</b>	11.7
<b>RWA<sup>*5</sup> (¥tn)</b>	16.6	<b>10.7</b> <sup>*4</sup>	(5.9)
<b>ROE</b>	8.5%	<b>5.5%</b> <sup>*4</sup>	(3ppt)
MUAH <sup>*2</sup>	13%	<b>(18.5%)</b> <sup>*4</sup>	(31.5ppt)
KS <sup>*3</sup>	10%	<b>8.5%</b>	(1.5ppt)
BDI	6.5%	<b>13%</b>	6.5ppt
(¥tn)			
Ave. loan balance	6.1	<b>5.5</b>	(0.6)
<b>MUAH<sup>*2</sup></b>			
Ave. deposit balance	8.6	<b>7.2</b>	(1.4)
NIM <sup>*6</sup>	2.17%	<b>2.80%</b>	0.63ppt
Ave. loan balance	6.2	<b>6.5</b>	0.3
<b>KS<sup>*3</sup></b>			
Ave. deposit balance	6.2	<b>6.0</b>	(0.2)
NIM <sup>*7</sup>	3.24%	<b>3.45%</b>	0.21ppt
Ave. loan balance	0.9	<b>1.0</b>	0.0
<b>BDI</b>			
Ave. deposit balance	0.9	<b>0.9</b>	0.0
NIM <sup>*8</sup>	7.69%	<b>7.99%</b>	0.30ppt

\*1 Managerial accounting basis. Local currency basis. Per MUAH and KS, gross profits, expenses and net operating profits include figures which belong to GCB only and not include figures which belong to other business groups. BDI entity basis. ROE is calculated based on net profits \*2 Excluding figures belonging to TB/SCHD subsidiaries, ICIB, GCIB and Global Markets \*3 After GAAP adjustment. Excluding figures which belong to Global Markets \*4 Excluding the impact of MUB's valuation losses \*5 The finalized Basel III reforms basis. Managerial accounting basis. (Estimation as of March) \*6 Excluding figures which belong to Global Markets \*7 KS entity basis \*8 OJK definition

## Results by business group (5)

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

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

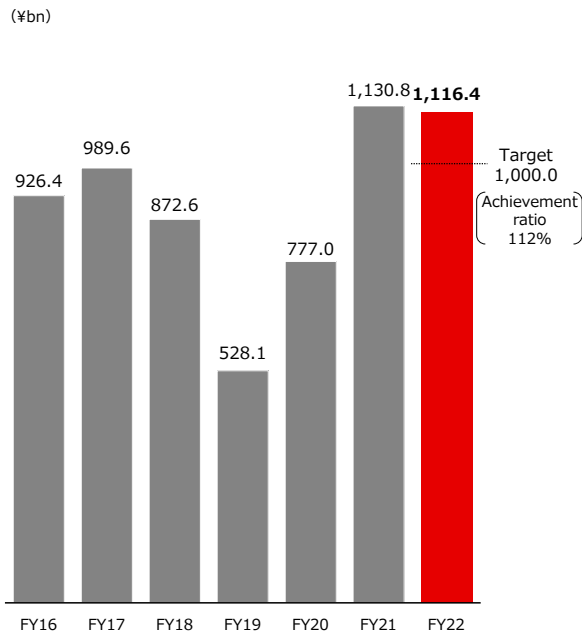
### Global Markets\*<sup>1</sup>

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

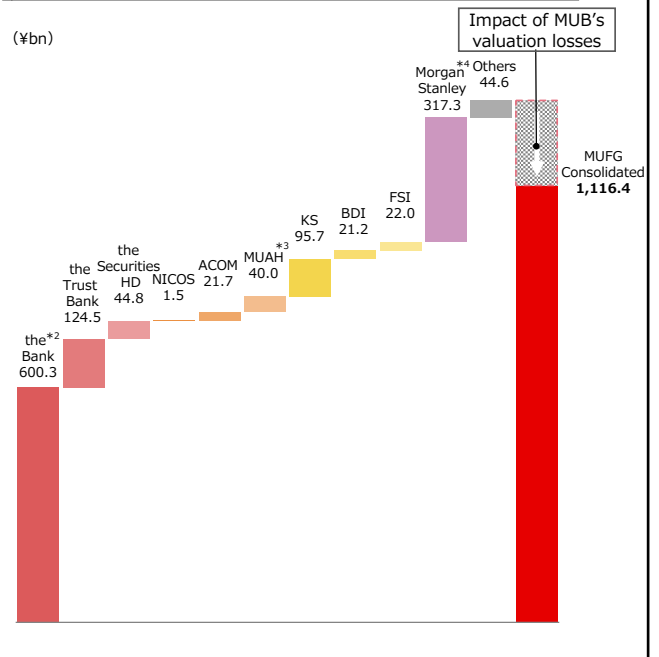
\*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits

# Achievement ratio of FY22 and breakdown by entity

Profits attributable to owners of parent **Consolidated**



Breakdown by entity\*1 **Consolidated**



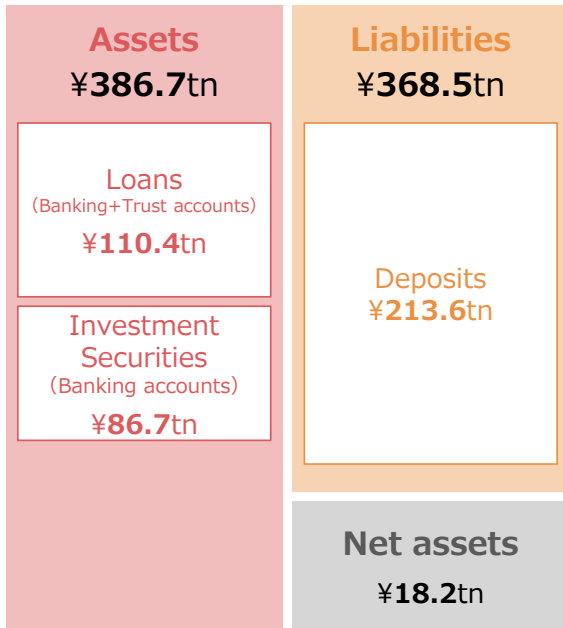
\*1 The figures reflect the percentage holding in each subsidiary and equity method investee  
 \*2 Exclude gains on the sales of shares of subsidiaries related to the MUAH repurchase of shares, ¥415.1bn.  
 \*3 Exclude the impact of MUB's valuation losses \*4 The figure includes ¥(23.7)bn of losses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

# Balance sheet summary

## Balance sheet summary

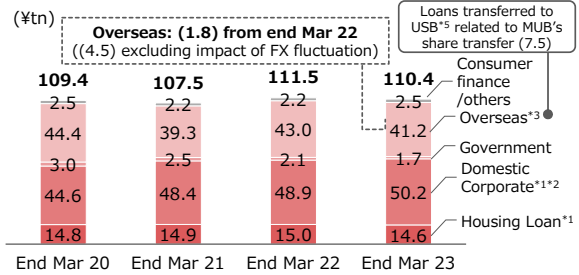
Consolidated

As of end Mar 2023



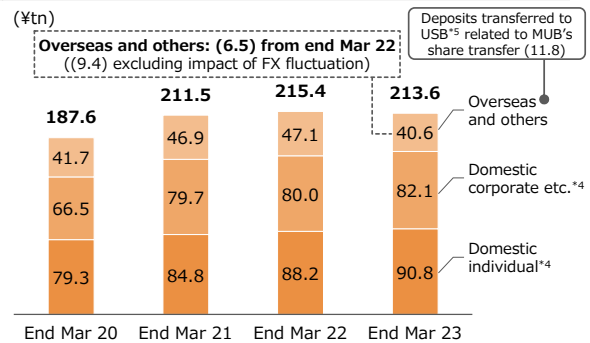
## Loans (period end balance)

Consolidated



## Deposits (period end balance)

Consolidated



\*1 Non consolidated + trust accounts \*2 Excluding loans to government and governmental institutions and including foreign currency denominated loans (Excluding impact of FX fluctuation: +¥0.8tn from end Mar 2022)  
 \*3 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe) \*4 Non-consolidated  
 \*5 U.S. Bancorp

- ✓ This page shows our balance sheet summary.
- ✓ Loans in the upper-right red bar graph increased by 1.3 trillion yen in domestic corporate loans and decreased by 1.8 trillion yen in overseas loans, but excluding the approximately 7.5 trillion yen decrease in overseas loans due to the sale of MUB, loans increased by 5.7 trillion yen.
- ✓ In deposits, lower-right, domestic deposits increased, while overseas deposits decreased. This was again due to the approximately 12 trillion yen decrease in deposits resulting from the sale of MUB, and excluding this effect, overseas deposits increased by roughly 5 trillion yen.
- ✓ Please turn to page 17.

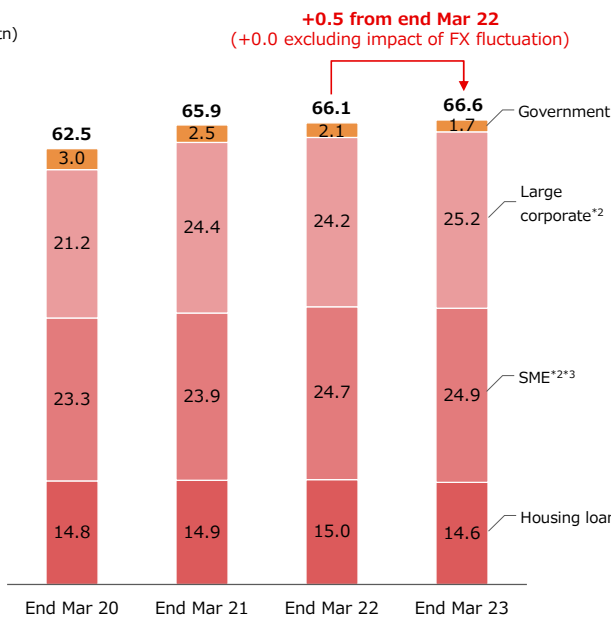


# Domestic loans

Loan balance (period end balance)\*1

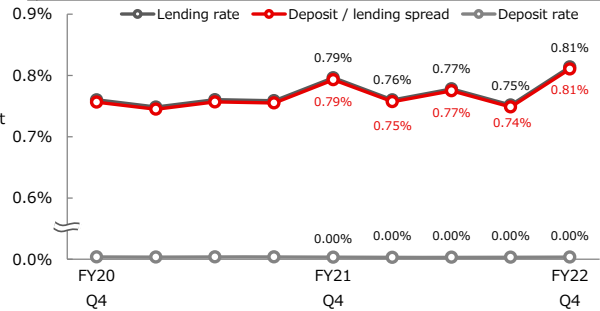
Consolidated

(¥tn)



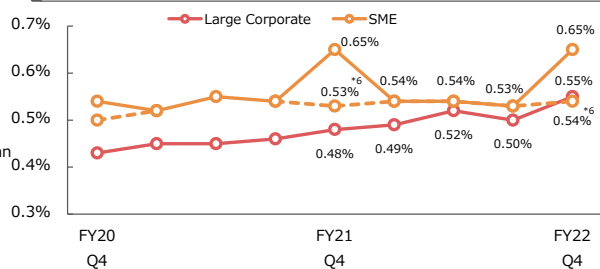
Deposit / lending rate\*4

Non-Consolidated



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

Non-Consolidated



\*1 Sum of banking and trust accounts \*2 Including non-JPY loans  
 \*3 Domestic loans to small / medium-sized companies and proprietors (excluding domestic consumer loans)  
 \*4 Excluding lending to government \*5 On a managerial accounting basis  
 \*6 Excluding impact of the collective recording of interest received at fiscal year-end via subsidized interest payment programs

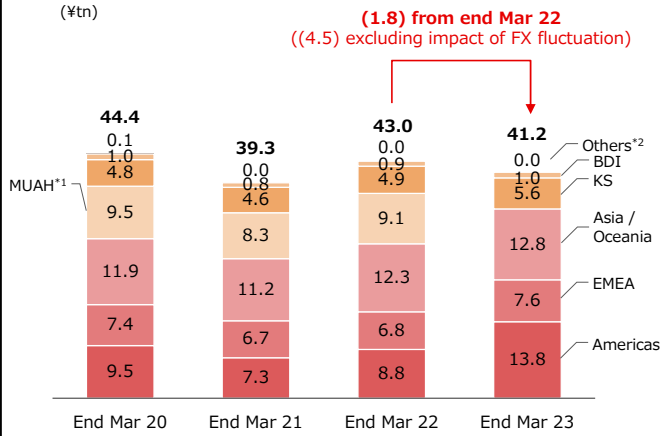
- ✓ This page shows domestic loans.
- ✓ The deposit / lending spread, shown in the upper-right red line graph, expanded significantly in Q4 of FY22, partly due to individual transactions, but the trend of expansion continues even excluding this factor.
- ✓ Please turn to page 18.

# Overseas loans

Loan balance (period end balance)

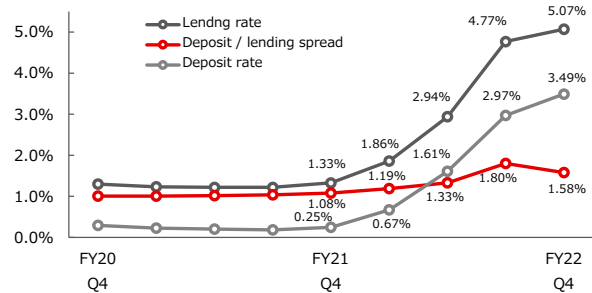
Consolidated

(¥tn)



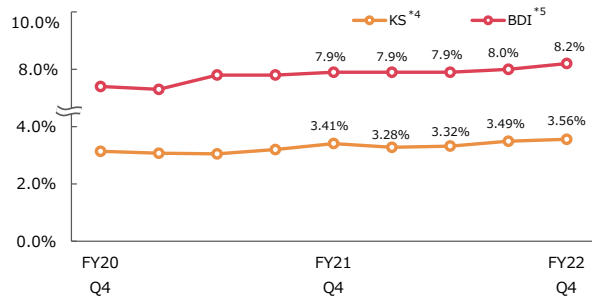
Deposit / lending rate\*3

Non-Consolidated



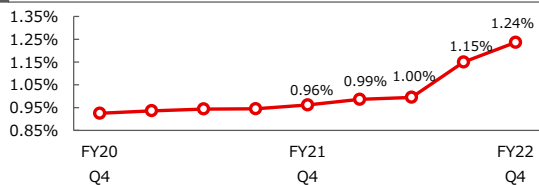
Net interest margin

KS / BDI



Lending spread\*3

Non-Consolidated



\*1 "MUAH" is included in "Americas" from End Mar 23. Approx. ¥2.7tn loans were transferred from MUAH to overseas offices of the Bank upon MUB's share transfer  
 \*2 Loans booked at offshore markets etc. \*3 Managerial accounting basis \*4 Financial results as disclosed in KS's financial reports based on Thai GAAP, and starting from January 1, 2020, Thailand adopted TFRS 9 (which is broadly similar to the IFRS 9 international accounting standard) \*5 Financial results as disclosed in BDI's financial reports based on Indonesia GAAP. Calculation method modified from FY21 and retroactively applied in this document

- ✓ This page shows overseas loans.
- ✓ The upper-right red line graph shows the deposit / lending spread of the Bank and Trust Bank on a non-consolidated basis. Despite a slight decline recently due to higher deposit rates, it has steadily expanded since FY21.
- ✓ In addition, as shown in the lower-left graph, lending spread is also increasing steadily.
- ✓ Please turn to page 19.

## Investment securities (1)

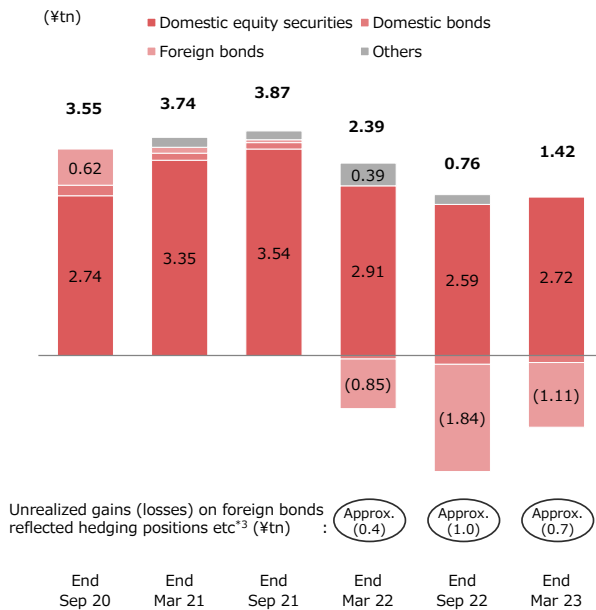
Securities with fair value\*1

Consolidated

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

Unrealized gains (losses) on AFS securities

Consolidated



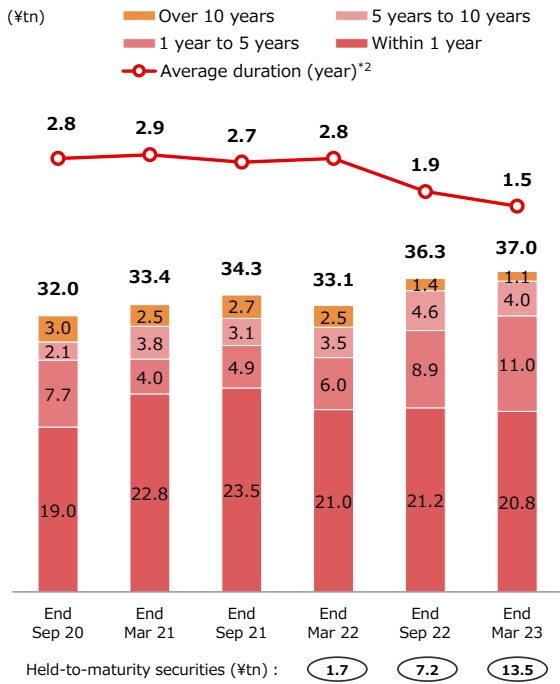
\*1 Unrealized gains (losses) excludes ¥(555.4)bn that is reflected in gains (losses) in connection with the agreement to sell all shares of MUB  
 \*2 Approx. ¥(0.2)tn excluding FX impact \*3 Managerial accounting basis

- ✓ This page shows investment securities.
- ✓ Although unrealized gains and losses decreased from the end of March 2022, partly due to rising interest rates overseas, overall, unrealized gains on available-for-sale securities amounted to 1.4 trillion yen. Of this amount, unrealized losses on foreign bonds as of the end of the March amounted to about 1.1 trillion yen that's shown on the lower-right. It amounted to approximately 0.7 trillion yen after taking into account unrealized gains from hedging positions, improving from the peak at the end of September 2022.
- ✓ Please skip to page 21.

## Investment securities (2)

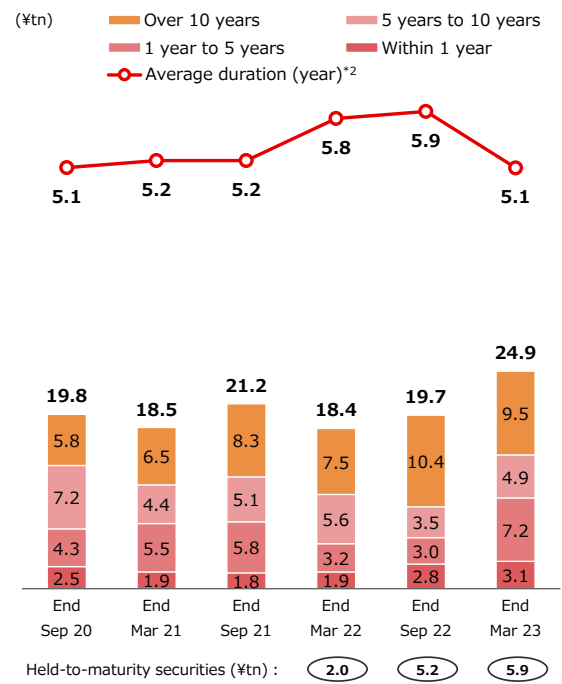
### JGB balance\*1 and duration

Non-consolidated



### Foreign bond balance\*1 and duration

Non-consolidated



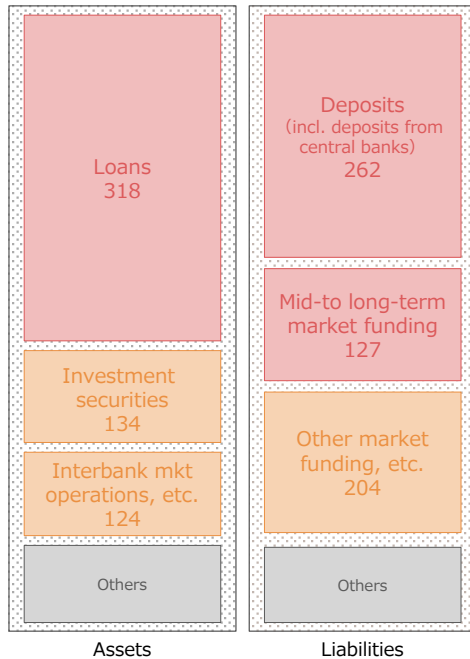
\*1 Available-for-sale securities and held-to-maturity securities  
 \*2 Available-for-sale securities

# Non-JPY Liquidity\*1

– Managed soundness of balance sheet based on stability

(US\$bn)

As of end Mar 23

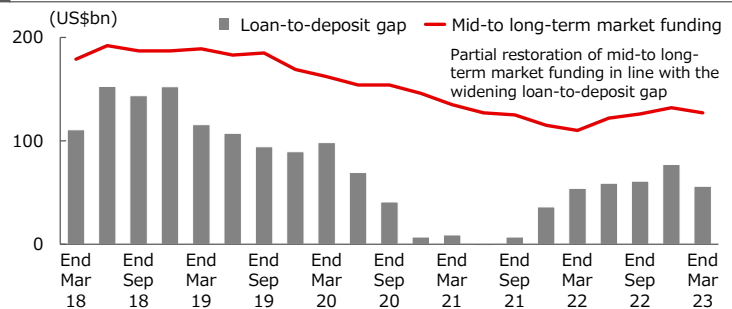


## MUFG Bank\*1's characteristics of non-JPY liquidity management

- Deposits:** Securing stickiness\*2 with regional and industry diversification
- Mid-to long-term market funding:** Emphasizing diversification of method and term
 

Corp bonds/ I/C borrowings	74	: TLAC eligible senior debt etc.
Collateralized funding, etc.	15	: Cross-currency repos*3 (utilizing JGB) etc.
Mid-long term currency swap	38	: Currency swaps are transacted in mid-to long-term
- Investment securities:** Possessing abundant volume of high-liquidity assets that can be quickly converted into cash, such as foreign government bonds
- Loans:** Within the balances of deposits and mid-to long-term market funding

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



\*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial basis \*2 Deposits that are considered to remain in the bank during times of stress \*3 Repurchase agreement in which denominated currency is different in cash transaction and security

- ✓ This page is on non-Japanese yen liquidity.
- ✓ Although the current environment is uncertain, we are practicing stable balance sheet management.
- ✓ First, we cover loans with deposits and mid- to long-term market funding. We secure stickiness of deposits with regional and industry diversification, emphasize diversification of method and term of mid- to long-term marketing funding, and possess high-liquidity assets that can be quickly converted into cash in order to maintain sound funding.
- ✓ Please jump to page 23.

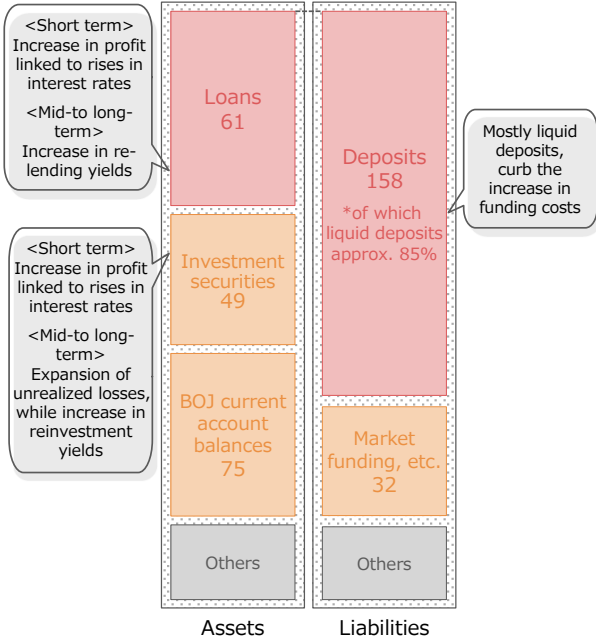
# Financial impact from rises in JPY interest rates

## JPY balance sheet

BK, non-consolidated

(¥tn)

As of end Mar 23



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

BK, non-consolidated

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

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

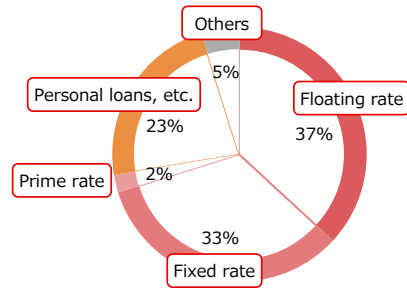
### Simulation assumptions

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

## Domestic loans (JPY denominated)

BK, non-consolidated

As of end Mar 23



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

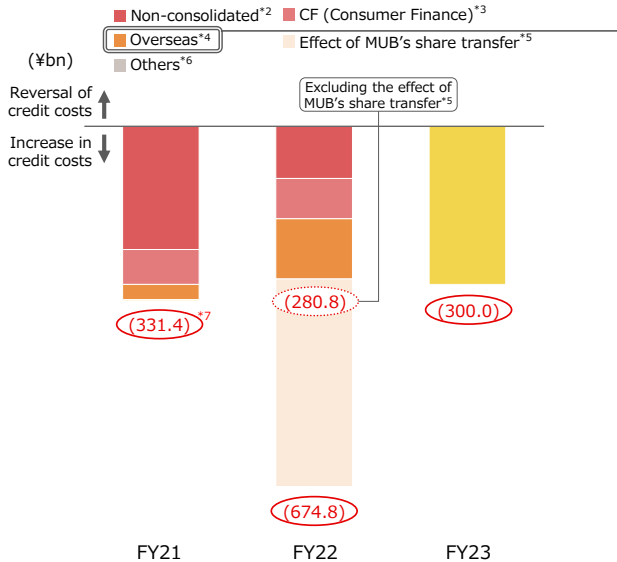
# Asset quality

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

## Total credit costs\*1

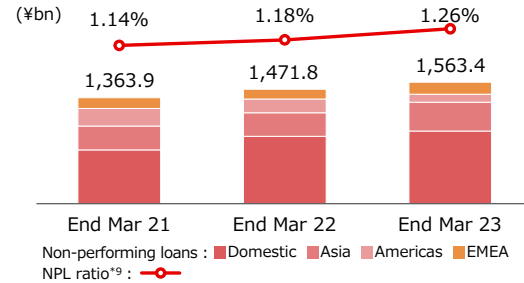
P.72 Consolidated

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

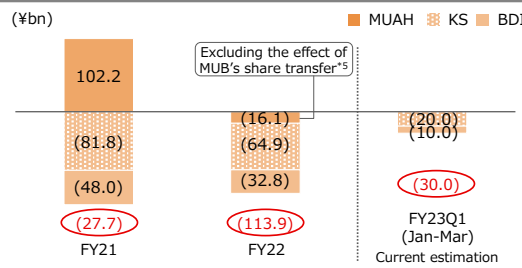


## Non-performing loans\*8

P.73 Consolidated



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



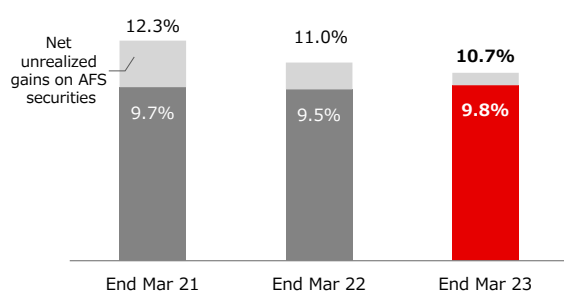
\*1 Includes gains from write-off \*2 Includes overseas branches \*3 Sum of NICOS and ACOM on a consolidated basis \*4 Sum of overseas subsidiaries of the Bank and the Trust Bank \*5 ¥(393.9)bn of valuation losses on loans sold in connection with MUB’s share transfer, etc.  
\*6 Sum of other subsidiaries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

- ✓ As explained earlier, credit costs were 280.8 billion yen, down by 50.5 billion yen year on year in real terms. We expect credit costs for FY23 to be 300 billion yen, the same level as FY22.
- ✓ Please turn to page 24.

## Capital

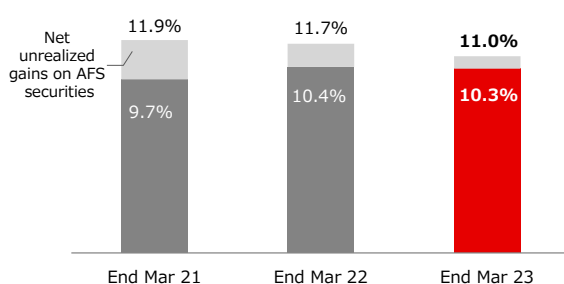
### CET1 ratio

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

### FY22 results

Consolidated

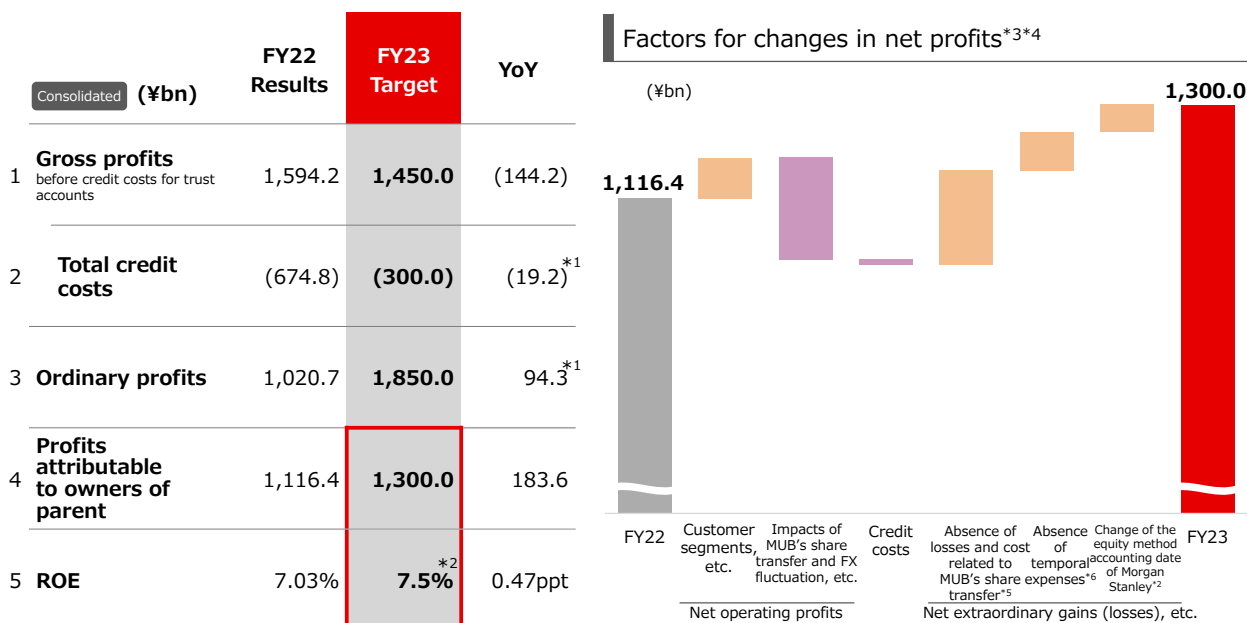
(¥bn)	End Mar 22	End Mar 23	Changes
1 Common Equity Tier 1 capital	13,823.9	<b>13,280.8</b>	(543.0)
2 Additional Tier 1 capital	1,652.3	<b>1,582.8</b>	(69.5)
3 <b>Tier 1 capital</b>	15,476.2	<b>14,863.7</b>	(612.5)
4 <b>Tier 2 capital</b>	2,382.3	<b>2,302.3</b>	(79.9)
5 <b>Total capital (Tier 1+Tier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

- ✓ This page shows our capital status.
- ✓ The CET1 ratio on a finalized Basel III reforms basis, excluding unrealized gains, remains adequate at 10.3%.
- ✓ Please turn to page 25.



## FY23 target

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



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

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

- ✓ This page shows our performance targets for FY23.
- ✓ Profits attributable to owners of parent is set at 1.3 trillion yen, a record high. Although we expect a negative impact from the absence of NOP from MUB and the yen appreciation, we aim to achieve the financial target in the MTBP of 7.5% ROE by accumulating NOP in the customer segments.
- ✓ The business environment will continue to be difficult due to rising interest rates in Europe and the U.S. and concerns that the collapse of some overseas financial institutions will have a ripple effect on the real economy. But through the structural reforms undertaken to date, we have built a resilient business model in Japan and abroad and believe we can meet the needs of various customers on a group-wide basis, including our partner banks in Asia and Morgan Stanley.
- ✓ In FY23, as the final year of the current MTBP, we will ensure that the effects of our past measures will lead to results and achieve the goals of the plan by all means.
- ✓ Please move to page 27.

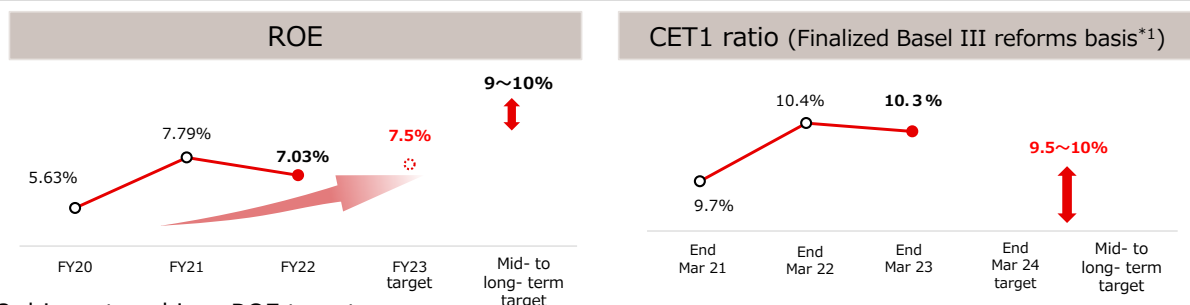
Progress of the medium-term business plan (MTBP)



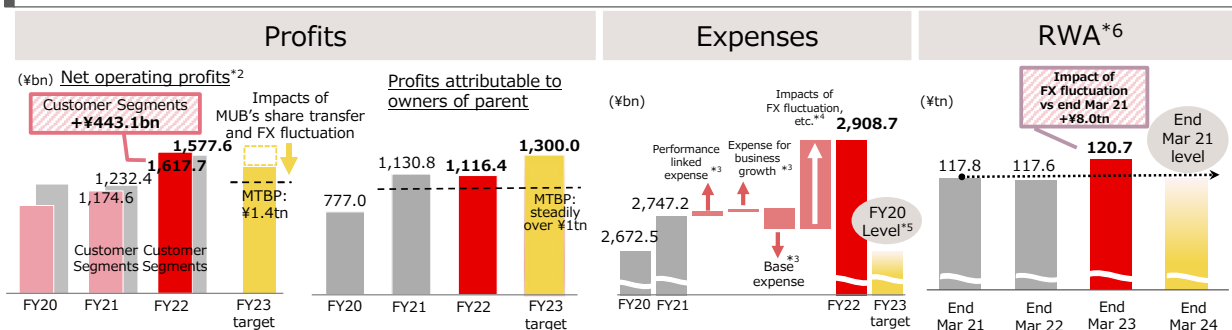
## Financial targets

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

### Target for ROE / Capital management



### 3 drivers to achieve ROE target



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

\*2 On a managerial accounting basis \*3 On a managerial accounting basis (after adjustment)

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

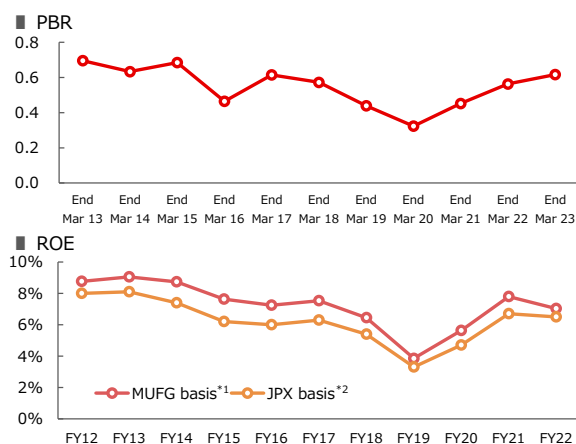
\*5 Excluding performance linked expense \*6 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities

- ✓ From this page, I will explain the progress of the MTBP starting from the progress of financial targets.
- ✓ ROE, which is positioned as the biggest commitment of the MTBP, was 7.03% in FY22, down year on year, but we are making steady progress toward achieving the MTBP target of 7.5%.
- ✓ The progress of the three drivers to achieve the ROE target, namely, profits, expenses, and risk-weighted assets, is shown in the bottom half.
- ✓ Lower-left, NOP increased significantly from the previous year as a result of our efforts in line with our growth strategy. In particular, NOP in the customer segments increased by 443.1 billion yen, and earning power is steadily improving.
- ✓ Profits attributable to owners of parent is also on track, achieving the MTBP target of stable net income of 1 trillion yen or more, ahead of schedule, for two consecutive years.
- ✓ Expenses and risk-weighted assets, which will be explained later, are well under control in line with our MTBP policy.
- ✓ Please turn to page 28.

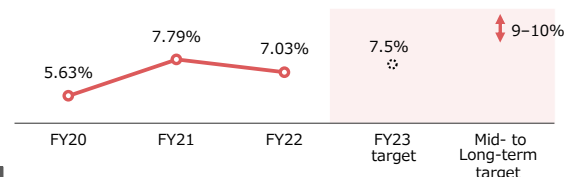
# Initiatives to increase shareholder value

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

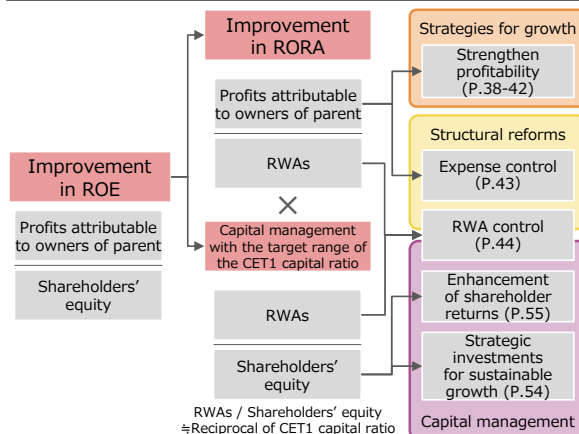
## Current Situation: PBR and ROE



## ROE target



## Initiatives to increase shareholder value



**Our recognition of issues**

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

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

\*1 Profits attributable to owners of parent  
 { (Total shareholders' equity at the beginning of the period + Foreign currency translation adjustments at the beginning of the period) + (Total shareholders' equity at the end of the period + Foreign currency translation adjustments at the end of the period) } / 2 × 100

\*2 Japan Exchange Group

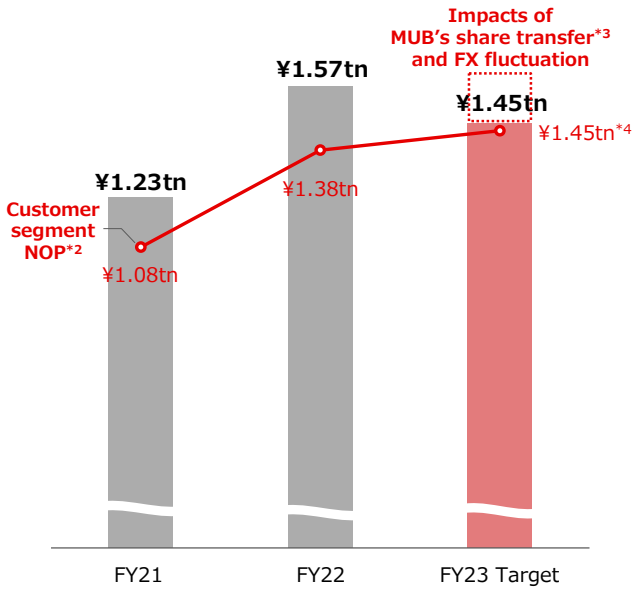
- ✓ This page shows the status of our initiatives to increase shareholder value.
- ✓ As shown on the lower-right, we will continue to improve ROE through the strategies for growth, structural reforms, and capital management initiatives set forth in our MTBP, and aim to increase shareholder value sustainably.
- ✓ Please turn to page 31, which is on the progress of our key strategies.

# Roadmap toward the Final Year of the MTBP

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

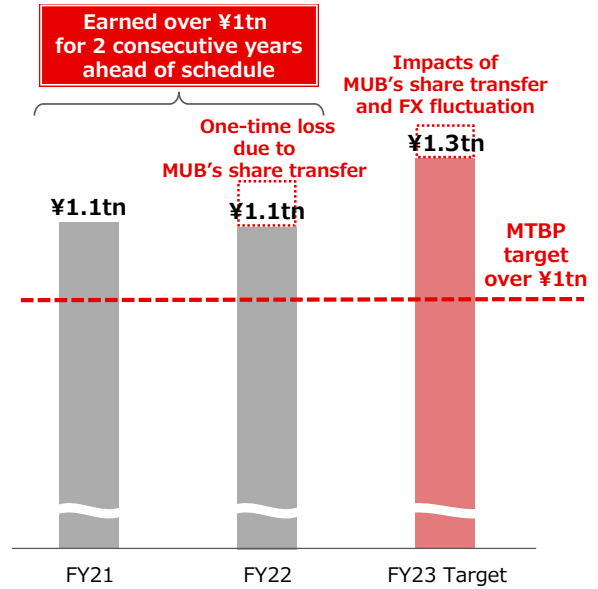
## Net operating profits\*1

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



## Profits attributable to owners of parent

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



\*1 Managerial accounting basis (Including FX fluctuation) \*2 Managerial accounting basis. Local currency basis  
\*3 Approx. ¥120bn \*4 Including changes in managerial accounting standards

## Review of the second year of the MTBP

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

Corporate transformation	<b>Digital transformation</b> Progress as a financial and digital platform operator as well as in expansion of new customer base P.31-33	<b>Contribution to address environmental and social issues</b> Disclosed results and set interim targets through Progress Report P.59-64	<b>Transformation of corporate culture</b> Development of corporate culture “Challenge x Speed” P.34-35
	<b>Wealth management</b> WMPF <sup>*1</sup> contributes to increase cross transactions P.38	<b>Approach of proposing solutions to customer’s issues</b> Enhancement of risk-taking in real estate sector Address social issues through investments P.39	<b>Asia business</b> Capturing the economic growth through inorganic strategy and enhance CF <sup>*2</sup> business P.40
	<b>GCIB &amp; Global Markets</b> Capturing loans and cross sells by adjusting the market condition Enhancement of institutional investors business P.41	<b>Global AM/IS</b> Enhancing global AM structure Progress in providing combined high-value-added-services in IS P.42	
Strategy for growth			
Structural reforms	<b>Cost and RWA control</b> Base expense: steadily decreased RWA: continue disciplined management P.43-44	<b>Review of our business portfolio</b> Americas: focus management resources towards the wholesale business Asia: investment in digital finances P.45-46	<b>Transformation of platforms and our business infrastructure</b> Maintain resilience of overseas business and operations P.47

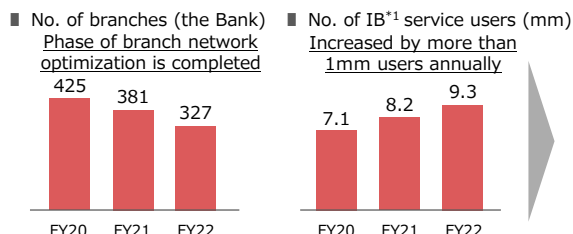
\*1 Wealth management digital platform \*2 Consumer Finance

## Digital transformation (1)

– Expand customer touchpoints in an effective manner through digital transformation

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

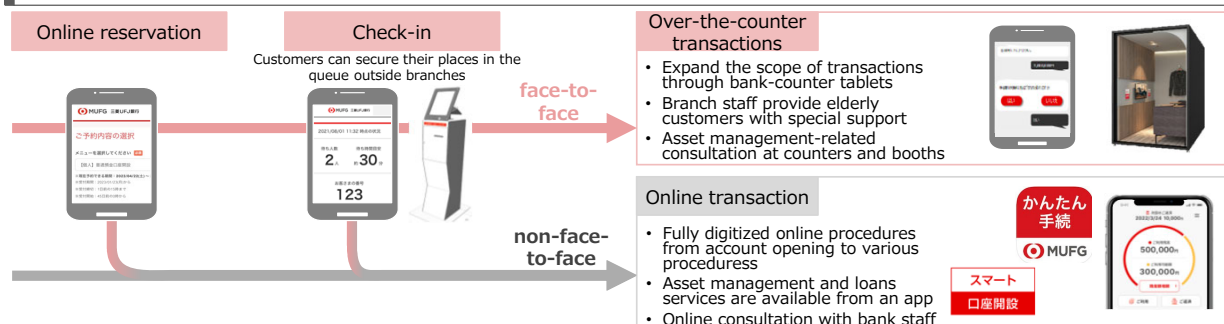
- Realize optimization of branch network after the branch consolidation. Move to a phase in which we will flexibly expand customer touchpoints to meet customer needs, both face-to-face and non-face-to-face



### Expand customer touchpoints

Online consultation	Online seminars	New branch format
 <ul style="list-style-type: none"> <li>Asset management-related consultation from home</li> <li>Fully digitized online procedures for some of the products</li> </ul>	 <ul style="list-style-type: none"> <li>Facilitate the use of NISA and other forms of asset building by helping raise financial literacy</li> <li>Win a greater number of customers via data utilization</li> </ul>	 <ul style="list-style-type: none"> <li>Specialize functions by branch</li> <li>Consider opening new branches to meet face-to-face consultation needs</li> </ul>

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



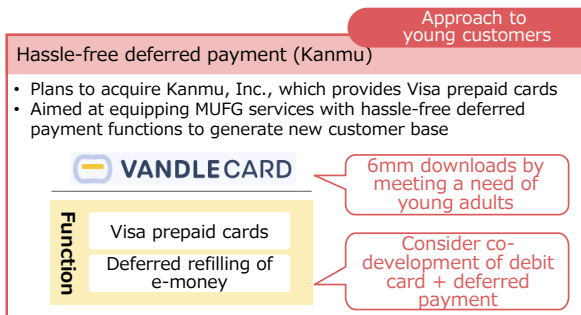
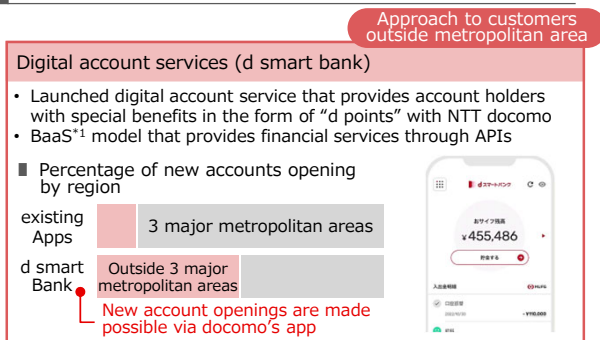
\*1 Mitsubishi UFJ Direct: Internet banking for individual customers

- ✓ First of all, the first pillar of corporate transformation is digital transformation. This page shows our efforts to optimize customer touchpoints using digital technology.
- ✓ As shown in the upper graph, we have been consolidating branches in response to the increasing number of customers choosing online touchpoints, such as internet banking, but the consolidation phase completed in FY22. Going forward, we will flexibly expand customer touchpoints to meet their diverse needs, both face-to-face and non-face-to-face, which includes considering new branch format.
- ✓ In addition, as shown in the lower part of the page, we will strive to improve convenience both over the counter and online.
- ✓ Please turn to page 32.

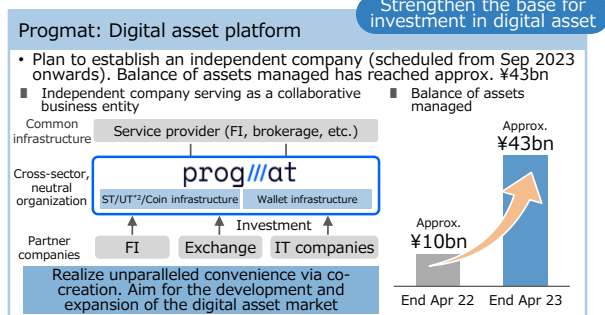
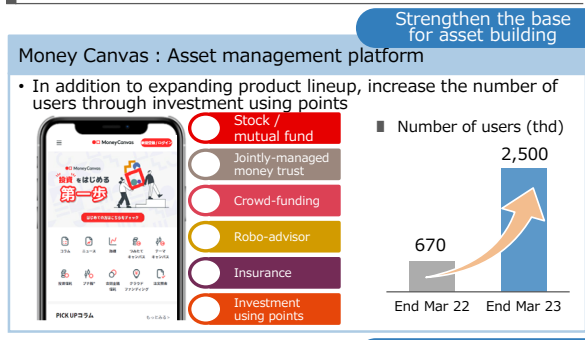
## Digital transformation (2)

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

Efforts for expanding new customer base



Efforts for financial and digital platform operator



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

- ✓ The left side shows our efforts to expand a new customer base.
- ✓ Top left, d smart bank, launched with NTT docomo last December, is making progress in acquiring new accounts outside of the three major metropolitan areas where account openings have been relatively low.
- ✓ Bottom left is on our acquisition of Kanmu, a company with strength in hassle-free deferred payment. The number of downloads of the VANDLECARD application offered by Kanmu has exceeded 6 million, mainly among young adults. In the future, MUFG will work with Kanmu to add hassle-free deferred payment to our product lineup to increase the number of young customers in particular.
- ✓ These are all examples of expanding our approach to areas where we may have had shortfalls in the past.
- ✓ The right side shows our efforts for financial and digital platform operators. Money Canvas, our asset management platform, has been expanding its lineup to include products from other companies. Going forward, we will further enhance its asset-building functionality by expanding investment using points.
- ✓ Lower right is Progmat, our digital asset platform. In addition to security tokens, we enhanced digital assets, such as utility tokens, and the balance of assets managed exceeded 40 billion yen as of this April.
- ✓ Based on the belief that unparalleled convenience through co-creation among network participants is indispensable for a full-scale extension of the digital asset market, we are pursuing our plan to make Progmat an independent company so that it can become a neutral cross-industry organization. Through these efforts, we will strengthen our position as a financial and digital platform operator.
- ✓ Please turn to page 33.




## Digital transformation (3)


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

Invest in digital financial players in Asia


**Home Credit | Approx. ¥87bn**



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



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



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

**MUFG Ganesha Fund | Approx. ¥37bn\*<sup>2</sup>**

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

**MUIP\*<sup>3</sup> Garuda Fund | Approx. 13bn\*<sup>4</sup>**

The fund to invest in Indonesian startups

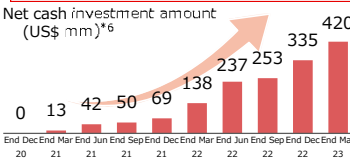
Take a broad approach to fulfill the growing financial needs in Asia

Expand financial capabilities through open innovation

**Mars Growth Capital | Approx. ¥133bn\*<sup>5</sup>**

- Utilize AI technology through joint venture with Liquidity Capital

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



Net cash investment amount (US\$ mm)\*<sup>6</sup>

No. of contacted customers  
**over 2,000**

IRR (2022 result)  
**12.7%**

Total fund size  
**us\$750mm**

Expand into new areas

**Mars Europe** Up to US\$250mm

**Global**

- Enter European startup market

**Mars NEXI** Up to US\$100mm

- Invite Japanese investors through NEXI\*<sup>7</sup> insurance

**Mars Japan** Up to ¥20bn (Reference: P.75)

**Japan**

- Nurture Japanese unicorn companies to accelerate growth
- Bring “AI based financing model” of Mars to Japan

Strengthen relationships with Liquidity Capital through investment from MUFG Bank

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

\*7 Nippon Export and Investment Insurance

- ✓ This page shows our initiatives to meet digital financial needs in Asia.
- ✓ The left side shows our investment in digital financial players in Asia. In Asian countries, digital financial services utilizing data and AI technology are emerging. In order to capture these digital financial needs in Asia in a diversified manner, we decided to acquire Home Credit's operation in Indonesia and the Philippines and to invest in Akulaku and DMI Finance.
- ✓ In addition to these investments, we also made investments through funds and executed a total of three investments through the MUFG Ganesha Fund, an investment facility for startups in India.
- ✓ We also established a new 100-million-dollar fund to invest in Indonesian startups.
- ✓ The right side shows our initiatives to expand our financial capabilities through open innovation. Mars Growth Capital, which started in Asia, is taking on the challenge of expanding its financial capabilities by developing an AI-based financing model in fund structure to finance startups. Since its launch, it has steadily built a track record and increased its total fund size to 750 million dollars in January.
- ✓ In addition, we decided to establish Mars Japan, which will provide loans to Japanese startups in order to leverage the knowledge that Mars has cultivated overseas to the development of venture companies in Japan. By providing growth capital to promising pre-unicorn companies in Japan, Mars Japan will help to create and accelerate growth of world-class unicorn companies originating in Japan.
- ✓ In addition, we plan to launch a fund for European startups and a new fund that utilizes NEXI's insurance scheme and will expand and develop Mars' initiatives globally.
- ✓ We decided to invest a total of approximately 200 billion yen in these initiatives during FY22, which brings our cumulative total to over 400 billion yen, including our investment in Grab and Mars.
- ✓ We will continue to consider strategic investments to capture diverse financial needs in Asia.
- ✓ Please turn to page 34.

## Transformation of corporate culture (1)

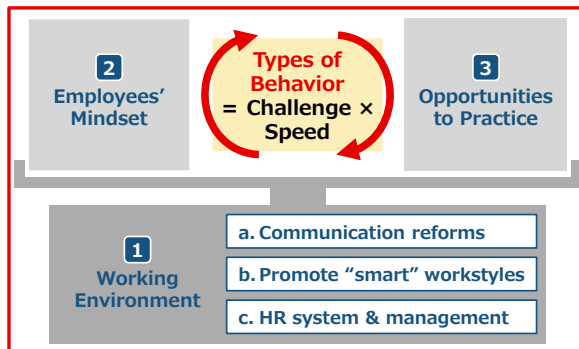
– Development of corporate culture “challenge × speed” in which employees think and act autonomously

### Framework of Transformation of Corporate Culture

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

Sustainable growth (financial and non-financial)

Accelerate business initiatives originated from the purpose



### Review of FY22 (MUFG Employee Survey)

#### Challenge

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

Willing to Take on Challenges

Recommend as a Great Place to Work

Highly motivated to take on challenges



Ongoing issue: Employee engagement



#### Enhance the Sense of Satisfaction and Growth

Develop a sense of ownership about MUFG Way

Create challenging opportunity

Own career development

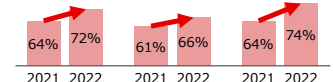
#### Speed

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

Managed in a Simple and Speedy Manner

Speedy Decision-making in Workplace

Ongoing issue: Simplification



#### Simplification to Improve Speed

Simplified decision-making process

Review procedures based on feedback from branches

- ✓ Transformation of corporate culture is one of our corporate transformation efforts. We have been working to change the employee's mindset and provide opportunities to take on challenges so that challenge and speed take root in the behavioral patterns of each and every employee.
- ✓ As shown in the upper right, our score for a challenge maintains a high level. We are receiving an increasing number of positive comments, such as, MUFG has changed. On the other hand, speed remains an issue, and we are moving forward with a drastic simplification to achieve speedy business operations.
- ✓ Please turn to page 35.

## Transformation of corporate culture (2)

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

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



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

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



Service to solve the problem of maternity office clothes

Services to create exhibition / sales opportunities for art artists

Services to achieve condo management without a board of directors

#### **[Spark X 2023]**

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



▲ Scene of the workshop

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

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

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



▲ MUFG HQ bldg. project’s concept

▲ An exchange of views between outside directors and WG members

### MUFG Way Boost Project



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

Publish booklet  
→Download

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



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

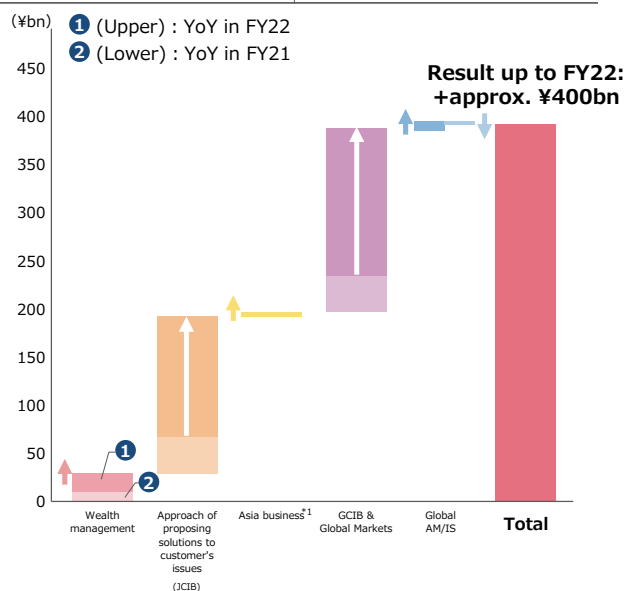
- ✓ This page is on our efforts to put the MUFG Way into practice.
- ✓ Left side, in Spark X, in-house new business incubation program, three projects that were selected via the final screening are moving toward commercialization with full management support.
- ✓ Next, right side. The concept for “MUFG headquarter” building was decided based on free and active discussions among the working group members. We believe these discussions themselves have led to cultural transformation, and we’ll continue the headquarter-building project led by the second working group members.
- ✓ By encouraging employees to realize their purpose and My Way, under MUFG Purpose, we will work to create a work environment that provides a sense of excitement.
- ✓ Please turn to page 36.

## Progress of the key strategies

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

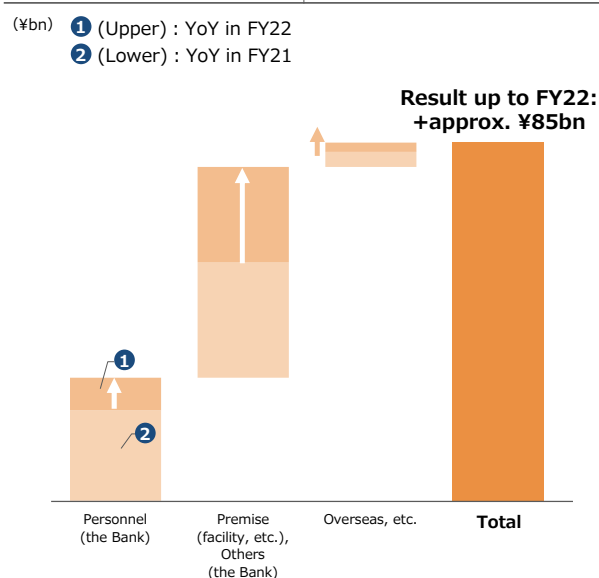
### Strategy for growth

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



### Structural reforms

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



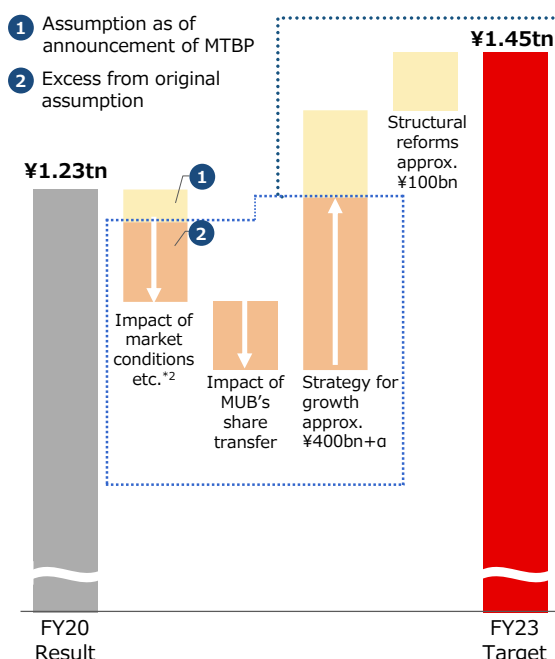
\*1 For Asia business, the estimated decrease in net operating profits during FY21 by the impact of market conditions, etc. such as the impact of policy rate cut, is not included in the MTBP target of strategy for growth. The growth from FY22 is included

- ✓ This page shows the progress of the strategy for growth and structural reforms.
- ✓ As shown on the left, strategy for growth aims to increase NOP by 150 billion yen during the three-year MTBP, which was achieved ahead of schedule in the two years up to FY22 with an increase of 400 billion yen.
- ✓ Right side shows the structural reforms, which have reached 85 billion yen by FY22 and is well on track to achieve the target of 100 billion yen.
- ✓ The progress of each growth strategy is shown on pages 38 through 42, but here I will just give a brief overview.
- ✓ In Wealth Management, on the far left, AuM is increasing steadily, thanks to an increase in cross transactions in inheritance and real estate through the use of digital platforms.
- ✓ Second from the left is, Approach of proposing solutions to customers' issues. We are steadily building up earnings while helping customers address social issues through enhanced risk-taking and business investments with customers.
- ✓ Third is Asia business. Bank of Ayudhya, or Krungsri, is steadily capturing growth in Asia through inorganic strategies, such as the acquisition of Home Credit. Bank Danamon struggled on the other hand, partly due to the prolonged impact of COVID-19, but we will continue to strengthen group-wide collaboration to build up earnings.
- ✓ Fourth is GCIB and Global Markets. In our key focus area of institutional investor business, we are steadily increasing earnings by strengthening our risk appetite and prioritizing highly profitable transactions.
- ✓ Finally, the fifth strategy is Global AM/IS. In Global AM, NOP was negatively impacted by external factors, such as AuM decrease from market decline, but in the alternative investment area, where high growth is expected, we decided to acquire AlbaCore Capital.
- ✓ In addition, in Global IS, we grew our asset under administration significantly. We will continue to consider strategic investments to expand our capabilities and increase earnings.
- ✓ Please turn to page 37.

## Progress of the key strategies and NOP target

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

### Path to achieve FY23 NOP target\*1



### FY23 NOP target by business group\*3

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

### Major backgrounds of target revision

<b>JCIB·GCIB</b>	: Increase on non-JPY loan and deposit interest income
<b>GCB</b>	: MUB's share transfer
<b>Global Markets</b>	: Restrained position management

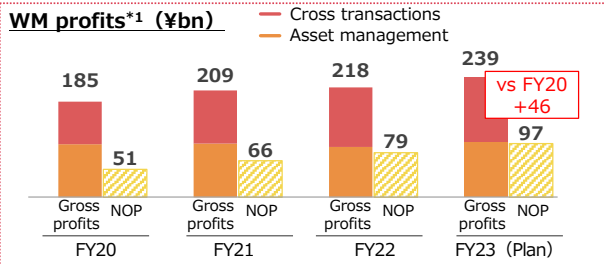
\*1 Managerial accounting basis \*2 Impact from FX fluctuation and rise in interest rates, etc.  
\*3 On a managerial accounting basis. Including changes in standards

- ✓ In light of the steady progress of our strategy for growth and changes in the environment, such as rising interest rates, we revised our NOP target by business group for FY23. As shown on the right, JCIB and GCIB revised their NOP target upward, mainly due to the increase on non-Japanese yen loan and deposit interest income resulting from higher interest rates.
- ✓ GCB and Global Markets revised downward due to the impact of MUB's share transfer and the changes in the market conditions, respectively, but overall, our policy to achieve the NOP target of 1.4 trillion yen remains unchanged.
- ✓ Please skip to page 43.

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

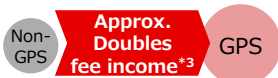
– Expansion of cross transactions and the use of WM digital platform resulted in YOY increases in both gross profits and net operating profits

## KPI



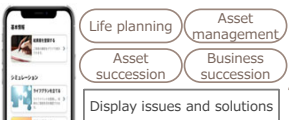
## WM digital platform (WMPF)

### Offline Proposal with GPS\*2



Open some functions online to customers

### Online Wealth Canvas\*4



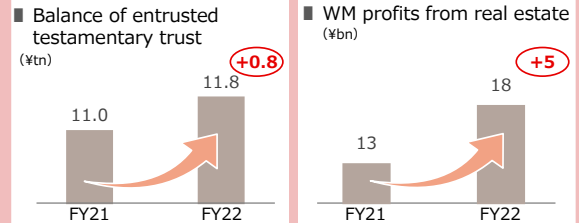
### Wealth Canvas success story

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

## Progress of key strategies

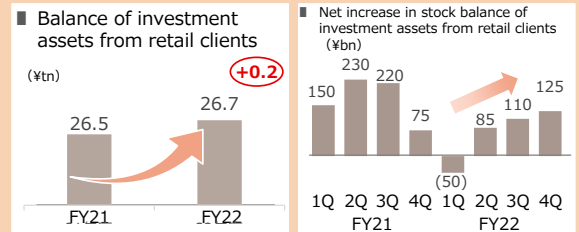
### Cross transactions

#### Real estate business arising from inheritance needs



### Asset management

#### Asset management advisory model



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

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

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

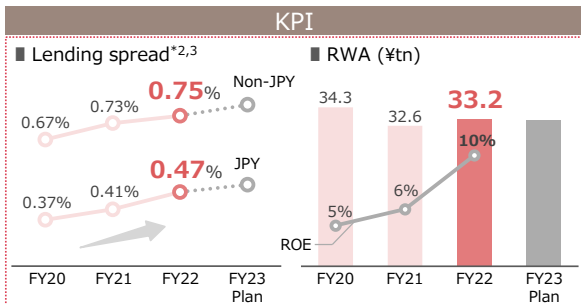
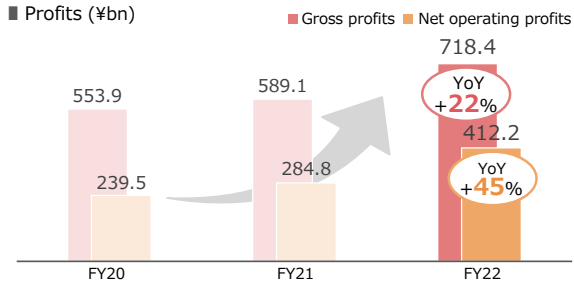
# Strategy for growth (2)

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

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

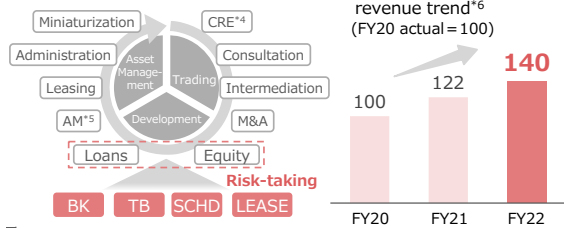
### JCIB's financial highlight (FY22)

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



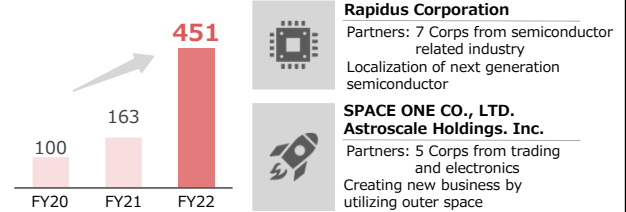
### Expand new business opportunities by enhancement of risk-taking

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



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

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



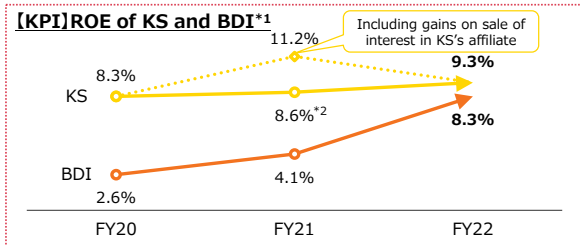
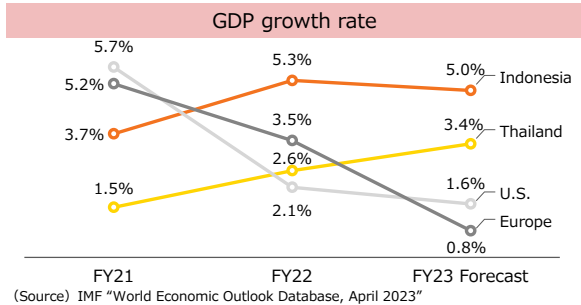
\*1 JCIB Business Gr.'s management policy is to pursue steady annual performance improvement rather than simply forging ahead, hoping to achieve results in excess of planned targets \*2 Results of JCIB (the Bank, non-consolidated basis) \*3 Calculated as net interest income / average loan balance of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

# Strategy for growth(3) – Asia business

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

## Macroeconomic environment in Thailand and Indonesia

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



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

## Inorganic strategy of KS

- Pursue opportunities for growth in and outside Thailand

- Thailand: Securities (Capital Nomura Securities)
- Vietnam: Non-bank (SHB Finance Company Ltd)
- Cambodia: Non-bank / Commercial bank (HATTHA Bank Plc.<sup>\*3</sup>)
- Philippine: JV with Security Bank (SB Finance Company, Inc.)

Acquisition cost of EUR596mm in 2023

Philippine & Indonesian subsidiary: HOME CREDIT

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

## Enhancing BDI's consumer finance business

### Housing Loan

Danamon Developer Retail

Enhance collaboration between BDI Commercial/Retail and MUFG

MUFG Jakarta Branch (BK)

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

Strengthen retail business which has the potential to grow

### Auto Loan

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

Indonesia's largest motor show

MUFG/BDI/Adira: Participated as main sponsors

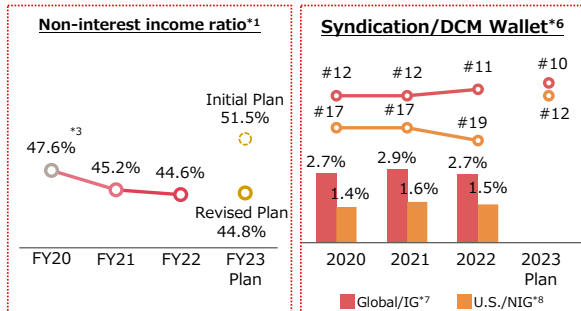
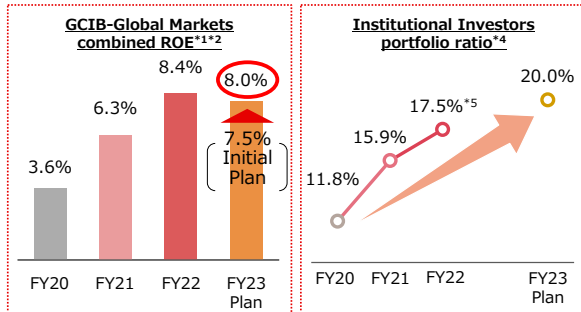
	FY22 result	FY23 target
Visitors	380thd	470thd
New Loans	¥2.9bn	¥4.3bn



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

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

## KPI



## Key points of revised KPI targets

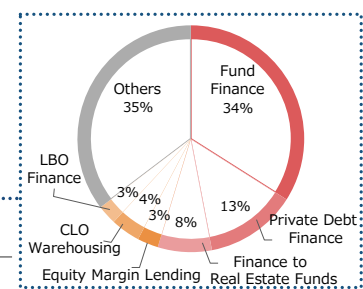
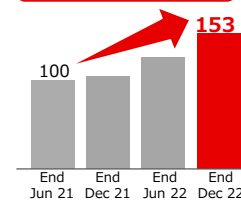
<b>GCIB-GM combined ROE</b>	• Revised upward to ROE 8.0% (+0.5ppt vs initial plan)
<b>Non-interest income ratio</b>	• Revised due to weak DCM and S&T demands and continuous improvement of interest income expected in FY23
<b>Institutional Investors portfolio ratio</b>	• Unchanged as a key focus area. Continue to provide diverse products based on institutional investors' demands
<b>Syndication-DCM Wallet</b>	• Unchanged as a mid-to long-term target. Closely monitoring NIG market with enhanced risk management

## Enhance risk appetite for institutional investors business

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

(End of June 21 result=100)

Allocate RWA resources to higher return portfolios



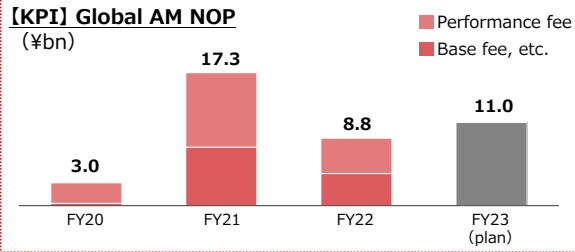
\*1 Exclude impact of MUB's share transfer \*2 Targeted domains : Overall GCIB+Global Markets S&T (excl. Japanese Corporate Sales)  
\*3 After adjustment of one off factor \*4 Loan balance in managerial basis \*5 Figure as of end of Feb 23 \*6 Source: Dealogic (Calendar year basis)  
\*7 Investment Grade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

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

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

## Global AM

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

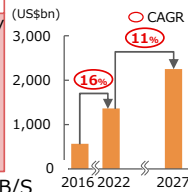


### Future initiatives

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

- Rationale for initiatives**

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

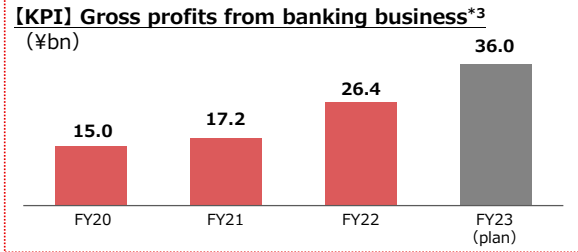


- 2 Development new products by using B/S
  - Reach out to investors by accumulating track records in infrastructure-related products, etc.

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

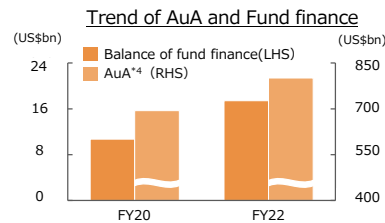
## Global IS

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



### Future initiatives

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

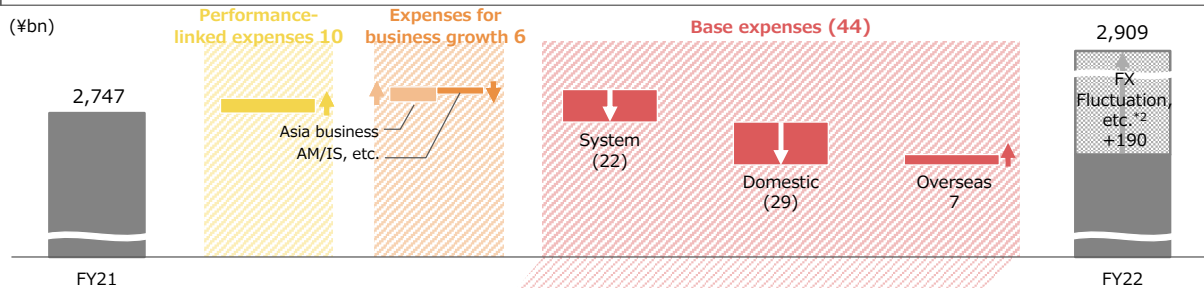


- Stably secured growth in AuA via the combined provision of fund finance, etc.

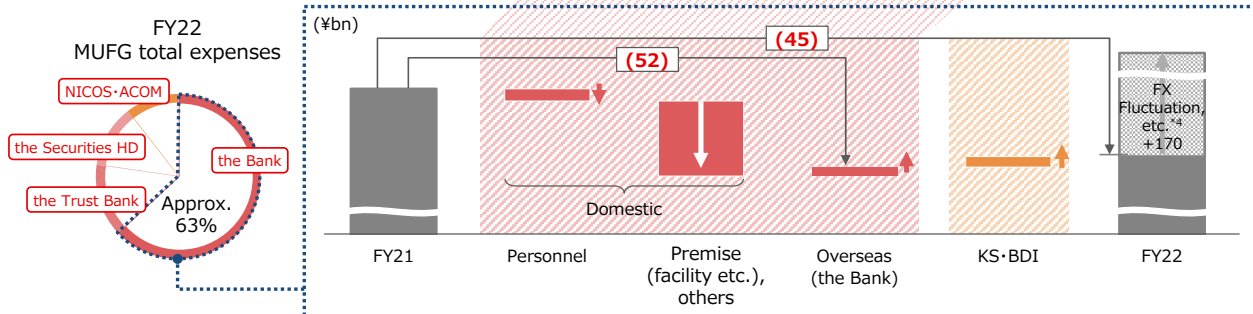
## Cost and RWA control – Expenses

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

### Expenses\*1



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



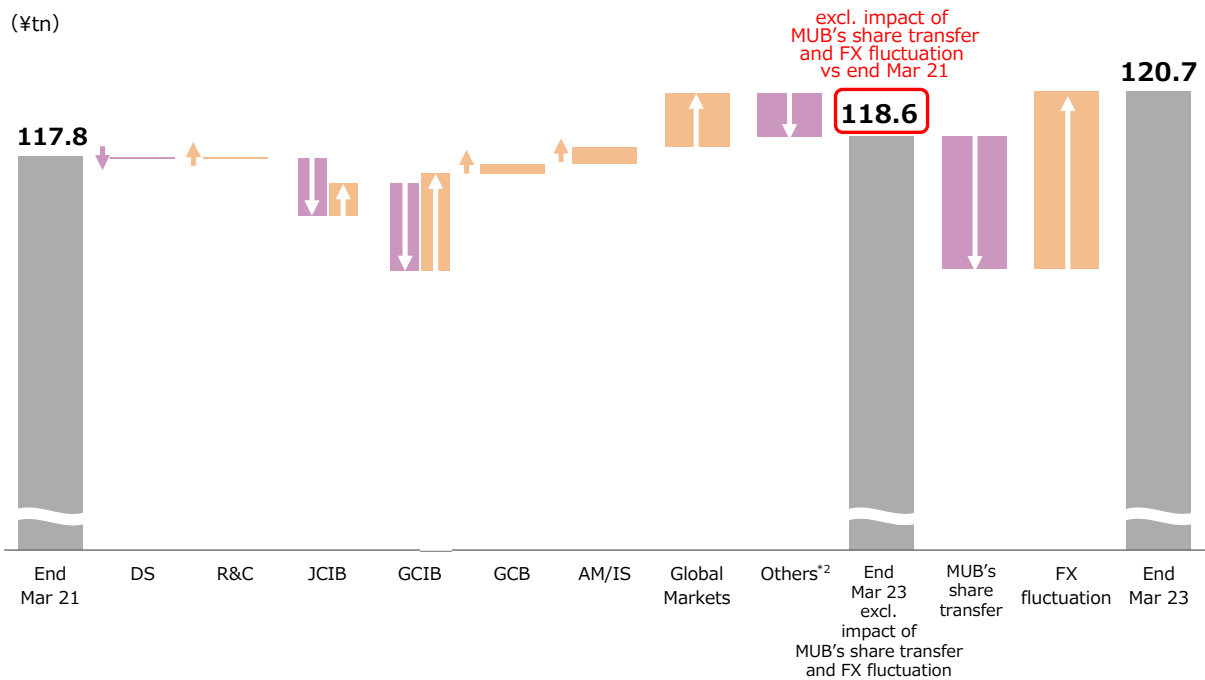
\*1 Internal managerial figure \*2 The impacts of FX fluctuation and MUB's share transfer are approx. ¥130bn and ¥60bn respectively

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

- ✓ This page is on cost and risk-weighted assets control.
- ✓ Expenses are well controlled, as we have been generating expenses for business growth by reducing base expenses.
- ✓ Please turn to page 44.

## Cost and RWA control – RWA\*1

– RWA is controlled properly through disciplined RWA management



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

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

- ✓ This page shows RWA.
- ✓ Excluding foreign exchange impact, we have been successfully controlling RWA at the same level as the end of March 2021. We will continue aiming for higher risk return through disciplined RWA management.
- ✓ Please turn to page 45.

# Review of our business portfolio (the Americas)

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

## Schedule of the sale of MUB

- **Nov. 2008:**  
Acquired 100% ownership of MUB\*1
  - Contributed to MUFG's revenues for more than a decade

**Business environment surrounding MUB**

- Increasing importance of scale and IT investments in retail business

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

MUFG	Optimize management resource allocation to improve shareholder value
MUB	Unlock MUB's potential franchise value by integrating with U.S. Bancorp
MUB's customers	Access to USB's high quality financial services
- **Oct. 19<sup>th</sup> 2022:** Obtained all required regulatory approvals
- **Dec. 1<sup>st</sup> 2022:** Transferred MUB shares to USB and received USB stock\*2
- **May 2023:** System conversion and integration at USB (scheduled)

## Future strategy of the Americas

**Future direction**

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

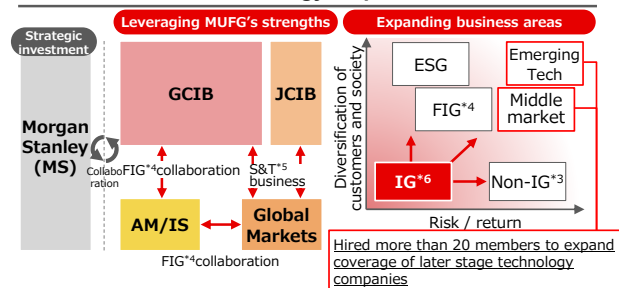
**Core businesses**

- GCIB & Global Markets
- JCIB
- AM/IS

**Areas of focus**

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

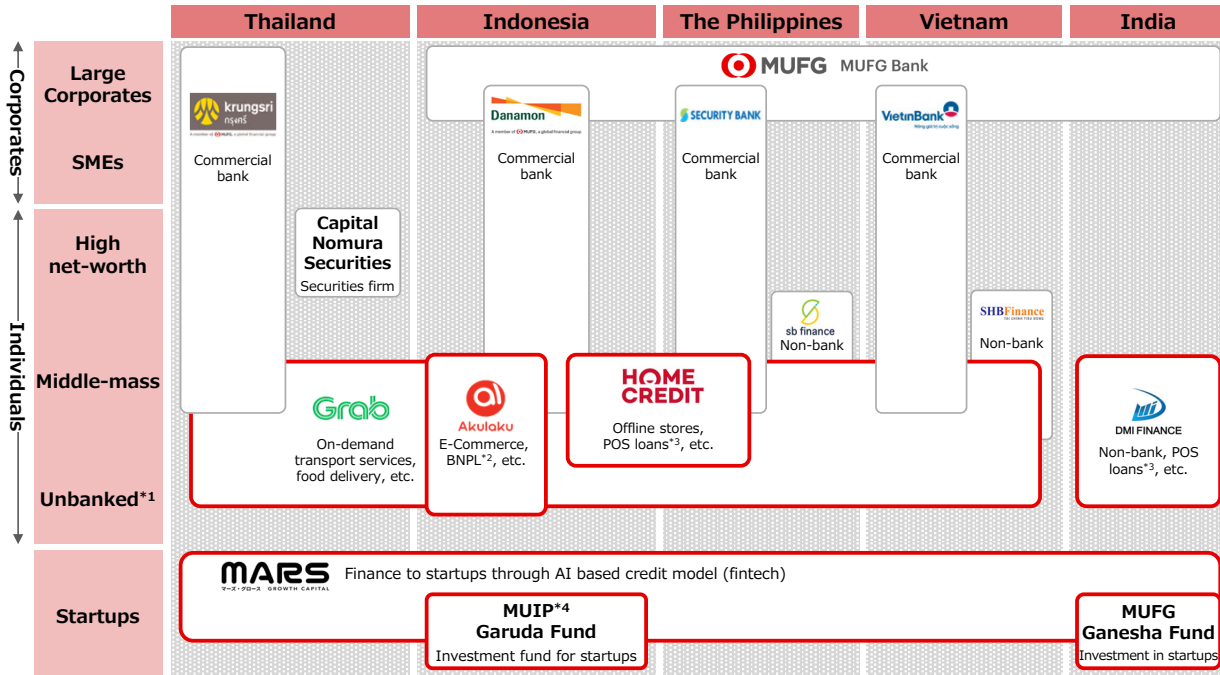
## Strategy map



- ✓ This page is on our Americas strategy.
- ✓ As shown on the lower left, we completed MUB's share transfer last December. Going forward, we will concentrate our management resources on wholesale business where we can leverage MUFG's strength and aim for further growth and higher profitability in the Americas business through bank, trust bank, securities collaboration, and a stronger partnership and alliance with Morgan Stanley.
- ✓ Please turn to page 46.

# Review of our business portfolio (Asia & digital)

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



  : Digital finance investments

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

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

\*3 Point of Sale loan is an installment loan provided at automobile and household appliance dealerships \*4 MUFG Innovation Partners

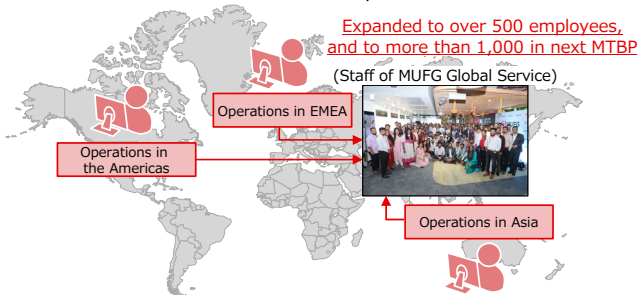
- ✓ This page is on Asia.
- ✓ In order to meet various financial needs in the expanding Asian market, we are investing in the digital financial service domain, in addition to our traditional commercial banking platform. By establishing a structure that can meet wide-ranging needs, such as fulfilling financial needs in offline stores and online purchases, we will capture growth in Asia in a multifaced fashion.
- ✓ Please turn to page 47.

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

– Continue to maintain the resilience of overseas business and operations

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

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



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

Building an integrated management framework overarching Americas and EMEA CIB business

Appointed as Global Executive of CIB (Americas and EMEA)

Kevin Cronin



### Objectives

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

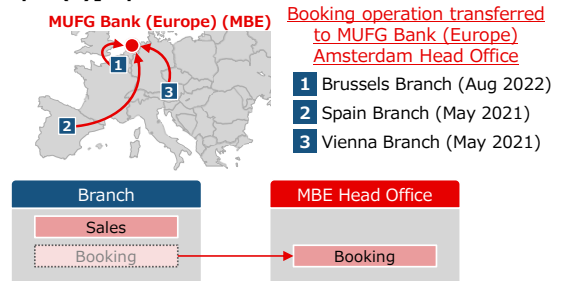
\*1 Registered name: MUFG Enterprise Solutions India Private Limited

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

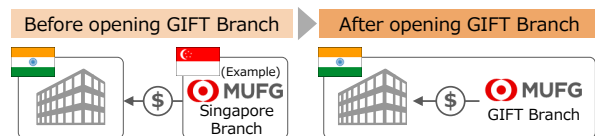
## Optimizing the overseas office network

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

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



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



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

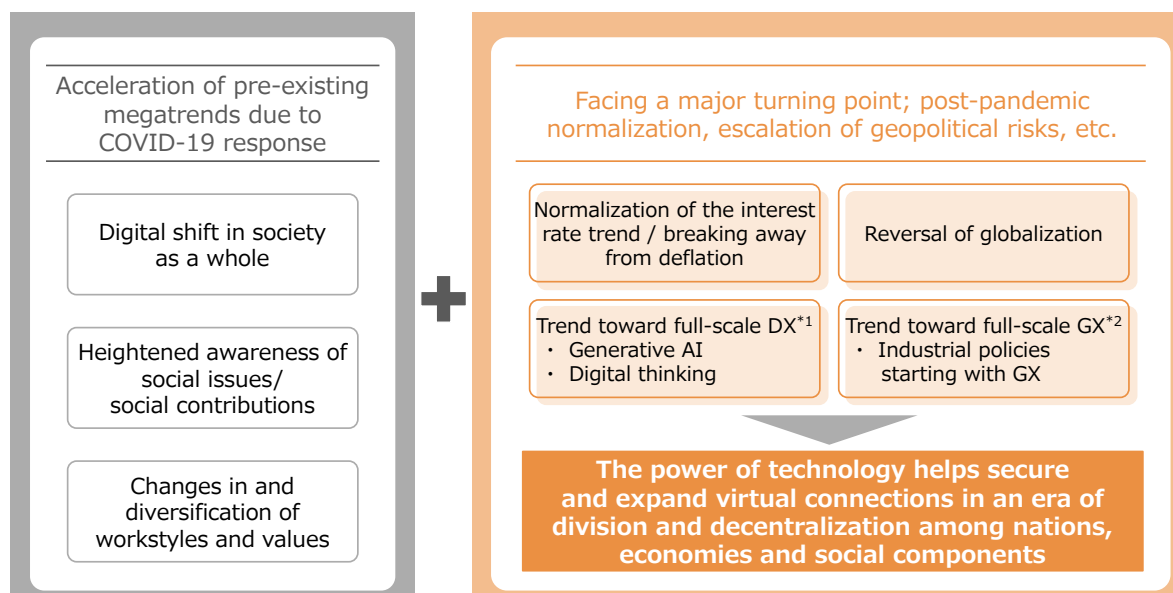
- ✓ This page shows the transformation of platforms in our business infrastructure and the evolution of our business operations overseas.
- ✓ We are promoting the efficient allocation of management resources through centralization and standardization of overseas operations utilizing a subsidiary in India and optimization of our overseas office network, as well as pursuing synergies and upgrading strategies by building an integrated management framework for CIB operations in Americas and EMEA.
- ✓ Please turn to page 48.

## Toward the next MTBP: Business environment

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

As of formulation of current MTBP

During current MTBP



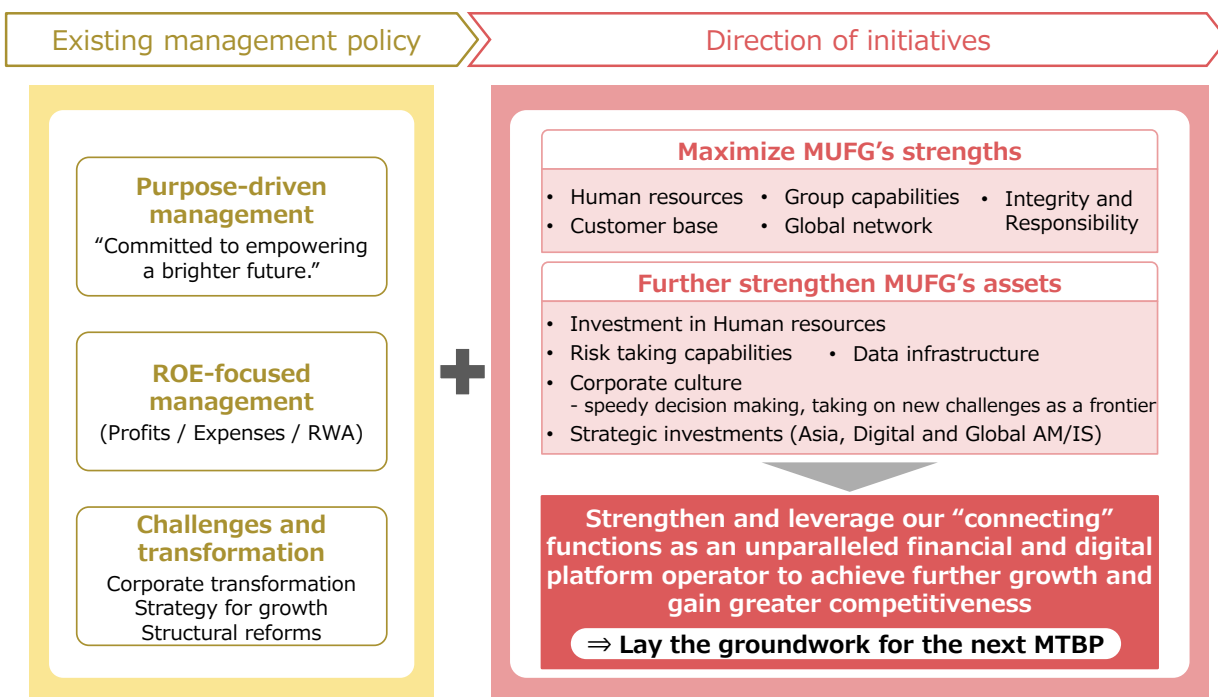
\*1 Digital transformation \*2 Green transformation

- ✓ From this page, let me touch on some ideas for the next MTBP, starting from environmental awareness.
- ✓ While the traditional megatrends of green and digital are accelerating further, the business environment surrounding MUFG has changed significantly since the start of the current MTBP. Last year, in particular, saw a series of historic events, such as Russia's invasion of Ukraine, high inflation, and shifts in monetary policy in Europe and the U.S. and credit insecurity over some Western banks. I cannot remember a year in which we have experienced such major changes in the environment.
- ✓ I attended the World Economic Forum in Davos this past January and felt the enthusiasm for normalization from COVID-19 and the transition to the next stage, as well as the fact that we are in an era of division and decentralization at various levels, including national, economic, and social as evidenced by the overall theme of the conference.
- ✓ On the other hand, the development of digital technology allows individuals and companies to be instantly connected beyond time and place. We are in an age of division and then connection. It is seemingly contradictory, but I believe this is the era we live in today.
- ✓ Please turn to page 49.



## Toward the next MTBP: Direction of initiatives

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



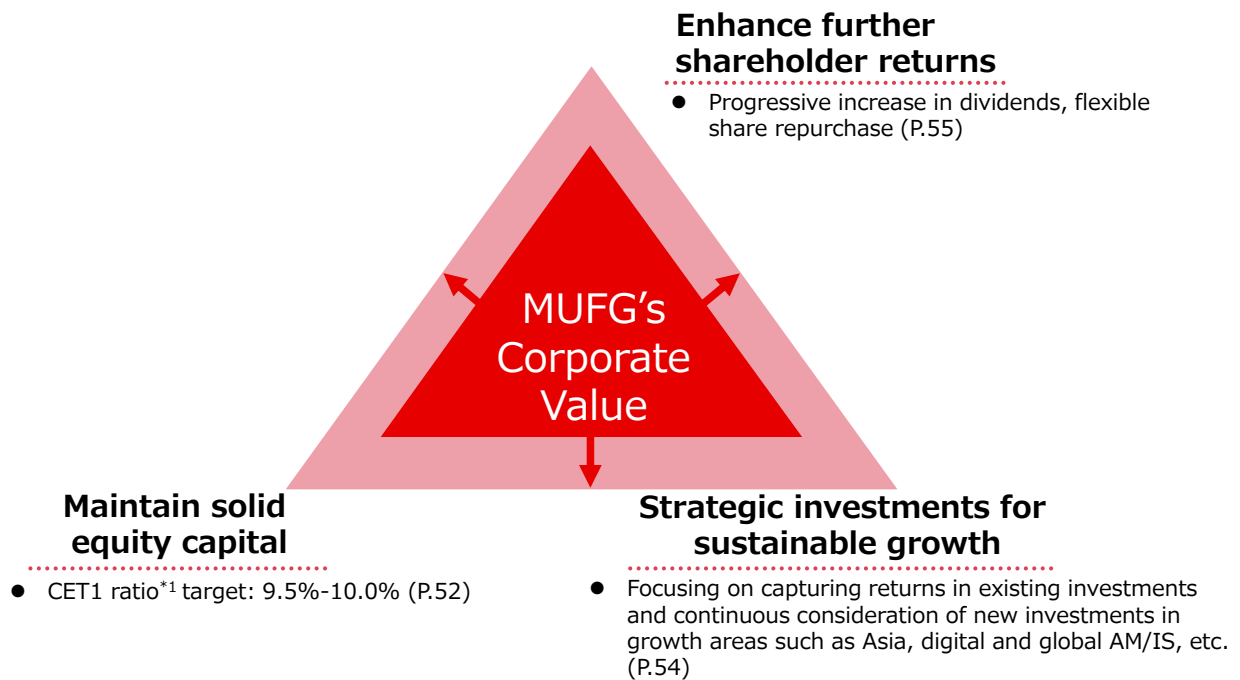
- ✓ In such times, I believe that MUFG needs to strengthen and demonstrate its function to connect the world. Finance has the power to connect many things: settlement of funds connecting remote areas, financial intermediation connecting depositors and investors, M&A and investment banking services across nationalities, between developed and emerging countries, and asset management and succession, connecting a parent's generation with their children and grandchildren, and what we connect are irreplaceable assets, business funds, and personal and company data.
- ✓ Financial platform operators require a high level of trust, credibility, and safety, and we, MUFG, have the strength to connect the world, including human resources, group capabilities, integrity, and responsibility.
- ✓ In the last year of the current MTBP, we will further strengthen MUFG's assets through human resources investment and risk-taking capabilities, in addition to the completion of the MTBP, and further enhance our connecting functions to achieve further growth and gain greater competitiveness in the next MTBP.
- ✓ Please skip to page 52.

Capital policy



## Basic policy (“Capital Triangle”)

– Implement well-balanced capital management



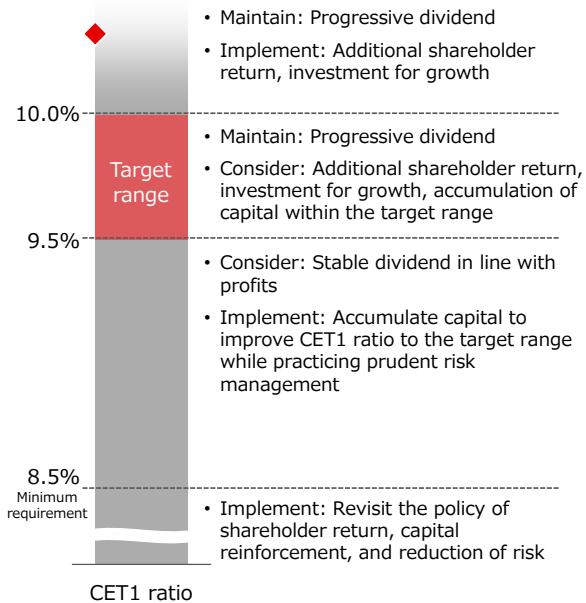
\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

## Capital management policy

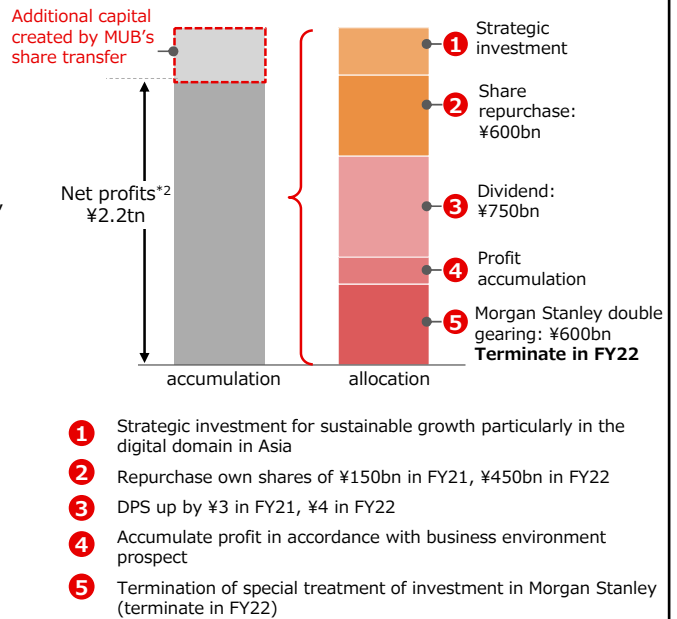
– Align our approach to capital management with business environment based on CET1 target range

### Capital management policy\*1

(End Mar 23)



### Breakdown of net profits during FY21-22



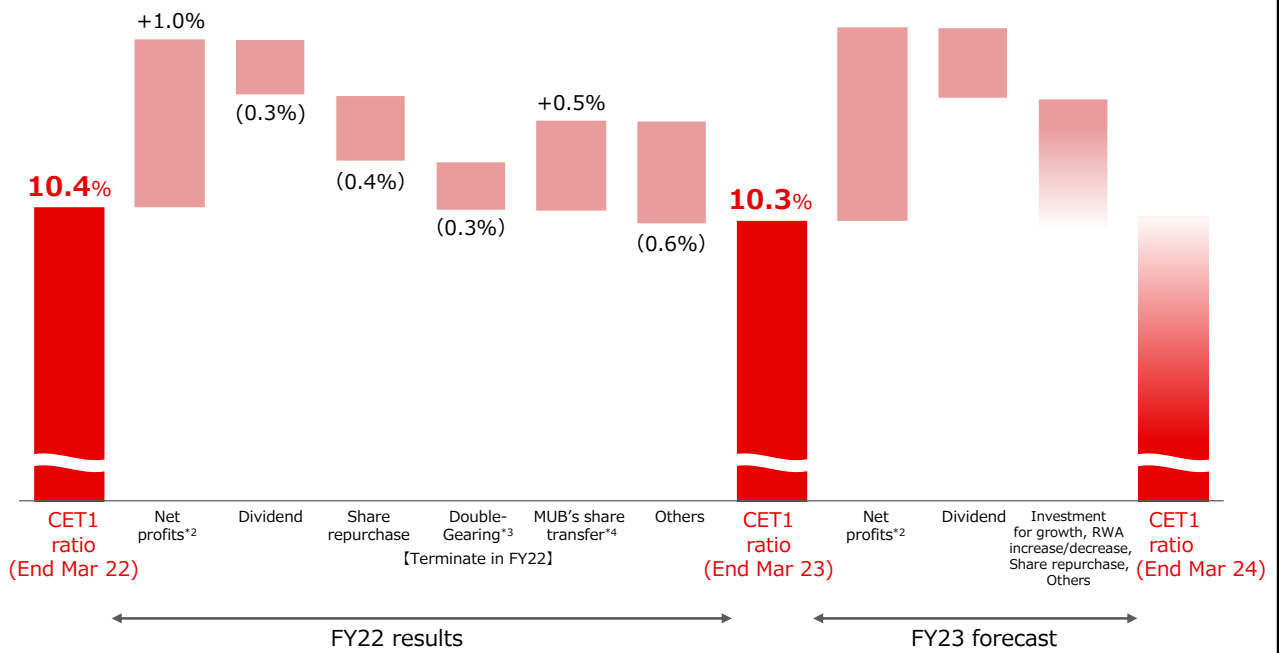
\*1 Estimated CET1 ratio reflecting the RWA increase calculated on the finalized Basel III reforms basis. Excludes net unrealized gains on AFS securities

\*2 Profits attributable to owners of parent

- ✓ Let me explain our capital policy from here.
- ✓ In the current MTBP, we announced a target CET1 ratio of 9.5 to 10% as our capital management policy. Although the current CET1 ratio is above the target range, we need to assess the impact of the collapse of overseas financial institutions and other events on the real economy and on the regulatory environment. We believe that this a phase where we need to operate with some capital buffer.
- ✓ Please skip to page 56, which is on shareholder returns.

# Capital allocation

## Capital allocation results and forecast\*1



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

\*2 Profits attributable to owners of parent \*3 Capital deduction for the investment in Morgan Stanley \*4 Excluding the impact of the investment in U.S. Bancorp

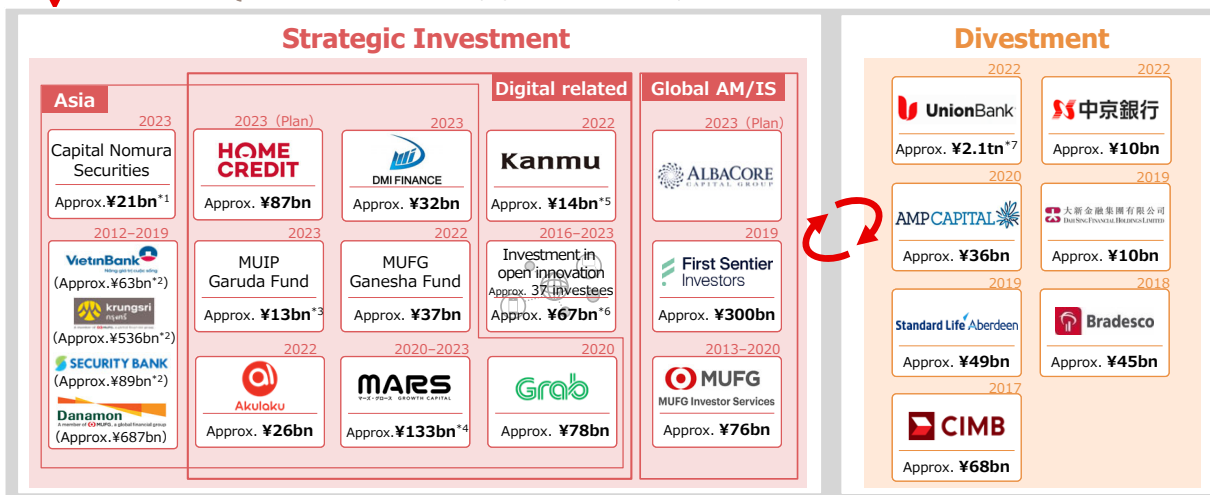
# Strategic investments for sustainable growth

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

## Disciplined investment criteria

<b>Strategy</b>	Consider new investments in growth areas such as digital, global AM/IS and Asia, etc.	<b>Profitability</b>	Profitability criteria for enhancing corporate values Periodic monitoring after investments	<b>Capital efficiency</b>	Reallocate capital to strategic areas
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- Current situation of consideration
- Focus on capturing returns in existing investments
  - In spite of continuous consideration, no major investment projects will be considered for the time being
  - If there is no candidate satisfying our criteria, excess capital will be allocated for additional shareholder return

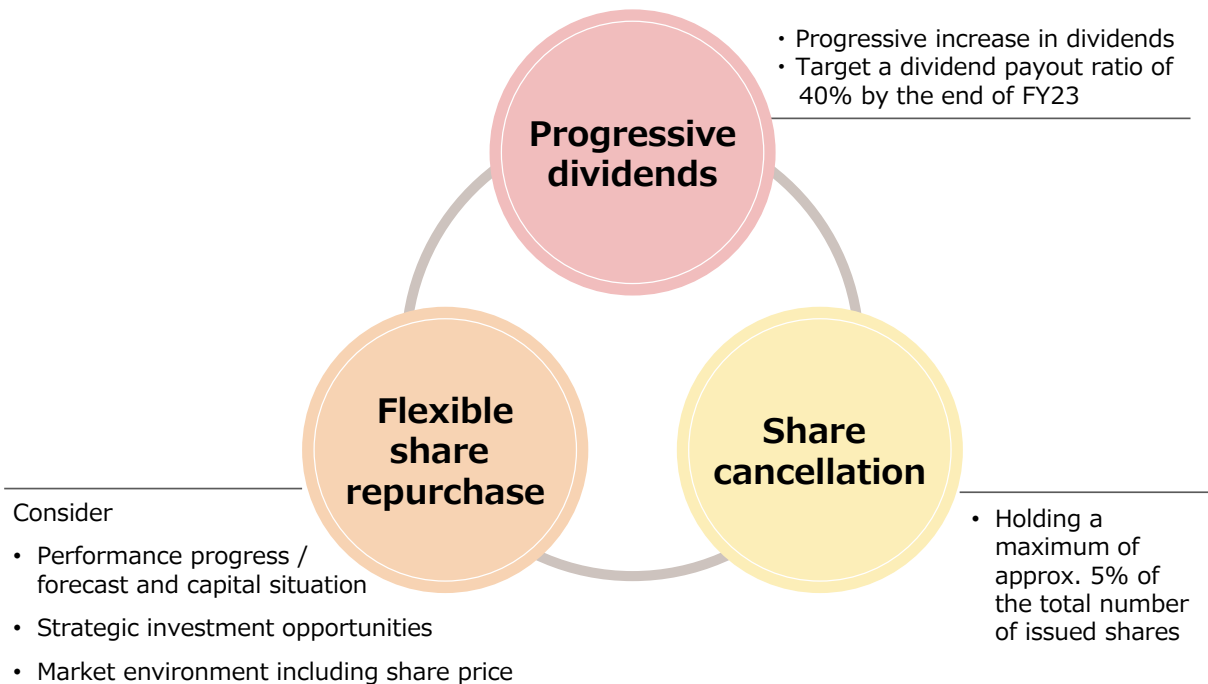


\*1 JPY equivalent of planned investment amounting of THB5,501mm using actual exchange rates as of end Jun 2022 \*2 Initial investment amount \*3 JPY equivalent of commitment amount of US\$100mm using actual exchange rate as of end Jan 2023 \*4 JPY equivalent of MUFG's LP commitment (incl. plan) using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

## Basic policies for shareholder returns

– Improve shareholder returns, focusing on dividends.

Consider share repurchase in a continuous and flexible manner

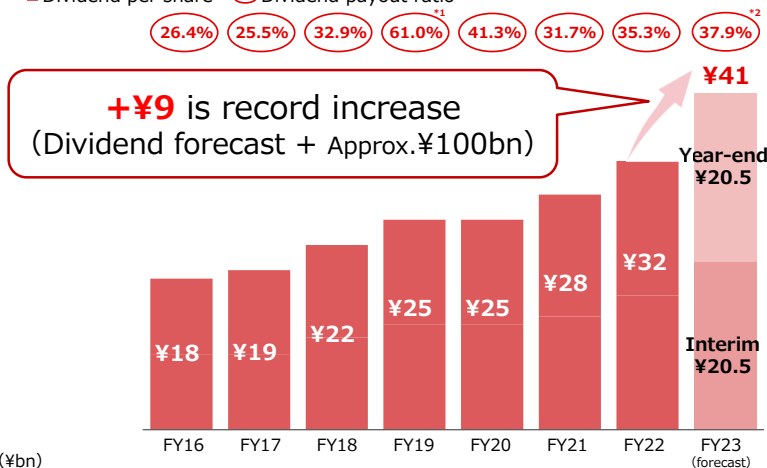


## Results of shareholder return

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

Results and forecast for FY23

■ Dividend per share ○ Dividend payout ratio



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

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

Concepts of shareholder return

### Dividend

#### DPS forecast in FY23 is up by ¥9

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

#### FY23 target

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

### Share repurchase

#### Repurchase own shares ¥450bn in FY22

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

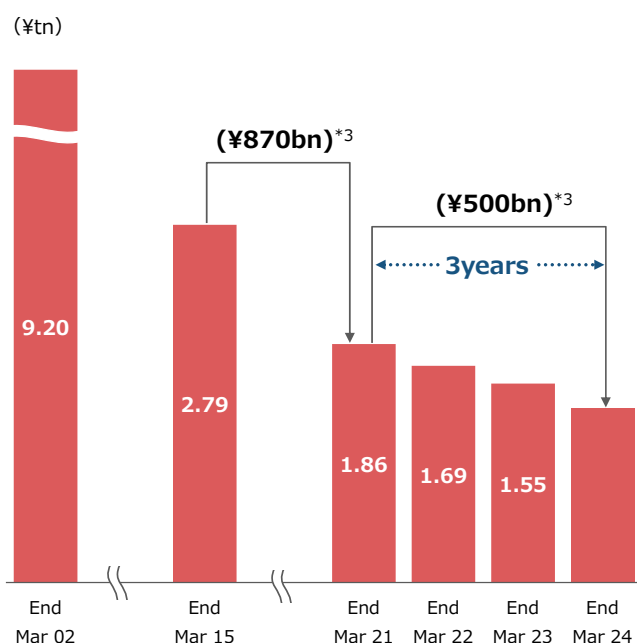
- ✓ In FY22, we increased the dividend per share by 4 yen and completed a share repurchase of 450 billion yen, which was the largest ever. For FY23, our annual DPS forecast is 41 yen, a record increase of 9 yen in order to achieve the dividend payout ratio of 40% set forth in the MTBP.
- ✓ Although we decided to forego the share repurchase this time given the current situation, we will consider share repurchase in a continuous and flexible manner in FY23.
- ✓ Please turn to page 57.



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

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

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



### Approx. selling amount

(¥bn)	Amount of Sale	Acquisition cost basis	Net gains (losses)
FY15	211	117	94
FY16	267	149	118
FY17	318	201	117
FY18	242	127	115
FY19	240	139	101
FY20	267	137	130
<b>FY15-20 Total</b>	<b>1,545</b>	<b>870</b>	<b>675</b>
FY21	470	169	301
<b>FY22</b>	<b>425</b>	<b>154</b>	<b>271</b>
<b>FY21-23 Target</b>	-	<b>500</b>	-
Agreed Amount <sup>*4</sup> (End Mar 23)	-	149	-

\*1 Sum of the Bank and the Trust Bank \*2 Acquisition price of domestic equity securities in the category of 'other securities' with market value (consolidated)

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

- ✓ This page shows our equity holdings.
- ✓ As shown on the right side, we reduced 154 billion yen on an acquisition cost basis in FY22, bringing the total amount of sales since FY21 to 323 billion yen, and we are making steady progress toward our MTBP target of 500 billion yen.
- ✓ Please turn to page 59.

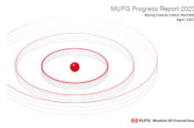
Approach to sustainability



## Moving towards Carbon Neutrality

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

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



### FY2023

#### ✓ MUFG Progress Report 2023

**To be published in FY23** MUFG Transition Whitepaper 2.0

**To be published in FY23** Transition plan for MUFG's decarbonization

**Next Step** Complete setting NZBA's interim targets by sector by June 2024

- Auto, Airline and Coal sectors are under consideration

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

**Interim target** Real estate, Steel, and Shipping sector

**Emissions from own operation** Shifted domestic electricity source to 100% renewable  
Set interim target for FY2025 & 2026

### FY2022

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

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

#### ✓ MUFG Transition Whitepaper

✓ NZAM: Set 2030 interim target

**Interim target** Power, Oil & Gas sector

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

### FY2021

#### ✓ MUFG Carbon Neutrality Declaration

- ✓ Joined NZBA and participated in the Steering Group
- ✓ Participated in the GFANZ working group

#### GHG<sup>\*1</sup> Emissions

**By 2050** Net zero from the financed portfolio

**By 2030** Net zero from own operations

\*1 Green House Gas

- ✓ From here, I will explain our approach to sustainability.
- ✓ First let me touch on the progress of our efforts toward carbon neutrality.
- ✓ Since the MUFG Carbon Neutrality Declaration in 2021, I think we have made significant progress in setting emission targets for our financed portfolio and our own operations, as well as disclosing actual results. This year MUFG plans to publish its own transition plan and will accelerate our initiatives toward net zero.
- ✓ Please skip to page 61.

# Milestones for Carbon Neutrality

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

New disclosure, target or plan

MUFG transition plan

NZBA's target setting to be completed

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

Net Zero

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

## MUFG's Approach

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

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

■ : Past initiatives  
■ : New initiatives

<b>MUFG Transition Whitepaper</b>	Shared with European and U.S. financial authorities and government officials → <a href="#">Download</a>	<b>MUFG Transition Whitepaper 2.0</b>	<ul style="list-style-type: none"> <li>Listing clean technologies which need finance support</li> <li>Increase predictability for Japan's decarbonization</li> </ul>
<b>NZBA ATFSG<sup>*1</sup></b>	Led discussion to create frameworks for transition finance	<b>JETP<sup>*2</sup></b>	Involved in creating framework for blended finance to accelerate energy transition in Indonesia and Vietnam

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

<b>Engagement: 1,500 companies<sup>*3</sup></b>	Provided solutions through collaborating with external partners
<b>Zeroboard Inc. linked cases: 300</b>	<b>Tokio Marine &amp; Nichido Fire Insurance Co., Ltd TCFD consulting service proposals: 85</b>
<b>Proposals Domestic : 120 Overseas : 960</b>	
<b>Collaborating with regional banks</b>	Sharing knowledge on sustainable finance with regional banks
<b>Strengthen capabilities</b>	Expand to provide optimal finance solutions according to market stage

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

<b>Electricity PT<sup>*4</sup></b>	Further strengthening relations with domestic power companies and industry associations
<b>Follow up</b>	Deepen understanding for clients' transition progress and leverage it for effective engagement
<b>Alliance with Hokkaido Gov.</b>	<ul style="list-style-type: none"> <li>Published Hokkaido carbon neutrality report→<a href="#">Download</a></li> <li>Updated an agreement to develop new industries and human resources contributing to carbon neutrality</li> </ul>
<b>Asia Zero Emission</b>	<ul style="list-style-type: none"> <li>Support Japanese companies to develop carbon neutrality business in ASEAN</li> <li>Strengthen relations with state-owned companies in Asia</li> </ul>

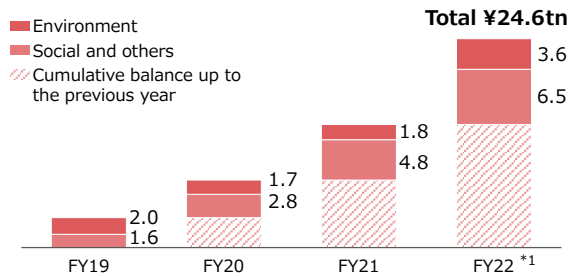
<sup>\*1</sup> Asia Transition Finance Study Group <sup>\*2</sup> Just Energy Transition Partnership : A partnership led by the G7 to accelerate the early retirement of emission-intensive infrastructure and support investment in renewable energy generation and relevant infrastructure <sup>\*3</sup> Including: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

- ✓ Let me explain MUFG's approach to achieving carbon neutrality.
- ✓ As indicated in 1, MUFG has been involved in rulemaking by submitting policy recommendations in collaboration with industries and government agencies. This year, we plan to publish the MUFG Transition Whitepaper 2.0 to list the technologies that will require financial support in the decarbonization of Japan.
- ✓ As shown in 2, on the bottom left, we also conducted engagement activities with 1,500 customers in Japan and abroad and provided solutions in line with our policies and strategies by collaborating with external partners.
- ✓ Furthermore, as noted in 3, on the bottom right, we are committed to working side by side with our customers in their decarbonization efforts in a responsible manner by strengthening our relationships, not only with our customers but also with local governments in Hokkaido and other regions, and throughout Asia.
- ✓ Please turn to page 62.

## Decarbonization through Financial Services

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

### Progress in sustainable finance



### Performance and external evaluation

New award established in 2022  
MUFG is the first winner

**Best Sustainable  
Finance Adviser\*2**

**Global No.1**

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

**3 years in a row**

**Wind Investment Awards  
Lender of the Year**

**Gold Award  
2 years in a row**

**The 4<sup>th</sup> ESG Finance Awards Japan  
(The Minister of the Environment Award)**

### Transition support

#### First in the Japanese airline industry

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



#### First in the Japanese food industry

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



#### First in Japan

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



#### First in Japan

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



### Renewable energy support

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



Supporting **all offshore wind projects** in Japan



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



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





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

- ✓ This page is on initiatives to support decarbonization through financial services.
- ✓ Sustainable finance has steadily grown its balance to a cumulative total of 24.6 trillion yen. In addition, as shown on the right side, a wide range of transition support cases are accumulating.
- ✓ Please turn to page 63.


## Initiatives to reduce GHG Emissions / Carbon Credits

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

### Net Zero from the financed portfolio

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

### Decarbonization initiatives as an Asset Manager

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

### Net Zero from own operations

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

### Initiatives for carbon credits through forest fund investments

Next step	<ul style="list-style-type: none"> <li>Initiate creating carbon neutral financial business through forest fund investments</li> <li>Lead to vitalize domestic and global CC<sup>*4</sup> markets and stimulate potential CC offset demand</li> </ul>		
			

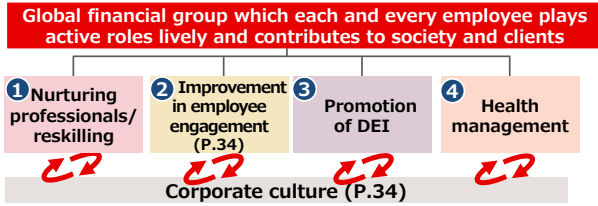
\*1 Financed Emission \*2 MUFG AM Sustainable Investment Division (the Trust Bank (Investment Management Division), Mitsubishi UFJ Kokusai Asset Management, MU Investments, Mitsubishi UFJ Asset Management (UK), and Mitsubishi UFJ Alternative Investments) \*3 FY2025: Domestic GHG emissions 2/3 reduction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

- ✓ This page is on our initiatives to reduce GHG emissions.
- ✓ Top left, regarding the GHG emissions from our financed portfolio, we are now considering setting new interim targets for auto, airline, coal, and other sectors, in addition to the existing disclosure of interim targets and results.
- ✓ Lower left, as for emissions from our own operations, we have already shifted to 100% renewable energy for electricity procured by all domestic consolidated subsidiaries. Going forward, MUFG will continue to work to improve the credibility of our initiatives by obtaining third party assurance while proceeding with initiatives in line with the newly disclosed roadmap.
- ✓ Upper right shows our initiatives as an asset manager. To achieve NZAM's interim targets, we will further expand sustainable investments through the establishment of a new division among five MUFG asset management companies and the establishment of a sustainable investing policy. In addition, we will accelerate our engagement with portfolio companies to promote their transitions.
- ✓ Finally, lower right, we will take a lead to vitalize the domestic and global carbon credit market through forest fund investments.
- ✓ Please turn to page 64.

# Initiatives for Human Capital Expansion

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

## Concept for human capital



## Human capital investment ① ②

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

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

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

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

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

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

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

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

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

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

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

## Health management ④

Initiatives to improve employees' mental & physical health	External Evaluation
<ul style="list-style-type: none"> <li>Entities, including the Bank, the Trust bank and the Securities, issue the Health Management Declaration</li> <li>Conduct health &amp; stress checks and health consultations in collaboration with industrial physicians</li> </ul>	<p>Several entities including the Trust Bank and the Securities have been certified as excellent health management companies. The Trust Bank received "White 500", a rating for the top 500 companies</p>

- ✓ This page is on our initiatives for human capital expansion.
- ✓ MUFG's aim is to become a global financial group where each and every employee plays active roles lively and contributes to society and clients.
- ✓ As shown on the lower left, MUFG will further expand our investment in human capital by substantially raising wages and increasing training development in order to secure professionals.
- ✓ Upper right, in DEI, we raised our target ratio of women in management by 2%, as we did in FY22, in response to the steady increase. We will continue to focus on the development of an HR framework that allows diverse talents to pursue professionalism and build their career autonomously, as well as on initiatives that focus on employees' mental and physical health.



## Appendix

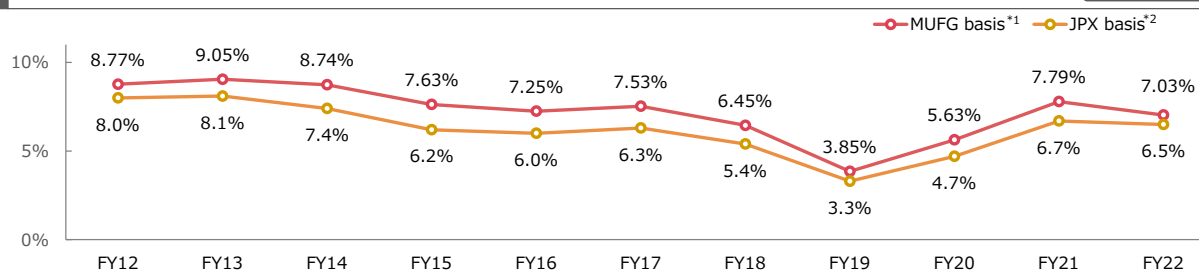


- ✓ This concludes my explanation.
- ✓ Under the Purpose of, "Committed to empowering a brighter future.," we at MUFG will continue to vigorously pursue challenges and transformation as a Group in order to become the power that moves all of our stakeholders forward, including society, customers, and employees, to the next stage of change.
- ✓ We would like to ask all of our investors and rating agencies for your continued understanding and support.

# ROE / EPS

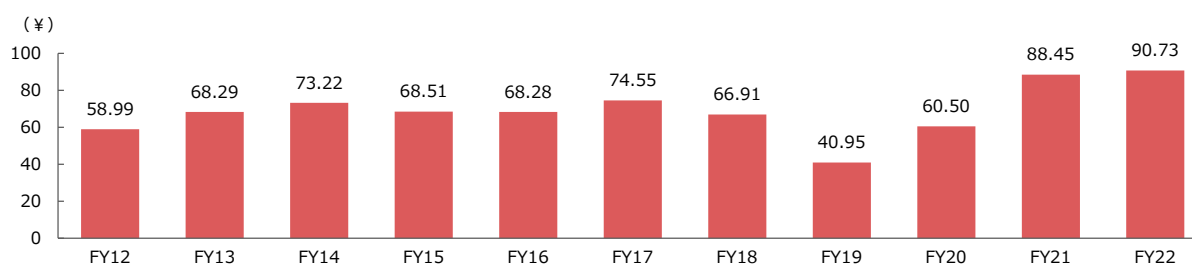
## ROE

Consolidated



## EPS

Consolidated



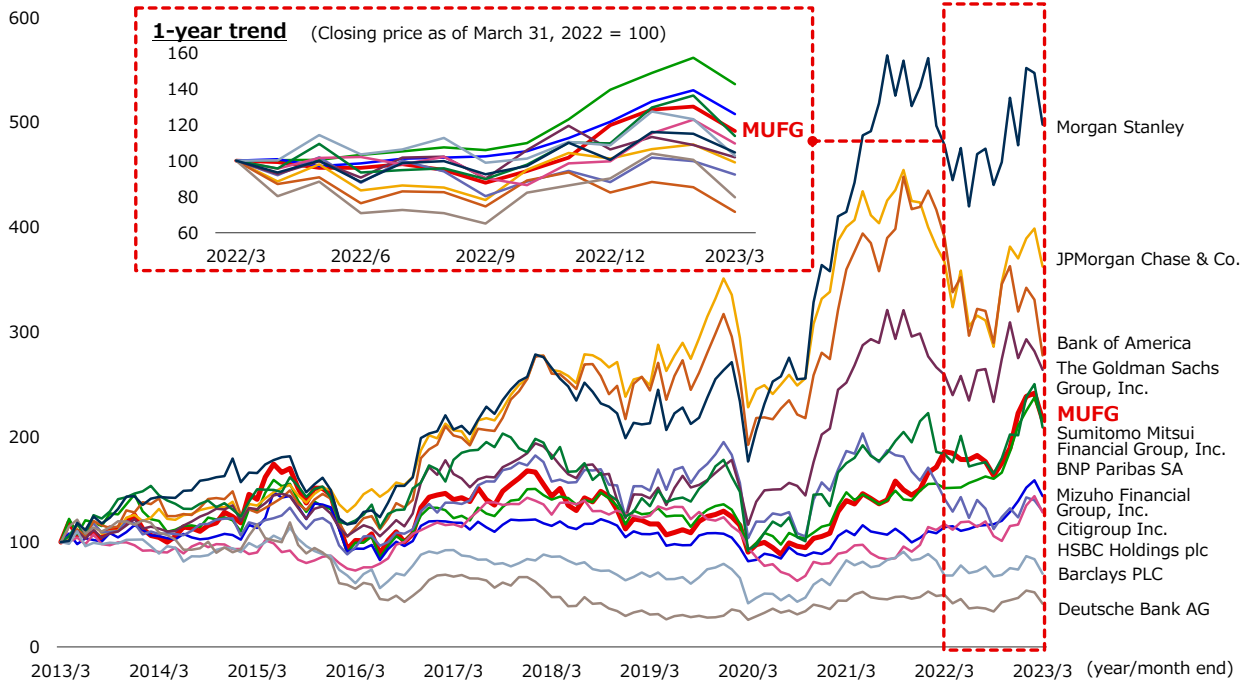
\*1  $\frac{\text{Profits attributable to owners of parent}}{\left\{ \frac{(\text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period} + \text{Foreign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

\*2 Japan Exchange Group

# Total Shareholder Return (TSR) Global Comparison

## 10-year trend

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

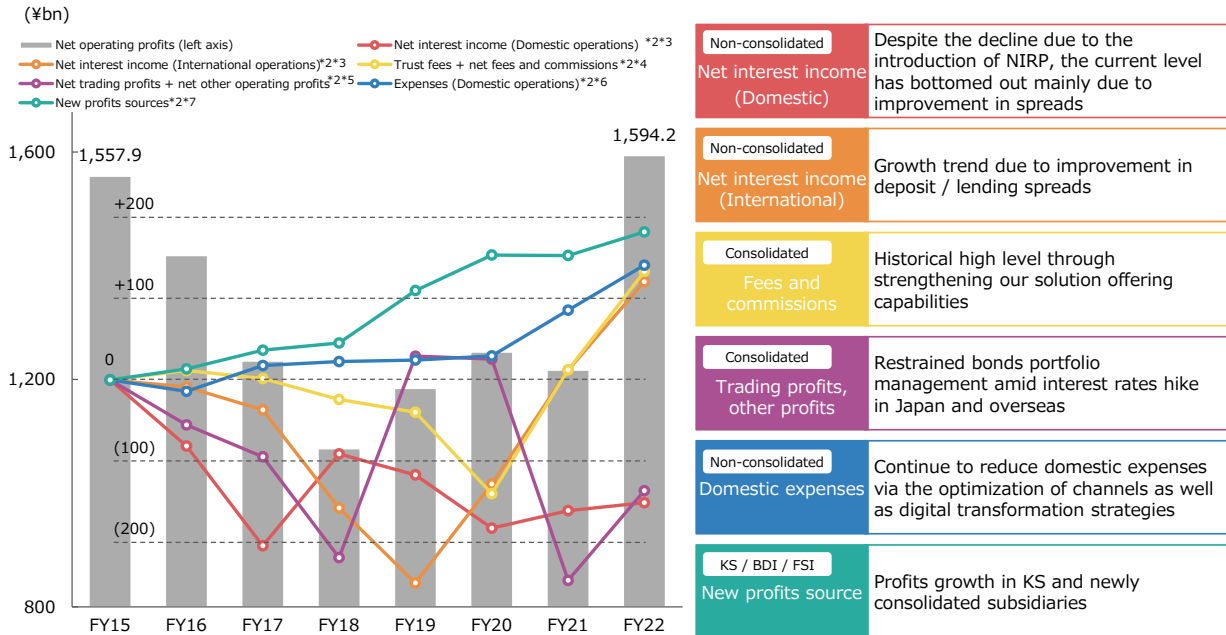


Source: Bloomberg

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

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

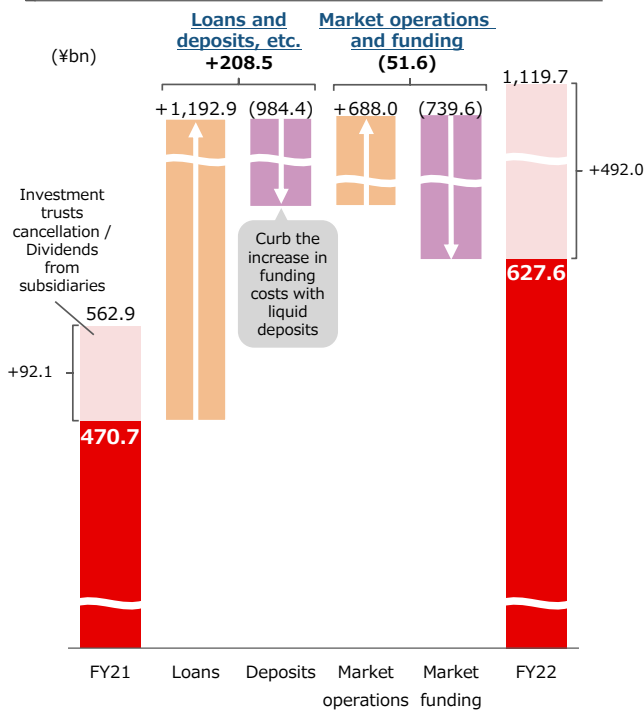
## Historical trend of consolidated net operating profits



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

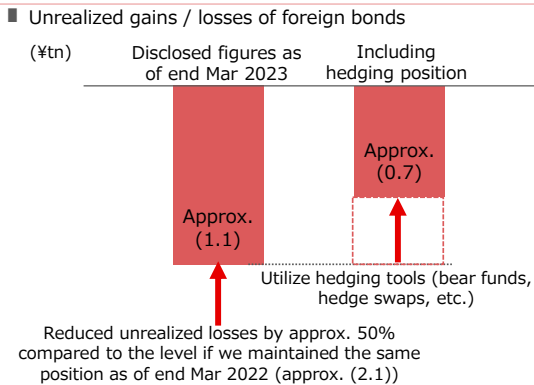
# Non-JPY net interest income & unrealized gains / losses of foreign bonds

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



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

- Current unrealized gains / losses**
- Unrealized losses of foreign bonds were expanding due to interest rates rise
  - Unrealized "gains" on a total AFS securities\*2 basis (including equities) is over ¥1tn
- Controlling unrealized gains / losses of foreign bonds**
- Reduce interest rate risk\*3 by utilizing bear funds and derivatives, etc.
  - Utilize hedging tools to secure financial profits and sell foreign bonds with unrealized losses



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

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

## Adjusted income statement summary

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

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

## Financial impact of MUB's share transfer

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

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

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

### Other financial and capital impact

#### Transaction gain

	Amount
Total gain on sale	Approx. ¥110bn

Recorded in FY21  
Approx. ¥60bn

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

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

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

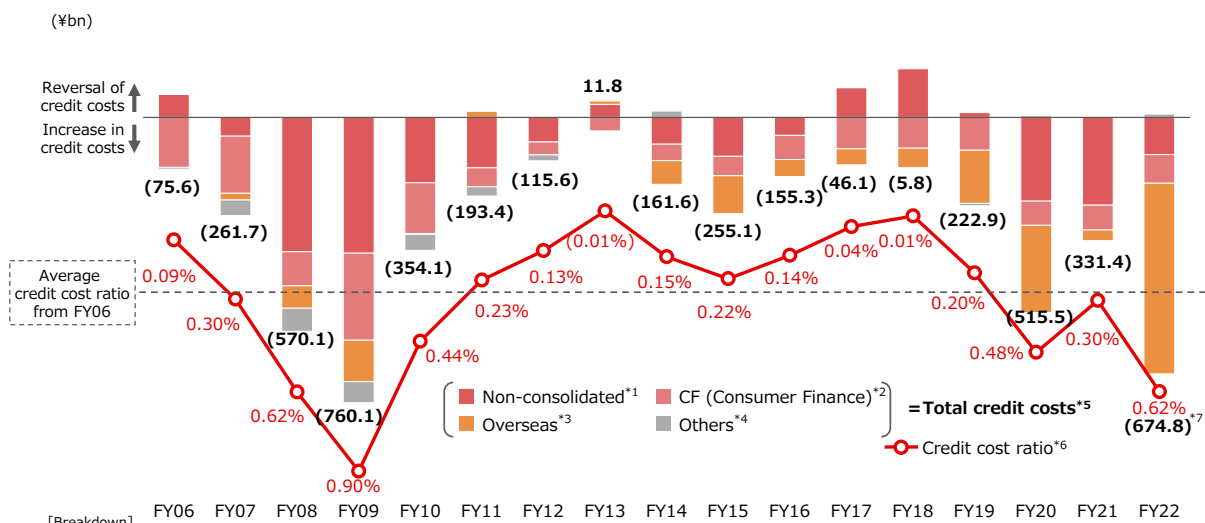
#### Impact on CET1 ratio

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

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

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

# Credit costs



\*1 Including overseas branches \*2 Sum of NICOS and ACOM on a consolidated basis

\*3 Sum of overseas subsidiaries of the Bank and the Trust Bank. It is currently estimated that the total credit costs of the major overseas subsidiaries (which were consolidated based on their financial statements for the fiscal year ended December 31, 2022) for the quarter ended March 31, 2023 will be approx. ¥30bn. This amount will be reflected in consolidated financial statements for the quarter ending June 30, 2023

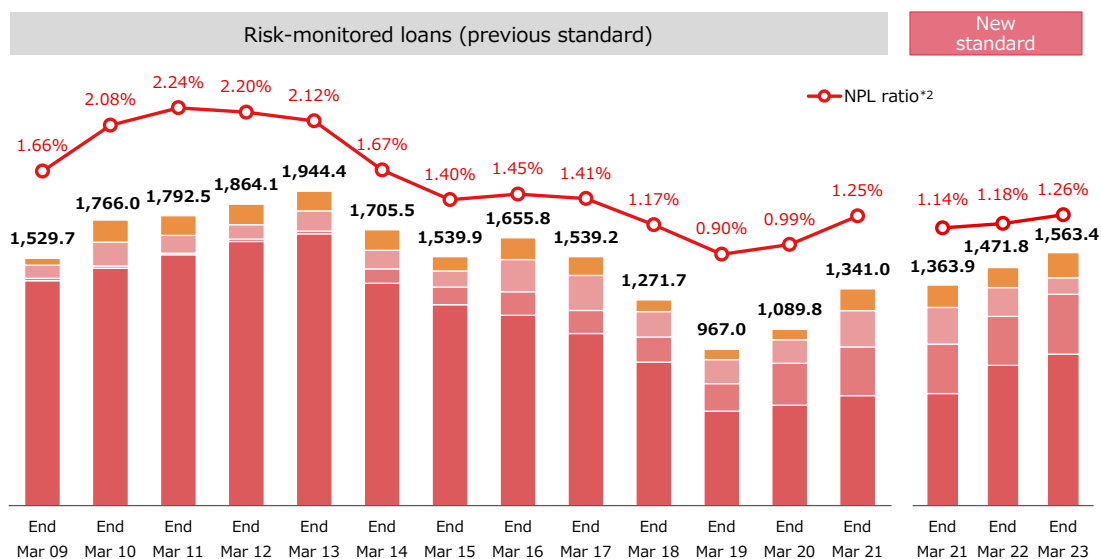
\*4 Sum of other subsidiaries and consolidation adjustment \*5 Including gains from write-off \*6 Total credit costs / loan balance as of end of each fiscal year

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



# Non-performing loans\*1

(¥bn)



[Breakdown]

	End Mar 09	End Mar 10	End Mar 11	End Mar 12	End Mar 13	End Mar 14	End Mar 15	End Mar 16	End Mar 17	End Mar 18	End Mar 19	End Mar 20	End Mar 21	End Mar 22	End Mar 23	
EMEA*3	42.6	136.3	121.2	127.2	122.0	126.3	88.2	133.9	116.0	71.3	64.0	63.7	134.7	138.7	124.0	155.2
Americas*4	81.2	147.3	110.3	89.2	125.0	114.9	100.7	199.4	216.0	157.5	148.2	145.5	224.7	226.7	178.1	102.1
Asia	15.4	14.4	9.4	14.4	17.0	89.0	108.8	145.3	142.3	155.8	170.3	259.1	300.5	305.8	302.9	370.2
Domestic	1,390.5	1,467.9	1,551.5	1,633.2	1,680.3	1,375.2	1,242.0	1,177.1	1,064.7	887.0	584.3	621.3	680.9	692.5	866.6	935.8

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

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

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

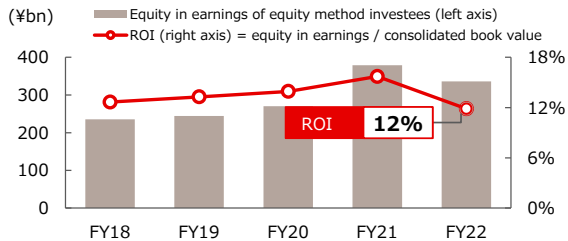
\*4 End Mar 2009 - End Mar 2012 includes only US

# Investment and alliance with Morgan Stanley

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

## Equity in earnings and ROI

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

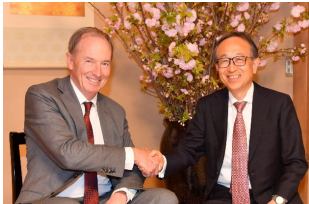


## Continuous efforts on developing alliance

- Active dialogues between top management

The Global Steering Committee (GSC)<sup>\*2</sup> is held twice a year

Two directors<sup>\*3</sup>



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

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

- League tables of primary business for Japanese corporates<sup>\*5</sup>

DCM **#1**

### 2 Expansion of collaboration into new areas

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

**U.S. WM Retirement Plan**

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

**Mars Collaboration**

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

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

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

# Overview of Mars Growth Capital Japan (Mars Japan)

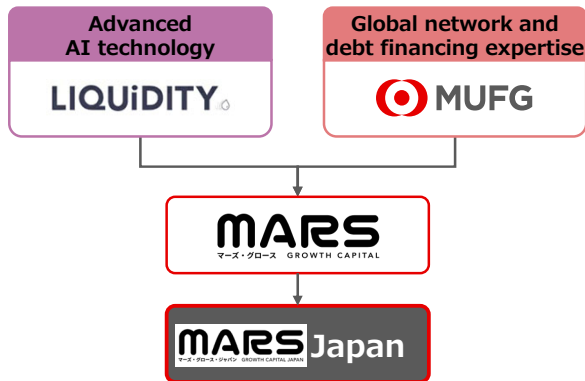
– Empowering to create and grow world-class unicorns\*1 from Japan

## Strategic aim of Mars Japan

### Bring “AI based financing model” of Mars\*2 to Japan

#### Strategic Aim

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



## Mars Japan Fund

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

## MUFG Group’s solution

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

		Seed	Early	Middle	Later	Listing
Senior Debt	Small	MUFG Bank				
	Large				MARS Japan	
Mezzanine Debt						
Equity		MUCAP*4 / MUIP*5 / MUFG Bank				

\*1 Companies with a market capitalization of more than approx. ¥100bn \*2 Mars Growth Capital (Reference: P.33)  
 \*3 Companies expected to be unicorns in the near future \*4 Mitsubishi UFJ Capital \*5 MUFG Innovation Partners

# Initiatives to create a Metaverse Economic Zone

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

## Outline of the basic agreement



### Purpose

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

## Strategic investment

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



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



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



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


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

BDI* <sup>4</sup>	( $\text{¥bn}$ )			(IDR bn)		
	FY21	FY22	YoY	FY21	FY22	YoY
Total operating income	136.4	<b>143.9</b>	7.5	16,845	<b>16,937</b>	92
Operating expenses	69.5	<b>78.3</b>	8.8	8,581	<b>9,214</b>	633
Pre-provision operating profit	66.9	<b>65.6</b>	(1.2)	8,264	<b>7,723</b>	(541)
Cost of credit	46.1	<b>28.0</b>	(18.1)	5,699	<b>3,301</b>	(2,398)
Net profit after tax	12.7	<b>28.0</b>	15.3	1,571	<b>3,302</b>	1,731

\*<sup>1</sup> All figures are converted into  $\text{¥}$  with actual exchange rates as of end of each period. For FY21 is THB1= $\text{¥}$ 3.43, IDR1= $\text{¥}$ 0.0081. For FY22 is THB1= $\text{¥}$ 3.80, IDR1= $\text{¥}$ 0.0085

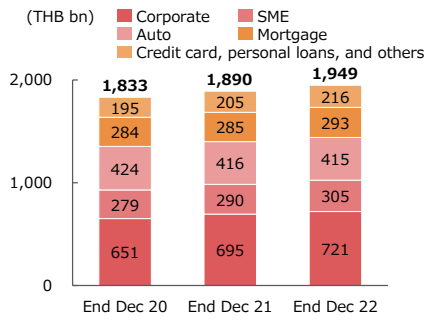
\*<sup>2</sup> Financial results as disclosed in KS's financial report based on Thai GAAP

\*<sup>3</sup> Including the extraordinary gains from the sales of 20% of shares in Ngern Tid Lor Public Company Limited (TIDLOR)

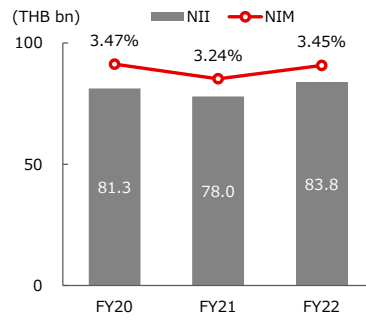
\*<sup>4</sup> Financial results as disclosed in BDI's financial report based on Indonesian GAAP. Incorporated impact from netting-off loss on restructuring to interest income  **MUFG** 77

# Key figures of KS

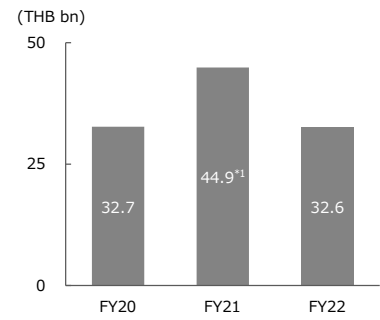
## Lending balance



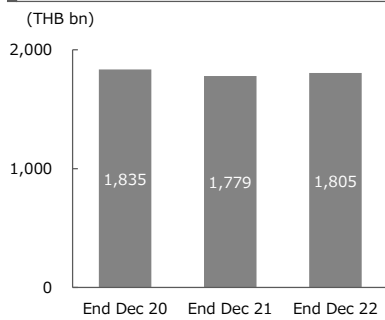
## Net interest income



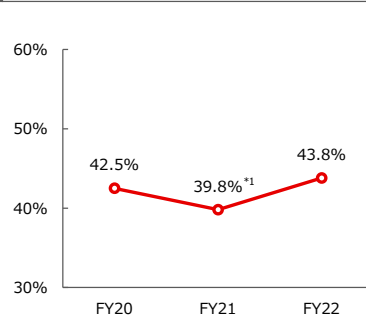
## Non-interest income



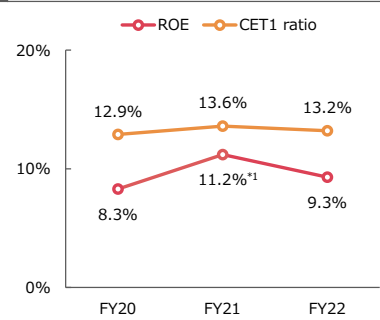
## Deposit balance



## Cost to income ratio



## ROE / CET1 ratio<sup>\*2</sup>

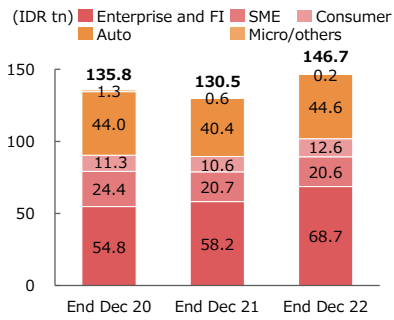


<sup>\*1</sup> Excluding the extraordinary gains from the sales of 20% of shares in TIDLOR, normalized non-interest income, normalized cost to income ratio and normalized ROE of FY21 were THB 34.2bn, 43.2% and 8.6%, respectively

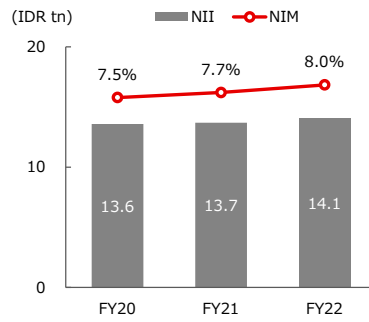
<sup>\*2</sup> Non-consolidated

# Key figures of BDI

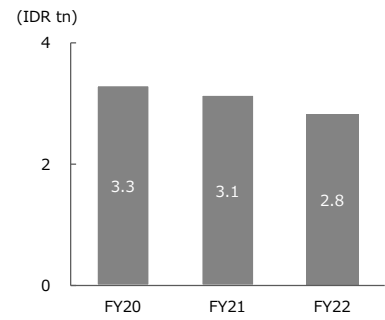
## Lending balance



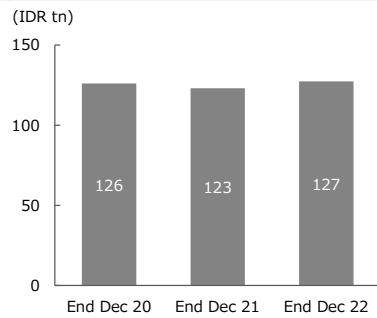
## Net interest income\*1



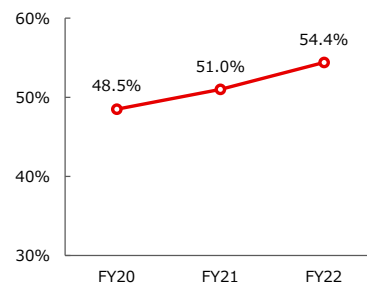
## Non-interest income



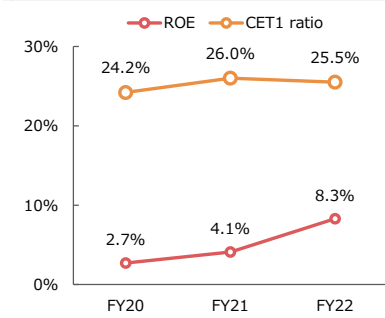
## Deposit balance



## Cost to income ratio



## ROE\*2 / CET1 ratio



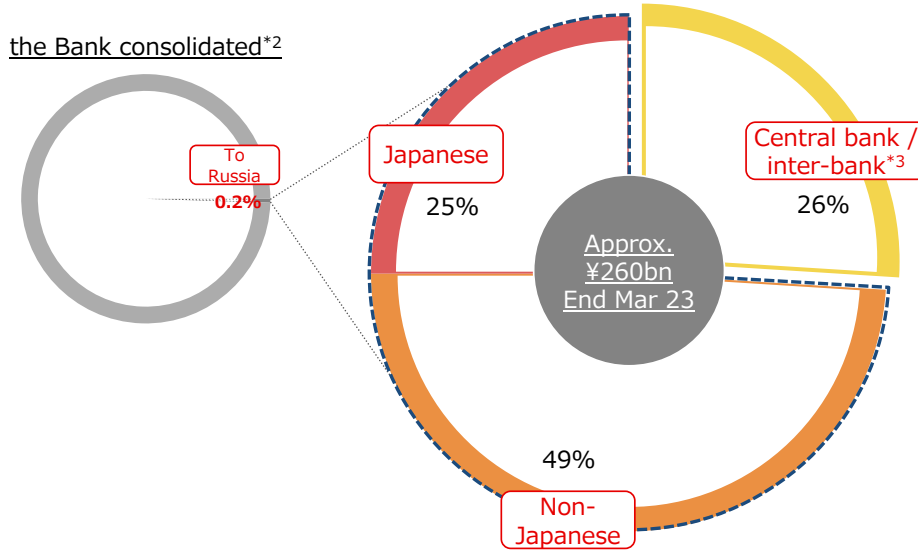
\*1 Netted-off with loss on restructuring

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

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



\*1 Based on borrower's location. Including undrawn commitment, market risk exposure and etc. All figures are on managerial accounting basis  
 \*2 Excluding the balance of central bank and inter-bank transactions etc.  
 \*3 Including due from banks and Russian government bond



# External evaluation

## Evaluation of ESG-related efforts

### The Fourth ESG Finance Awards Japan

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



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

■ : indicators in executive compensation

## Inclusion in ESG indices

### ESG indices selected by GPIF





- Morningstar Japan ex-REIT Gender Diversity Tilt Index
- MSCI Japan ESG Select Leaders Index
- FTSE Blossom Japan Sector Relative Index
- FTSE Blossom Japan Index
- S&P/JPX Carbon Efficient Index

### Others

- Bloomberg Gender-Equality Index 2023
- FTSE4Good

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

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

	Results (FY22)	Target		
Gender	Ration of women in management*1	19.6% (as of Apr 2023)	22.0% By end Mar 2024	<b>Approach to create inclusive culture where employees respect and accept diversity</b> <ul style="list-style-type: none"> <li>Developing women's career</li> <li>DEI events (workshops, events devised by employees)</li> <li>LGBTQ seminars and events</li> <li>Seminars with people with disabilities as instructors</li> <li>Raising awareness of unconscious bias</li> <li>Promote well balanced management of childcare, caregiving, infertility treatment</li> </ul>
	Number of female directors and executive officers*2	19	-	
	Ratio of female directors (MUFG)	25%	Agree with the "Challenge initiatives for 30% of Executives to be women by 2030"*3	
	Ratio of male employees taking childcare leave*4 (the Bank, the Trust Bank, MUMSS)	91%, 100%, 100%	100%	
Foreign nationals	Ratio of employees	57% (As of Mar 2023)	-	<b>External evaluation</b> <ul style="list-style-type: none"> <li>  Selected due to our initiatives to facilitate women's career development                 </li> <li>  Initiatives such as introducing a same-sex partnership certification were evaluated                 </li> <li>  Certified as "Platinum Kurumin" (the Bank and MUMSS) by the Minister of Health, Labour and Welfare as child rearing support companies                 </li> <li>  Awarded Second Grand Prize in basic category at the Diversity Award sponsored by J-Win (the Trust Bank)                 </li> </ul>
	Number of executive officers (the Bank)	8 (Inc. 1 woman)	-	
	Ratio of foreign nationals in middle managerial positions*5	25.9%	Maintain or improve the current level	
Mid-career hires	Ratio of mid-career hired in managerial positions*6	11.6%	Maintain or improve the current level	
People with disabilities	Number of people with disabilities	Approx. 1,400 (As of June 2022)	-	



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

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



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

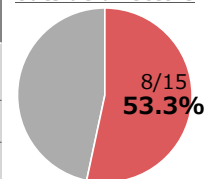
## Governance (Structure of the Board of Directors)

(Planned for end June 2023)

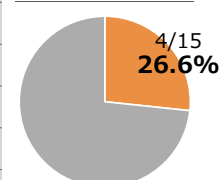
Name	Committee-related duties	Independent Outside	Knowledge, expertise and experience						
			Corporate management	Finance	Finance & accounting	Legal affairs	Global	IT/digital	Sustainability
1 Mariko Fujii	Nominating Compensation Risk*	●	—	●	—	—	●	—	—
2 Keiko Honda	Audit	●	—	●	—	—	●	—	●
3 Kaoru Kato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

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

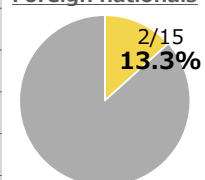
**Independent outside directors**



**Female directors**



**Foreign nationals**



## 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 × <ul style="list-style-type: none"> <li>Target attainment rate of indices below in MTBP               <ul style="list-style-type: none"> <li>(1) Consolidated ROE &lt;50%&gt;</li> <li>(2) Consolidated expenses reduction amount (excluding those linked to revenues) 30%</li> <li>(3) Ratings granted by ESG rating agencies<sup>1</sup> 15%</li> </ul> </li> <li>Comparison of year-on-year growth rate of indices below with competitors<sup>2</sup> <ul style="list-style-type: none"> <li>(1) Consolidated net operating profits 5%</li> <li>(2) Profits attributable to owners of parent &lt;50%&gt;</li> </ul> </li> </ul>		At the end of the MTBP			
Cash bonuses	Short-term performance-based	0% - 150%	Base amount by position ×	Performance factor (quantitative evaluation factor applied to the Group CEO) <ul style="list-style-type: none"> <li>Rate of year-on-year change and target attainment rate of indices below               <ul style="list-style-type: none"> <li>(1) Consolidated net operating profits 20%</li> <li>(2) Profits attributable to owners of parent 10%</li> <li>(3) Consolidated ROE 20%</li> <li>(4) Consolidated expense amount 10%</li> </ul> </li> </ul>	<60%>	Annually	Cash	1
				Status of individual execution of duties (qualitative evaluation factor applied to Group CEO) <ul style="list-style-type: none"> <li>•Improvement in customer-segment profitability</li> <li>•Risks handling</li> <li>•Advances in ESG-related initiatives and sustainability management<sup>3</sup></li> <li>•TSR, etc.</li> </ul>	<40%>			

\*1 An absolute evaluation basis in light of the degree of improvement in external ratings granted by major five ESG rating agencies (CDP, FTSE, MSCI, S&P Dow Jones and Sustainalytics) \*2 Evaluated based on comparisons with main competitors (Mizuho Financial Group and Sumitomo Mitsui Financial Group) \*3 Includes contribution to the resolution of environmental and social concerns, raising awareness of inclusion & diversity and its promotion, and the strengthening and upgrading of MUFG's governance structure \*4 Subject to malus (confiscation) and clawback (restitution claim)

# TLAC requirement

## - The best capital mix and external TLAC ratio

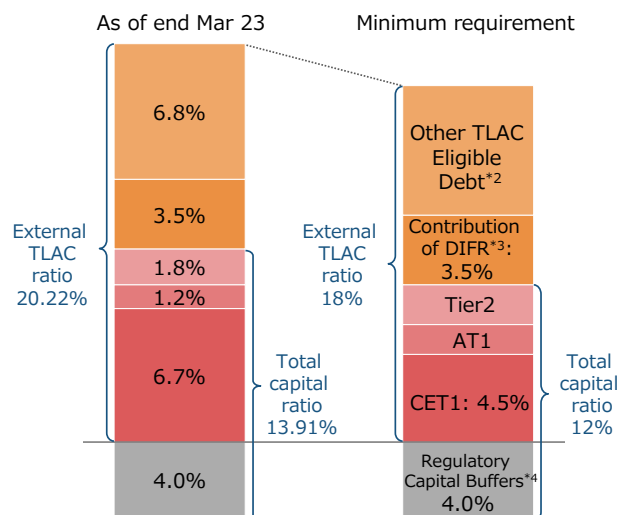
- Aiming for optimal balance between capital efficiency and capital adequacy in qualitative and quantitative aspects
  - Secure necessary and sufficient level of capital with utilization of AT1 / Tier2
  - Maintain sustainable external TLAC ratio for the long term by raising external TLAC eligible senior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

MUFG's external TLAC ratio and minimum Requirement

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

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

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



\*1 Risk weighted asset

\*2 Including adjustment of difference between calculation method of total capital ratio and external TLAC ratio and adjustment of amount of other TLAC-eligible liabilities owned by the issuer's group, etc.

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

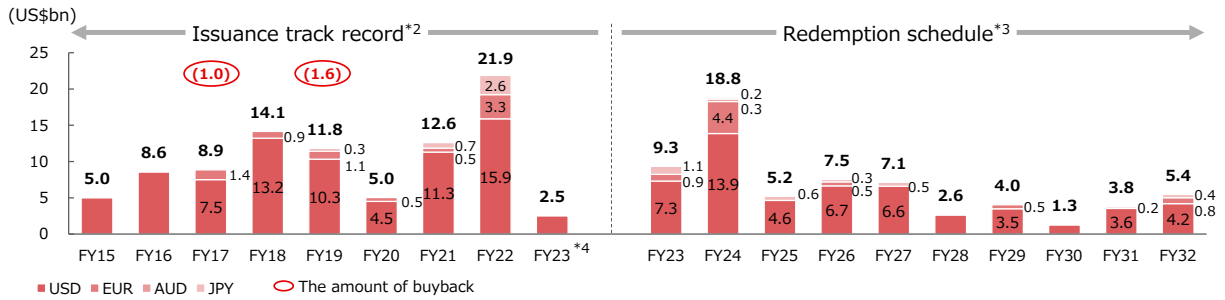
\*4 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0.04%

# TLAC requirement

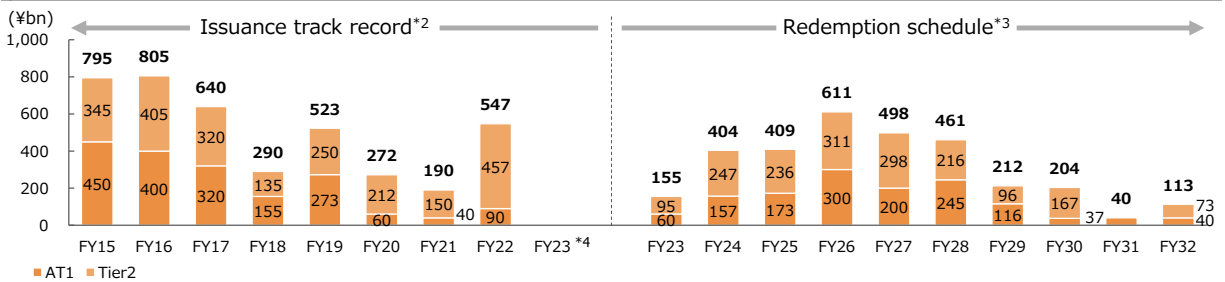
## - Issuance track record & redemption schedule

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

### TLAC-eligible senior debt\*1



### AT1, Tier2 bond



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

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

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

\*4 Results up to the end of Apr 2023