

# Climate Change Initiatives

## Main Q&A

Q : What actions do you take if clients' climate transition does not meet the level of expectations you have toward your clients?

A : While we make a qualitative assessment of the attitude, capabilities, commitments, and other matters related to our clients' transition efforts, we do not stop providing financing because their efforts do not meet our standard. Instead, we facilitate client engagement to improve their transition process.

For individual projects, we may not provide financing in some cases if they are not aligned with the MUFG Environmental and Social Policy Framework.

Q : What impact do you think the change to MUFG's articles of incorporation proposed by shareholders will have on MUFG's corporate value?

A : The articles of incorporation provide for the basic matters of the organization and operation of the company. Including specific, individual matters concerning the execution of business in our articles of incorporation, as requested in the recent shareholder proposal, will make it difficult to speedily take actions on business execution and may have a negative impact because even an expeditious review of our transition plan will require a special resolution of the general meeting of shareholders. We therefore consider it inappropriate to accept the shareholder proposal concerning the change to our articles of incorporation.

Q : How do you rate your efforts on carbon neutrality so far?

A : It is our assessment that we have been working toward the right direction with speed since we announced the MUFG Carbon Neutrality Declaration two years ago. Our efforts include participation in international frameworks, disseminating opinions, interim target-setting in five sectors of power, oil and gas, real estate, steel, and shipping, and GHG emissions reductions from our own operations. We have disclosed these initiatives in our Progress Report. In addition, we have strengthened our engagement with clients in especially carbon-intensive sectors; thanks to the improved engagement, we were able to publish the Transition Whitepaper and make policy recommendations. While we are ahead of other companies in some areas, it is important that we move forward in step with global and

Japanese financial industries. We will continue accelerating these moves.

Q : MUFG is making steady progress toward sustainable finance targets. Is there any possibility that you will raise your targets in the future?

A : We are making good progress toward our current goal of providing ¥35 trillion in sustainable finance. We are considering raising the target, including reviewing the definition of sustainable finance, based on the trends of other companies.

Q : Are you considering acquiring third-party certification to ensure the objectivity of your transition plan from the external perspective?

A : We hope to release our transition plan at the earliest possible timing during this fiscal year. We will separately discuss the needs and ways to introduce third-party certification.

Q : MUFG's sustainable finance target is based on the actual result. Can you consider disclosing the impact of your sustainable finance?

A : We realize that disclosing the impact of sustainable finance is an important issue. However, technical difficulties still exist in measuring the impact that is robust enough for disclosure. Given that the Principles for Responsible Banking (PRB) also calls for the disclosure of the impact, we will proactively work on its disclosure based on the opinions we have received, considering issues such as how we can disclose it and whether we have enough data.

END