

# FY2024H1 IR Presentation

November 18, 2024

# Disclaimer

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

## Definitions of figures used in this document

Consolidated :	Mitsubishi UFJ Financial Group (consolidated)		
Non-consolidated :	Simple sum of MUFG Bank (non-consolidated) and Mitsubishi UFJ Trust & Banking Corporation (non-consolidated)		
the Bank (consolidated) :	MUFG Bank (consolidated)	KS:	Bank of Ayudhya (Krungsri)
MUFG:	Mitsubishi UFJ Financial Group	Bank Danamon (BDI):	Bank Danamon Indonesia
the Bank (BK):	MUFG Bank	FSI:	First Sentier Investors
the Trust Bank (TB):	Mitsubishi UFJ Trust & Banking Corporation	R&D:	Retail & Digital
the Securities HD (SCHD):	Mitsubishi UFJ Securities Holdings	CWM:	Commercial Banking & Wealth Management
MUMSS:	Mitsubishi UFJ Morgan Stanley Securities	JCIB:	Japanese Corporate & Investment Banking
MSMS:	Morgan Stanley MUFG Securities	GCIB:	Global Corporate & Investment Banking
MS:	Morgan Stanley	GCB:	Global Commercial Banking
MUAM:	Mitsubishi UFJ Asset Management	AM/IS:	Asset Management & Investor Services
NICOS:	Mitsubishi UFJ NICOS	GM:	Global Markets
MUAH:	MUFG Americas Holdings Corporation		
MUB:	MUFG Union Bank		

# Key messages

## FY24 progress and review of targets

- FY24H1 result
  - ¥1,258.1bn in net profits\*<sup>1</sup>, **exceeding ¥1tn for the interim period for the first time since MUFG's establishment**. Environmental factors also contributed
- FY24 target
  - Revised net profits target to **¥1.75tn** (up by +¥250bn from initial target)
- Shareholders returns
  - FY24 DPS forecast revised to **¥60, up by ¥19** compared to FY23
  - Repurchase of own shares up to **¥300bn** was resolved
- Equity holdings
  - Revised MTBP\*<sup>2</sup> target to **¥700bn (2.0x vs. the original target)**
- MTBP targets
  - Considering review of FY26 and mid- to long-term targets in light of the external environment and strong performance of customer segments

## Progress of MTBP

- Financial results
  - Due to steady growth of earnings power and favorable environmental factors, ROE was **13.3%**
- Key strategies
  - Growth strategies are making strong progress at **¥135bn, 40% progress ratio** against MTBP target of ¥340bn
  - Published **MUFG Transition Whitepaper 2024**, organizing key points to overcome the global common challenge of “price pass-through barrier”
  - In addition to the initiatives to penetrate the strategies of this MTBP, started a trial of agile operation for Agility Transformation

# Contents

---

<a href="#"><u>Progress of FY24 financial results and review of targets</u></a>	<a href="#"><u>5</u></a>
<a href="#"><u>Progress of the medium-term business plan (MTBP)</u></a>	<a href="#"><u>13</u></a>
<a href="#"><u>Status of response to the administrative actions</u></a>	<a href="#"><u>28</u></a>
<a href="#"><u>Status of each strategy in the MTBP</u></a>	<a href="#"><u>32</u></a>
<a href="#"><u>Appendix</u></a>	<a href="#"><u>41</u></a>

# Progress of FY24 financial results and review of targets

# FY24H1 financial results

– Demonstrating a strong progress with ¥1,258.1bn in net profits\*<sup>1</sup>, 83% progress with a ROE13.3%

**Net profits**

**¥1,258.1bn**

**+46%\*<sup>1</sup>** vs FY23

**83%** progress

Achieved **¥1,000bn**  
at interim for the **first time**  
since **MUFG's establishment**

**ROE**

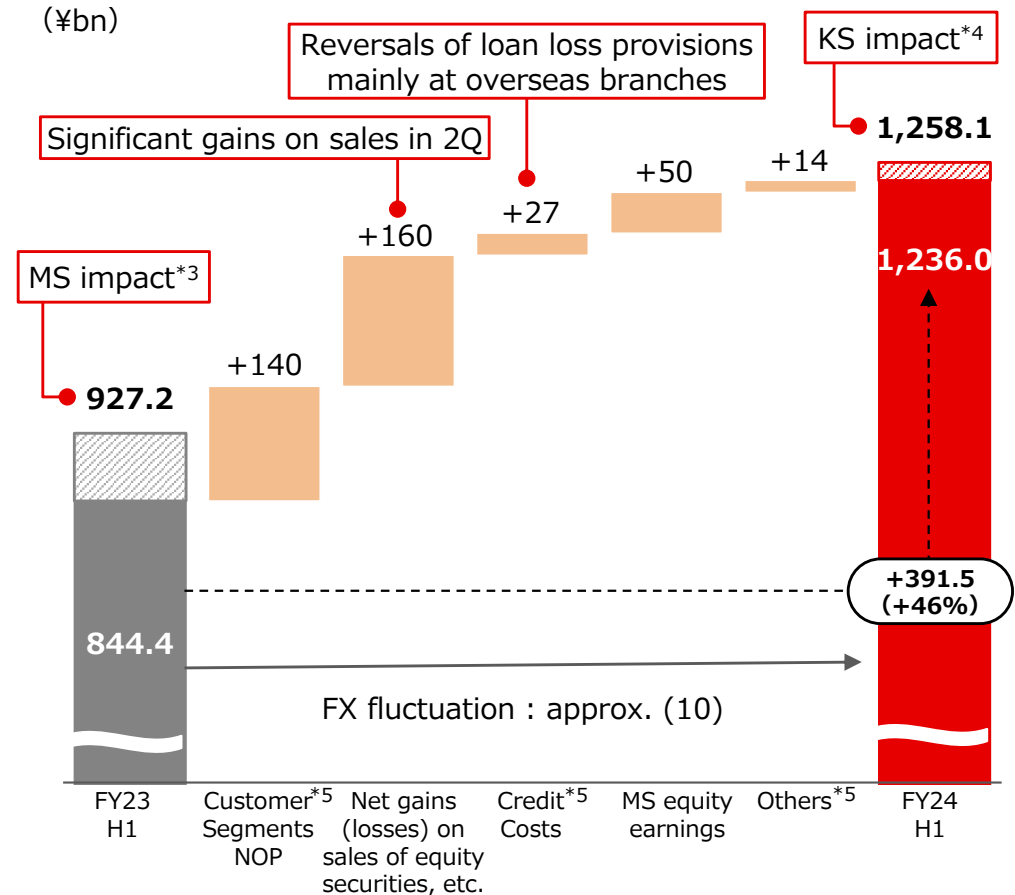
**13.3%**

**+2.7ppt** vs FY23

(JPX basis : 12.6%)  
+2.1ppt vs FY23

## Factors of changes in net profits\*<sup>2</sup>

(¥bn)



\*<sup>1</sup> YoY excluding the impact of change of the equity method accounting date of MS and the impact of change of the consolidated closing period for KS

\*<sup>2</sup> Breakdown is on a after tax basis \*<sup>3</sup> MS impact: the impact included in FY23H1 results due to the change in the closing date of MS's financial results when applying the equity method of accounting(¥82.7bn translated at the FX rate as of End Sep 2023. Ref. the amount translated at the FX rate as of End Mar 2024 was ¥84.1bn)

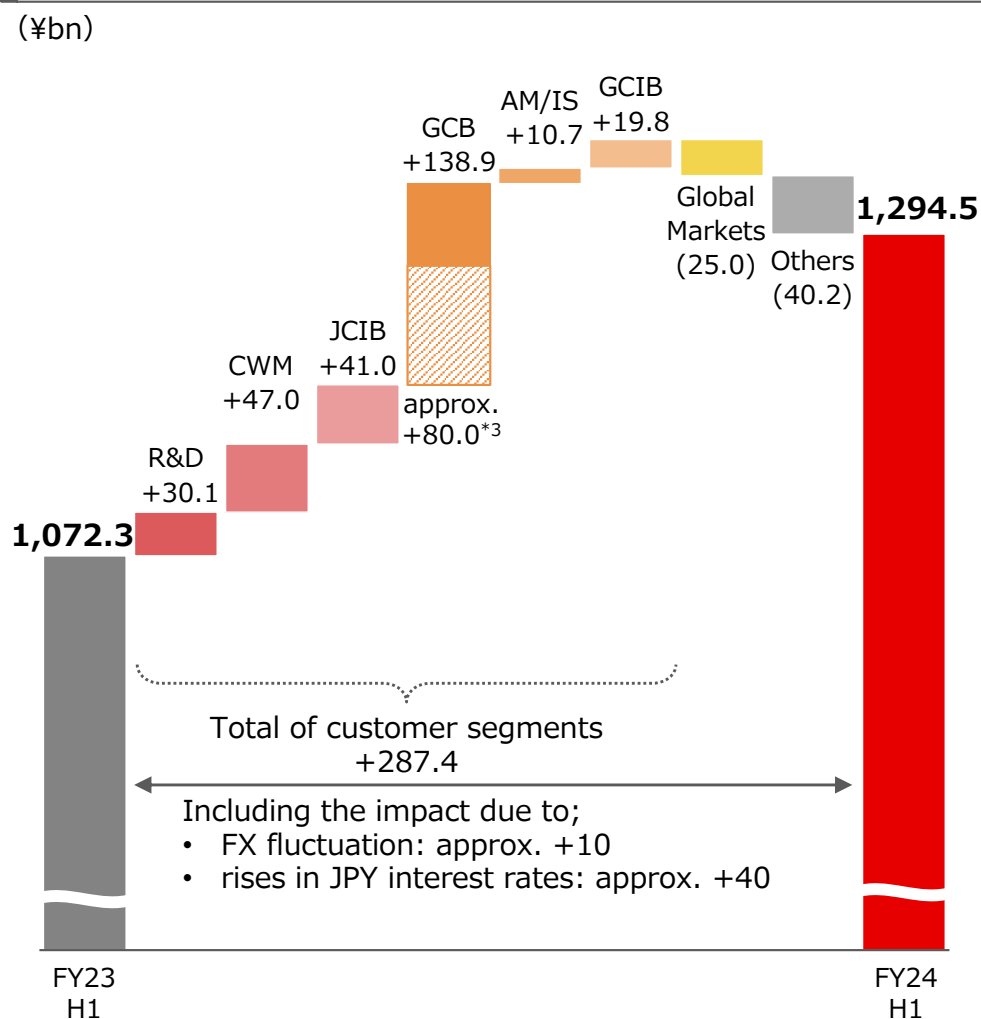
\*<sup>4</sup> KS impact: Starting from FY24, the consolidated closing period for KS has been changed from Jan-Dec to Apr-Mar, aligning with MUFG's fiscal year. The impact of this change, translated at the FX rate as of End Sep 2024, is estimated to be ¥79.6bn in NOP and ¥22.1bn in after-tax profits attributable to MUFG, subject to change in line with FX rate, among other factors \*<sup>5</sup> Excludes the KS impact

## FY24H1 financial results and NOP\*<sup>1</sup> changes by business group

– Earnings power maintained an upward trend, and by steadily incorporating the impact of rising interest rates, NOP significantly increased

Consolidated	FY23 H1	FY24 H1	
(¥bn)	Results	Results	YoY
<sup>1</sup> Gross profits	2,487.4	<b>2,911.8</b>	424.4
<sup>2</sup> G&A expenses	1,401.6	<b>1,606.4</b>	204.8
<sup>3</sup> NOP	1,085.7	<b>1,305.3</b>	219.5
<sup>4</sup> Total credit cost	(181.2)	<b>(185.7)</b>	(4.5)
<sup>5</sup> Ordinary profits	1,279.9	<b>1,756.9</b>	477.0
<sup>6</sup> Net profits	927.2	<b>1,258.1</b>	330.9
<sup>7</sup> Progress ratio	-	<b>83%</b>	-
<sup>8</sup> ROE	10.6%	<b>13.3%</b>	2.7ppt

### Changes by business group, etc.\*<sup>2</sup> Consolidated



\*1 Net operating profits \*2 On a managerial accounting basis \*3 KS impact on GCB

# FY24 target

– Revised FY24 target for net profits upward to ¥1.75tn

**Net  
profits  
target**

**¥1.75tn**

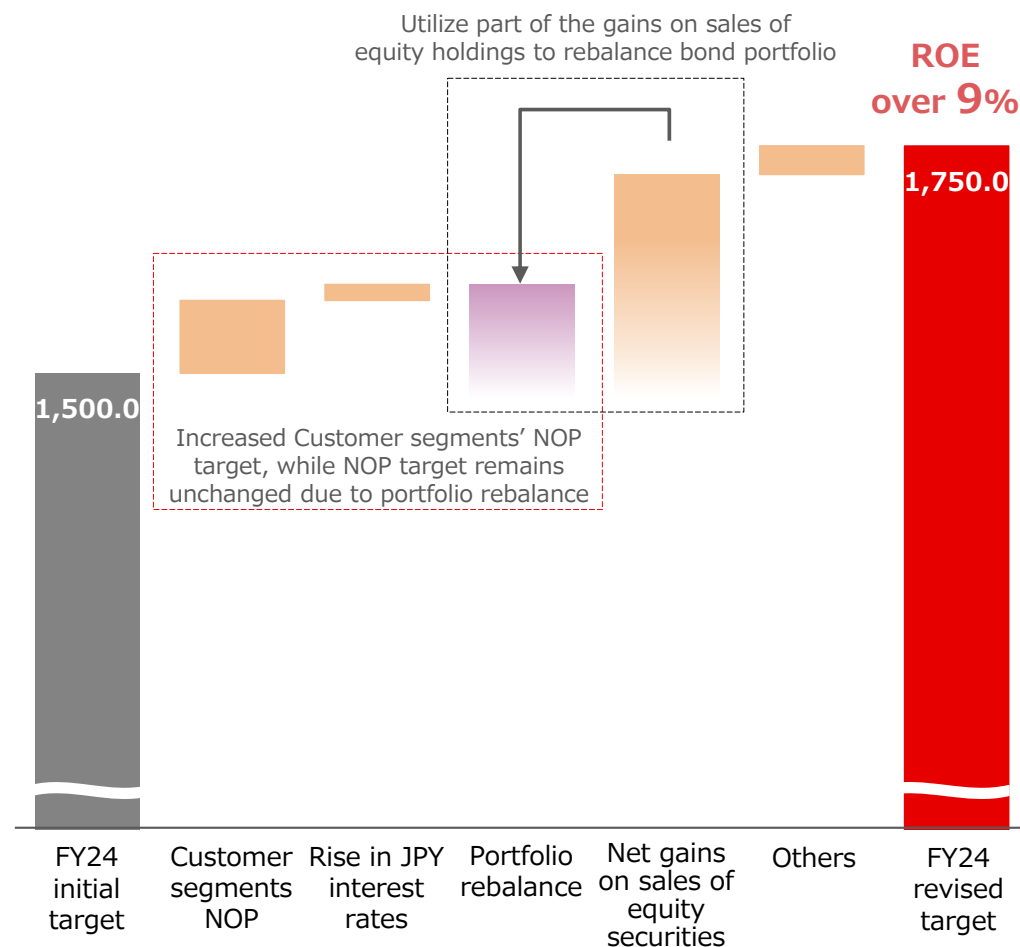
**+¥250bn** vs initial target

**+22%<sup>\*1</sup>** vs FY23

	Consolidated (¥bn)	FY24 initial targets	FY24 revised targets	vs initial targets
1 <b>Net operating profits</b>		1,950.0	<b>1,950.0</b>	-
2 <b>Total credit costs</b>		(400.0)	<b>(400.0)</b>	-
3 <b>Ordinary profits</b>		2,150.0	<b>2,500.0</b>	350.0
4 <b>Net profits</b>		1,500.0	<b>1,750.0</b>	250.0

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

(¥bn)



\*1 Excluding the MS impact in FY23 and the KS impact in FY24 \*2 Breakdown is on a after tax basis



# Results of shareholder return

– Revised FY24 DPS forecast, up by ¥19 compared to FY23. Resolved to repurchase own shares up to ¥300bn in addition

## DPS

**¥60**  
**+¥19** vs FY23  
 +¥10 vs initial forecast

## Share repurchase

Resolved up to **¥300bn** in addition to initial announcement  
 A total **¥400bn** for FY24

Cancellation of 270 million shares scheduled for Nov 29, 2024<sup>\*1</sup>

Dividend payout ratio

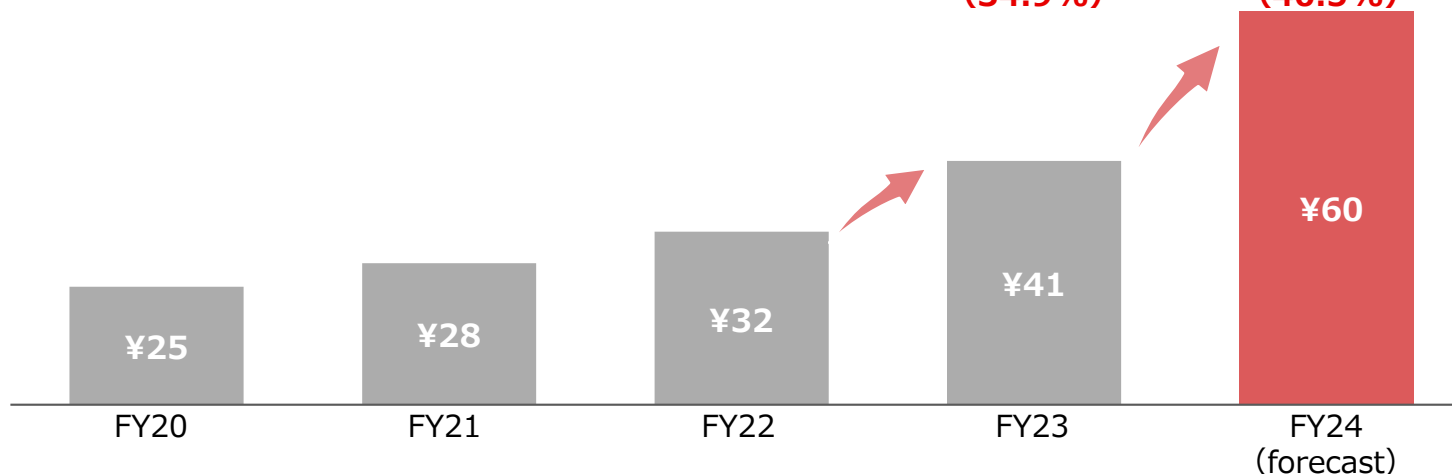
**41.3%**

**31.7%**

**35.3%**

**32.9%**  
**(34.9%)** <sup>\*2</sup>

**40.0%**  
**(40.5%)** <sup>\*3</sup>



	FY20	FY21	FY22	FY23	FY24 (forecast)
Dividend	321.8	357.1	390.0	488.0	701.4
Share repurchase	-	150.0	450.0	400.0	400.0
Total payout	321.8	507.1	840.0	888.0	1,101.4
Net profits	777.0	1,130.8	1,116.4	1,490.7	1,750.0
Total payout ratio	41.3%	44.8%	75.2%	59.6%	62.9%

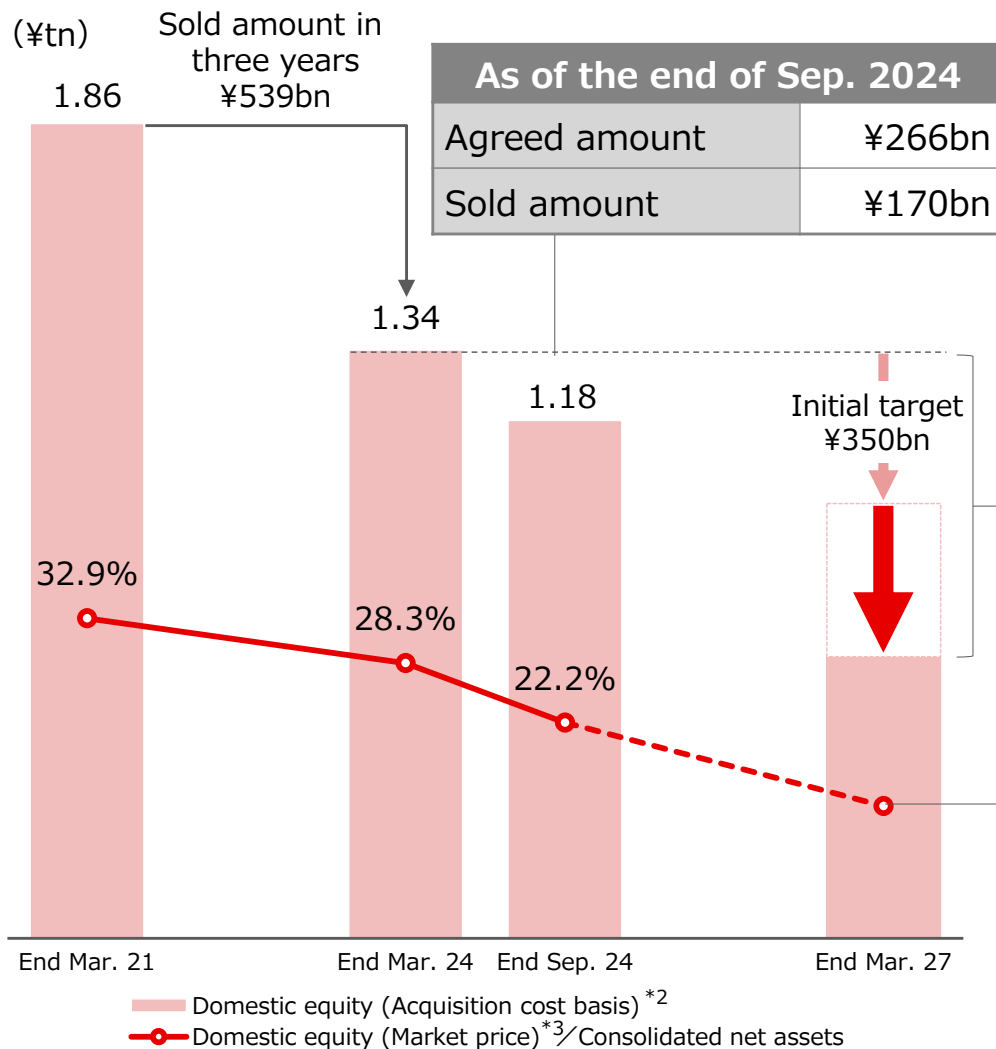
<sup>\*1</sup> As for details, please refer to the press release [“Notice Regarding Repurchase and Cancellation of Common Stock”](#) dated on November 14, 2024

<sup>\*2</sup> Excluding the FY23 impact of the change of the equity method accounting date of MS

<sup>\*3</sup> Excluding the FY24 estimated impact of the change of the consolidated closing period for KS

# Increase target for reduction of equity holdings\*1

- Set and achieve a higher target reflecting the change in environment and negotiation status



**Target**

**¥700bn**

**2.0x** from initial target  
**Reduce by half**  
 from the balance as at  
 the end of Mar. 2024

**Less than  
 20% of consoli-  
 dated net  
 assets\*4**

**During the  
 current MTBP**

Three years ahead of the  
 initial schedule

\*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 Market price of domestic equity securities in the category of "other securities" with market value (consolidated)

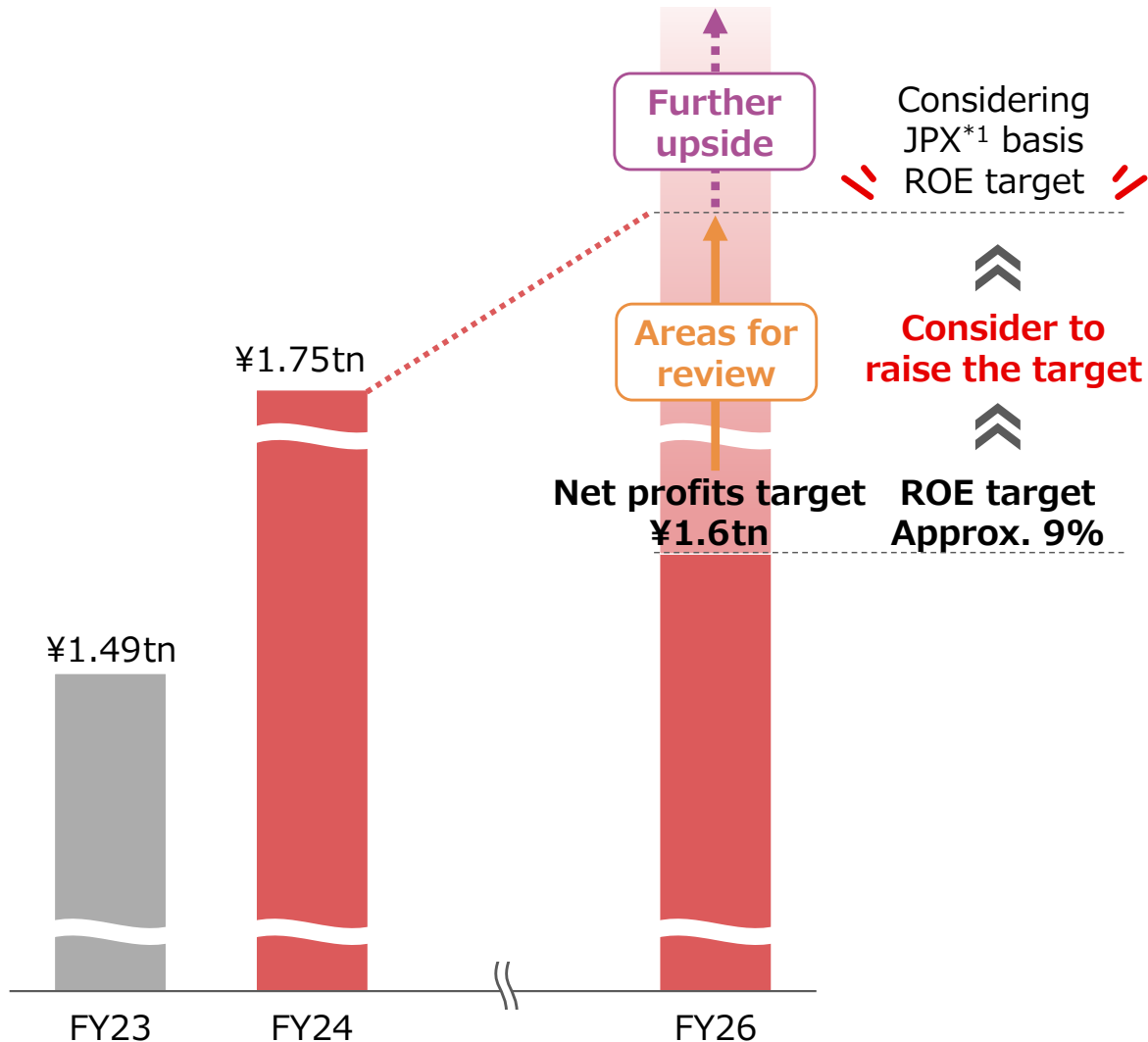
\*4 ①:Domestic listed equity securities+ ②Deemed holdings) / ③Consolidated net assets <20%

①:Acquisition cost basis of domestic equity securities in the category of "other securities" with market value (consolidated)

②:Including the balance of "Deemed holdings" stated in the Annual Securities Report ③:Net assets at the end of Sep. 2024

# Consideration of MTBP financial targets

– Consider reviewing MTBP financial targets, including net profits



## Key areas for review and further upside

### Impact from JPY interest rates rise



Areas for review + Further upside

- BOJ's policy rate 0.1%⇒0.25% : +¥80.0bn (FY26)
- +180.0bn per every additional +25bps\*2

### Customer segments NOP



Areas for review

- Consider the capability to pile up NOP more than ¥500.0bn given the acceleration of growth strategies

### Acceleration of the sale of equity holdings



Areas for review

- Align with target increase for reduction of equity holdings

\*1 Japan Exchange Group

\*2 Based on the assumption that the balance sheet is unchanged and all terms of the interest rates of all terms shift in parallel. The impact in the 3rd year after rise at the beginning in the 1<sup>st</sup> year.

# Consideration of mid to long-term ROE target

– Consider review of mid to long-term ROE target to achieve global top-tier level corporate value

## ① ② Achievements

Built a business portfolio capturing growth

- Penetration of ROE management and action transformation for RM
- Improved both business structure resilience (e.g. sale of MUB and cost reduction) and earning capacity

## ③ Current MTBP

Three years to pursue and produce growth

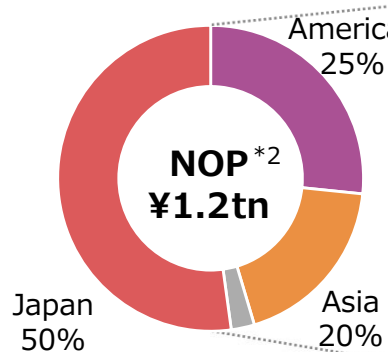
- Improve corporate value through Expand & Refine Growth Strategies, Drive Social & Environmental Progress, and Accelerate Transformation & Innovation
- Pursue steady profitability in a world with interest rates and further business expansion in areas of strength

## Mid to Long-term target

- Further develop a globally diverse and resilient business portfolio to match the top-tier corporate value

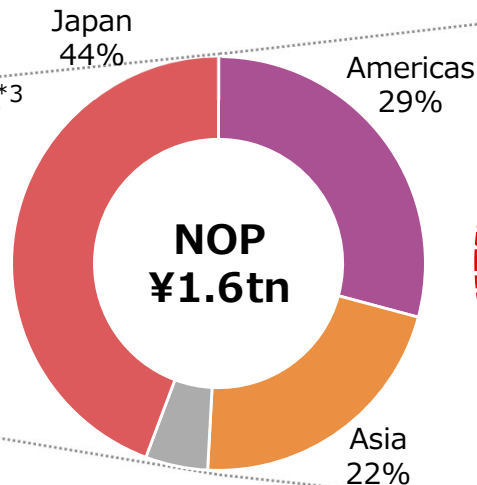
### ① FY2020

ROE\*<sup>1</sup> : 5.6%



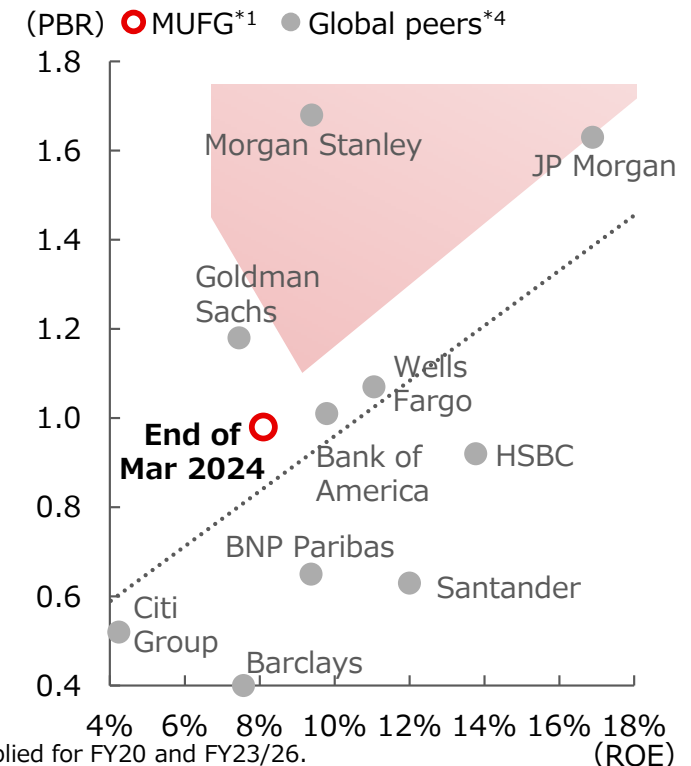
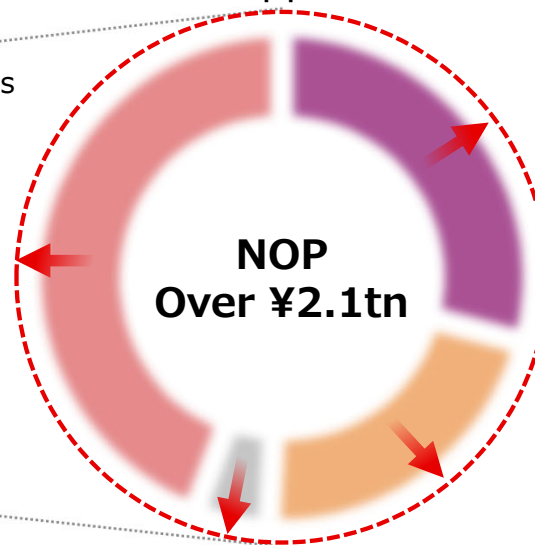
### ② FY2023

ROE : 8.1%



### ③ FY2026

ROE : Approx 9%



\*<sup>1</sup> MUFG basis. ROE in FY23 does not include MS impact \*<sup>2</sup> Managerial accounting basis. Different exchange rates are applied for FY20 and FY23/26. Therefore, the increase in NOP from FY20 to FY23 includes the impact of FX fluctuation.

\*<sup>3</sup> The regional proportions include the equity in earnings of equity method investees from MS to NOP in Americas (excl. the impact of changes of the equity method accounting date of MS in FY23) \*<sup>4</sup> As of the end of Dec 2023 (source) Bloomberg

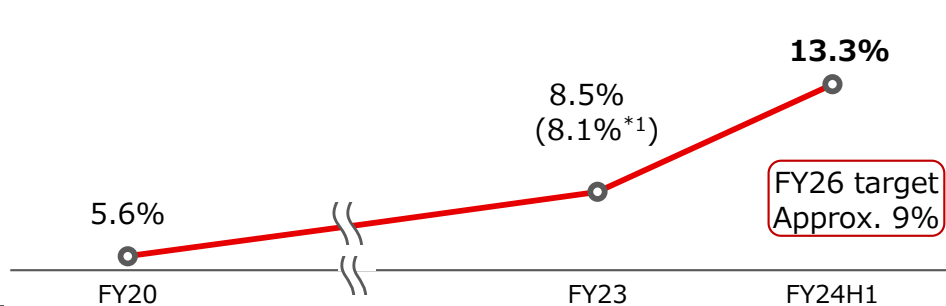
# Progress of the MTBP

# Financial results

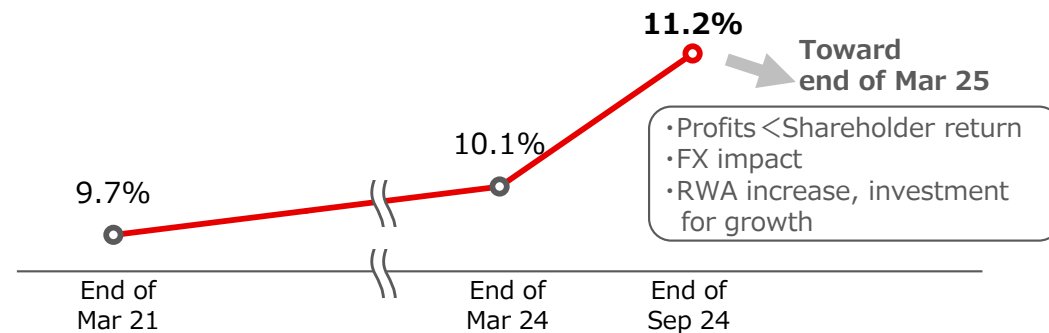
– Earning power has significantly improved. Expenses and RWA are controlled with discipline

## Target for ROE / Capital management

### ROE



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



## 3 Drivers to achieve ROE target

### Profits

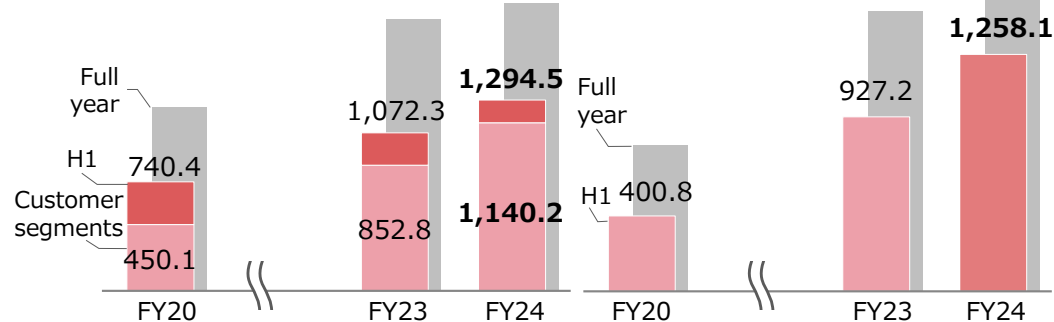
(¥bn)

Net operating profits\*<sup>3</sup>

Net profits

FY26 target  
Over ¥1.6tn

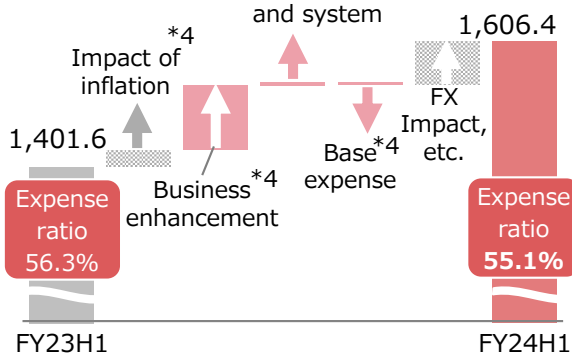
FY26 target  
Over ¥2.1tn



### Expenses

(¥bn)

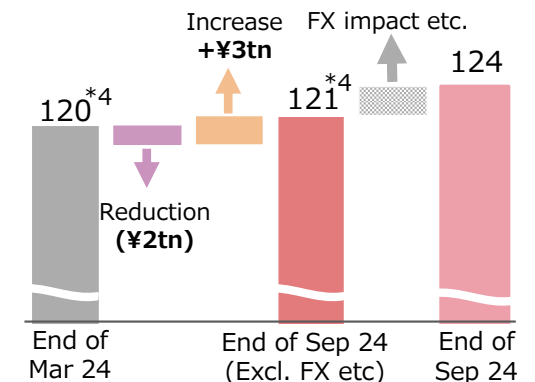
FY26 target  
Expense ratio  
Approx. 60%



### RWA\*<sup>5</sup>

(¥tn)

MTBP target  
Reduction ¥5tn/Increase ¥12tn

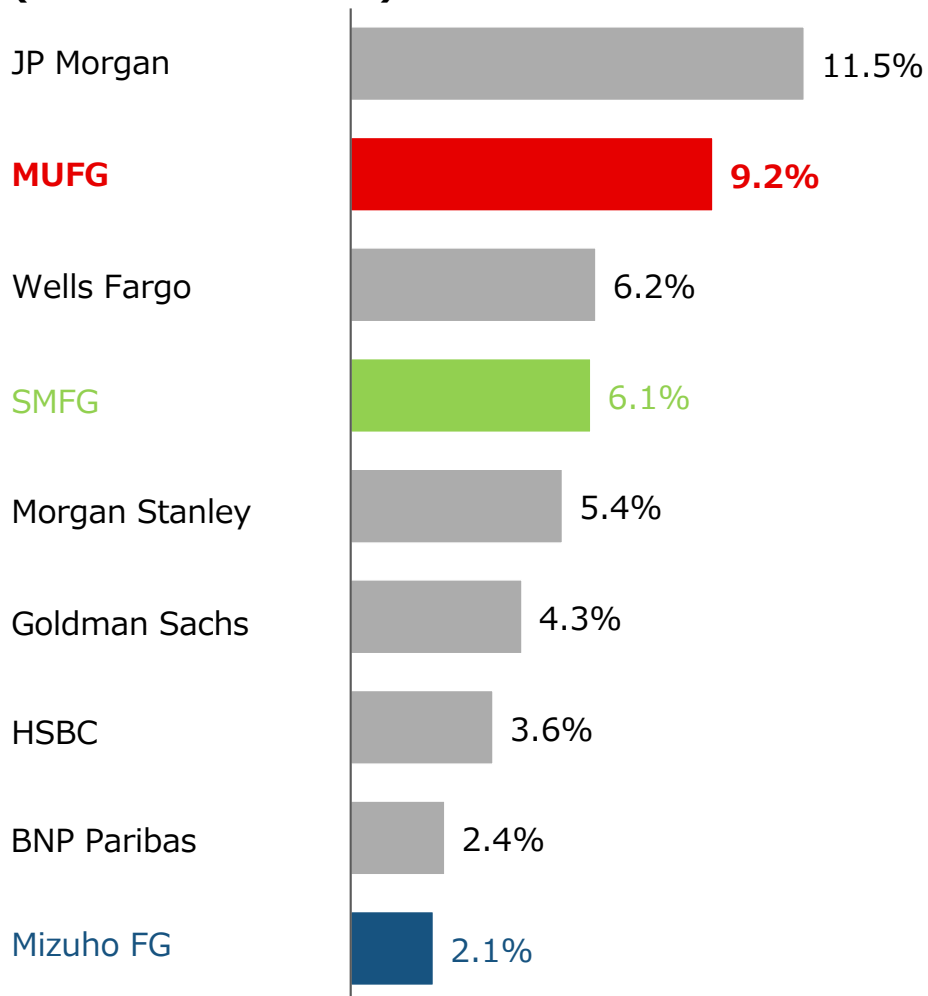


\*1 Excludes the MS impact \*2 Estimated CET1 ratio calculated on the finalized and fully implemented Basel III basis. Excludes net unrealized gains on AFS securities \*3 On a managerial accounting basis (Includes changes in standards) \*4 On a managerial accounting basis. Local currency basis \*5 Estimated RWA on the finalized Basel III reforms basis. Includes net unrealized gains on AFS securities

# MUFG EPS Growth

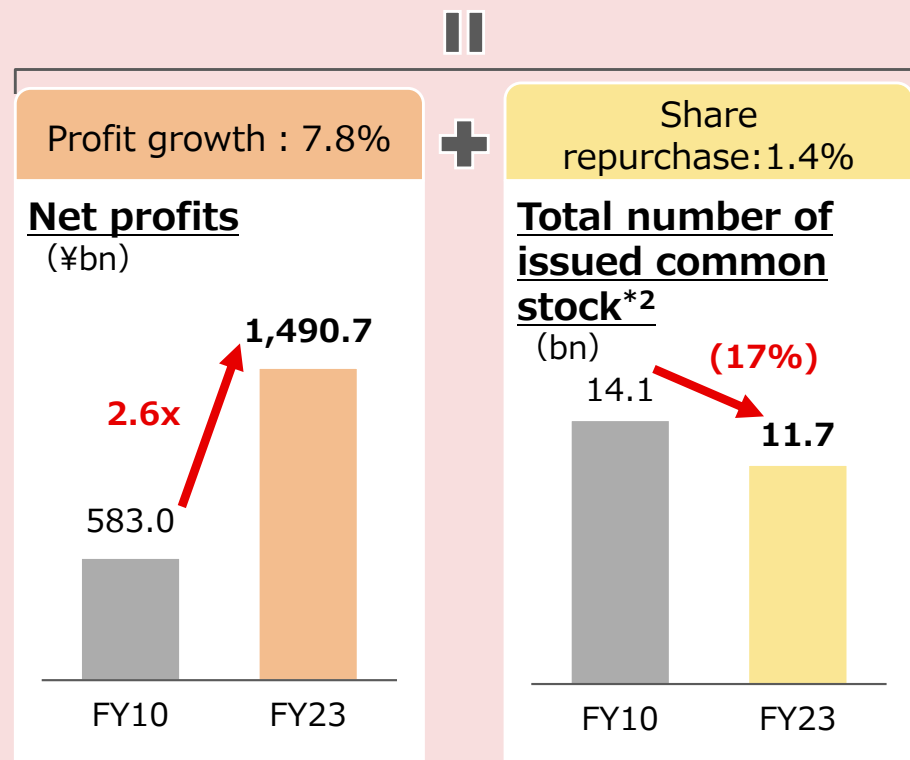
– Our EPS growth is amongst the global peers by steady profit growth and disciplined capital management

## EPS Growth after the Global Financial Crisis (2010–2023 CAGR)\*<sup>1</sup>



**Achieving robust EPS growth through steady profit growth and disciplined capital management**

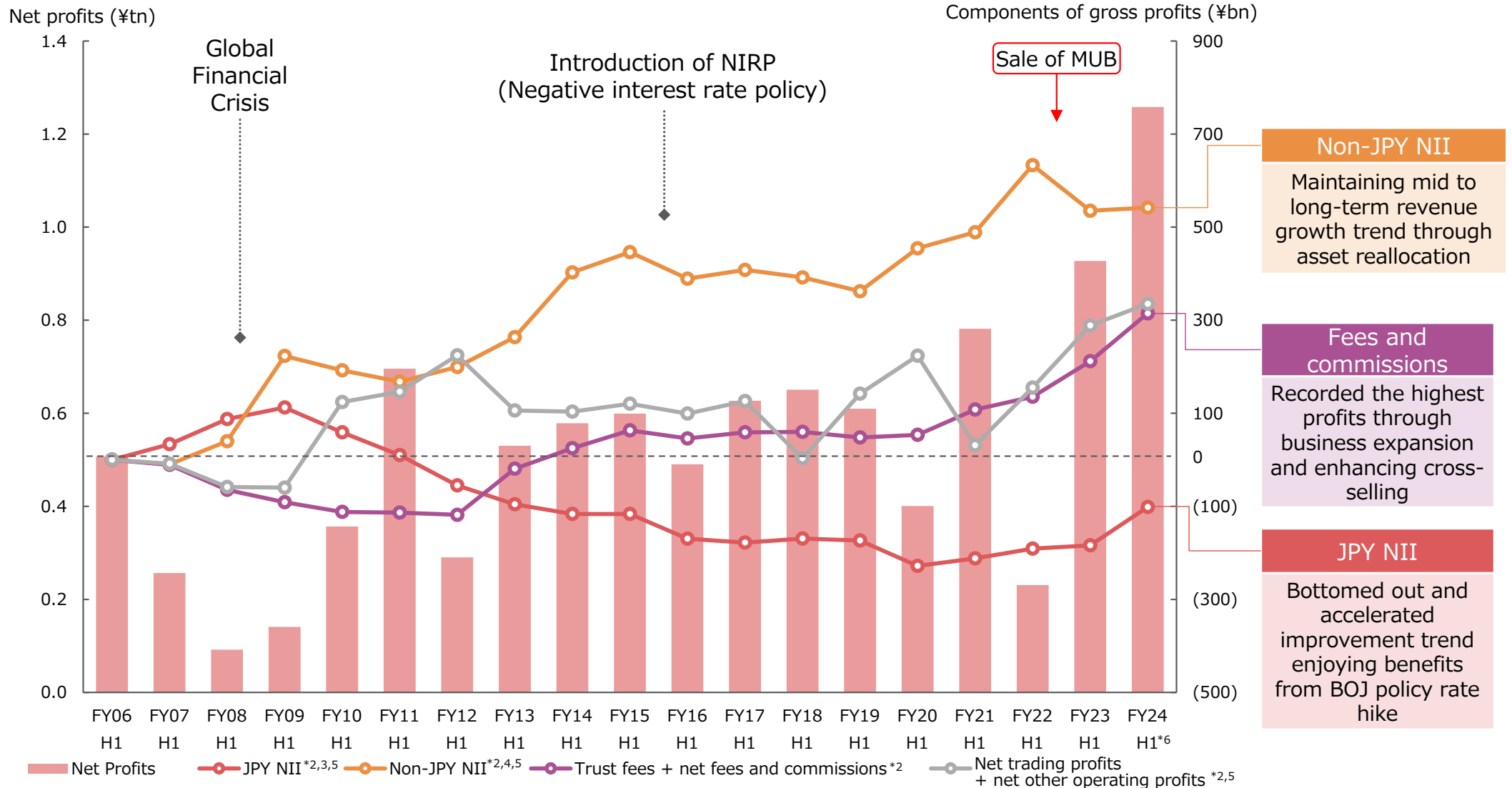
### EPS Growth (2010–2023) : 9.2%



\*1 Settlement currency basis (Source) Japanese banks : annual securities report, non-Japanese banks : Bloomberg \*2 Excluding treasury shares

# Historical trend of net profits and components of gross profits

– JPY NII\*<sup>1</sup> is recovering. Non-JPY NII and fees and commissions also maintained high performance



\*1 Net interest income \*2 Managerial accounting basis. Changes from FY06 level \*3 Sum of NII from domestic operations of the Bank, the Trust Bank, NICOS, Acom. Excl. dividend income from the Bank's and the Trust Bank's subsidiaries \*4 Sum of NII from overseas operations of the Bank, the Trust Bank, MUAH, KS, BDI. Excl. dividend income from the Bank's and the Trust Bank's subsidiaries \*5 Adjusted the gains on investment trust cancellation from FY22

\*6 Excl. KS impact for each component of gross profits in FY24 H1



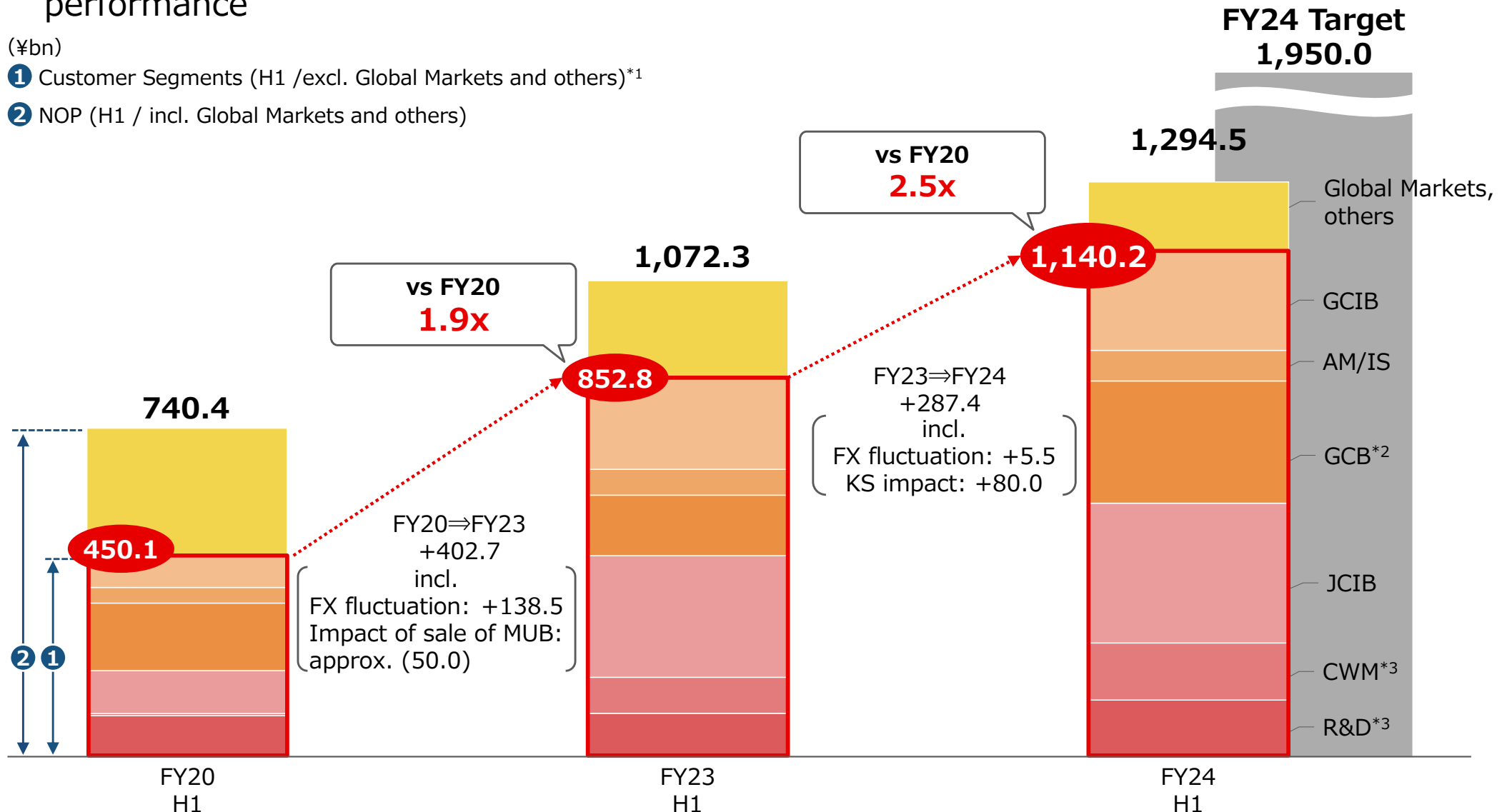
# Improvement of earnings power

- The earnings power that doubled in the previous MTBP continues to maintain its strong performance

(¥bn)

① Customer Segments (H1 / excl. Global Markets and others)\*<sup>1</sup>

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



\*<sup>1</sup> Managerial accounting basis (Including FX fluctuation and changes in standards) Adjusted to the current MTBP's managerial accounting basis from FY23

\*<sup>2</sup> Incl. KS impact approx. 80.0 bn in FY24 \*<sup>3</sup> Former business group basis prior to FY23

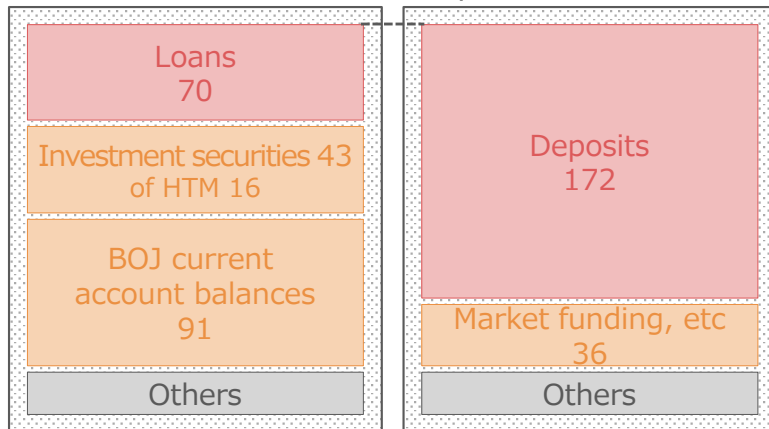
# Impact of rises in JPY interest rates and finance demand

– NII increases by rises in JPY interest rates. Support the growth of the Japanese economy by addressing to the steady demand for finance and by creating new demand

## JPY B/S and financial impact

Non-Consolidated

(¥tn) As of end Sep 24



The impact of potential JPY interest rate rises on NII  
**+¥180.0bn\*<sup>1</sup> per +25bps**

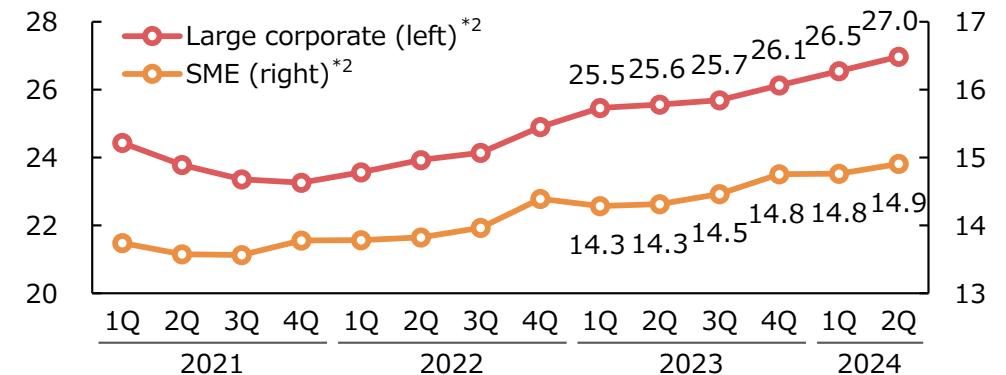
### Simulation assumptions

- BOJ's policy rate, JGB yields: +25bp parallel shift  
(remain unchanged after rise at the beginning in the 1<sup>st</sup> year)

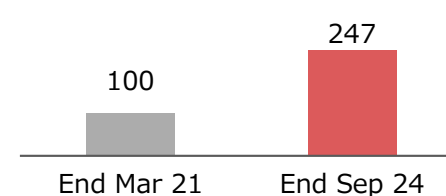
## Trends in loan demand

Non-Consolidated

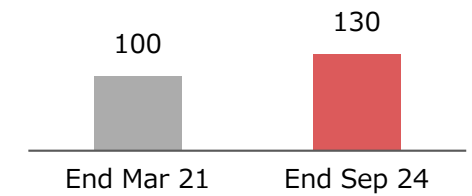
Trends in domestic JPY loans (Ave. balance/¥tn)



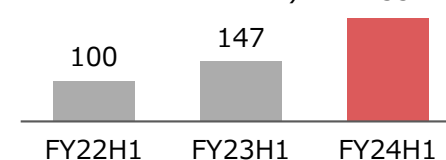
Real estate NRL\*<sup>3</sup> balance  
(End Mar 21 result = 100)



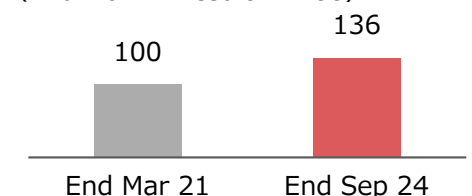
Equity finance\*<sup>4</sup> balance  
(End Mar 21 result = 100)



New business succession-related loans  
(FY22H1 result = 100)



LBO-related finance balance  
(End Mar 21 result = 100)



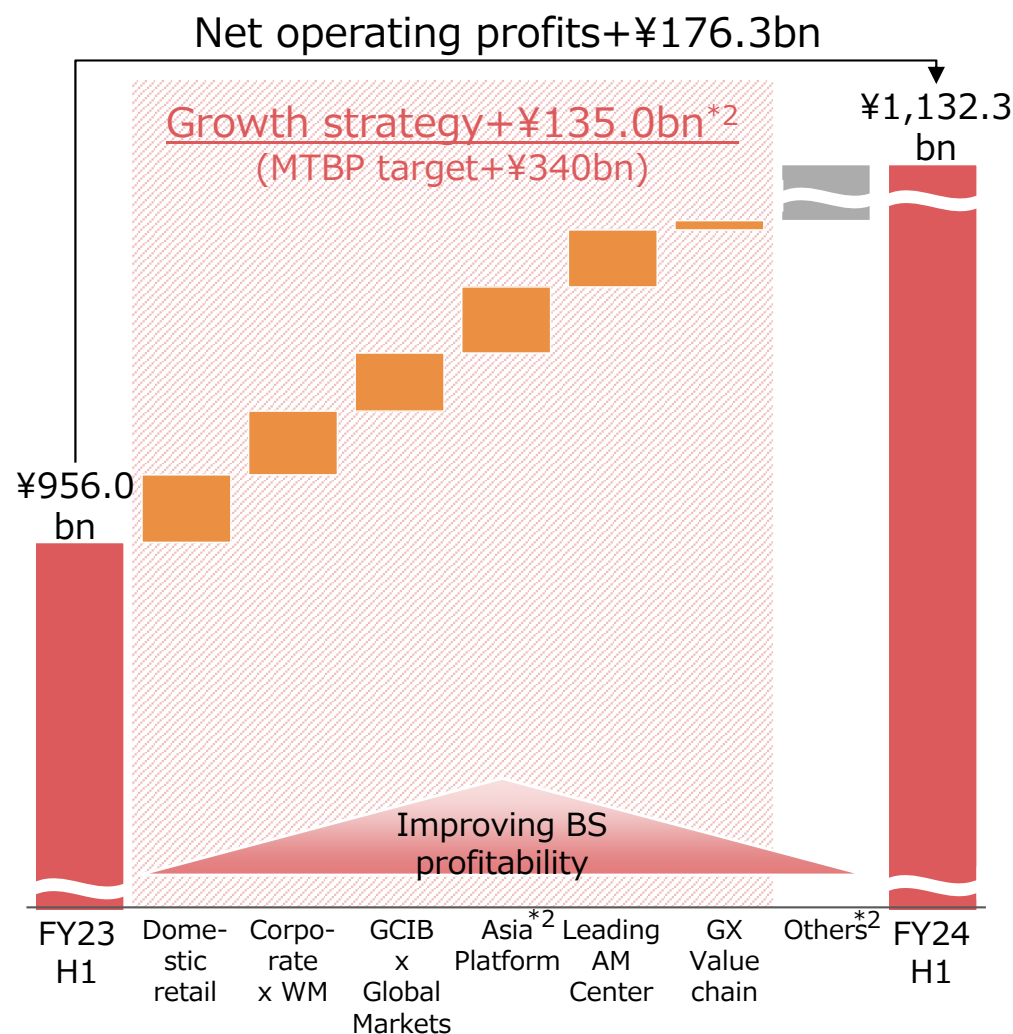
\*1 Based on the assumption that the balance sheet is unchanged. Impact in the 3<sup>rd</sup> year after rise at the beginning in the 1<sup>st</sup> year

\*2 Classification by internal managerial basis \*3 Non-recourse loan \*4 Mezzanine finance for subordinated loans and preferred shares

# Expand & Refine Growth Strategies

– The growth strategy starts with good progress, achieving 40% of the MTBP targets

## Status of net operating profits\*1



## Progress of growth strategies

Strengthen domestic retail customer base	Steady increase in new account openings and card applications with campaigns and products enhancement. Contribution from increased deposit interest income with interest rate hikes
Strengthen corporate x WM business	Steady growth in loan volume related to the business succession and profits from investment product sales by capturing customers' needs and strengthening succession proposal activity
Evolve GCIB-GM integrated business model	Project financing and cross-selling performed solidly by flexibly responding to the customers' needs and changes in the market. Progress in reinforcing primary & secondary alignment
Strengthen APAC business and platform resilience	Solid growth in net interest income, despite the economic slowdown and the slump in the automotive market. Continue investment in digital finance businesses
Contribute to making Japan a leading AM center	Progress in initiatives including origination and launch of EMP*3 Fund No.1, group collaboration*4, and BPO contracting with foreign AM firms
Support value chain in green transformation	Steadily promoting co-creation through the issuance of White Paper 3.0, supporting VC development with investment, and appointment as FA in new carbon neutral technology area
Challenge to build a new business portfolio	Focus on initiatives including entering power futures/spot trade market, space related business, and building next-generation payment infrastructure.

\*1 Managerial accounting basis. Local currency basis \*2 KS impact is excluded from Asia Platform but included in Others. \*3 Emerging Managers Program

\*4 Established a new organization for credit investment function transfer

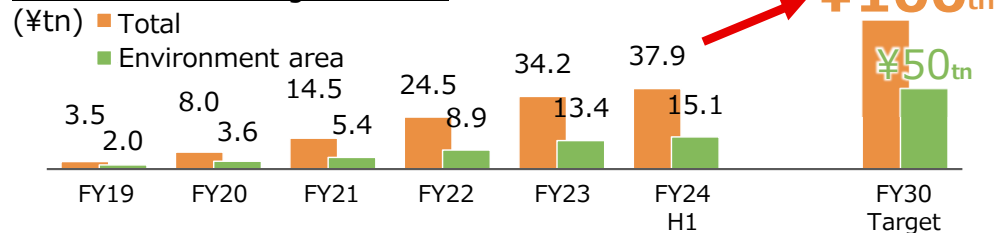
# Drive Social & Environmental Progress

– Accelerate efforts to enhance social and economic value and visualize the impact

## Achievement of carbon neutral society

- Capturing the increasing financing demand in renewable energy and other areas, the amount of sustainable finance increased steadily

### Cumulative financing over time



## Industry development & innovation support

FY24H1

Contribution to improving productivity in corporate activities

- Alliance between LayerX and the bank in the area of corporate expense management and finance
- Contribute to corporate optimization by combining AI tech of LayerX and the bank's customer base



**LayerX**



**Bakuraku for MUFG**

Plan

MUFG Startup Summit



(only in Japanese)

- "MUFG Startup Summit" will be held this December (with 2,000 participants, the largest events hosted by financial institutions).
- Contributing to the development of a sustainable ecosystem by creating business opportunities and providing knowledge for business growth



## Respect for human rights



### MUFG Human Rights Report 2024 (24/8)

- Updated policies and initiatives regarding the respect for human rights of employees
- Examples of financial services that contribute to the respect for human rights, as well as progress on human rights due diligence

## Visualize the impact



### IMPACT BOOK (TB, 24/7)

- Set the social impact target and KPIs based on the characteristics of the trust bank business
- Visualized the pathway to achieving the impact using logic models

Plan to disclose MUFG's specific initiatives and the social impact to drive social & environmental progress next spring.

\* For the status of our efforts on each priority issue, please refer to our website.  
URL : <https://www.mufig.jp/english/csr/groupcsr/index.html#jump02>

# Publication of MUFG Transition Whitepaper 2024

– Organize key points to overcome the global common challenge of the “price pass-through barrier” and advocate the necessity of international cooperation

## Whitepaper 1.0 (2022)

**Differences** in pathways to carbon neutrality across regions

## Whitepaper 2.0 (2023)

**Differences** in support approaches and policy structures for carbon neutrality across countries

Recognize the global common issue of the “**price pass-through barrier**” through discussions on the differences between regions and countries

## Whitepaper 3.0 – 3 Key Words



Click!

The necessity of international cooperation to overcome the “price pass-through barrier”

1. Expand technological options (optionality)
2. Ensuring business profitability (economic viability)
3. Raising consumer awareness & understanding (end-user awareness and understanding)

## Developments since Whitepaper 2.0

### Insights from govt. authorities

- Variation in private investment following the introduction of policy supports
- Europe & the U.S. face the price pass-through barrier

### Advocacy and dialogues

- Based on the above insights, continued dialogues with government authorities and corporates

Published Whitepaper 3.0



## Whitepaper 3.0

### Key points to facilitate discussions on global finance

- **Expand financial support options** for transition technologies
- The role of financial institutions in **scaling up economically unviable projects**
- Promote understanding of the role of **policy supports** and **private investments aligned with the technology stage**



## Developments since Whitepaper 3.0

### Advocate the necessity of int'l cooperation & public-private collaboration through dissemination & dialogue

- Accompanied by corporates, engage in dialogue with European and the U.S. govt. authorities
- Asia Tour (India / ASEAN countries)
- The GX Acceleration Agency - GX Future Seminar
- Nikkei Symposium “Achieving the leading asset management nation and GX”



# Accelerate Transformation & Innovation(1)

– Towards “awakening our full potential”, foster a sense of ownership in each employee and promote Group-based transformation

Taking ownership of the Purpose through dialogue across entities

## Group-based initiatives to promote understanding of the MTBP

Townhall meetings for the management

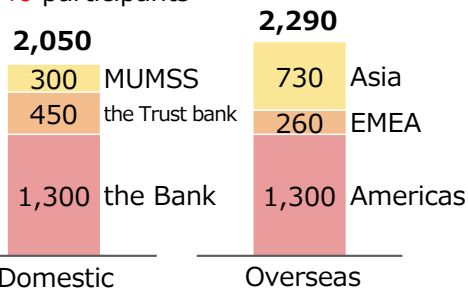
- Held 9 sessions for bank, trust bank, securities, and overseas management, with **4,340** participants

Special interview video distribution

- The aspirations, process, and key points for preparing the MTBP explained to employees



Visited **183** domestic units as the initiatives were cascaded to each area



## Evolution of MUFG Way Employee Sessions

Dialogue for understanding and taking ownership of the MTBP and MUFG Way



9 sessions in Tokyo, Nagoya, and Osaka, with **181** participants

MUFG Way Employee Sessions among Group entities



Joint session by BK, TB, and MUMSS held in Hiroshima

Acceleration of Agility Transformation

## Implement the common guidelines

### Principles for managers

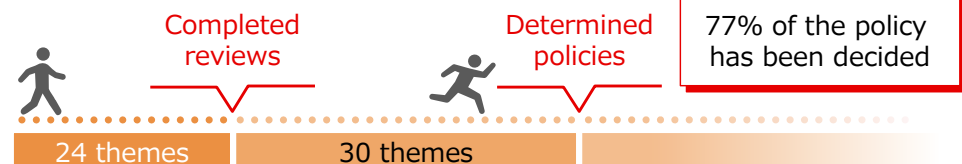
- ① Communication can be frank and casual, while opinions and instructions need to be clear.
- ② Agility over Perfection: Focus on the key information needed to support good discussion and pragmatic decision making, adjusting actions as necessary along the way.
- ③ Meetings are for discussion and decision making, not for perfect documents.
- ④ Delegate authority and trust their judgment.
- ⑤ Lead by example: Step up to resolve complex issues such as cross-departmental conflicts.

**516 General Managers** declared their Agility Transformation actions under the guidelines



## Review of procedures and rules

2,000 requests by employees Consolidated into **70** themes



## Implementation / trial of agile operation

### Current initiatives

- Establishment of cross-organizational CoE led by mid-level employees
- Multiple pilot programs
- Consider the approach for company-wide implementation

### Object

- Swiftly respond to changes in the environment
- Enhance digital service competitiveness
- Continue CS / CX improvement
- Accelerate Agility and Culture Transformation



# Accelerate Transformation & Innovation(2)

– Launching comprehensive activities with a focus on AI, to transform into AI-Native company

Promotion and acceleration of group-wide AI utilization

## Transformation into AI-Native company

Increase customer value by data driven approach

Business model innovation

Transform employees' work-style

### Specific initiatives

- 1 Optimization by expanding ChatGPT users in the group and improving functions

Optimization by utilizing RAG\*1

- Applied to 40 cases (FY24~)
- 350 potential use cases

- 2 Exploration and development of more advanced AI use cases  
Created over 40 use-cases

Tailored proposal activities

- Data based support on proposal preparation
- Customer profiling (identifying customers' potential issues), etc.

CX\*2 improvement through digital channels

- Support on services and UI/UX improvement foreseeing direct AI interaction in the future

System development optimization

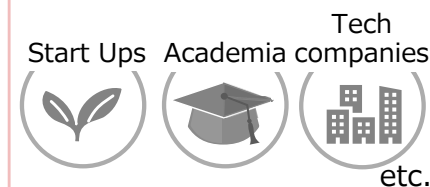
- Assistance with coding and the creation of deliverables, etc.

Activities for the transformation into AI-Native company

AI Intelligence

- Absorb knowledge from cutting-edge companies, etc., and deploy/utilize in Group

Global network



Latest technology & trend investigation

Trend/updates in technology

AI utilization in other companies

Rule / regulation

Collaboration with other companies

- Promote research & development of cutting-edge technology, through collaboration with other companies

Join industry-academia collaboration research between Keio Univ. and Carnegie Mellon Univ.\*3



Apply OpenAI's technology to our operations



Invest & collaborate with Sakana.AI



Collaborate to develop LLM\*4 specialized in finance

AI Experts

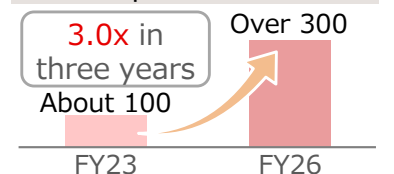
- Secure and develop by hiring and employee training

Expand new graduate & mid-career hiring

Management training

DX-Leading HR Training

AI Experts (the Bank)



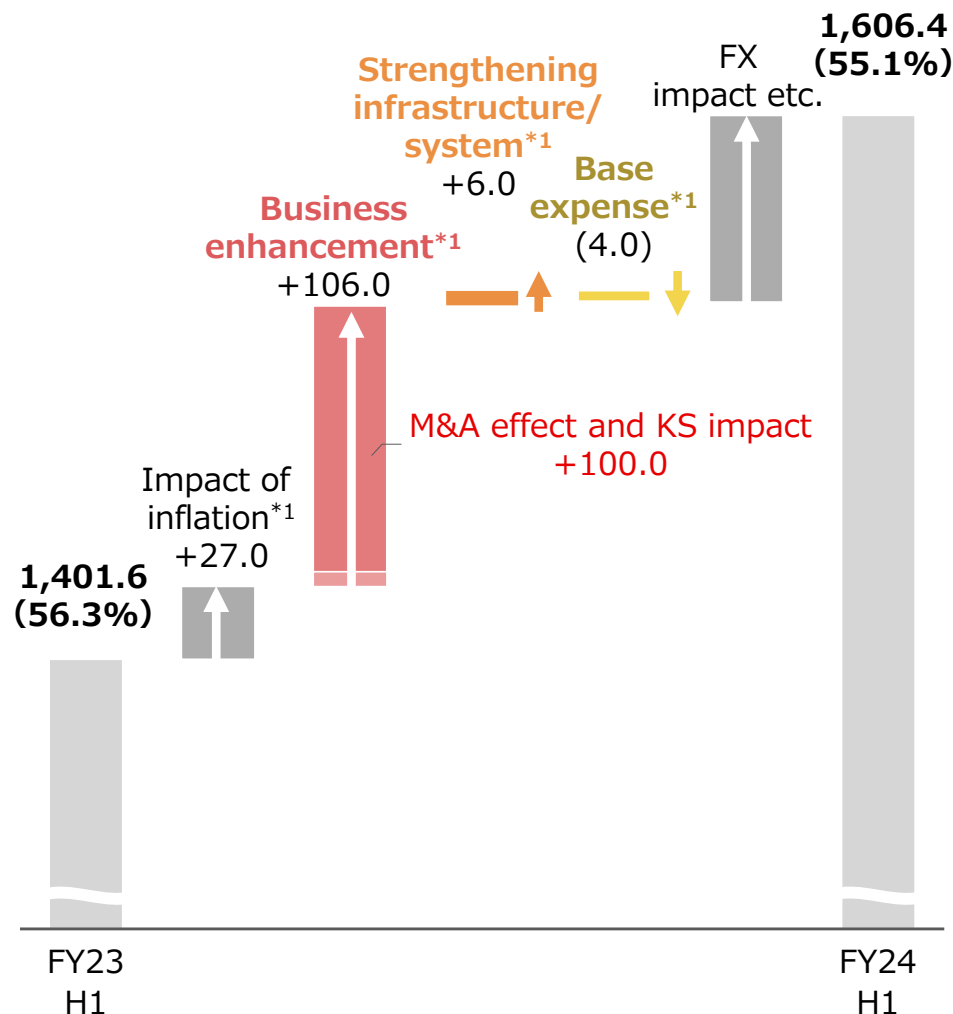
\*1 Retrieval-Augmented Generation \*2 Customer Experience

\*3 The research aims business implementation of AI through the academic collaboration based on the research partnership between Keio University and Carnegie Mellon University and by incorporating the industrial expertise of 9 member companies. \*4 Large Language Model

# Cost control

- Expense ratio was controlled at 55.1% due to reinforcing disciplined cost control in terms of both ratio and amount

(¥bn)



\*1 Managerial accounting basis

## Result of expense ratio by business group

	FY24H1 Result	vs FY23H1	FY26 Plan
R&D	72%	(4ppt)	76%
CWM	63%	(9ppt)	64%
JCIB	39%	(3ppt)	41%
GCIB	51%	(4ppt)	49%
GCB	53%	(4ppt)	55%
AM/IS	70%	(1ppt)	73%
Global Markets	39%	2ppt	49%

### Business enhancement

Enforce discipline through controlling expense **ratio**

- Expense ratio in customer segments improved due to top-line performance

### Strengthening infrastructure/system

Enforce discipline through controlling expense **amount**

- Mainly increased in the area of strengthening infrastructure
- System expenses was relatively restrained vs FY23H1

### Base expense

Enforce discipline through controlling expense **amount**

- Controlled restrictively



## RWA control\*1

– Making headway in reducing RWA in customer segments by eliminating unprofitable assets and accelerating sale of equity holdings

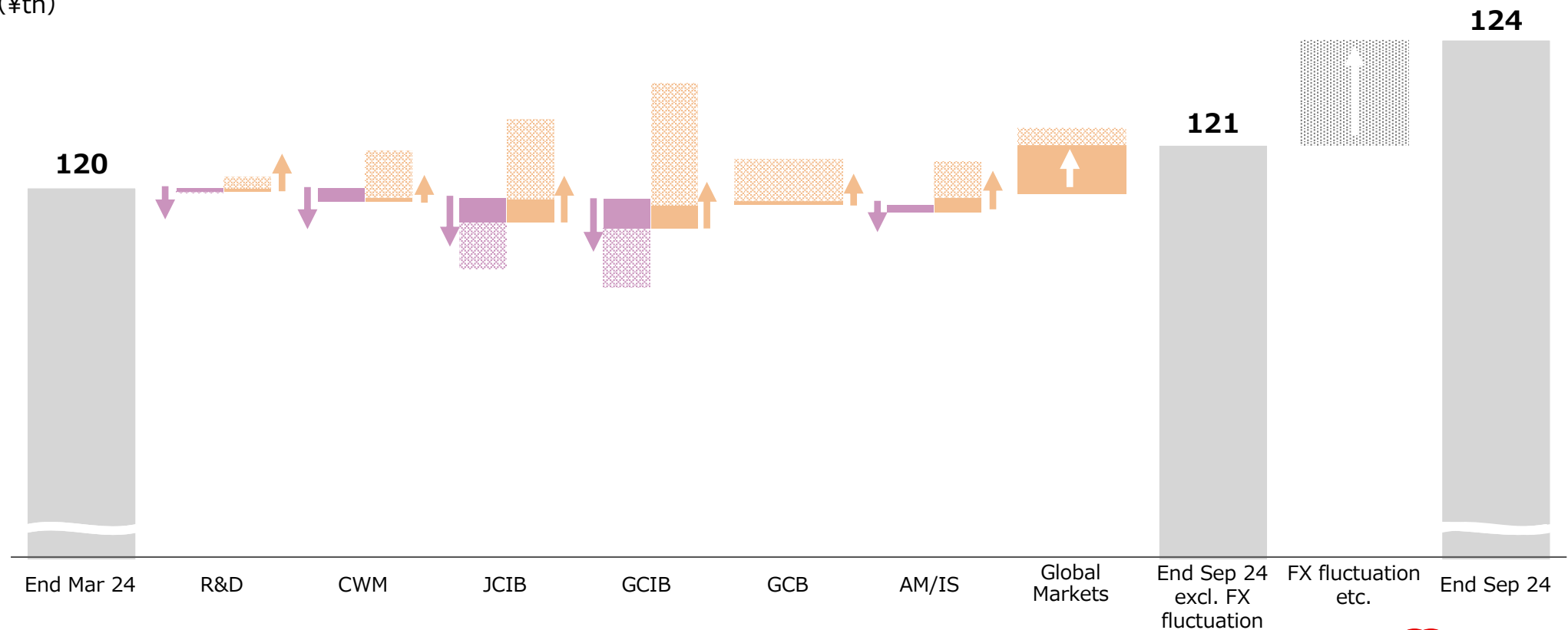
■ Reduction of low profitable RWA : ¥(2tn)

▤ Reduction target of low profitable RWA by FY26 : ¥(5tn)

■ Incrementation of high profitable RWA : ¥+3tn

▤ Incrementation target of high profitable RWA by FY26 : ¥+12tn

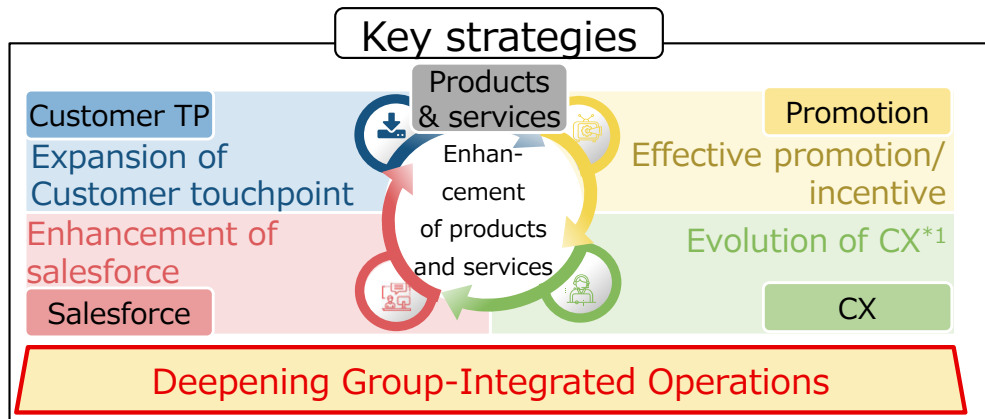
(¥tn)



\*1 Managerial accounting basis. Estimated RWA on the finalized and fully implemented Basel III basis. Includes net unrealized gains on AFS securities

# Evolution of retail business strategy

– Deepen Group-Integrated Operations to accelerate retail business strategy

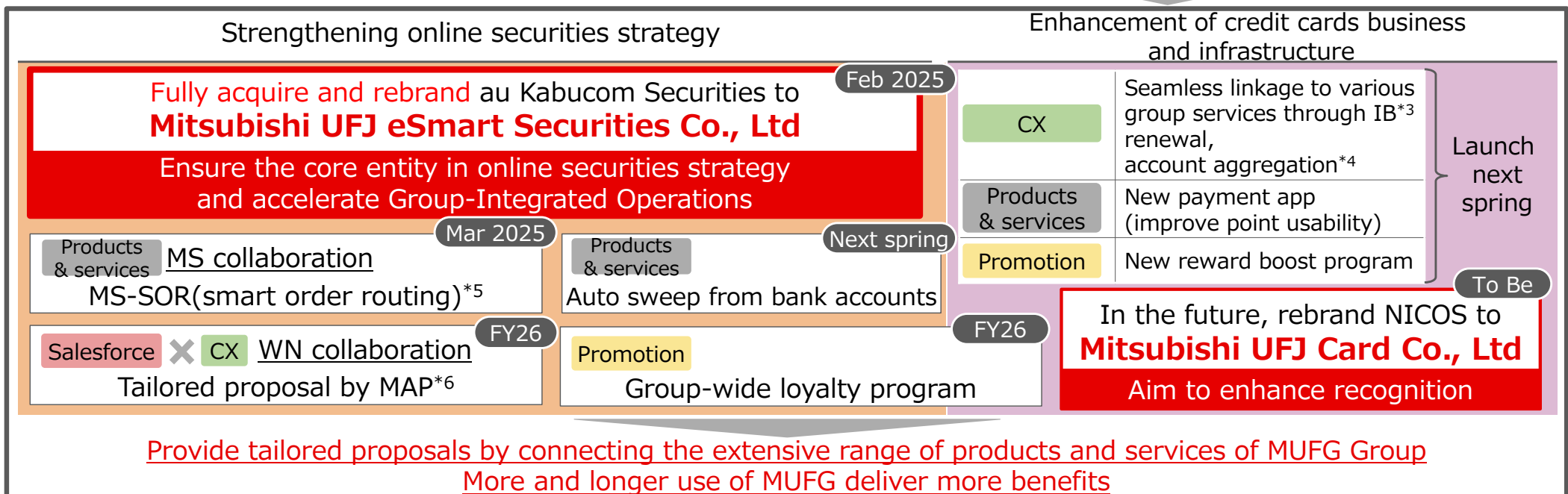


Progress in FY24H1	
Customer TP	Opened new pilot branches ▼ Pilot branch
Promotion	Launch attractive campaigns
Salesforce	Start of CS course*2 recruitment
Products & services	Enhancement of product competitiveness (credit card, home loan)



(Source) Nikkin online, Oct 21 2024

**Accelerate Group-Integrated Operations towards the next phase**



\*1 Customer Experience \*2 A course aimed at becoming a branch management professional, with a focus on customer service

\*3 Internet banking for individual customers \*4 Technology to manage multiple accounts collectively \*5 Stock order system

\*6 Money Advisory Platform under development in collaboration with WealthNav

# Further development of the business portfolio

– Accelerate initiatives to contribute to the growth of the Japanese economy and realize a globally competitive business portfolio

## Approach for the co-creation of value (Domain)

Capture the customers' business domain expansion and nurture new industries/businesses together with a wide variety of approaches, leading to the creation of future businesses for MUFG

### Digital Infrastructure



- Investment Agreement with AALTO HAPS for HAPS<sup>\*1</sup> manufacturing and operation through a consortium with NTT Docomo, Space Compass, and Others

### Space



- Emphasized the significance of bankability in a keynote speech for an international space summit<sup>\*2</sup>
- Supported the IPO of investee Astroscale Holdings

### Food



- Sponsored MUFG ICJ ESG Accelerator under the theme of sustainable food
- Gave a speech at WFF 2024 Flagship Event sponsored by the Food and Agriculture Organization of the UN

### Semiconductor



- Agreement with Fukuoka FG to strengthen semiconductor supply chain
- Supported acquisition of Altium by Renesas Electronics

## Overseas Business portfolio

### Further development of overseas business portfolio

#### ① Expansion of MUFG economic sphere in Asia

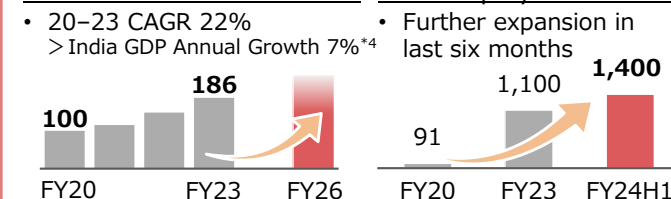
- Aim to further expand by partnering with top players in each country's payment sector



#### ② Enhancement of India Business

- Capture high growth and leverage abundant labor for global efficiency
- Continue exploring inorganic growth opportunities

India Branch Gross Profit<sup>\*3</sup> # of employees in MGS<sup>\*5</sup> Further investment in DMI Finance



#### ③ Expansion of IS area

- Completing the investment in Link, and renamed to MPMS<sup>\*6</sup>
- Pursuing synergies through expanding MPMS's customer base and functions
- Accelerating consolidation of multiple MPMS offices within the same country and maximizing utilization of centers in India

### Disciplined capital management

#### ① Partial sale of US Bancorp shares

- Sold additional investment amount in Aug. 2024
- Partnership remains unchanged

\*1 High Altitude Platform Station: Unmanned aerial vehicle communication infrastructure providing services from the stratosphere

\*2 6th Summit for Space Sustainability (July 11, 2024) \*3 Managerial accounting basis. Bank only. Relative index with FY2020 performance set as 100

\*4 IMF, 2024 \*5 MUFG Global Service Private Limited: Operational hub for centralizing overseas operations such as KYC \*6 MUFG Pension and Market Services

Status of the response  
to administrative actions

# Response to the administrative actions<sup>\*1</sup> – status of improvement measures (6 pillars<sup>\*2</sup>) etc.

– Completed to establish the framework to prevent recurrence, and focus on penetration

## Completed items in 6 pillars

- (1) Revise / emphasize procedures / rules based on specific examples 1stL 2ndL 3rdL
  - Revise procedures (Partial restrictions on comprehensive consent agreements for information sharing between bank-securities)
  - Establish guidelines (the scope of internal sharing of corporate information, compliance with the Banking Act and Financial Instruments and Exchange Act)
- (2) Enhance training more in line with practice 1stL 2ndL 3rdL
  - Trainings customized by layers based on specific examples (incl. raising awareness), topic based training (e.g. bank-securities collaboration)
  - Establish the internal consultation desk to provide prompt and practical support
- (3) Review performance evaluations and reemphasize the objective of group profitability management 1stL 2ndL 3rdL
  - Revise and implement performance evaluations (requirements of double counting of profit between bank-securities) and rules to evaluate organizations
  - Clarify / notify / emphasize interpretation of group profitability management
- (4) Enhance monitoring framework at sales / risk management divisions 1stL 2ndL 3rdL
  - Expand monitoring scope of products and project phase (generation ~ closing)
  - Establish and implement bank-securities integrated monitoring framework with a holding company as a control tower
- (5) Enhance management framework 1stL 2ndL 3rdL
  - Top managements interview and training led by counsels for executives
  - The Group CEO / the Bank CEO / the SCHD CEO / the business group head townhall mtg
- (6) Improvement measures as the holding company 1stL 2ndL 3rdL
  - The Group Crisis Control Headquarters meetings (held 15 times<sup>\*3</sup>)
  - Plan / execute group based improvement measures

## Initiatives for penetration

- 1stL 2ndL 3rdL
  - Continue training sessions
  - Confirm the status of penetration through post-training verification tests
- 1stL 2ndL 3rdL
  - Penetration through detection and guidance via monitoring (incl. effectiveness verification)
- 1stL 2ndL 3rdL
  - Expand target media for AI-based communication monitoring
- 1stL 2ndL 3rdL
  - Continuously raise awareness across various layers, incl. executives
- 1stL 2ndL 3rdL
  - Verify the appropriateness of improvement measures and the status of penetration through internal audit
- 1stL 2ndL 3rdL
  - Continue monitoring the progress of improvement measures through the Group Crisis Control Headquarters

**The Board of Directors and Audit committee was involved from the planning stage, and will closely monitor and oversee whether improvement measures have been established**

\*1 The recent status has been reported to the Financial Service Agency as of October 15, 2024

\*2 Reference: [press release issued on July 19, 2024](#) \*3 As of November 14, 2024

## Response to the administrative actions\*<sup>1</sup>

– Having analyzed the causes of incidents, we believe their root causes to be as follows.

### Overall

- There were procedures/rules and certain internal control frameworks in place while proactively advancing bank-securities collaboration. But considering the balance between messages promoting leveraging MUFG's collective strengths to realize customer-centric sales activities through bank-securities collaboration, there was insufficient penetration of correct understanding and consciousness for complying with laws, regulations, etc., in such collaboration.

#### Sales divisions (1<sup>st</sup> line)

- There was insufficient development of risk ownership by sales divisions amid the growth of bank-securities collaborative business.

#### Risk management divisions (2<sup>nd</sup> line)

- Internal control frameworks, which should be continuously reviewed in light of operational realities, were not sufficiently expanded, and clarification of operational processes and procedures/rules matching the reality of bank-securities collaboration did not progress.
- Furthermore, enhancement of the operating model to appropriately recognize risk with an understanding of the operational situation of sales divisions, and expansion of monitoring frameworks by risk management divisions (including risk management functions within sales divisions) were insufficient.

### Management

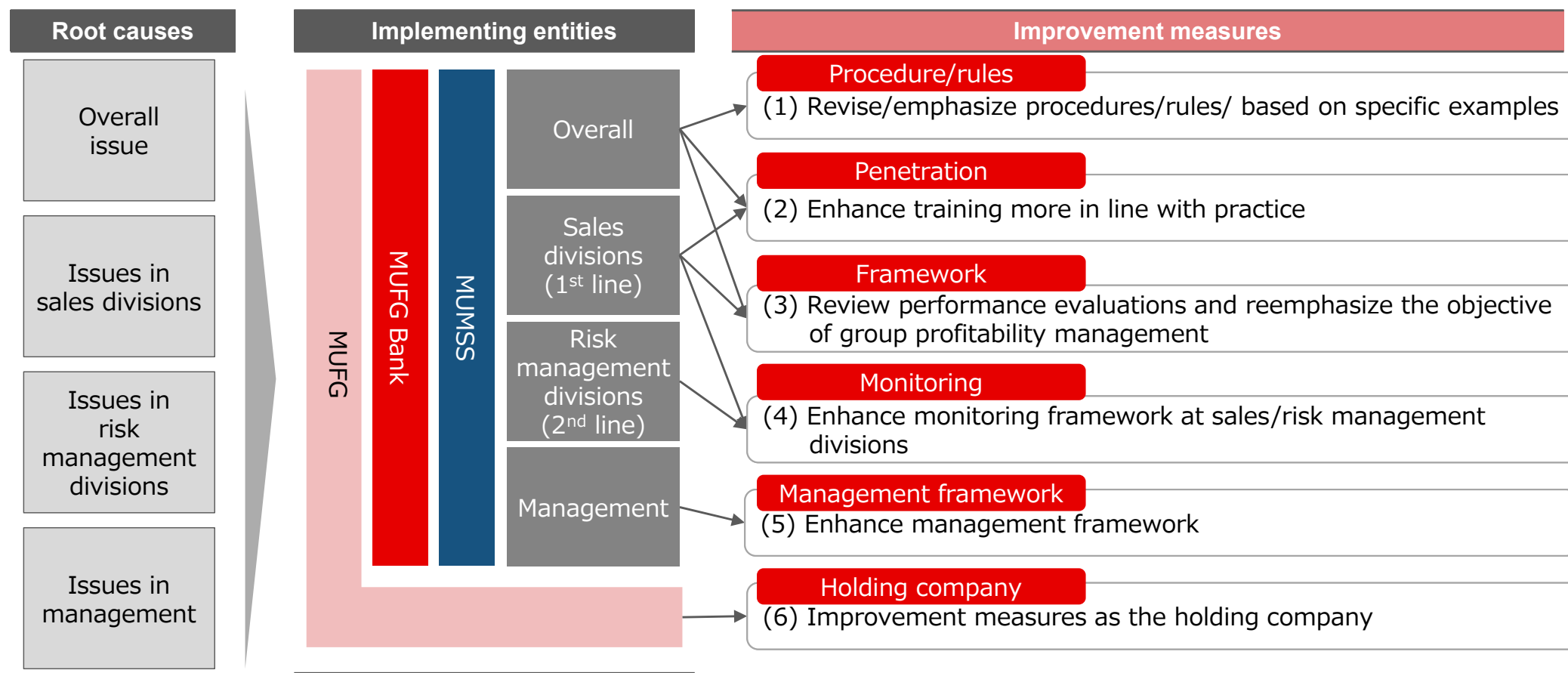
- Management did not properly recognize risks around a possible imbalance between the messaging of advancing bank-securities collaboration and notifying/emphasizing relevant procedures/rules within sales divisions, and were not able to take appropriate action on the issues above.

\*<sup>1</sup> Reference : [the press released on July 19, 2024](#)

# Response to the administrative actions

## – Measures for improvement to prevent recurrence\*1

- Via the 5 improvement measures and improvement measures as the holding company, we will strengthen our management framework, compliance framework related to bank-securities collaboration, and internal control frameworks including our customer information management framework.



\*1 Reference : [the press released on July 19, 2024](#)

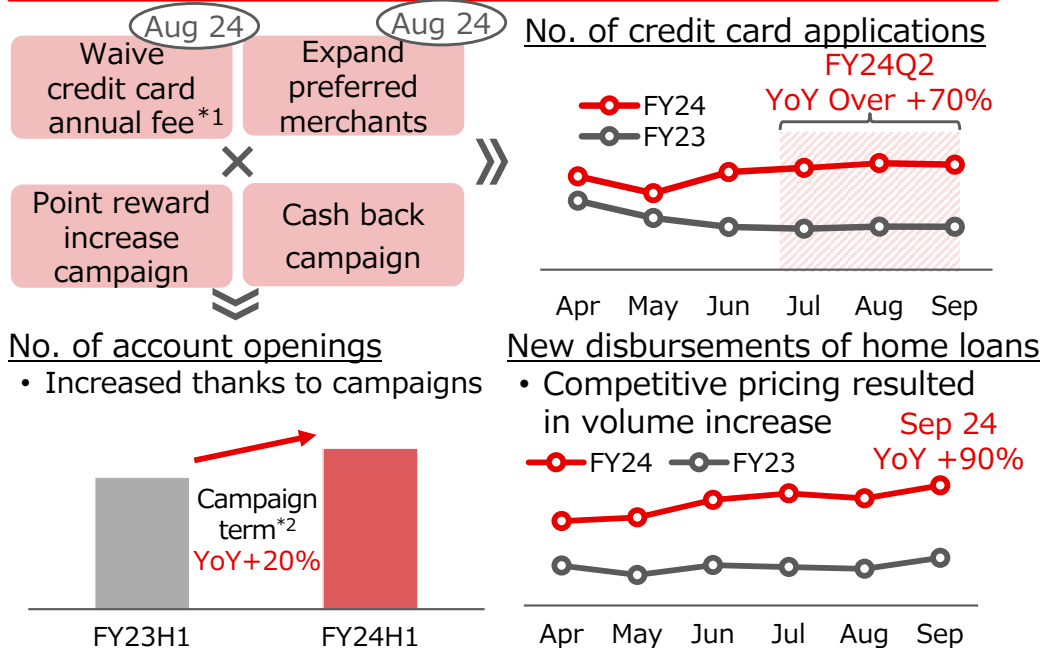
Status of each strategy in  
the MTBP



# Growth Strategies(1)

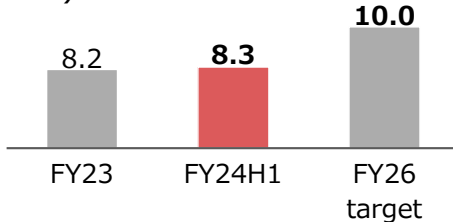
## Strengthen domestic retail customer base

Enhancement products × More benefits = Further expansion of customer base

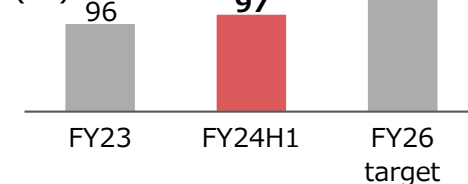


### Progress of major KPI

**No. of IB MAU\*3**  
(mm)



**Balance of financial assets from retail customers** Approx. (tn)



## Strengthen corporate × WM business

Enhancing organization

Enhance internal organization from both front and back office

- Improve skills for business /asset succession and M&A through in-house qualification system
- Accelerate fostering professionals and career recruitment in HO

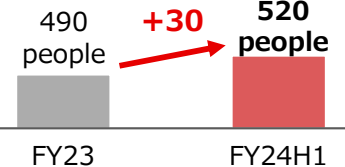
In-house qualified person

(Business succession, asset succession, M&A, WM)



**+250 people**  
(Newly qualified)

Specialists in HO

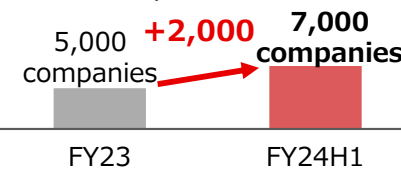


Strengthening approach to customers

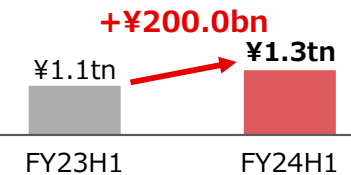
Strengthen customer approach by expanding target customers and accelerating deal development

- Explore unvisited customers who have intention for succession
- Accumulate pipeline related to business succession

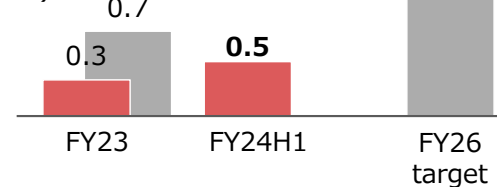
No. of visited companies in target  
(Specialists in HO)



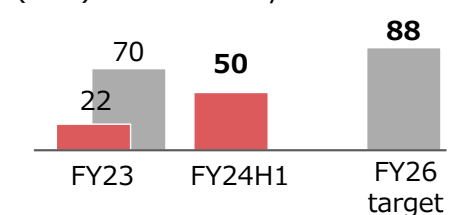
Pipeline related to business succession\*4



Loan balances related to business succession\*4 (¥tn)



NOP (¥bn)

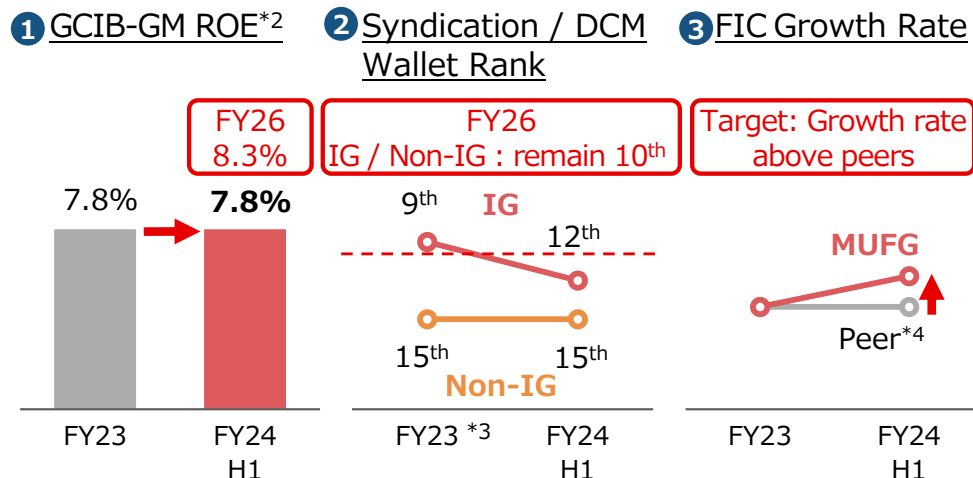
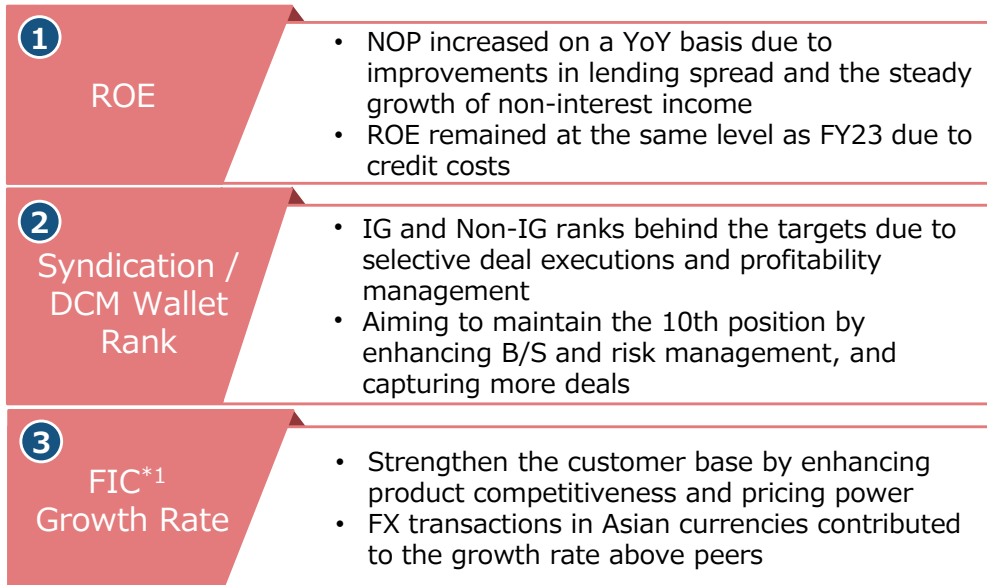


\*1 Standard credit card only \*2 "Ordinary account opening and time deposit campaign" conducted in June and July 2024

\*3 Monthly Active User of internet banking for industrial customers \*4 BK non-consolidated

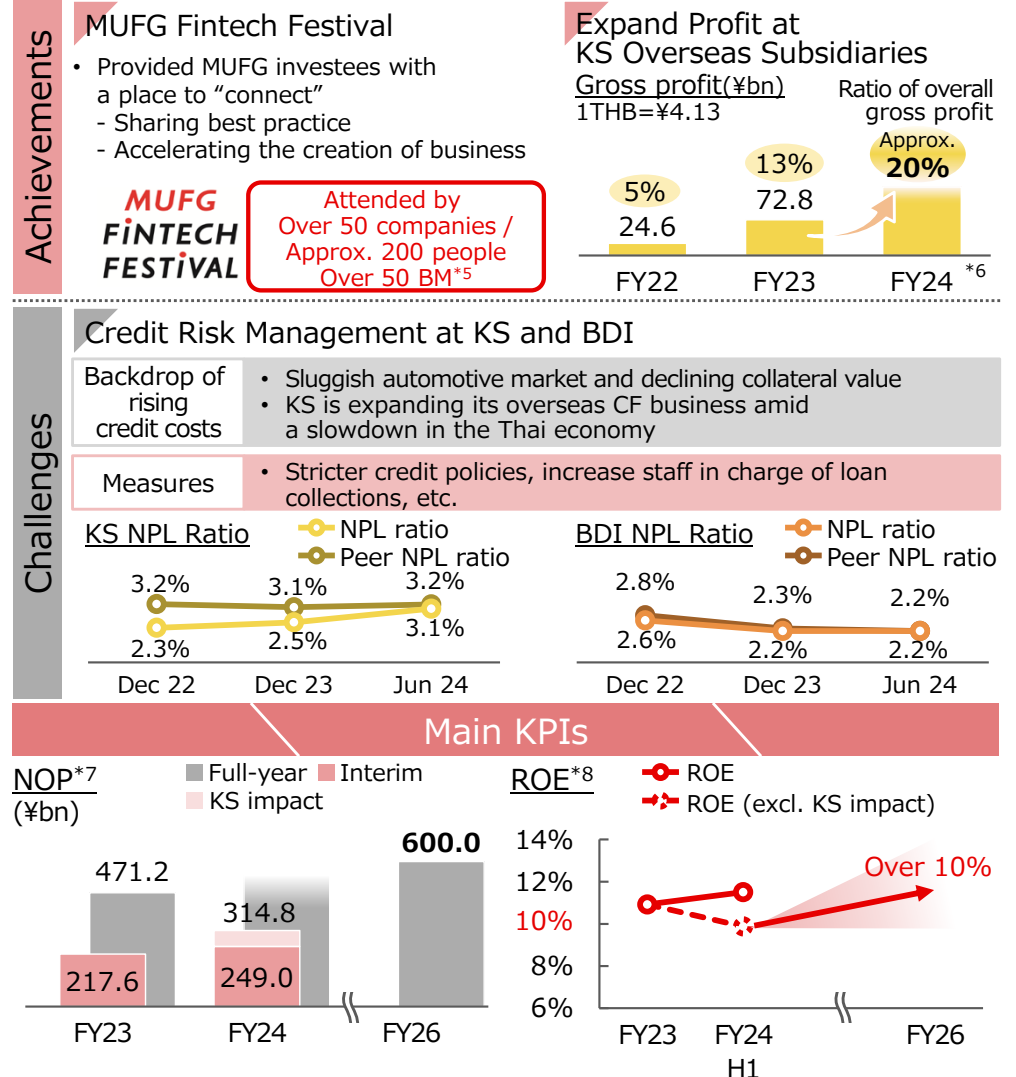
# Growth Strategies(2)

## GCIB-GM integrated business model



\*1 Fixed Income and Currencies    \*2 Adjusted individual factors    \*3 Calendar year basis    \*4 Growth rates of peers are calculated from Coalition Greenwich data  
 \*5 Business Matching    \*6 FY2024 ratio of profit from overseas subsidiaries is estimated    \*7 FY2023 result has been refined and subsequently revised  
 \*8 ROE after amortization of goodwill and intangible assets. FY2023 result has been updated from preliminary to actual results

## Strengthen APAC Business and Platform Resilience



# Growth Strategies(3)

Contribute to making Japan a leading asset management center

## Topic

### [AM] Initiative to enhance investment capabilities <sup>①</sup>

- Originated and launched EMP No.1 Fund, established an organization with the transfer of credit investment function

**MUFG group collaboration**

### [IS] Initiative to support AM companies <sup>②</sup>

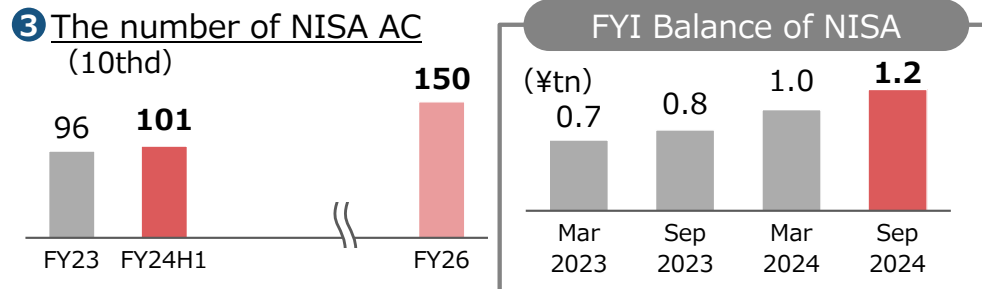
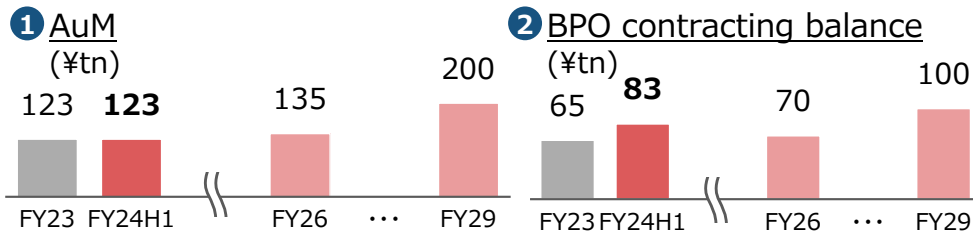
- Started BPO contracting using BlackRock's Aladdin<sup>®</sup>

### Initiative to support asset owners

- Asset Owner Principles Seminar in Tokyo and Osaka

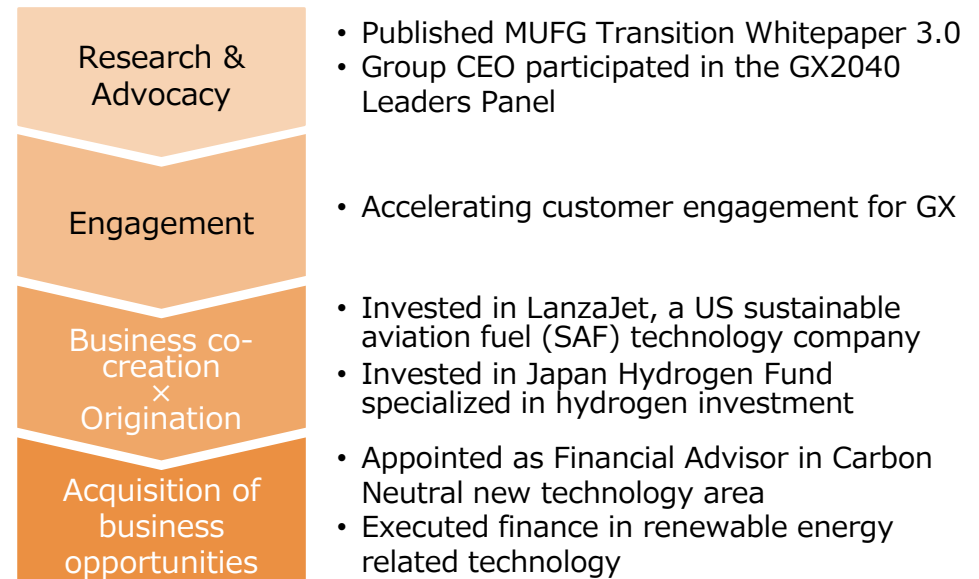
### Enhance information distribution/communication for parties in the investment chain

- MUFG Sustainable Investment Symposium held in Japan Weeks

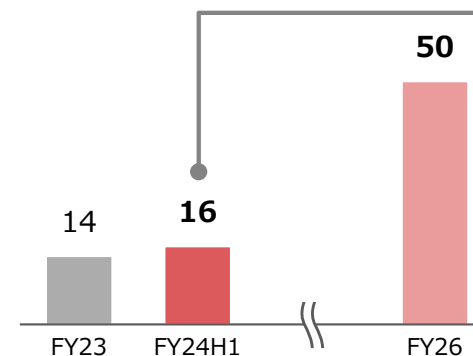


\*1 Number of business co-creation through dialogue and engagement with customers

## Support Value Chain in Green Transformation (GX)



### Number of co-created GX projects\*1



### Co-creation case

- With investment in LanzaJet (US), aim to expand its business opportunities and build SAF value chain



# Growth Strategies(4)

## Challenge to build a new business portfolio

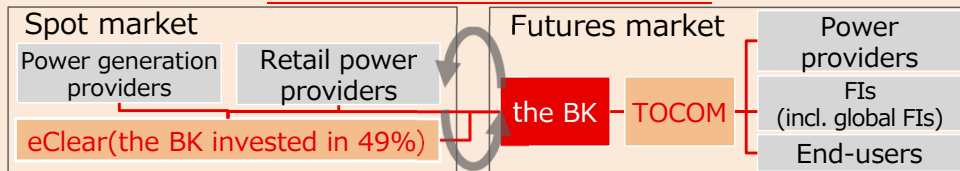
### Entry into Power futures/spot trade market

Global markets

- Capture the developing power futures trading market in Japan as a new business area and aim for first-mover advantage

Futures market	Commenced power future trade execution and clearing services at Tokyo Commodity Exchange (TOCOM) in September 2024
Spot market	Invested in a 49% stake in eClear Corporation, a registered retail power provider, in September 2024

Create new businesses and contribute to addressing environmental and social issues



Contribute to enhancing trading liquidity of the immature electricity market in Japan and stabilizing power supply

### Space related business

JCIB

- Commissioned by JAXA in prime to conduct "Demonstration project on forest carbon credit calculation using satellite data"
- Visualization of progress towards carbon neutrality using satellite data stated on Whitepaper 3.0
- Initiatives evolve from creating a domestic value chain, into aiming at expansion of MUFG business, driving various social and environmental issues, and pioneering new industries by using satellite data (geospatial information)

### Consideration for building next-generation payment infrastructure

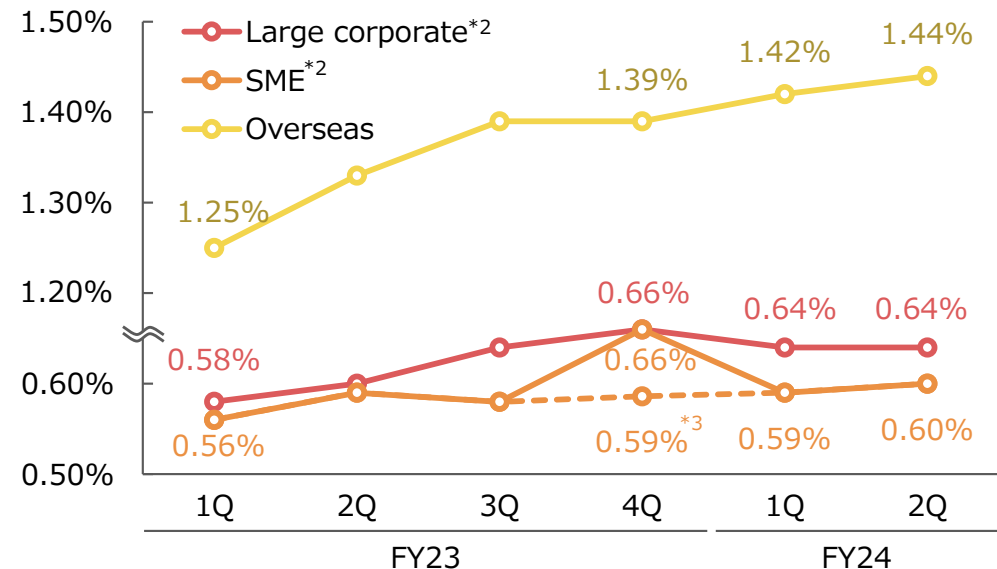
Digital

- Joined the public-private project Agorá and the private sector-led consortium Global Layer1 to pursue a unified ledger

## Improving BS profitability

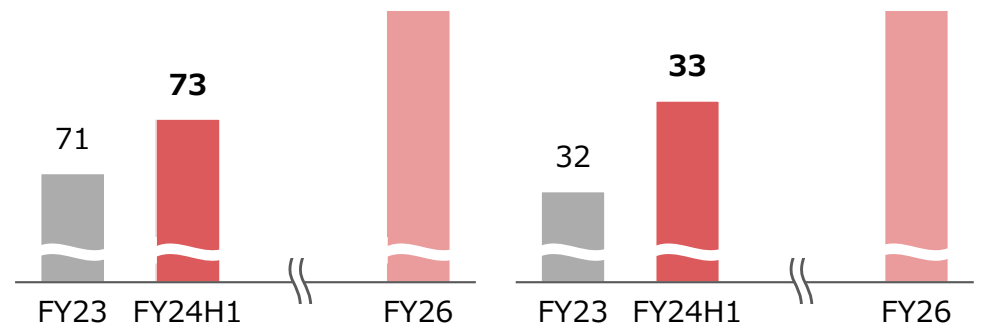
### Trends of lending spread\*1

Non-Consolidated



Average balance of JPY liquid deposits (individuals) (¥tn)

Average balance of Non-JPY deposits (¥tn)

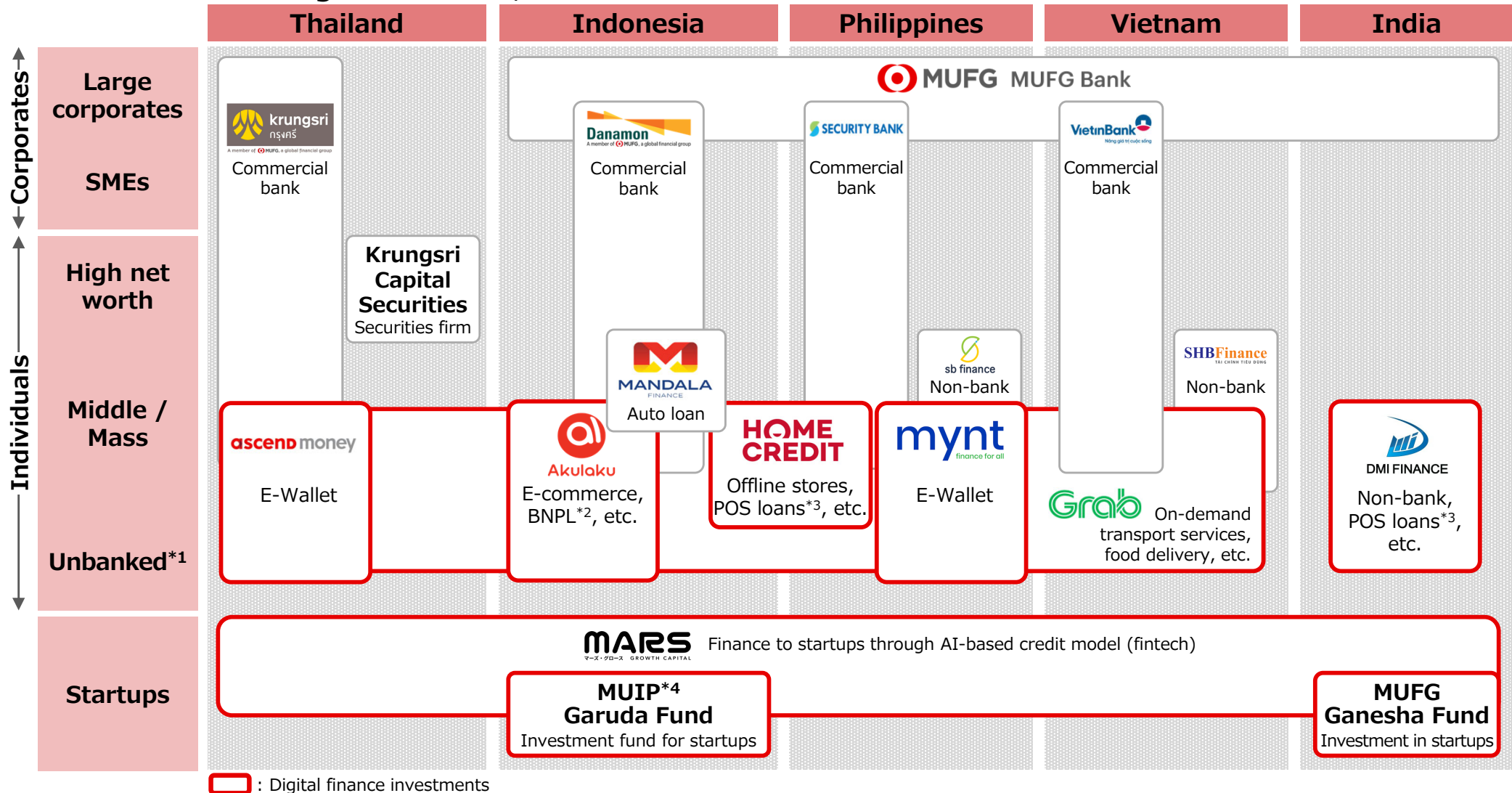


\*1 On a managerial accounting basis \*2 Including non-JPY loans. Excluding lending to government

\*3 Excluding impact of the collective recording of interest received at fiscal year-end via subsidized interest payment

# MUFG's economic sphere in Asia - Asia & Digital Finance

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



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

\*2 Buy Now Pay Later is a form of financing that lets customers pay for purchases later

\*3 Point of Sale loans are installment loans provided at automobile and household appliance dealerships \*4 MUFG Innovation Partners

# Drive Social & Environmental Progress

## Carbon neutral society: International initiatives

### GFANZ\*1 Japan

- Enhanced activities in FY24 incl. the propose of requirements that contribute to the practice of transition finance to the Asia GX Consortium led by JFSA\*2

From Jul. 24, CEO Kamezawa has assumed the chair of GFANZ Japan



### NZBA\*3

- In Oct. 24, published the supporting note\*4 on target setting for capital markets activities
- Appointed as the chair of a working group under for three consecutive years



## Management focusing on human capital

### Improving employee engagement

- Started the share-based compensation plan for employees
- Continue the implementation of an in-house job-posting program across the group

### DEI workforce

- The ratio of female managers continues to improve – 22.9% as of Sep. 24
- The ratio of employment of people with disabilities continues to meet the statutory ratio – 2.68% as of Jun. 24

Refer to p.79 for the progress of human capital KPIs

## Natural capital and biodiversity: TNFD

### MUFG TNFD Report

- Publish the report in April, centered on initiatives in the 5 focus areas
- Utilizing the report as a discussion material with customers engaged in natural capital management, and leveraging to understand their challenges and needs



### 5 focus areas



Consulting



Partnerships



Startup support  
& collaboration



Blue finance



Initiatives in  
the field of food

## Upcoming disclosures

- Plan to compile the progress of on-going initiatives and disclose the following reports by next spring

### Climate Report

- Update the progress of the climate change initiatives

### TNFD Report

- Plan to provide updates, including the materialization of business opportunities and MUFG's capabilities

- Furthermore, plan to visualize MUFG's specific initiatives and the social impact to drive social & environmental progress

\*1 Glasgow Financial Alliance for Net Zero \*2 The Financial Services Agency of Japan

\*4 <https://www.unepfi.org/net-zero-banking/resources/>

\*3 Net-Zero Banking Alliance



# Transformation of corporate culture

– Generate a culture of “Challenge and Agility” through initiatives based on the three elements of corporate culture

1

## Working environment

Support for career development and enhancement of work environment as the foundation of corporate culture

### MUFG headquarters Bldg. PJ

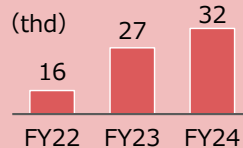
- Relocation from the HQ building completed due to reconstruction
- Employees themselves consider the work style they want to achieve



The 2nd term WG

### Internal social media

- Two-way communication beyond business organizations



Aggregated number of participants: **Doubled** in 2 years since establishment

### Maximize employee performance

- Establish HR framework for employees with high skills and expertise
  - the Bank : Expert qualification system (approx. 500)
  - the Trust Bank : Professional Job HR system (approx. 15)
  - MUMSS : “Experts” system (approx. 360)

2

## Mindset

Initiative to help the employees take ownership of “Purpose”

### MUFG Way Employee Sessions

- Dialogues about purpose  
Connections beyond organizations are formed



Group-based sessions



Sessions with other offices

### Brand seminar

- Employees understand and communicate MUFG’s aspirations



A total of **1,100** participants

### MUFG Way Boost PJ

- Activities to disseminate the MUFG Way



**43** members started in the 3rd term

3

## Opportunities to practice

Programs to translate the cultivated mindset into actions

### Spark X~New business incubation program

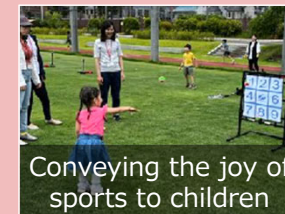


**PROTHIRD**

- Launch of first business under the program approved** (Outsourcing service for condominium management association)

### MUFG SOUL

- CSR activities planned by employees



Conveying the joy of sports to children



Financial and economic education classes

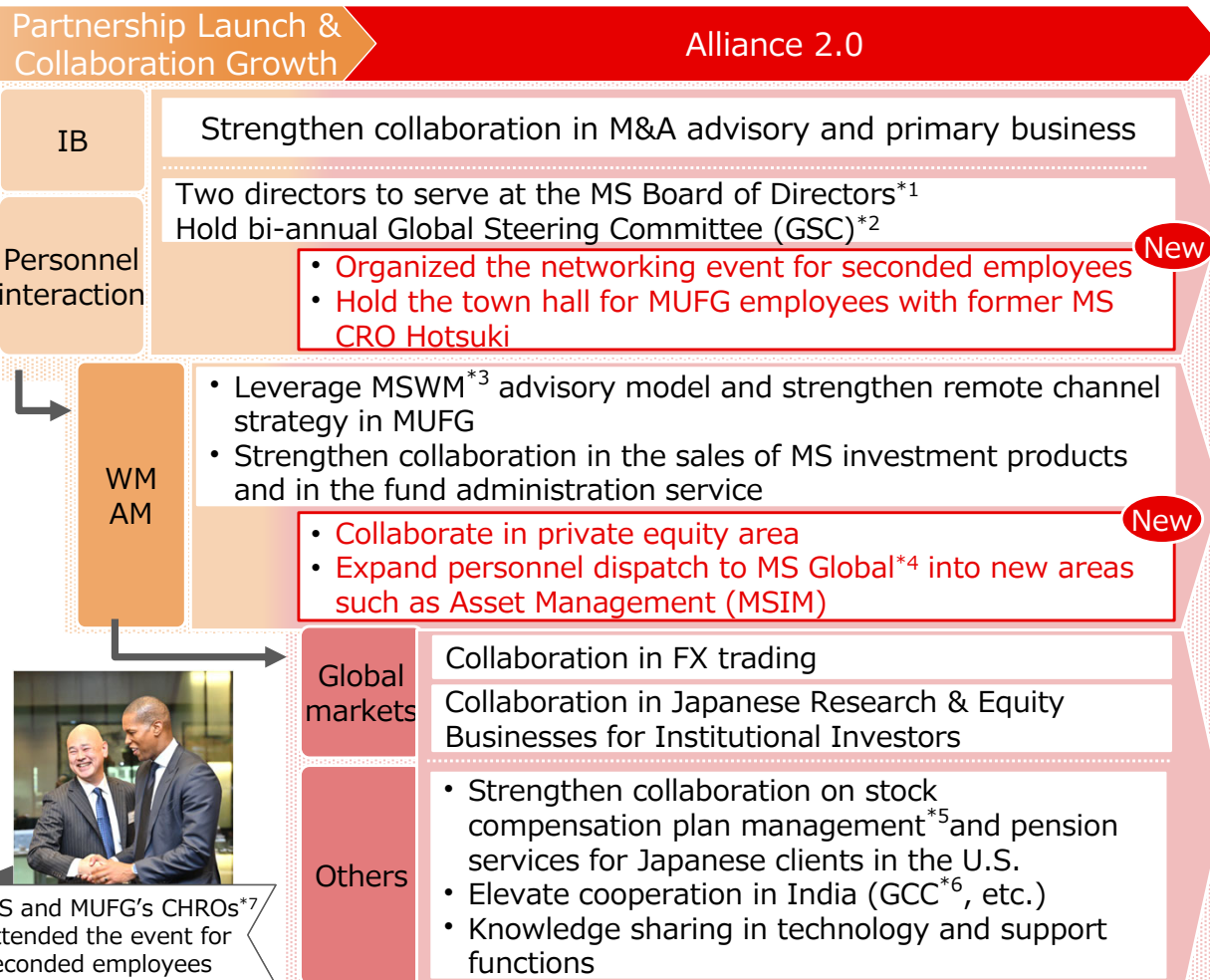
A total of **1,100** activities both domestically and internationally

Create an agile culture empowering employees to take on new challenges

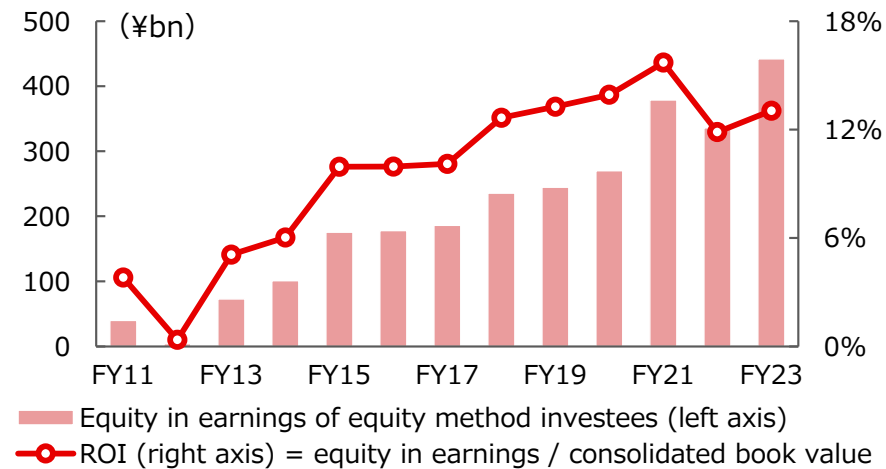
# Alliance 2.0-Enhancement of Strategic Alliance with Morgan Stanley

– Alliance 2.0 aims to further deepen existing collaborations and expand into new areas

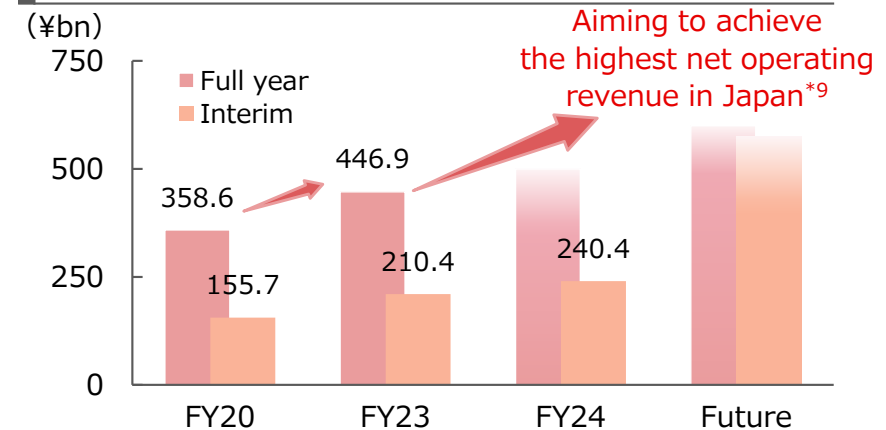
## Expansion of collaboration with MS



## Equity in earnings and ROI\*<sup>7</sup>



## Target of Japan Securities' business\*<sup>8</sup>



\*<sup>1</sup> Hironori Kamezawa, Masato Miyachi (Chairman of MSMS) \*<sup>2</sup> Around 25 of C-Suites and business unit heads from MS and MUFG gather to discuss the development of collaboration

\*<sup>3</sup> Morgan Stanley Wealth Management \*<sup>4</sup> As of end Sep 2024, 97 secondees (Cumulative basis) \*<sup>5</sup> Shareworks Japan platform licensed from MS

\*<sup>6</sup> Global Capability Center \*<sup>7</sup> Chief Human Resource Officer \*<sup>8</sup> FY11 result covers the period after the start of application of equity method of accounting. \*<sup>9</sup> MUMSS+MSMS+au Kabucom Securities



# Appendix

# Income statement summary

Consolidated (¥bn)		FY23 H1	FY24 H1	YoY
1	<b>Gross profits</b> (Before credit costs for trust accounts)	2,487.4	① 2,911.8	424.4
2	Net interest income	1,229.6	1,508.5	278.8
3	Trust fees + Net fees and commissions	848.7	978.7	130.0
4	Net trading profits (losses) + Net other operating profits	408.9	424.5	15.5
5	Net gains (losses) on debt securities	(49.8)	2.3	52.1
6	<b>G&amp;A Expenses</b>	1,401.6	② 1,606.4	204.8
7	<b>(Expense ratio)</b> <span>Progress towards initial target</span>	56.3%	55.1%	(0.1)ppt
8	<b>Net operating profits</b> <span>66%</span>	1,085.7	1,305.3	219.5
9	<b>Total credit costs</b>	(181.2)	③ (185.7)	(4.5)
10	<b>Net gains (losses) on equity securities</b>	130.3	④ 363.9	233.6
11	Net gains (losses) on sales of equity securities	134.6	379.7	245.0
12	<b>Equity in earnings of equity method investees</b>	305.3	257.1	(48.1)
13	<b>Other non-recurring gains (losses)</b>	(60.3)	16.2	76.5
14	<b>Ordinary profits (losses)</b>	1,279.9	1,756.9	477.0
15	<b>Net extraordinary gains (losses)</b>	(42.8)	(15.0)	27.7
16	<b>Profits attributable to owners of parent</b> <span>83%</span>	927.2	⑤ 1,258.1	330.9
17	<b>Adjusted profits</b> <sup>*1</sup>	844.4	1,236.0	391.5
<Reference>				
18	<b>ROE (MUFG basis)</b> <sup>*2</sup>	10.6%	13.3%	2.7ppt
19	<b>ROE (JPX basis)</b> <sup>*2</sup>	10.4%	12.6%	2.1ppt

## ① Gross profits (FX impact: approx. +¥30bn)

- Increased mainly driven by the overseas acquisitions, an increase in net interest income due to the improving margins and capturing the impact of JPY interest rate hike, and favorable performance in the fee business both domestically and globally such as solution, wealth management and AM/IS business, and by the KS impact of ¥165.4bn

## ② G&A expenses (FX impact: approx. +¥20bn)

- Increased driven by the allocation of resources for growth, an increase of overseas compensation costs due to inflation, and by the effect of overseas acquisitions, as well as the KS impact of ¥85.7bn
- Expense ratio improved driven by the growth of gross profits

## ③ Total credit costs

- Excluding the KS impact of ¥(43.5)bn, the total credit costs decreased due to the reversals of loan loss provisions mainly at overseas branches

## ④ Net gains (losses) on equity securities

- Significantly increased due to progress in the sale of equity holdings

## ⑤ Profits attributable to owners of parent

- Marked record-high profits along with 83% progress towards the initial earnings target

\*1 Excludes the MS impact of ¥82.7bn in FY23 H1 and the KS impact of ¥22.1bn in FY24 H1, respectively

\*2 In FY23 H1, MUFG basis: Approx. 9.7%, JPX (Japan Exchange Group) basis: Approx. 9.4%, respectively excluding the MS impact

# Results by business group(1)

Consolidated Business group		Net operating profits (¥bn)*1		Expense ratio*1		ROE*2		RWA (¥tn)*3	
		FY24 H1	YoY	FY24 H1	YoY	FY24 H1	YoY	FY24 H1	YoY
Retail & Digital	R&D	124.9	30.4	72%	(4ppt)	7%	3ppt	9.1	(0.2)
Commercial Banking & Wealth Management	CWM	122.7	46.7	63%	(9ppt)	11.5%	6ppt	16.5	0.1
Japanese Corporate & Investment Banking	JCIB	274.7	37.9	39%	(3ppt)	13%	3ppt	31.9	0.2
Global Corporate & Investment Banking	GCIB	170.4	27.1	51%	(4ppt)	7.5%	(0.5ppt)	24.0	(0.1)
Global Commercial Banking	GCB	219.9	103.3	53%	(4ppt)	12.5%	3.5ppt	7.3	(0.1)
Asset Management & Investor Services	AM/IS	62.6	8.2	70%	(1ppt)	11.5%	(1.5ppt)	2.7	0.4
Global Markets	Global Markets	216.9	(12.8)	39%	2ppt	10%	(1ppt)	18.6	(1.5)

\*1 Local currency basis \*2 Calculated based on Risk Assets (R&D, CWM, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets) (Managerial accounting basis. Net profits basis.)

\*3 Managerial accounting basis. Estimated RWA on the finalized and fully implemented Basel III basis.

# Results by business group(2)

## Retail & Digital\*1

(¥bn)	FY23H1	FY24H1	YoY
<b>Gross profits</b>	404.3	<b>451.9</b>	47.6
Loan and deposit interest income	89.4	<b>117.1</b>	27.7
Domestic and foreign settlement / forex	19.6	<b>22.6</b>	3.0
Investment product sales	22.2	<b>24.0</b>	1.8
Card settlement	104.5	<b>107.7</b>	3.2
Consumer finance	145.8	<b>155.8</b>	10.0
<b>Expenses</b>	309.8	<b>327.0</b>	17.2
Expense ratio	77%	<b>72%</b>	(4ppt)
<b>Net operating profits</b>	94.5	<b>124.9</b>	30.4
Credit costs*2	(45.2)	<b>(50.9)</b>	(5.7)
<b>Net profits</b>	20.4	<b>36.1</b>	15.7
<b>RWA*3 (¥tn)</b>	9.3	<b>9.1</b>	(0.2)
<b>ROE</b>	4%	<b>7%</b>	3ppt
<b>Ave. housing loan balance (¥tn)</b>	11.0	<b>10.9</b>	(0.2)
<b>Ave. deposit balance (¥tn)</b>	76.6	<b>77.7</b>	1.2
<b>Balance of consumer loans*4 (¥tn)</b>	1.5	<b>1.5</b>	0.1
<b>Volume of card shopping*5 (¥tn)</b>	2.9	<b>3.1</b>	0.1

## Commercial Banking & Wealth Management\*1

(¥bn)	FY23H1	FY24H1	YoY
<b>Gross profits</b>	278.3	<b>333.6</b>	55.2
Loan and deposit interest income	88.5	<b>118.2</b>	29.7
Domestic and foreign settlement / forex	47.7	<b>48.6</b>	0.9
Derivatives, solutions	28.4	<b>33.5</b>	5.1
Real estate, corporate agency and inheritance	23.1	<b>29.7</b>	6.6
Investment product sales	80.2	<b>92.8</b>	12.7
<b>Expenses</b>	202.3	<b>210.8</b>	8.5
Expense ratio	73%	<b>63%</b>	(9ppt)
<b>Net operating profits</b>	76.0	<b>122.7</b>	46.7
Credit costs	(11.5)	<b>12.2</b>	23.7
<b>Net profits</b>	44.1	<b>95.4</b>	51.3
<b>RWA*3 (¥tn)</b>	16.3	<b>16.5</b>	0.1
<b>ROE</b>	5.5%	<b>11.5%</b>	6ppt
<b>Ave. loan balance*6 (¥tn)</b>	19.1	<b>19.6</b>	0.5
Lending spread*7	0.54%	<b>0.55%</b>	0.01ppt
<b>Ave. deposit balance (¥tn)</b>	61.0	<b>64.2</b>	3.2

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

\*2 Including provision for losses from interest repayments \*3 Estimated RWA on the finalized and fully implemented Basel III basis. Managerial accounting basis. \*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)	FY23H1	FY24H1	YoY
<b>Gross profits</b>	409.4	<b>451.7</b>	42.3
Loan and deposit interest income	228.4	<b>248.9</b>	20.5
Domestic and foreign settlement / forex* <sup>2</sup>	43.5	<b>44.3</b>	0.7
Derivatives, solutions* <sup>2</sup>	30.6	<b>38.4</b>	7.8
Real estate, corporate agency	27.6	<b>32.4</b>	4.8
M&A・DCM・ECM* <sup>3</sup>	24.3	<b>31.3</b>	7.0
<b>Expenses</b>	172.7	<b>177.0</b>	4.4
Expense ratio	42%	<b>39%</b>	(3ppt)
<b>Net operating profits</b>	236.7	<b>274.7</b>	37.9
Credit costs	(30.0)	<b>5.0</b>	35.1
<b>Net profits</b>	172.2	<b>222.3</b>	50.1
<b>RWA</b> * <sup>4</sup> (¥tn)	31.7	<b>31.9</b>	0.2
<b>ROE</b>	10%	<b>13%</b>	3ppt
<b>Ave. loan balance</b> (¥tn)	41.3	<b>41.6</b>	0.3
Lending spread* <sup>5</sup>	0.64%	<b>0.69%</b>	0.05ppt
Ave. non-JPY loan balance* <sup>6</sup> (¥tn)	14.0	<b>13.0</b>	(1.0)
Non-JPY lending spread* <sup>5,6</sup>	0.81%	<b>0.95%</b>	0.13ppt
<b>Ave. deposit balance</b> (¥tn)	39.0	<b>38.4</b>	(0.5)
Ave. non-JPY deposit balance* <sup>6</sup> (¥tn)	16.1	<b>16.0</b>	(0.1)

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

(¥bn)	FY23H1	FY24H1	YoY
<b>Gross profits</b>	322.0	<b>350.2</b>	28.2
Loan and deposit interest income	165.7	<b>183.8</b>	18.1
Commission	137.4	<b>143.3</b>	5.9
Forex, derivatives	14.8	<b>15.8</b>	1.0
DCM・ECM	13.4	<b>14.0</b>	0.5
<b>Expenses</b>	178.7	<b>179.8</b>	1.1
Expense ratio	56%	<b>51%</b>	(4ppt)
<b>Net operating profits</b>	143.3	<b>170.4</b>	27.1
Credit costs	3.8	<b>(27.6)</b>	(31.3)
<b>Net profits</b>	100.2	<b>96.5</b>	(3.7)
<b>RWA</b> * <sup>4</sup> (¥tn)	24.1	<b>24.0</b>	(0.1)
<b>ROE</b>	8.0%	<b>7.5%</b>	(0.5ppt)
<b>Ave. loan balance</b> (¥tn)	24.5	<b>24.4</b>	(0.1)
Lending spread* <sup>5</sup>	1.57%	<b>1.70%</b>	0.13ppt
<b>Ave. deposit balance</b> (¥tn)	14.2	<b>15.0</b>	0.8

\*1 Managerial accounting basis. Local currency basis. ROE is calculated based on net profits \*2 Domestic business only

\*3 Including real estate securitization etc. \*4 Estimated RWA on the finalized and fully implemented Basel III basis. Managerial accounting basis.

\*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)	FY23H1	FY24H1	YoY
<b>Gross profits</b>	266.7	<b>463.7</b>	197.0
KS*2	196.3	<b>379.7</b>	183.3
BDI	71.0	<b>76.4</b>	5.4
<b>Expenses</b>	150.0	<b>243.8</b>	93.7
<b>(Expense ratio)</b>	56%	<b>53%</b>	(4ppt)
KS*2	94.3	<b>176.3</b>	82.0
(Expense ratio)	48%	<b>46%</b>	(2ppt)
BDI	39.5	<b>41.9</b>	2.3
(Expense ratio)	56%	<b>55%</b>	(1ppt)
<b>Net operating profits</b>	116.6	<b>219.9</b>	103.3
KS*2	102.1	<b>203.4</b>	101.3
BDI	31.5	<b>34.5</b>	3.0
Credit costs	(50.8)	<b>(122.8)</b>	(71.9)
KS*2	(35.6)	<b>(101.4)</b>	(65.8)
BDI	(15.3)	<b>(19.6)</b>	(4.3)

(¥bn)	FY23H1	FY24H1	YoY
<b>Net profits</b>	47.5	<b>67.5</b>	20.1
KS*2	41.9	<b>64.1</b>	22.2
BDI	11.5	<b>11.1</b>	(0.4)
<b>RWA*3 (¥tn)</b>	7.4	<b>7.3</b>	(0.1)
<b>ROE</b>	9%	<b>12.5%</b>	3.5ppt
KS*2	13.5%	<b>21.5%</b>	8ppt
BDI	10.5%	<b>11%</b>	0.5ppt
(¥tn)			
Ave. loan balance	6.9	<b>7.0</b>	0.1
<b>KS*2</b> Ave. deposit balance	6.5	<b>6.8</b>	0.3
NIM*4	3.52%	<b>4.30%</b>	0.78ppt
Ave. loan balance	1.2	<b>1.4</b>	0.2
<b>BDI</b> Ave. deposit balance	1.0	<b>1.1</b>	0.1
NIM*5	8.26%	<b>7.56%</b>	(0.69ppt)

\*1 Managerial accounting basis. Local currency basis. Per 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 After GAAP adjustment

\*3 Estimated RWA on the finalized and fully implemented Basel III basis. Managerial accounting basis \*4 KS entity basis \*5 OJK definition

# Results by business group(5)

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

(¥bn)	FY23H1	FY24H1	YoY
<b>Gross profits</b>	186.9	<b>210.5</b>	23.6
AM	76.3	<b>71.9</b>	(4.4)
IS	76.7	<b>101.2</b>	24.5
Pension	33.9	<b>37.3</b>	3.4
<b>Expenses</b>	132.5	<b>147.9</b>	15.4
Expense ratio	71%	<b>70%</b>	(1ppt)
<b>Net operating profits</b>	54.4	<b>62.6</b>	8.2
<b>Net profits</b>	39.3	<b>44.2</b>	4.9
<b>Economic capital (¥tn)</b>	0.4	<b>0.5</b>	0.1
<b>ROE</b>	13.5%	<b>11.5%</b>	(1.5ppt)

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

(¥bn)	FY23H1	FY24H1	YoY
<b>Gross profits</b>	365.6	<b>356.7</b>	(8.9)
Sales & trading	175.7	<b>171.5</b>	(4.2)
FIC & equity	174.6	<b>170.3</b>	(4.4)
Corporates	80.3	<b>80.3</b>	(0.0)
Institutional investors	78.8	<b>74.9</b>	(4.0)
Asset management	1.1	<b>1.2</b>	0.1
Treasury	187.9	<b>178.5</b>	(9.4)
<b>Expenses</b>	135.9	<b>139.8</b>	3.9
Expense ratio	37%	<b>39%</b>	2ppt
<b>Net operating profits</b>	229.7	<b>216.9</b>	(12.8)
Customer business	70.4	<b>61.5</b>	(8.8)
Treasury	158.3	<b>149.7</b>	(8.6)
<b>Net profits</b>	155.7	<b>145.9</b>	(9.8)
<b>Economic capital (¥tn)</b>	4.3	<b>4.4</b>	0.1
<b>ROE</b>	11%	<b>10%</b>	(1.0ppt)

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

# Refinement of ROE by each business group (Re-shown\*<sup>1</sup>)

- Refinement of capital deduction for goodwill and cost allocation of mid- to long-term foreign currency funding costs and headquarter costs. Enhance financial management disciplines by more accurately reflecting profitability against costs

Impact on FY26 plan

Consolidated

Business group		FY26 plan for ROE		
		Before	After	Change
Retail & Digital	R&D	6.0%	5.5%	(1ppt)
Commercial Banking & Wealth Management	CWM	10.5%	9%	(1.5ppt)
Japanese Corporate & Investment Banking	JCIB	11.0%	10.5%	(0.5ppt)
Global Corporate & Investment Banking	GCIB	11.5%	8%	(3.5ppt)
Global Commercial Banking	GCB	7.5%	9%	1.5ppt
Asset Management & Investor Services	AM/IS	25.5%	13.5%	(12.5ppt)
Global Markets	Global Markets	6.0%	6.5%	0.5ppt

\*1 From page 63, FY2023 IR presentation



# Plan by business group (Re-shown\*1)

Consolidated		Net operating profits (¥bn)*2		Expense ratio*2		ROE*3		RWA(¥tn)*4	
Business Group		FY26 Plan	vs FY23	FY26 Plan	vs FY23	FY26 Plan	vs FY23	FY26 Plan	vs FY23
Retail & Digital	R&D	230.0	+30.0	76%	+1ppt	5.5%	(1ppt)	9.3	+0.2
Commercial Banking & Wealth Management	CWM	250.0	+45.0	64%	(2ppt)	9%	+0ppt	17.7	+1.1
Japanese Corporate & Investment Banking	JCIB	515.0	+0	41%	+1ppt	10.5%	(1.5ppt)	33.0	+0.9
Global Corporate & Investment Banking	GCIB	380.0	+95.0	49%	(6ppt)	8%	+6.5ppt	26.4	+1.6
Global Commercial Banking	GCB	350.0	+95.0	55%	(0ppt)	9%	+0.5ppt	8.5	+1.1
Asset Management & Investor Services	AM/IS	145.0	+35.0	73%	+2ppt	13.5%	+0ppt	4.3	+1.4
Global Markets	Global Markets	300.0	+275.0	49%	(41ppt)	6.5%	+6.5ppt	19.9	+1.8

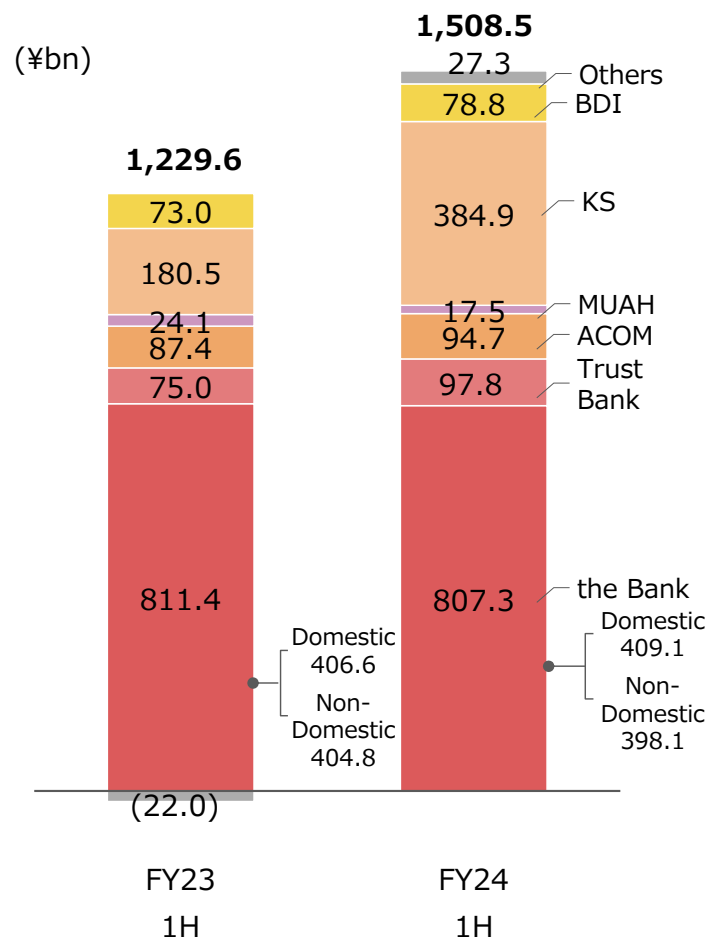
\*1 From page 64, FY2023 IR presentation \*2 Local currency basis

\*3 Calculated based on Risk Assets (R&D, CWM, JCIB, GCIB and GCB) or economic capital (AM/IS and Global Markets).

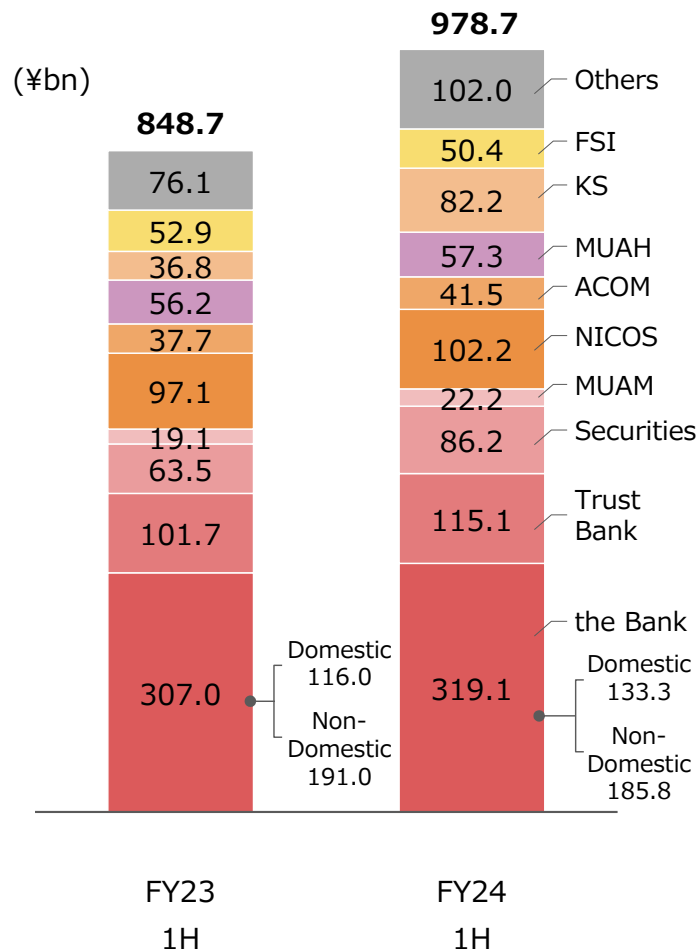
(Managerial accounting basis. Net profits basis) \*4 Managerial accounting basis. Estimated RWA on the finalized and fully implemented Basel III basis

# Breakdown of Gross profits by Entity

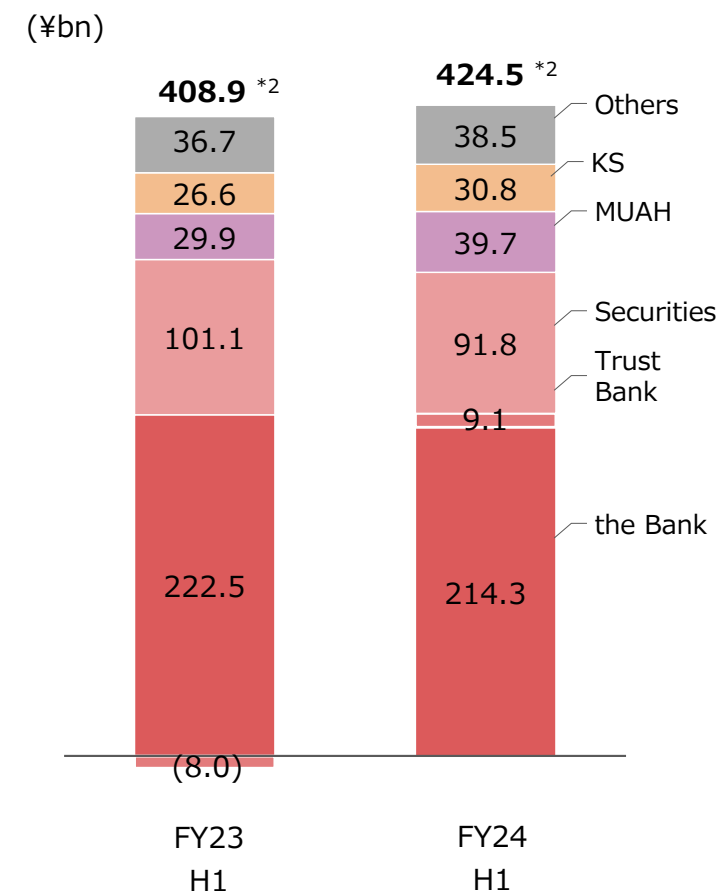
## Net interest income\*1 Consolidated



## Trust fees + Net fees and commissions Consolidated



## Net trading profits + Net other operating profits\*2 Consolidated



\*1 Includes gains and losses on investment trusts cancellation:

FY23 H1: the Bank ¥41.0bn, the Trust Bank ¥51.3bn | FY24 H1: the Bank ¥84.6bn, the Trust Bank ¥18.2bn, respectively

\*2 Includes net gains and losses on debt securities of FY23 H1: ¥(49.8)bn | FY24 H1: ¥2.3bn, respectively

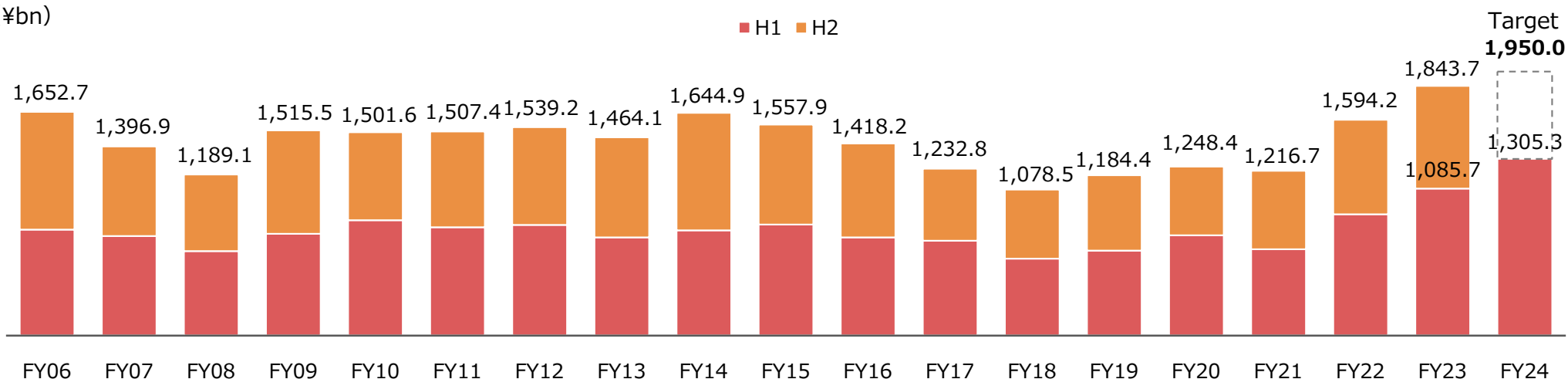
# (Reference) Performance since MUFG's establishment

## Net operating profits

Consolidated

(¥bn)

■ H1 ■ H2

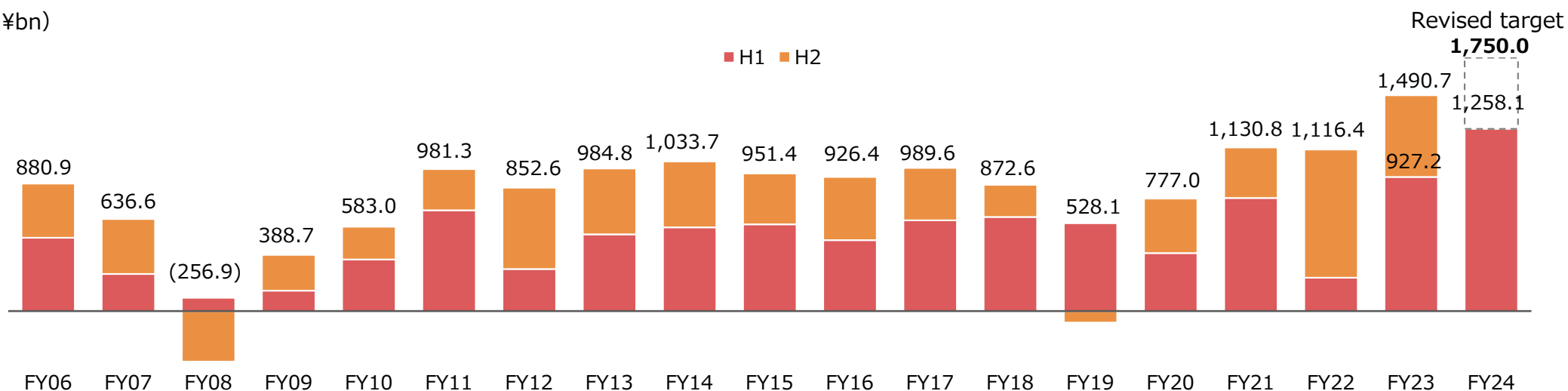


## Profits attributable to owners of parent

Consolidated

(¥bn)

■ H1 ■ H2

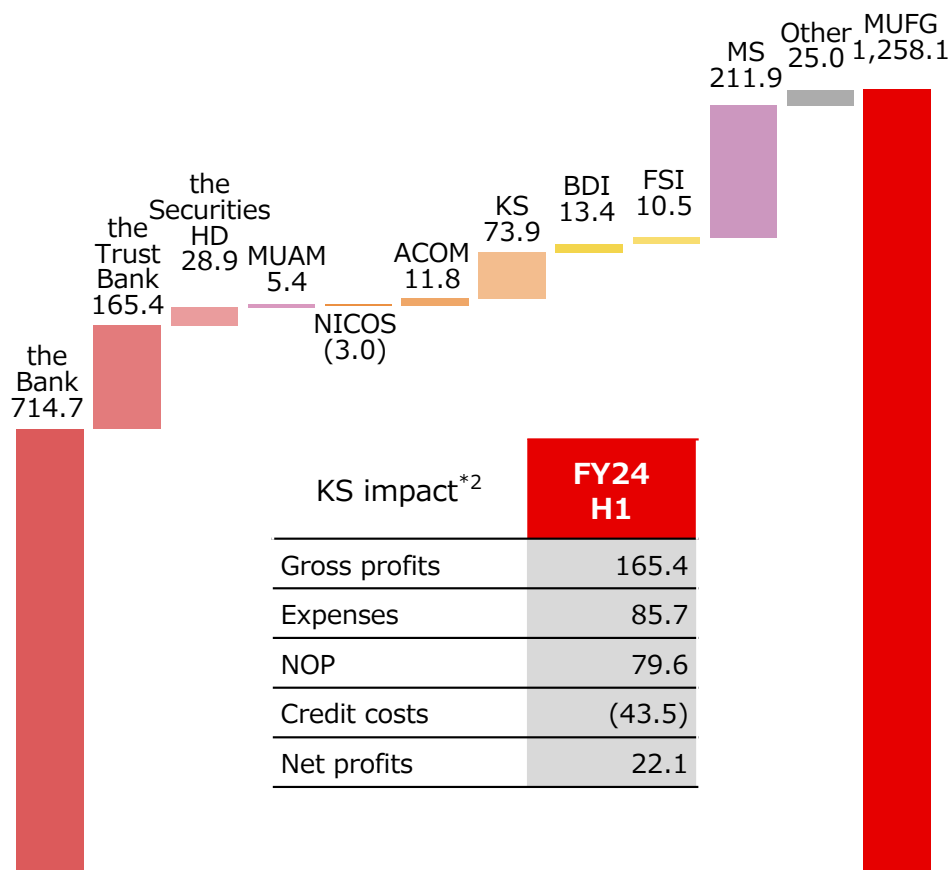


# Net profits (breakdown by entity)

## Breakdown of net profits\*1

Consolidated

(¥bn)



## Financial summary of major entities\*3

Consolidated

	the Bank		the Trust Bank		the Securities HD	
(¥bn)	FY24 H1	YoY*4	FY24 H1	YoY*5	FY24 H1	YoY
Gross profits	1,340.8	(0.2)	222.1	53.5	185.6	14.6
NOP	685.8	(13.3)	119.9	56.6	37.8	4.5
Net profits	714.7	129.6	165.4	114.0	28.9	7.6

	MUAM		NICOS		ACOM	
(¥bn)	FY24 H1	YoY	FY24 H1	YoY	FY24 H1	YoY
Gross profits	22.7	3.4	108.0	4.4	137.3	10.8
NOP	9.4	1.3	10.4	1.3	87.9	10.0
Net profits	5.4	0.0	(3.0)	(1.4)	29.8	2.5

	KS		BDI		FSI	
(¥bn)	FY24 H1	YoY	FY24 H1	YoY	FY24 H1	YoY
Gross profits	498.0	253.9	98.8	7.7	53.3	(1.7)
NOP	242.9	121.6	42.9	5.5	13.4	(1.8)
Net profits	96.1	36.1	14.5	4.2	10.5	(2.0)

\*1 The figures reflect the percentage holding in each subsidiary and equity method investee

\*2 Figures are approx. amounts based on KS's financial results for the quarter ended Mar 31, 2024, translated at the FX rate as of End Sep 2024, subject to change in line with FX rate, among other factors. Net income shows after-tax profits attributable to MUFG

\*3 Figures except the Bank and the Trust Bank are approximate and before consolidation adjustments.

The equity holding ratio of MUFG is not reflected in net profits (ACOM: Approx. 39.6%, KS: Approx. 76.9%, BDI: Approx. 92.5%)

\*4 YoY figures include the absence of special dividend paid by domestic subsidiaries in FY23 of approx. ¥(80)bn

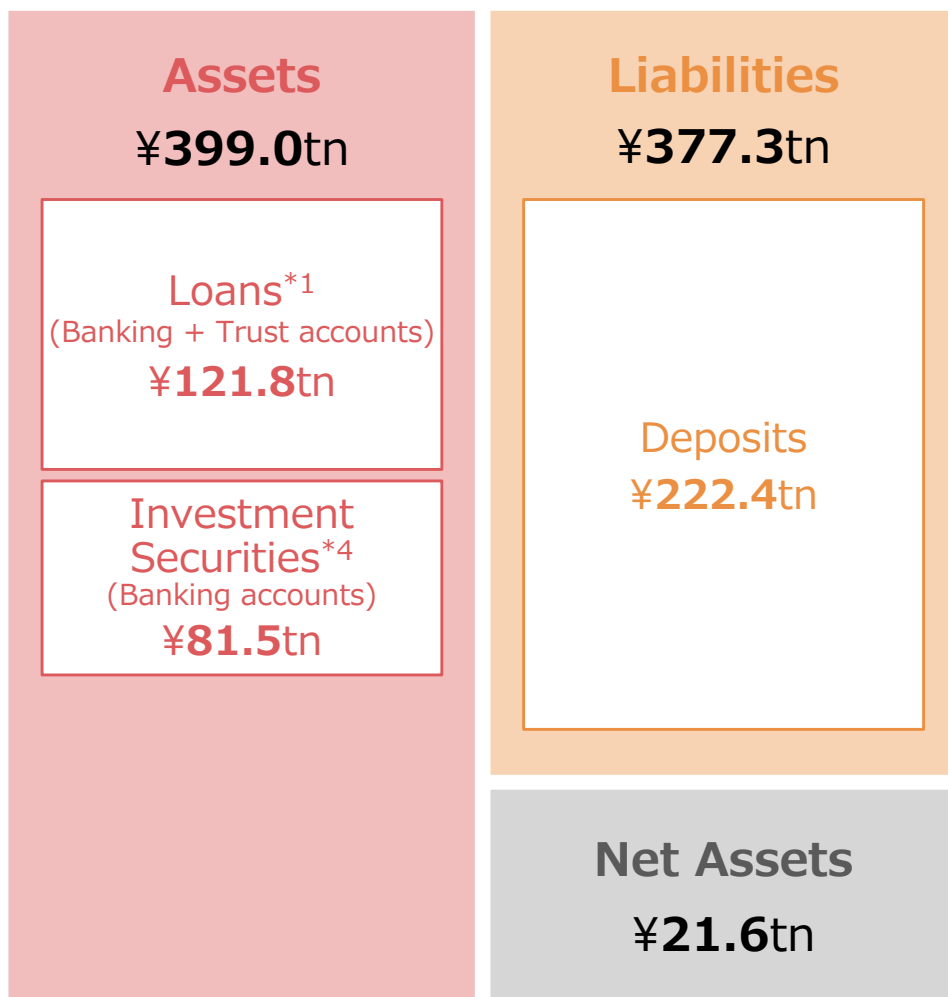
\*5 YoY figures include the dividend paid by MUAM in FY24 as a result of the deconsolidation of approx. ¥40bn

# Balance sheet summary

## Overview of Balance Sheet

Consolidated

As of end Sep 2024



\*1 Banking + trust accounts

\*2 Excludes loans to governments and governmental institutions and includes foreign currency-denominated loans

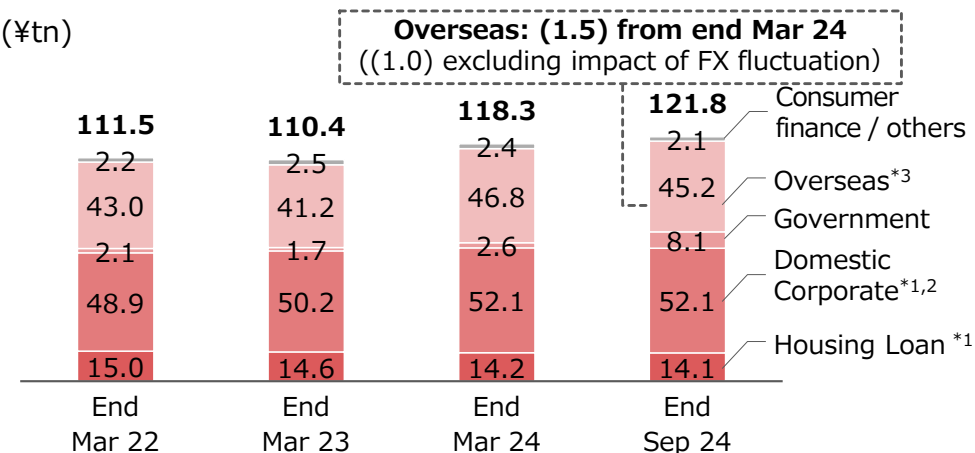
\*3 Loans booked in overseas branches, MUAH, KS, BDI, the Bank (China), the Bank (Malaysia) and the Bank (Europe)

\*4 Non-consolidated

## Loans (period end balance)

Consolidated

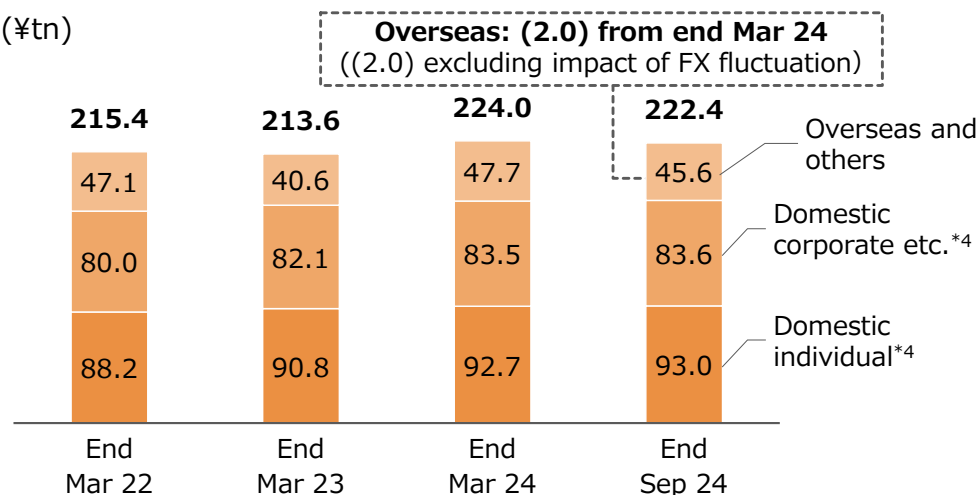
(¥tn)



## Deposits (period end balance)

Consolidated

(¥tn)

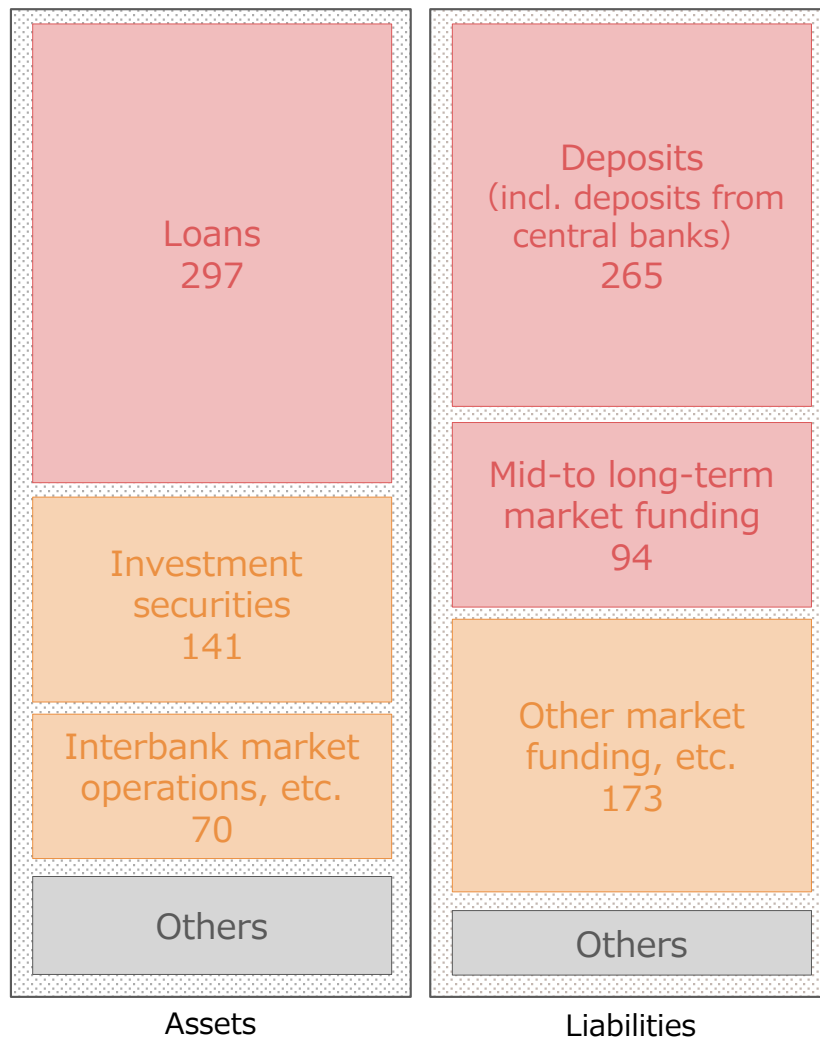


# Non-JPY Liquidity\*1

– Managed soundness of balance sheet based on stability

(US\$bn)

As of Sep 24

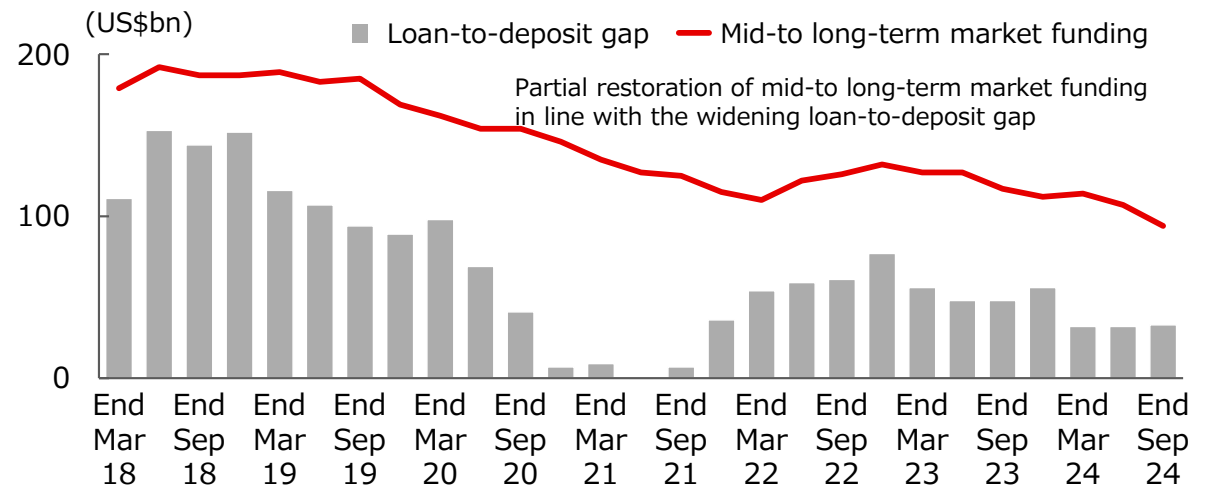


## MUFG Bank\*1's characteristics of non-JPY liquidity management

- 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	59	: TLAC eligible senior debt etc.
Collateralized funding, etc.	7	: Cross-currency repos*3 (utilizing JGB) etc.
Mid-long term currency swap	28	: 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



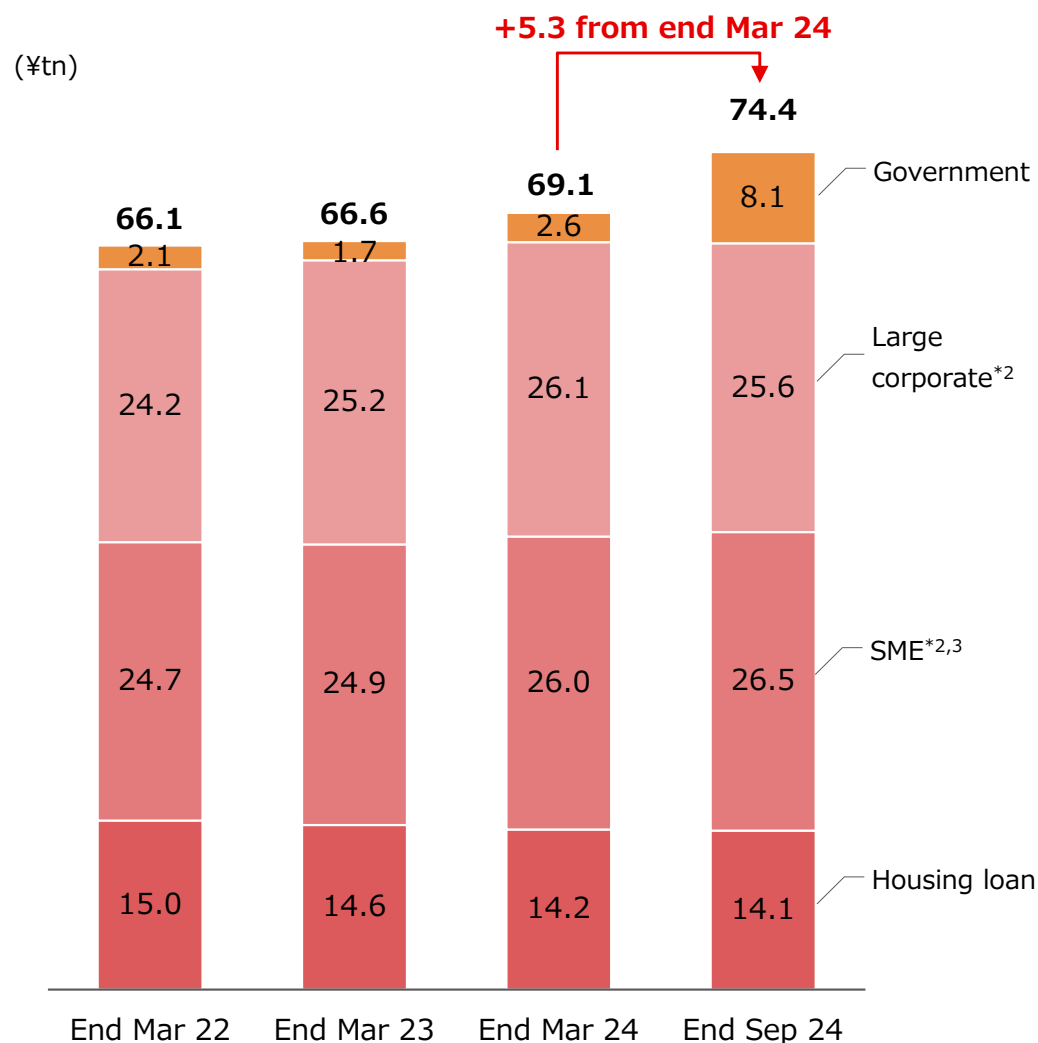
\*1 The Bank consolidated excl. MUAH, KS and BDI. Managerial basis \*2 Deposits that are considered to remain in the bank during times of stress

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

# Domestic loans

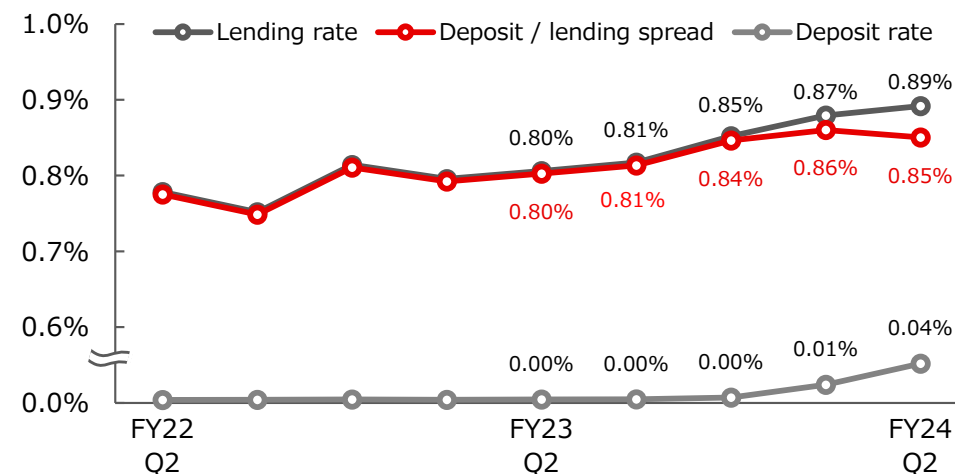
Loan balance (period end balance)\*<sup>1</sup>

Consolidated



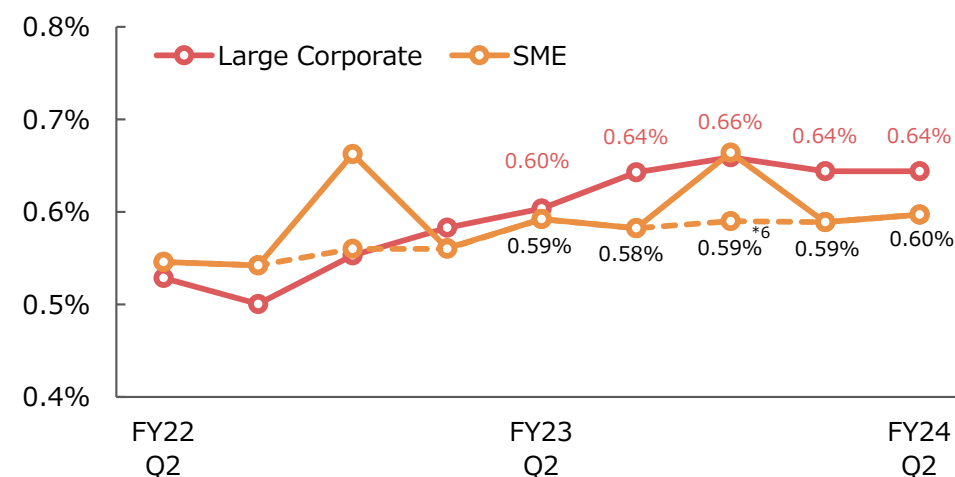
Deposit / lending rate\*<sup>4</sup>

Non-Consolidated



Corporate lending spread\*<sup>2,4,5</sup>

Non-Consolidated



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

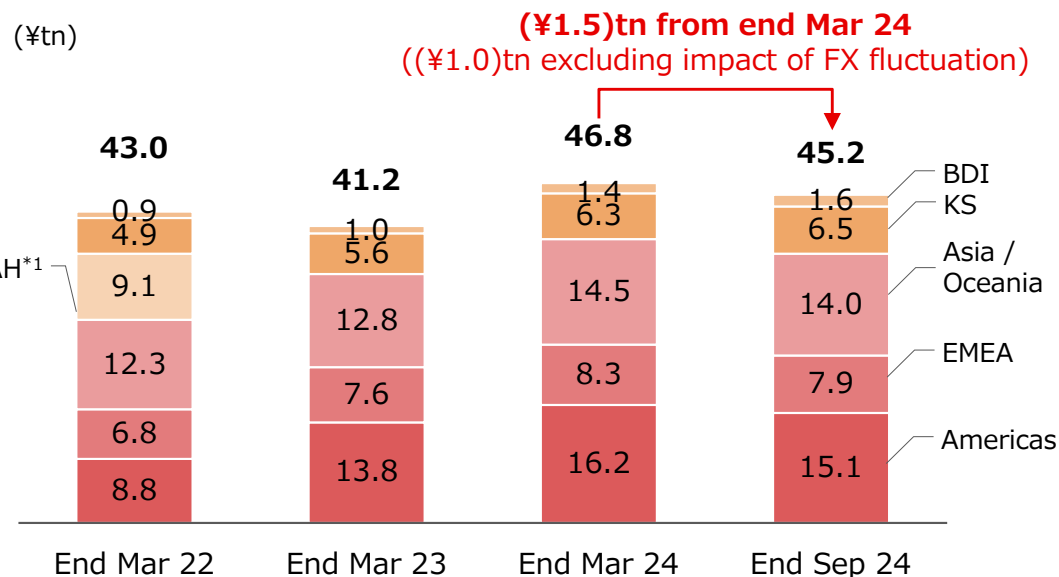
\*4 Excluding lending to government \*5 On a managerial accounting basis

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

# Overseas loans

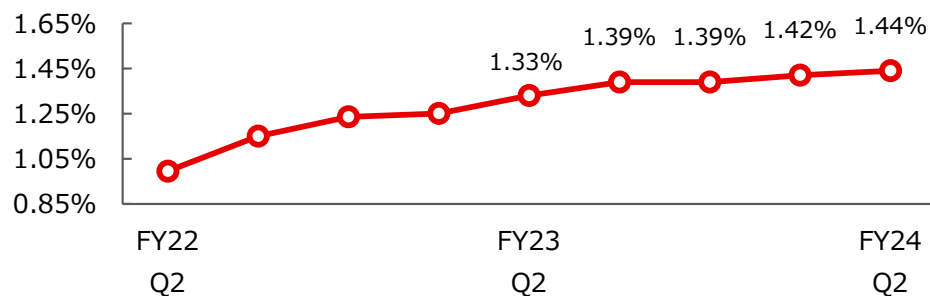
Loan balance (period end balance)\*<sup>1</sup>

Consolidated



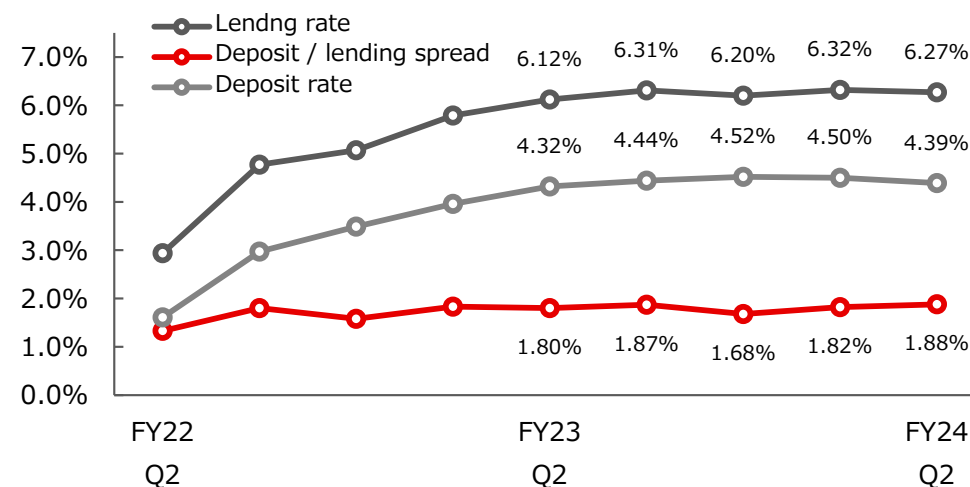
Lending spread\*<sup>2</sup>

Non-Consolidated



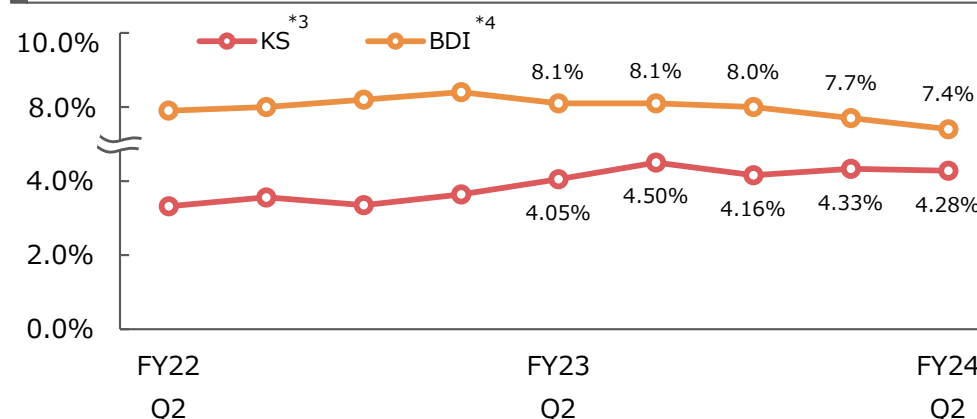
Deposit / lending rate\*<sup>2</sup>

Non-Consolidated



Net interest margin

KS / BDI



\*<sup>1</sup> "MUAH" is included in "Americas" from End Mar 23. Approx. ¥2.7tn loans were transferred from MUAH to overseas offices of the Bank upon the sale of MUB

\*<sup>2</sup> Managerial accounting basis \*<sup>3</sup> Financial results as disclosed in KS's financial reports based on Thai GAAP

\*<sup>4</sup> Financial results as disclosed in BDI's financial reports based on Indonesia GAAP



# Investment securities(1)

## Securities with fair value

Consolidated

	(¥bn)	Balance		Unrealized gains(losses)	
		End Sep 24	Changes from End Mar 24	End Sep 24	Changes from End Mar 24
1	Held-to-maturity securities	22,739.4	(2,104.5)	—	—
2	Available-for-sale (AFS) securities	57,563.7	(4,172.5)	2,190.2	(535.5)
3	Domestic equity securities	4,074.6	(1,027.0)	2,891.8	(867.0)
4	Domestic bonds	20,274.9	(4,799.6)	(134.8)	(4.9)
5	Japanese government bonds (JGB)	17,249.0	(4,116.2)	(62.5)	8.2
6	Others	33,214.1	1,654.1	(566.6)	336.4
7	Foreign equity securities	608.8	(100.7)	32.4	19.7
8	Foreign bonds	23,379.2	2,388.8	(565.5)	431.7 <sup>*1</sup>
9	Others	9,226.0	(633.9)	(33.6)	(115.0)

\*1 Approx. ¥0.4tn excluding FX impact

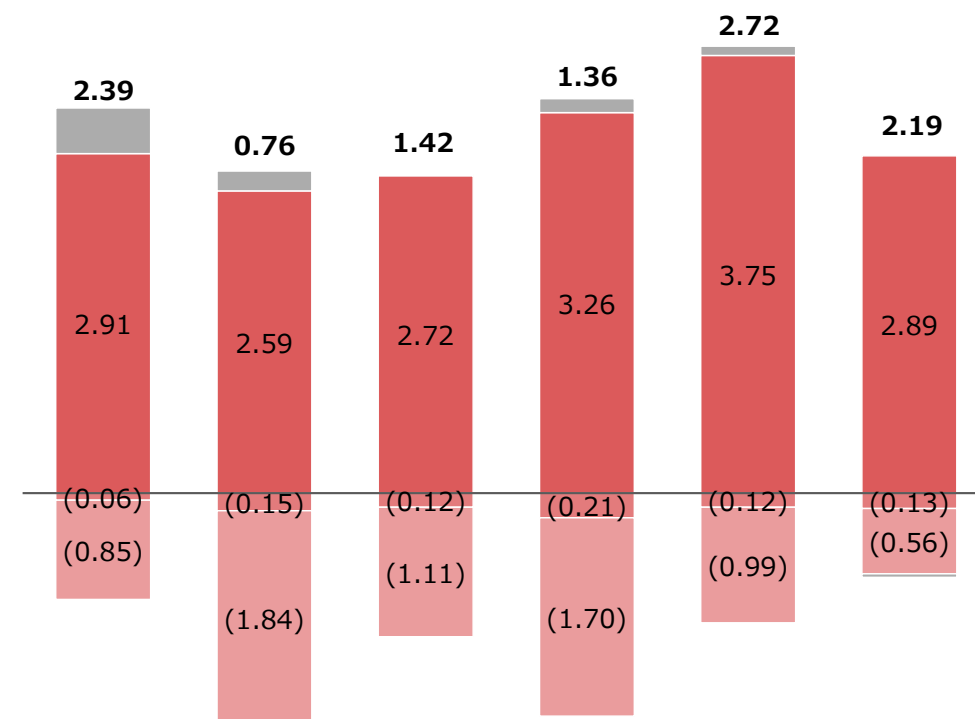
\*2 Managerial accounting basis. Approximate amount

## Unrealized gains (losses) on AFS securities

Consolidated

(¥tn)

Domestic equity securities Domestic bonds  
Foreign bonds Others



Unrealized gains (losses) reflected hedging positions etc.\*2

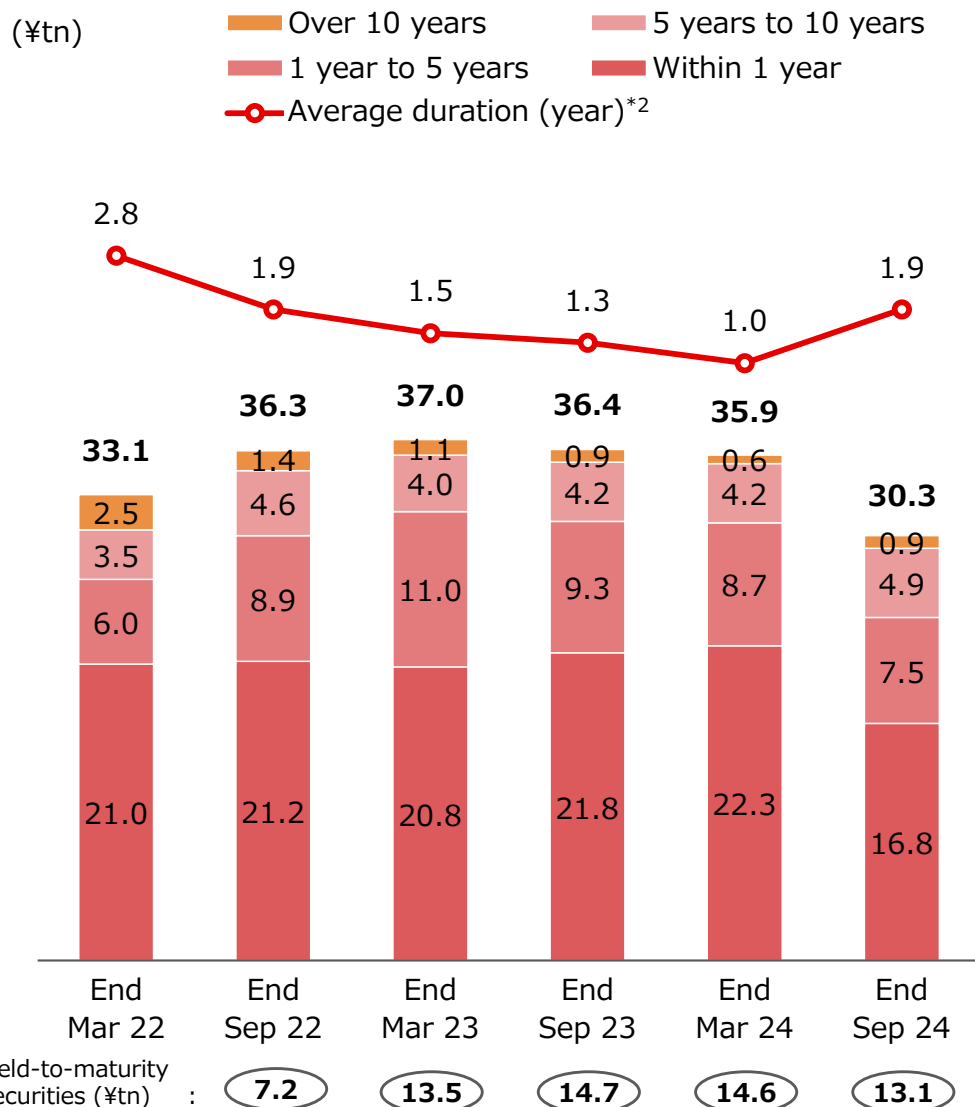
(¥tn)

Domestic bonds :	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)
Foreign bonds :	(1.0)	(0.7)	(0.8)	(0.5)	(0.5)
End Mar 22	End Sep 22	End Mar 23	End Sep 23	End Mar 24	End Sep 24

# Investment securities(2)

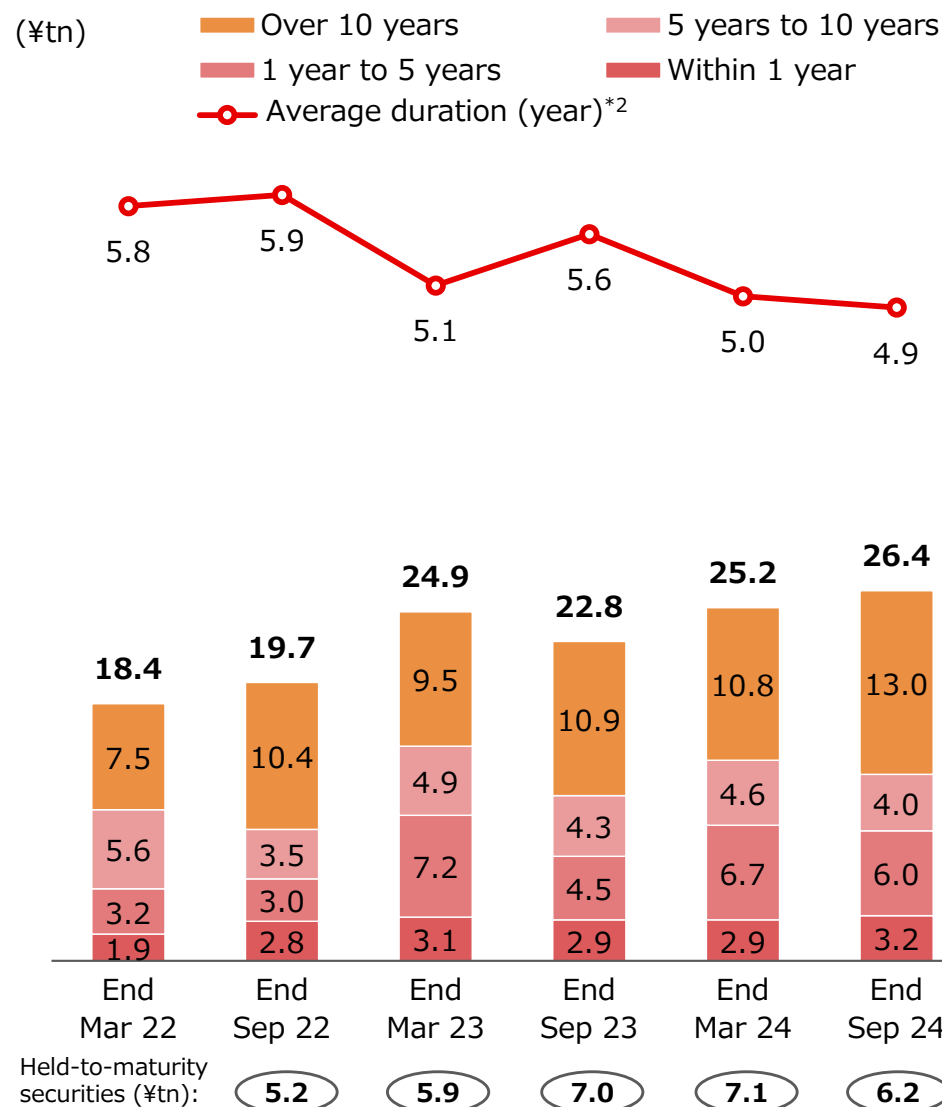
## JGB balance\*<sup>1</sup> and duration

Non-Consolidated



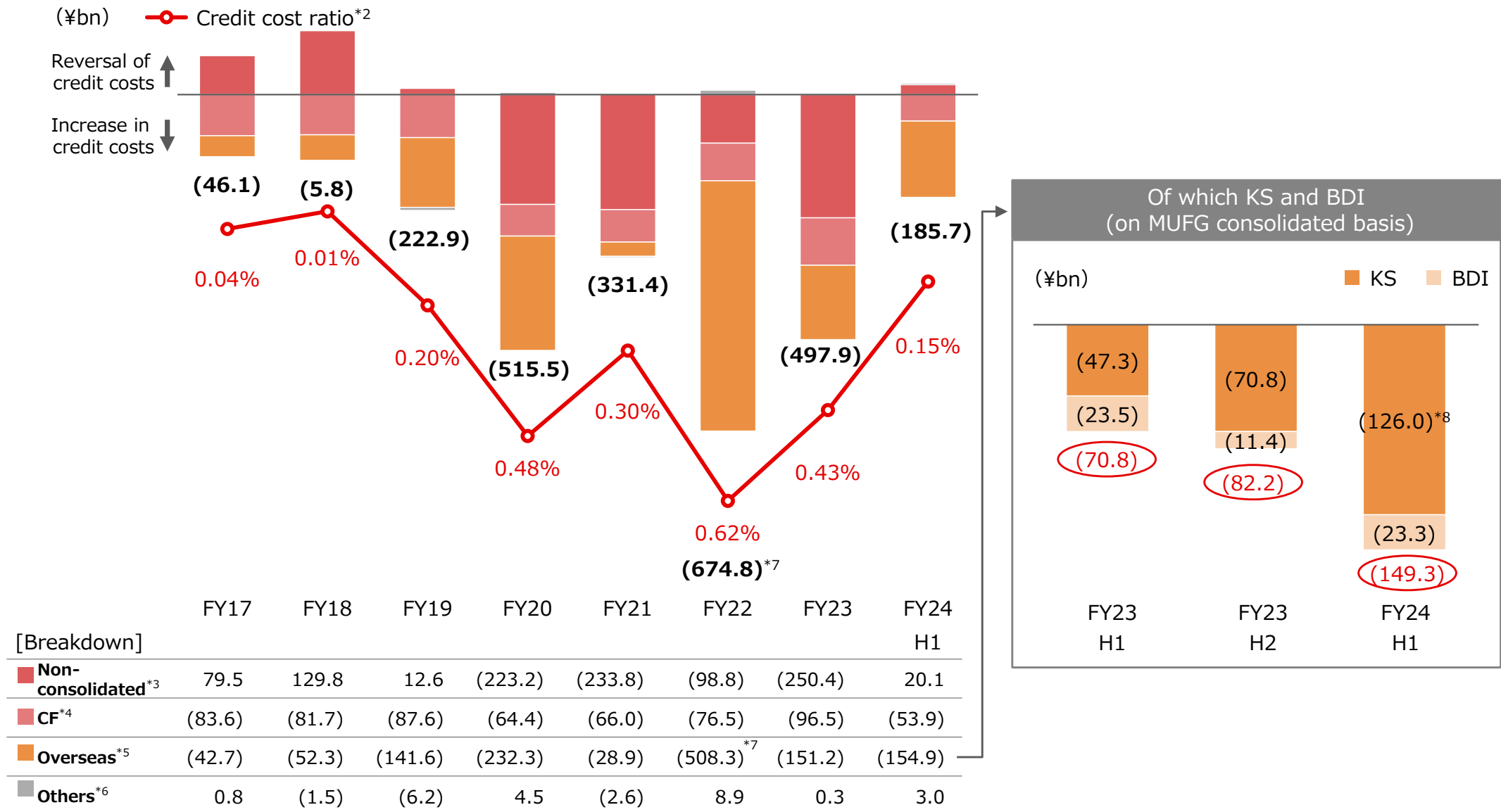
## Foreign bond balance\*<sup>1</sup> and duration

Non-Consolidated



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

# Credit costs\*1



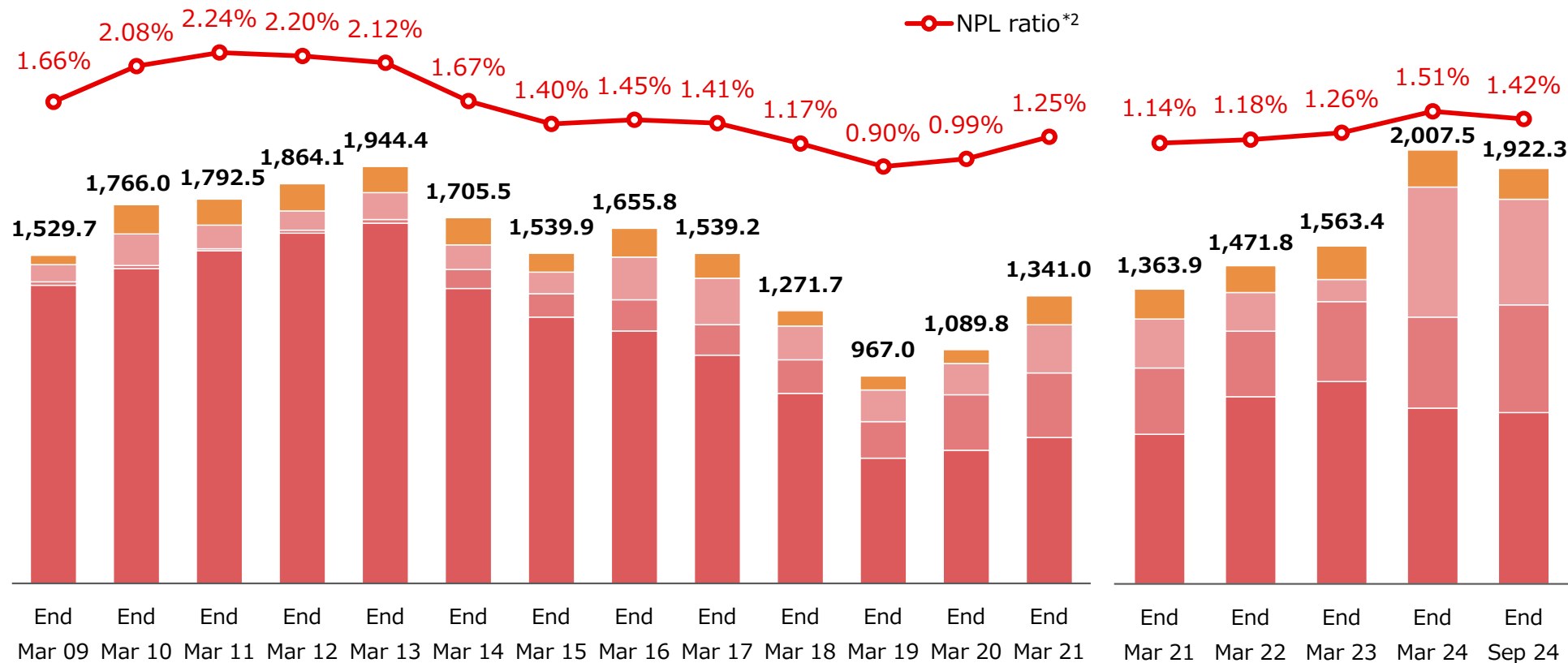
\*1 Includes gains from write-off \*2 Total credit costs / loan balance as of end of each fiscal year \*3 Includes overseas branches \*4 Sum of NICOS and ACOM on a consolidated basis  
 \*5 Sum of overseas subsidiaries of the Bank \*6 Sum of other subsidiaries and consolidation adjustment  
 \*7 Including ¥(393.9)bn of valuation losses on loans sold in connection with MUB's share transfer etc.  
 \*8 Including results from Jan to Sep 2024, due to KS impact

# Non-performing loans\*1

(¥bn)

## Risk-monitored loans(previous standard)

## New standard



[Breakdown]

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	171.5	142.7
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	601.5	488.7
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	420.7	497.9
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	813.7	792.8

\*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

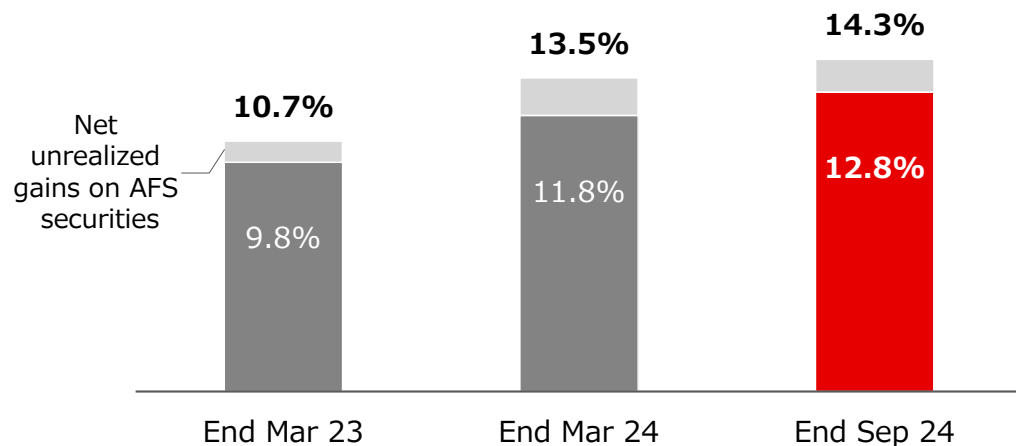
\*2 Total non-performing loans ÷ Total loans (Previous standard : Total risk-monitored loans ÷ Total loans and bills discounted (banking accounts as of period end))

\*3 End Mar 2009 – End Mar 2012 includes parts of other regions \*4 End Mar 2009 – End Mar 2012 includes only US

# Capital

## CET1 ratio

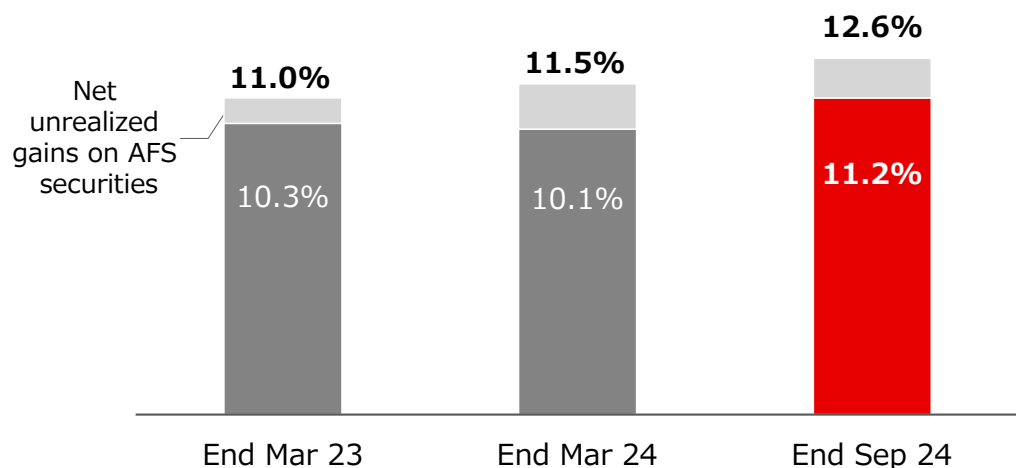
Consolidated



## CET1 ratio

(Finalized and fully implemented Basel III basis\*1)

Consolidated



\*1 Estimated CET1 ratio reflecting the RWA calculated on the finalized and fully implemented Basel III basis

\*2 Deposits with the Bank of Japan is excluded in total exposures

## FY24H1 results

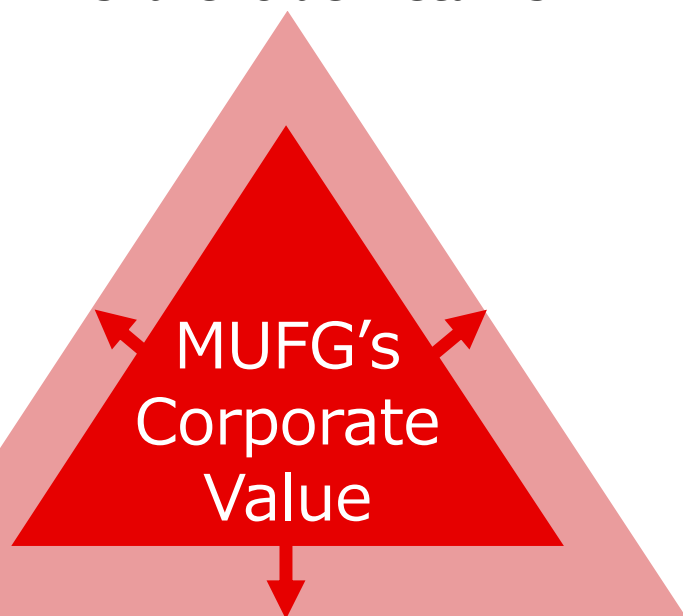
Consolidated

	(¥bn)	End Mar 24	End Sep 24	Changes
1	Common Equity Tier 1 capital	15,041.3	15,635.9	594.6
2	Additional Tier 1 capital	2,438.4	2,604.7	166.3
3	<b>Tier 1 capital</b>	17,479.7	18,240.7	761.0
4	<b>Tier 2 capital</b>	2,338.1	2,402.8	64.7
5	<b>Total capital (Tier 1+Tier 2)</b>	19,817.8	20,643.5	825.7
6	<b>Risk-weighted assets</b>	111,160.1	108,956.8	(2,203.3)
7	Credit risk	99,505.6	95,989.7	(3,515.8)
8	Market risk	2,513.1	2,941.1	427.9
9	Operational risk	9,141.3	10,025.9	884.5
10	Floor adjustment	0.0	0.0	0.0
11	<b>Total exposures</b> *2	336,425.6	326,172.9	(10,252.7)
12	<b>Leverage ratio</b>	5.19%	5.59%	0.39ppt

# Basic policies for capital allocation (“Capital Triangle”)

– Continue disciplined capital management

## 1 Enhance further shareholder returns



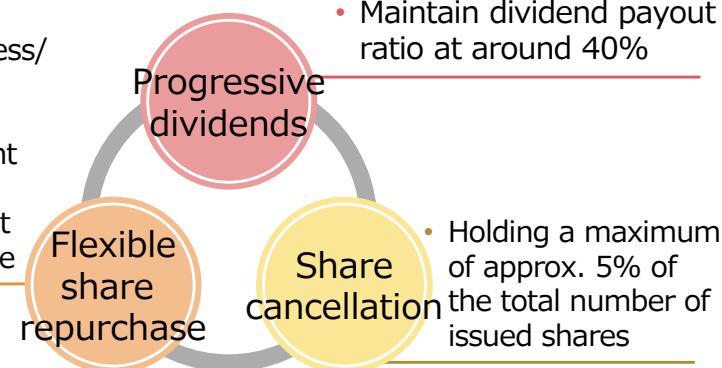
## 2 Maintain solid equity capital

## 3 Strategic investments for sustainable growth

### 1 Enhance further shareholder returns

Consider

- Performance progress/forecast and capital situation
- Strategic investment opportunities
- Market environment including share price



### 2 Maintain solid equity capital

Expand the target range of CET1\*1 ratio to **9.5%-10.5%** to improve transparency of capital management

### 3 Strategic investments for sustainable growth

#### Organic investments

- Continue to replace low profitable assets to highly profitable assets
- Allocate to areas with high profitability expectation strategically

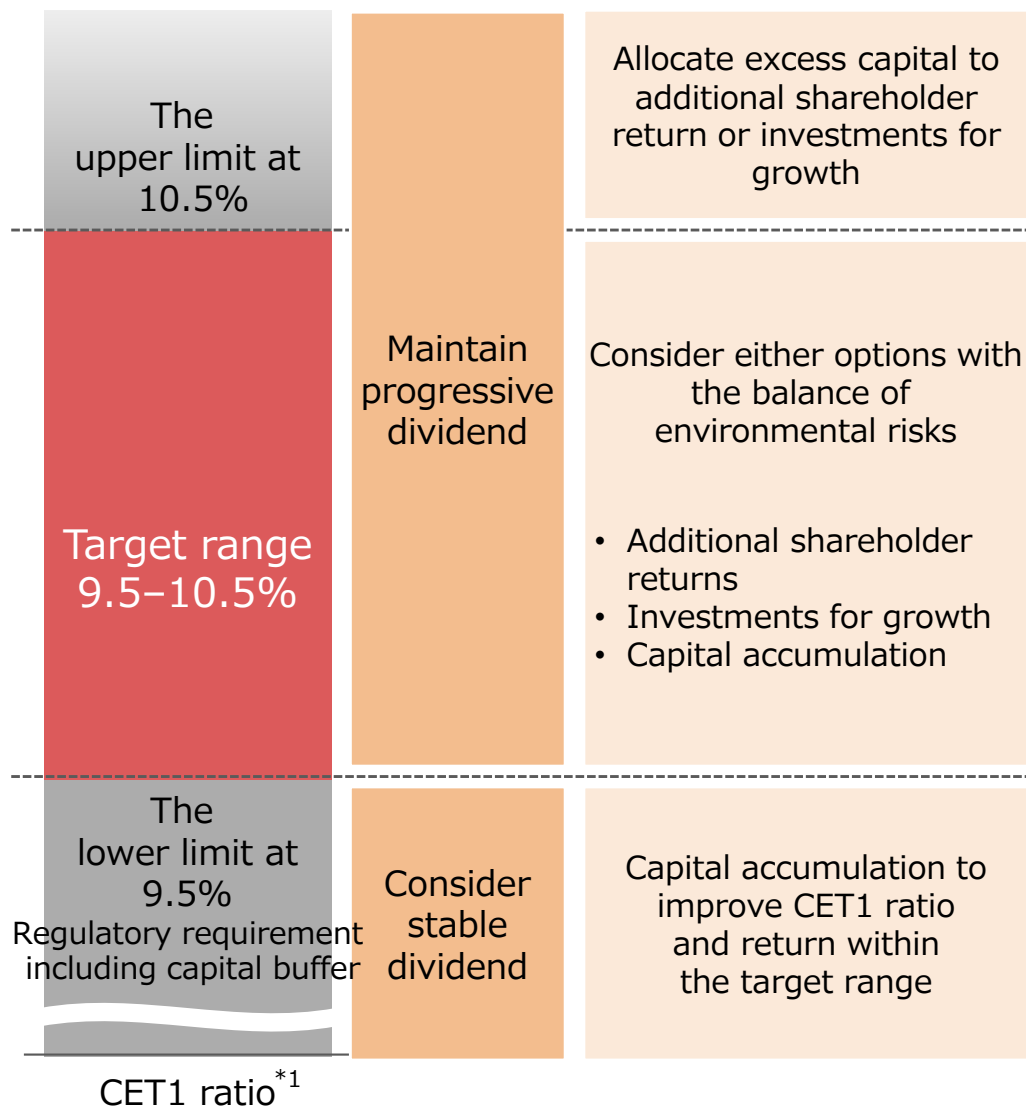
#### Inorganic investments

- Continue to focus on areas such as Asia, Digital and Global AM/IS
- Consider investments to new business areas

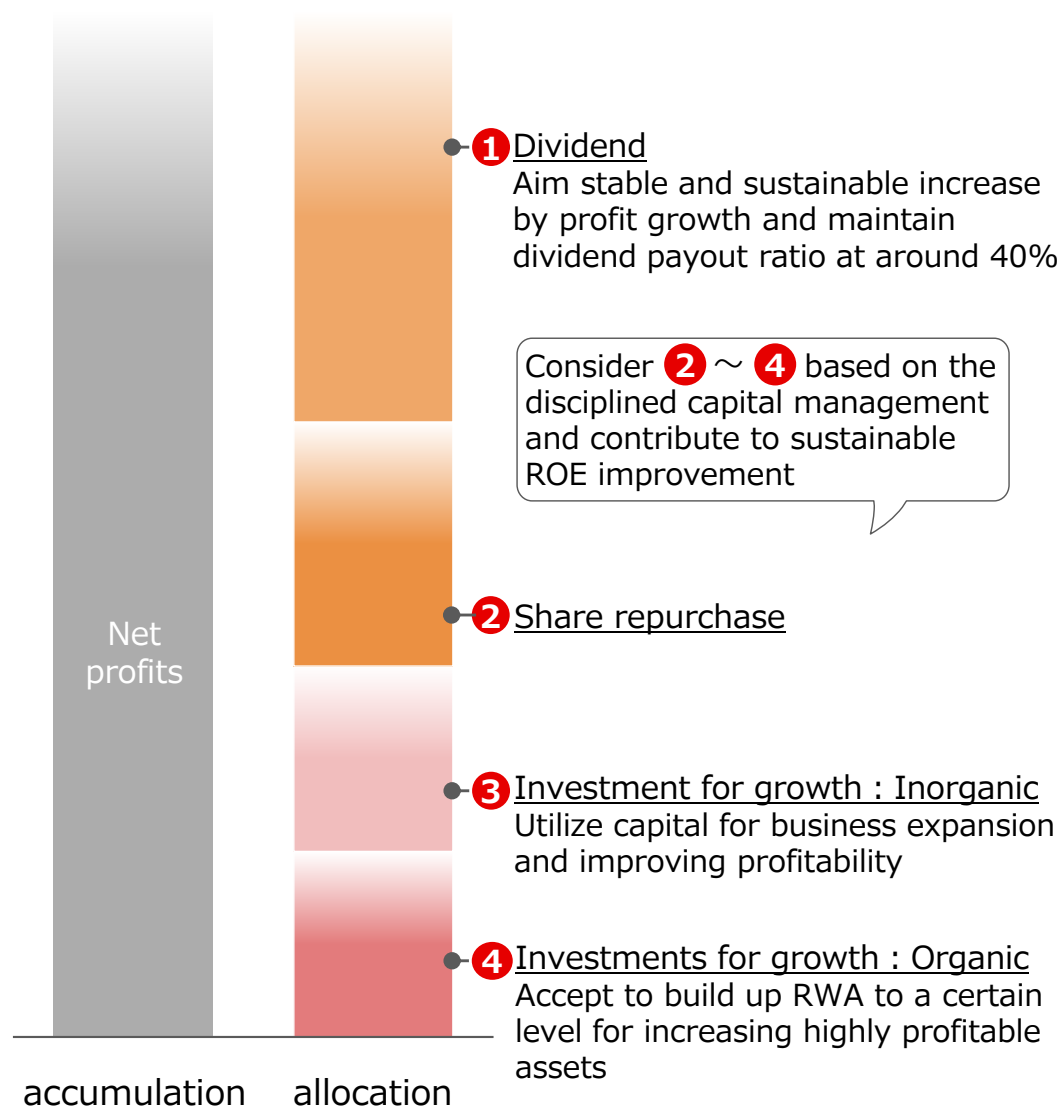
\*1 Estimated CET1 ratio reflecting the RWA based on the finalized and fully implemented Basel III basis. Excludes net unrealized gains on AFS securities

# Policy of capital management and allocation

## Capital management policy



## Capital allocation policy during the MTBP

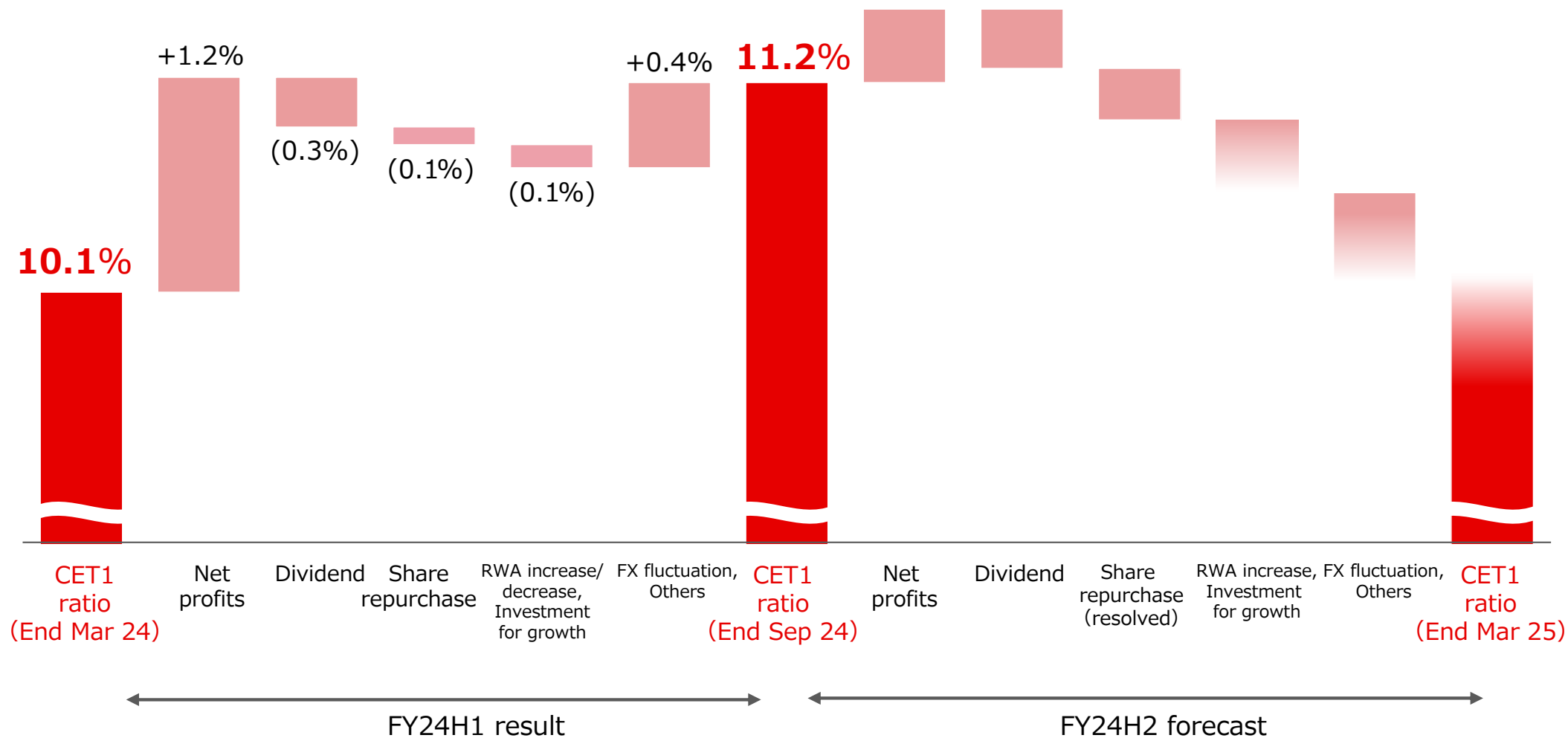


\*1 Estimated CET1 ratio calculated on the finalized and fully implemented Basel III basis. Excludes net unrealized gains on AFS securities



# Capital allocation

## Capital allocation results and forecast\*1



\*1 Estimated RWA on the finalized and fully implemented Basel III basis. Excluding Net Unrealized Gains on AFS Securities

# Basel III risk-weighted assets (RWA) floor adjustment

– From March 2024, RWA capital floors based on standardized approach are implemented in phases

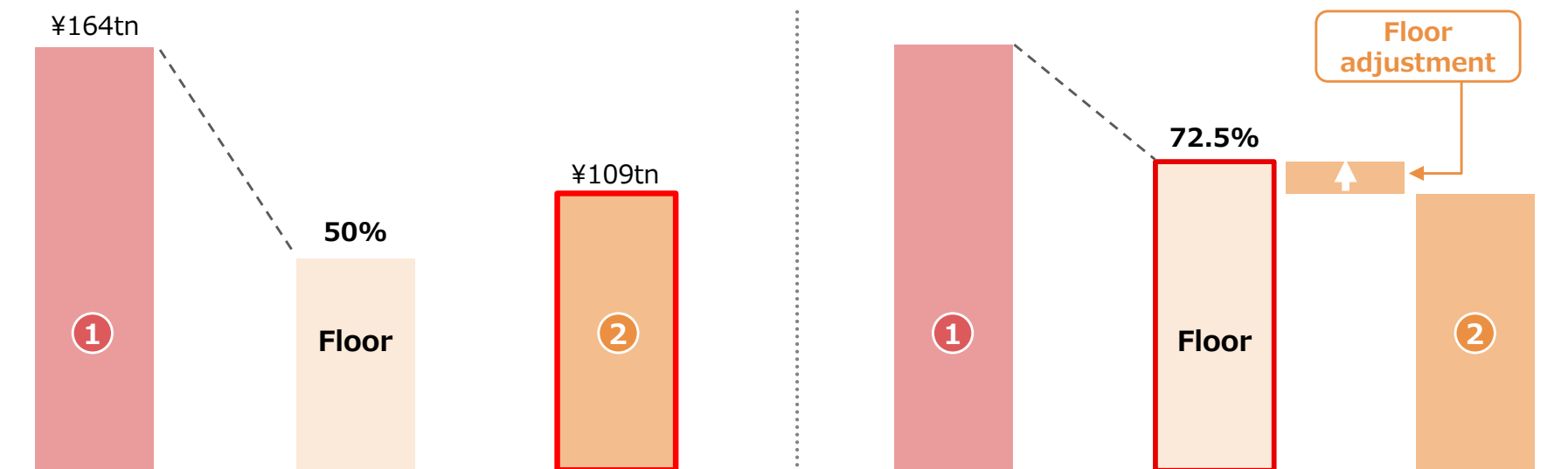
## RWA floor adjustment

 : RWA to be adopted

Year	Mar 24	Mar 25	Mar 26	Mar 27	Mar 28	Mar 29
Output Floor	50%	55%	60%	65%	70%	72.5%

As of September 2024 (MUFG)

As of March 2029 (MUFG)\*<sup>1</sup>



**RWA Calculations**

- ① RWA calculated using only the finalized Basel III standardized approach
- ② RWA calculated using only the finalized Basel III nominated approach

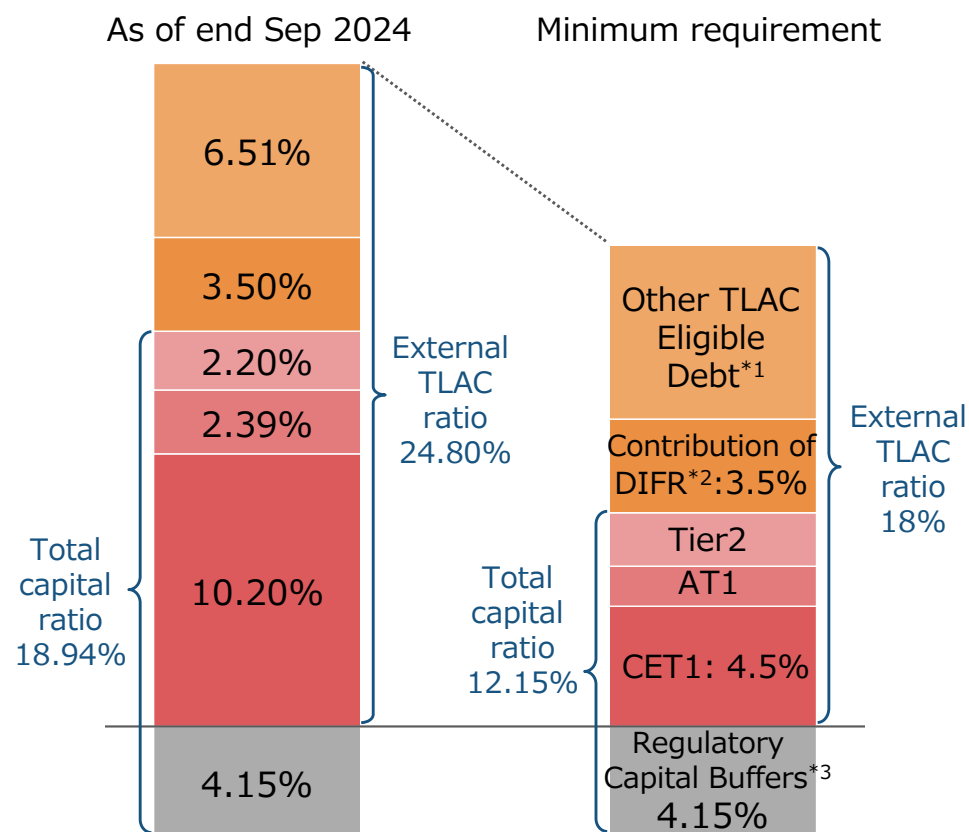
\*<sup>1</sup> The length of the bars in this chart is intended to show relative amounts only for the purpose of demonstrating the particular scenarios presented, including the assumption that the assets to which the several RWA calculation approaches are applied will remain unchanged. Accordingly, any actual results may change materially from the above presentation

# Capital and TLAC requirement

## – The best capital mix and required ratio

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

### MUFG's capital ratio and external TLAC ratio



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

	As of end Sep 24	Minimum requirement
Risk weighted asset basis	24.80%	18%
Total exposure basis	9.67%	7.10%

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

\*1 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.

\*2 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)

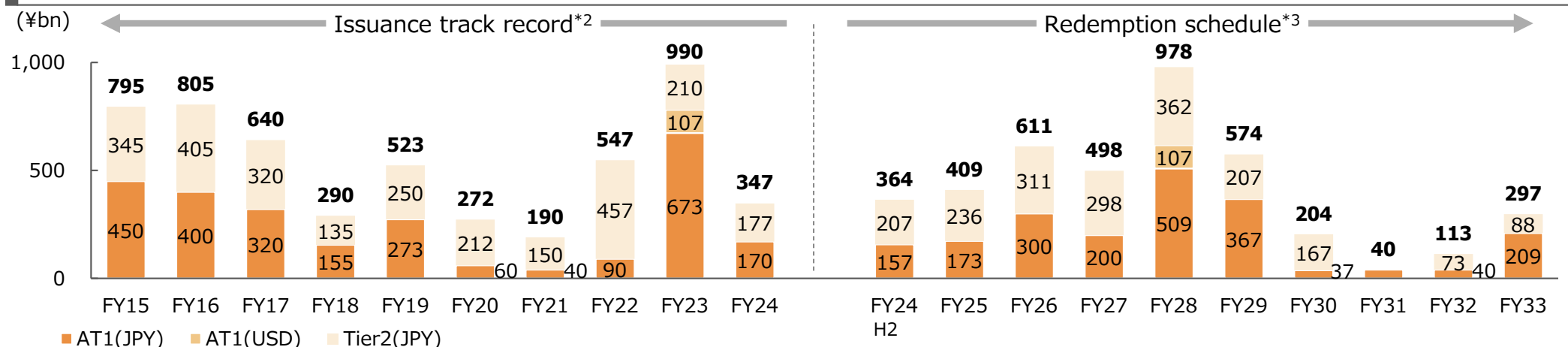
\*3 CET1 Buffer applicable to MUFG: G-SIB Surcharge:1.5%, Capital Conservation Buffer:2.5%, and Counter-cyclical Buffer:0.15%

# Capital and TLAC requirement

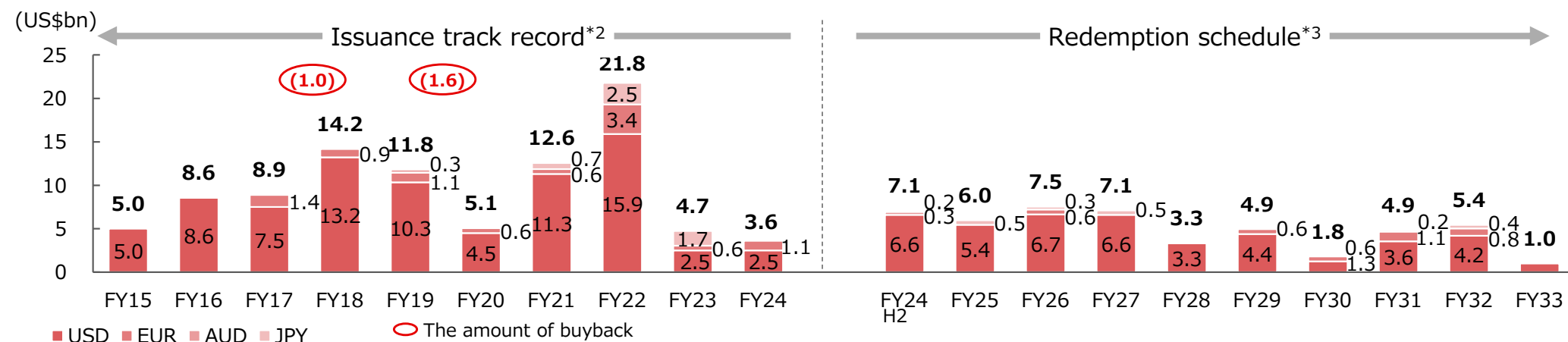
## – Issuance track record & redemption schedule

– In FY2024, maintained stable capital ratios and external TLAC ratio by taking into account the balance of each regulatory capital

AT1, Tier2 bond\*<sup>1</sup>



TLAC-eligible senior debt\*<sup>4</sup>



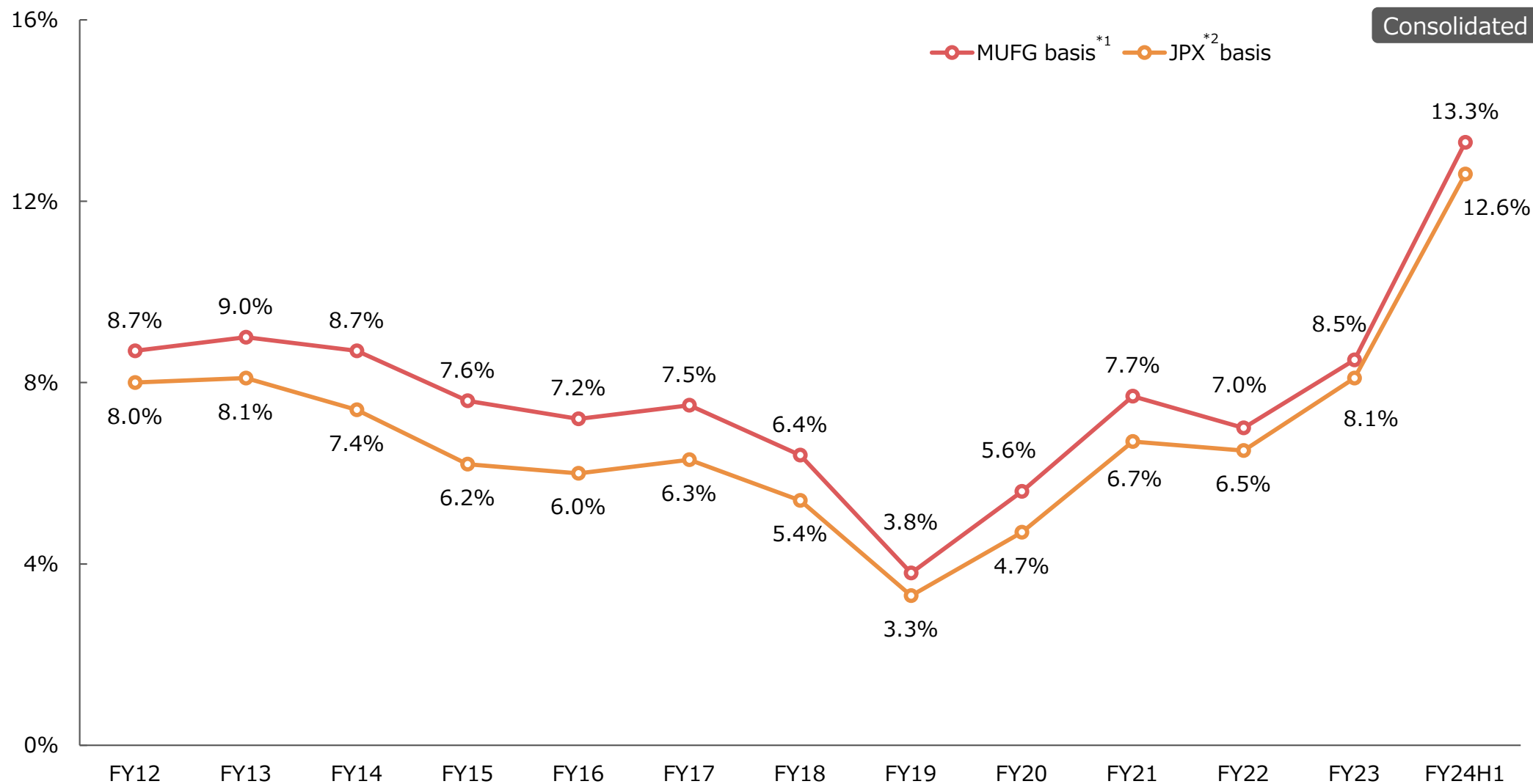
\*1 All figures are converted into JPY using actual exchange rates as of end Sep 2024

\*2 Total of public issuance (excluding the amount of buyback), as of end Oct 2024

\*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 All figures are converted into US\$ using actual exchange rates as of end Sep 2024

# ROE

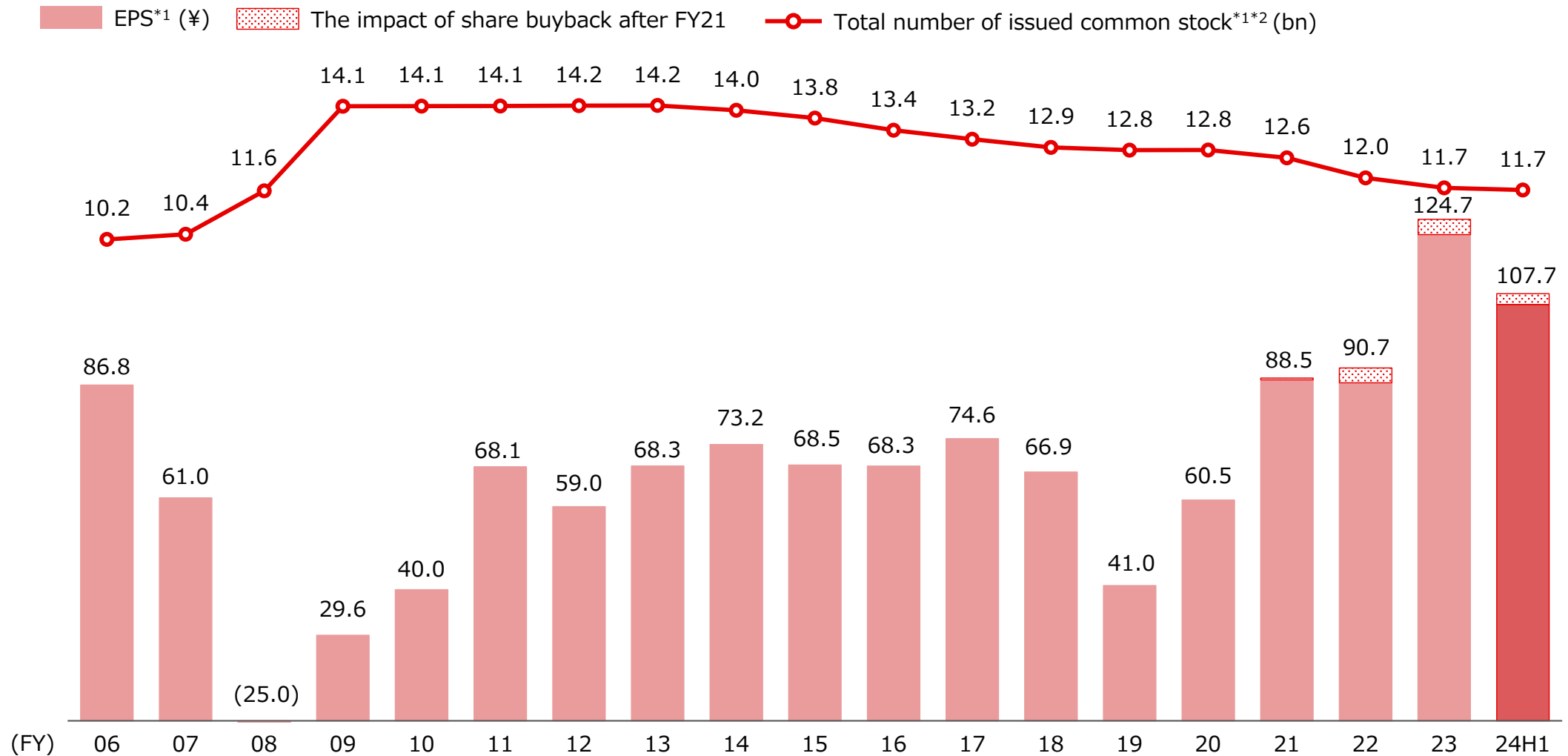


<sup>\*1</sup> 
$$\frac{\text{Interim profits attributable to owners of parent} \times 2}{\{(\text{Total shareholders' equity at the beginning of the period} + \text{Foreign currency translation adjustments at the beginning of the period}) + (\text{Total shareholders' equity at the end of the period}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

<sup>\*2</sup> Japan Exchange Group

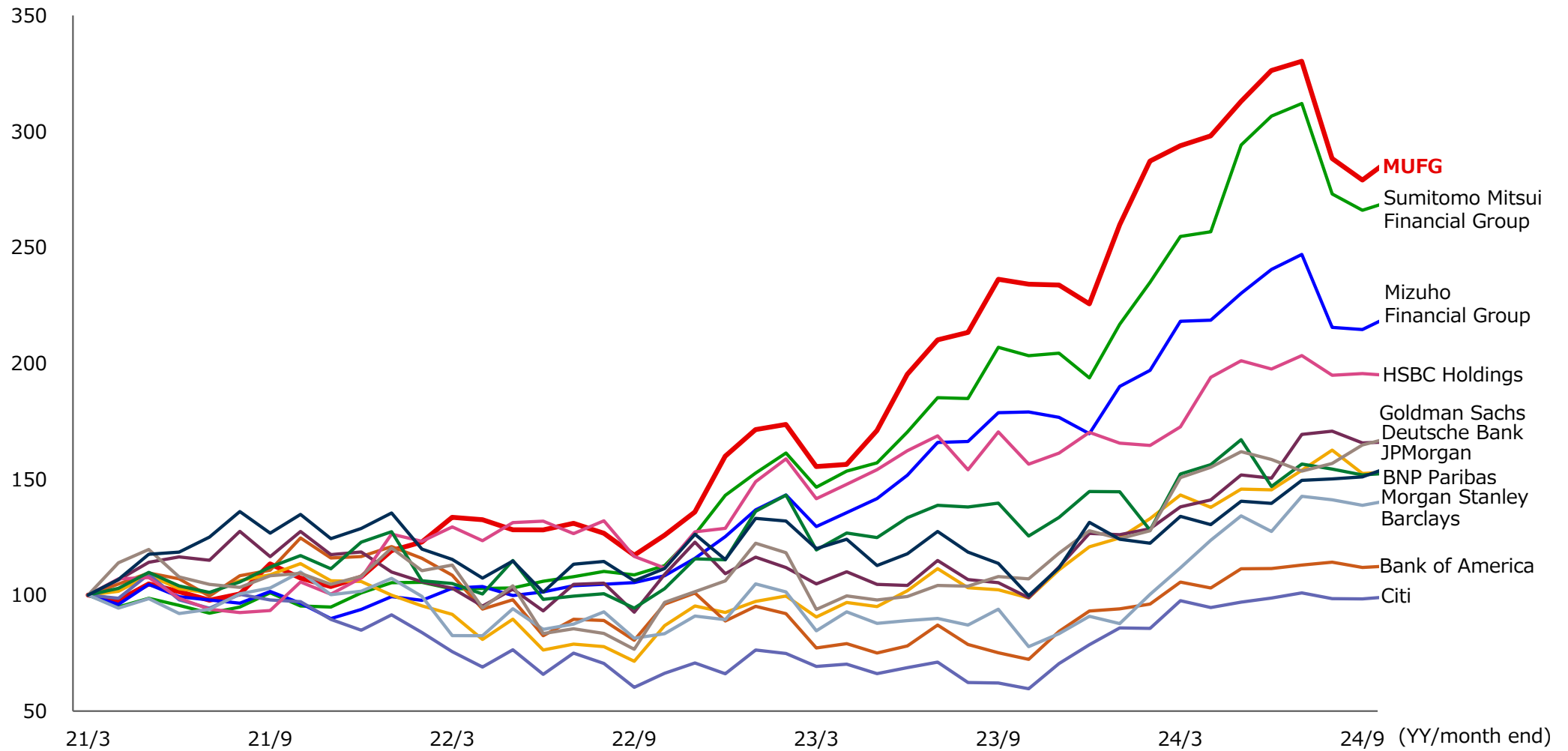
# Trend of EPS and total number of issued common stock

– As a result of profit growth and disciplined capital management, EPS grew to approach the FY23 level at the interim period.



\*1 Numbers in FY06 take into account the stock split implemented in FY07    \*2 Excluding treasury shares

(Closing price as of March 31, 2021 = 100)





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

## KS<sup>\*2</sup>



	(¥bn)				(THB mm)			
	FY23H1	FY24H1	YoY	Reference <sup>*3</sup> FY24Q1-3	FY23H1	FY24H1	YoY	Reference <sup>*3</sup> FY24Q1-3
Total income	253.1	<b>317.4</b>	64.3	512.9	62,191	<b>78,004</b>	15,813	116,312
Operating expenses	110.3	<b>137.6</b>	27.2	224.5	27,125	<b>33,810</b>	6,685	50,926
Pre-provision operating profit	142.7	<b>179.8</b>	37.1	288.3	35,066	<b>44,194</b>	9,128	65,386
Expected credit loss	55.3	<b>98.0</b>	42.6	155.4	13,610	<b>24,088</b>	10,478	35,258
Net profit attributable to owners of the bank	69.6	<b>64.1</b>	(5.4)	103.2	17,102	<b>15,752</b>	(1,350)	23,424

## BDI<sup>\*4</sup>



	(¥bn)			(IDR bn)		
	FY23H1	FY24H1	YoY	FY23H1	FY24H1	YoY
Total operating income	85.0	<b>93.3</b>	8.3	8,770	<b>9,432</b>	662
Operating expenses	47.3	<b>51.1</b>	3.8	4,880	<b>5,168</b>	288
Pre-provision operating profit	37.7	<b>42.2</b>	4.5	3,890	<b>4,265</b>	375
Cost of credit	18.3	<b>23.9</b>	5.6	1,887	<b>2,417</b>	530
Net profit after tax	14.6	<b>14.3</b>	(0.3)	1,508	<b>1,445</b>	(63)

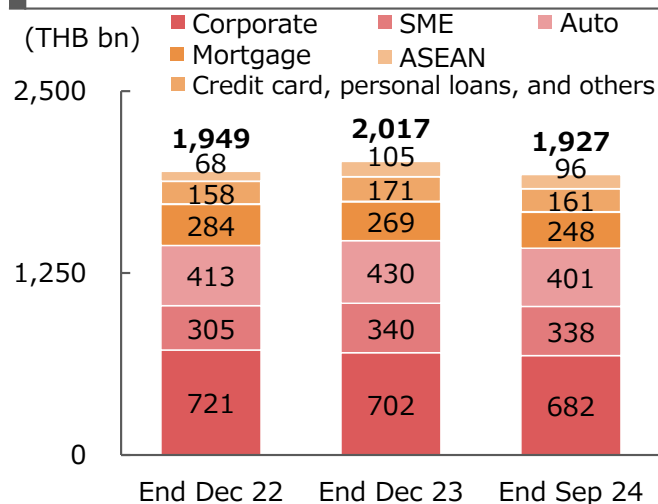
\*1 All figures are converted into ¥ with actual exchange rates as of end of each period. For FY23H1 is THB1=¥4.07, IDR1=¥0.0097. For FY24H1 is THB1=¥4.36, IDR1=¥0.0099)

\*2 Financial results as disclosed in KS's financial report based on Thai GAAP \*3 Figures converted into ¥ using THB1=¥4.41

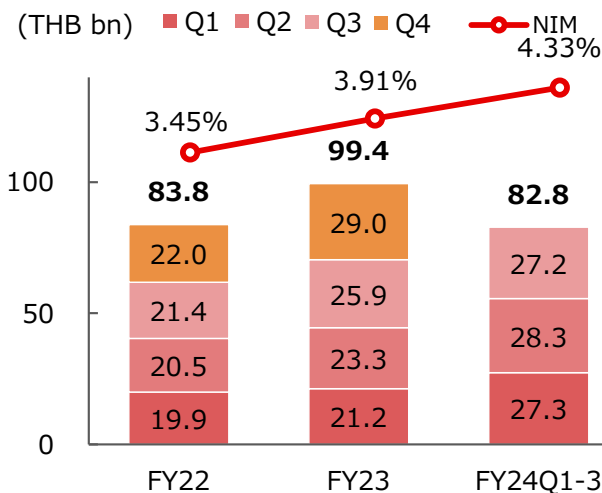
\*4 Financial results as disclosed in BDI's financial report based on Indonesian GAAP. Incorporated impact from netting-off loss on restructuring to interest income

# Key figures of KS

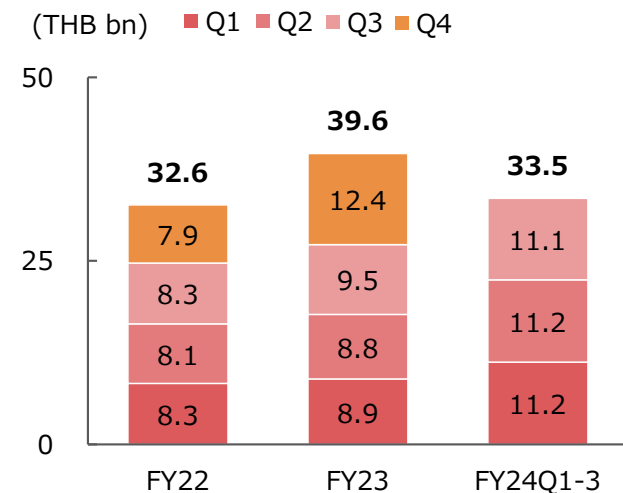
## Lending balance



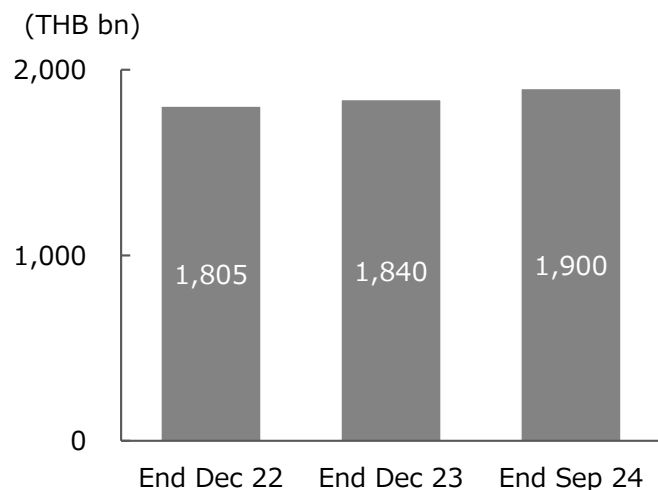
## Net interest income



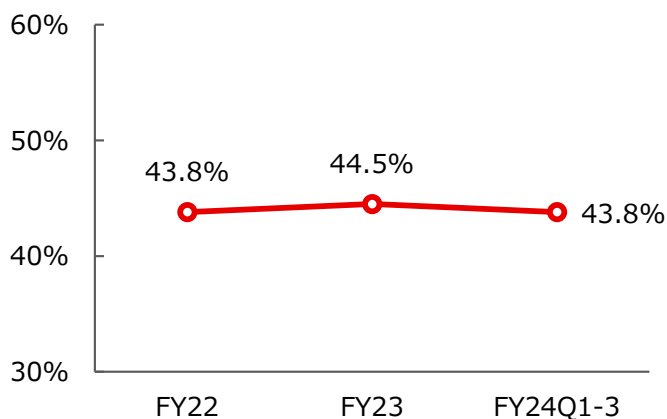
## Non-interest income



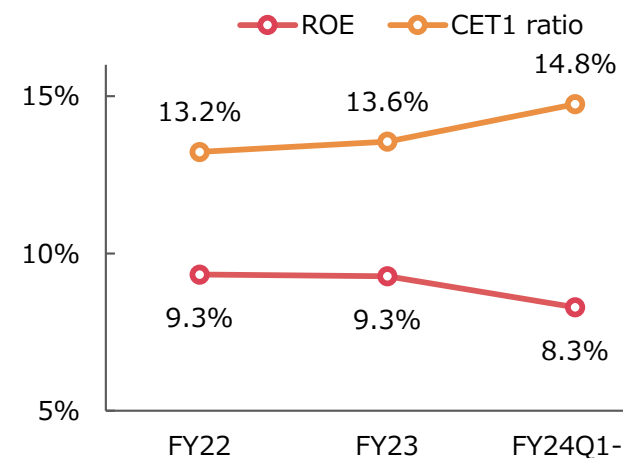
## Deposit balance



## Cost to income ratio



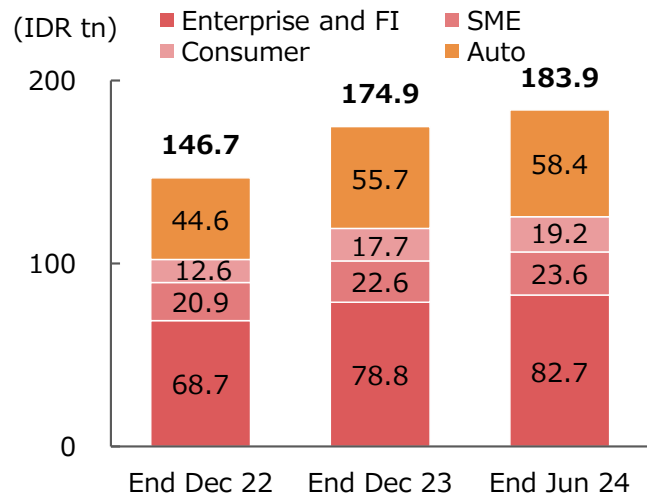
## ROE / CET1 ratio\*1



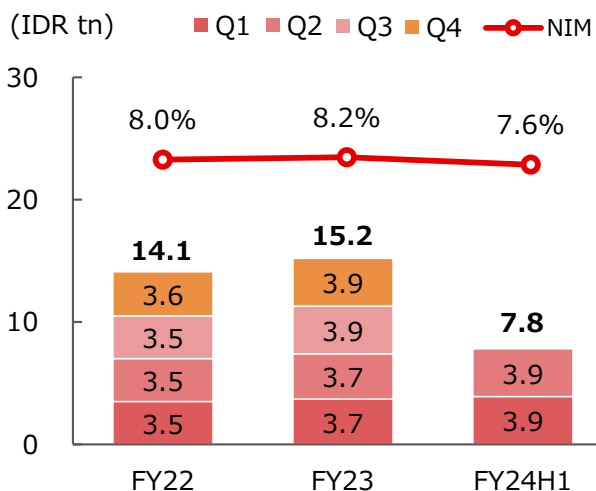
\*1 Non-consolidated

# Key figures of BDI

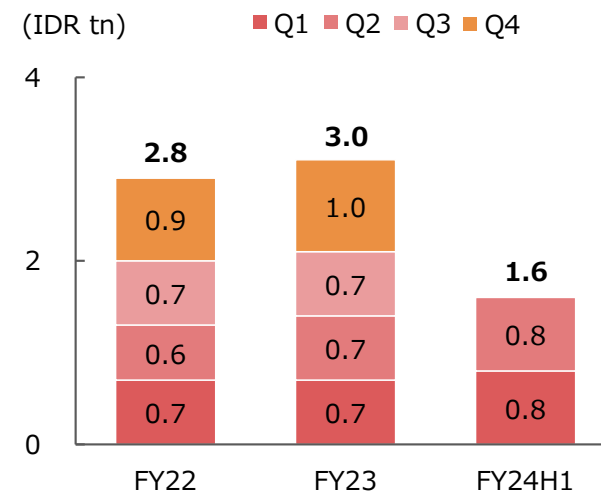
## Lending balance



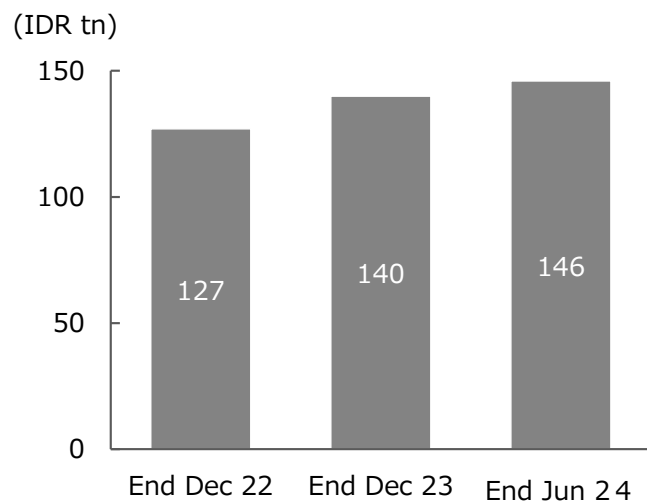
## Net interest income\*<sup>1</sup>



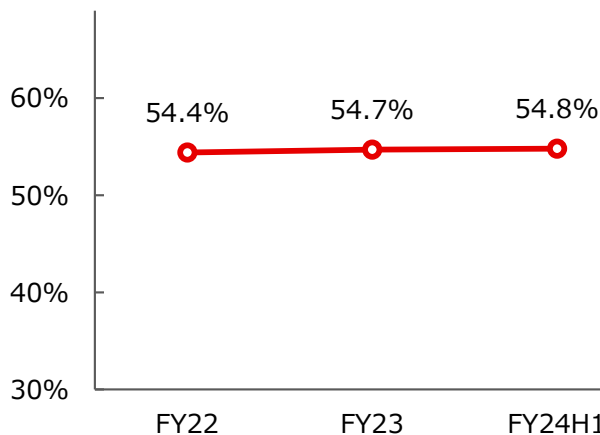
## Non-interest income



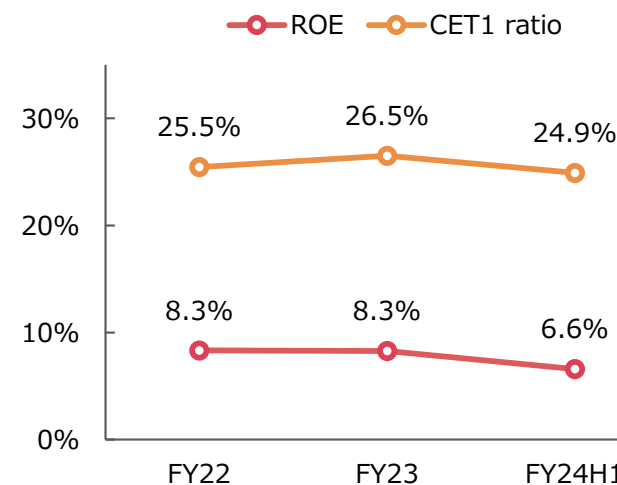
## Deposit balance



## Cost to income ratio



## ROE / CET1 ratio



\*1 Netted-off with loss on restructuring

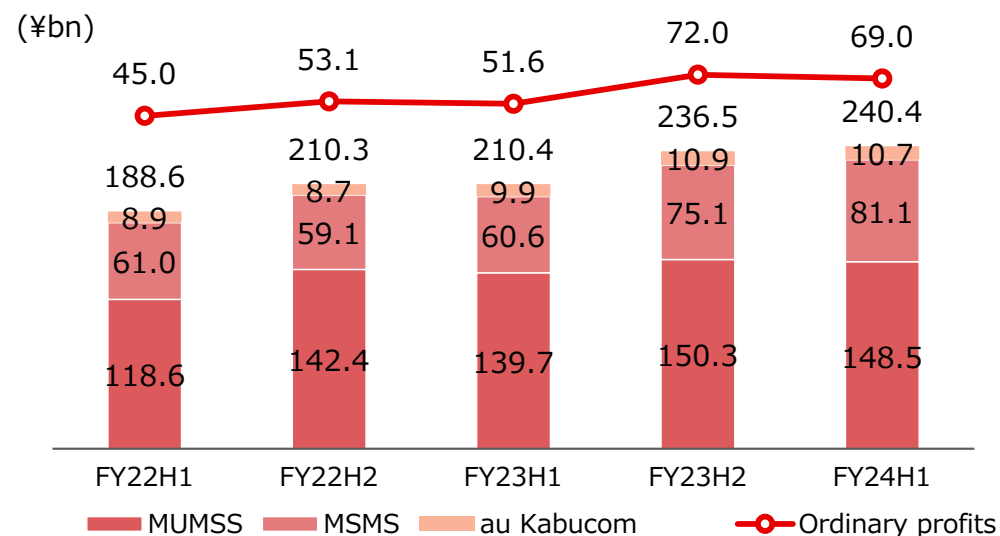
# Status of domestic securities

## Joint financial results of domestic securities\*1

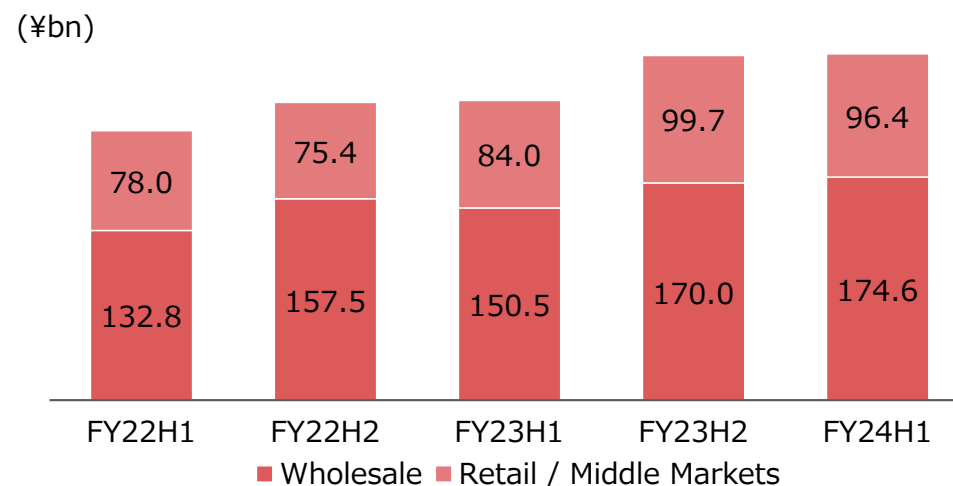
Simple sum of the figures for the Domestic Securities (¥bn)	FY24H1
<b>Net operating revenue</b>	240.4
MUMSS	148.5
MSMS	81.1
au Kabucom	10.7
<b>SG &amp; A</b>	172.3
MUMSS	110.9
MSMS	52.5
au Kabucom	8.8
<b>Ordinary profit</b>	69.0
MUMSS	38.5
MSMS	28.5
au Kabucom	1.8
<b>Profit</b>	48.2
MUMSS	27.6
MSMS	19.6
au Kabucom	0.9

By segments (¥bn)	FY24H1
<b>Retail / Middle Markets (MUMSS + au Kabucom)</b>	
Net operating revenue	96.4
Ordinary profit	19.7
<b>Wholesale (MUMSS + MSMS)</b>	
Net operating revenue	174.6
Ordinary profit	51.4

## Trends of net operating revenue and ordinary profit



## Trends of ordinary profit by segments\*2



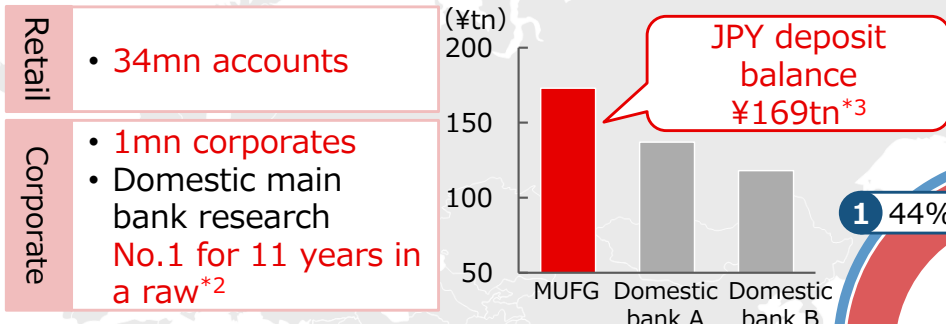
\*1 MUMSS+MSMS+au Kabucom \*2 Partially managerial accounting basis

# Business portfolio supporting MUFG growth(Re-shown\*1)

– Portfolios with diversity, balance and resilience to capture global growth

## ① Japan

The largest domestic customer base and balance sheet against the background of breaking away from deflation and normalization of the interest rate trend



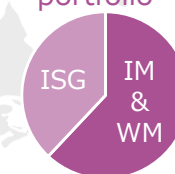
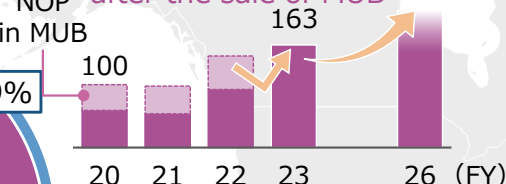
## ③ US

Realize growth in the world's largest economic zones and capture stable size of the market through MS

Concentrate resources in the wholesale area and drive MUFG's growth

Capturing US economic growth through equity in earnings from MS

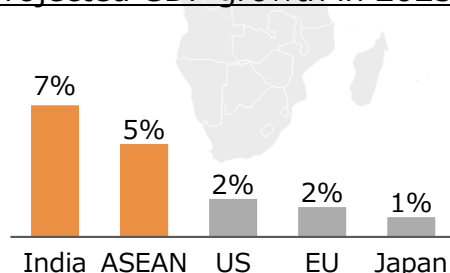
NOP in Americas grows steadily after the sale of MUB\*6



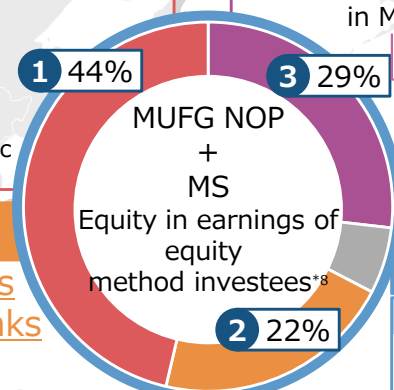
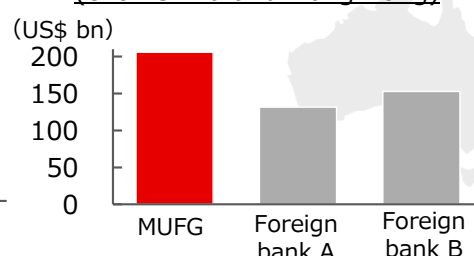
## ② Asia

Capture growth from various perspectives through investments in ASEAN commercial banks and digital finance business

Projected GDP growth in 2025\*4



Exposures in APAC region (excl. China and Hong Kong)\*5



## Strong functions in various areas

High level of expertise and presence

Project finance\*9

Project bond\*9

Global:No.1  
US:No.1 for 14 years in a row

Global:No.1

GCIB Americas and EMEA

MS Alliance

Sophisticated strategies under single leadership

The only one strong partnership between global banks in the world

Various products and asset management capability / one-stop service

Top share in domestic

Publicly offered equity investment trust balance\*10:No.1  
AuA\*11:No.1

Advantage in alternative AM such as infrastructure and PD\*12

First Sentier Investors

ALBACORE CAPITAL GROUP

\*1 From page 14, FY2023 IR Presentation \*2 (source) "Corporate main bank" investigation issued by Tokyo Shoko Research in 2023

\*3 MUFG's balance is sum of the Bank and the Trust Bank. Other banks' figures are calculated based on disclosures of JPY or domestic deposit balances as at end of Mar 24

\*4 (source) IMF "World Economic Outlook Database, April 2024" \*5 MUFG's figures include PBs. Calculated based on each bank's disclosures as at end of Mar 24.

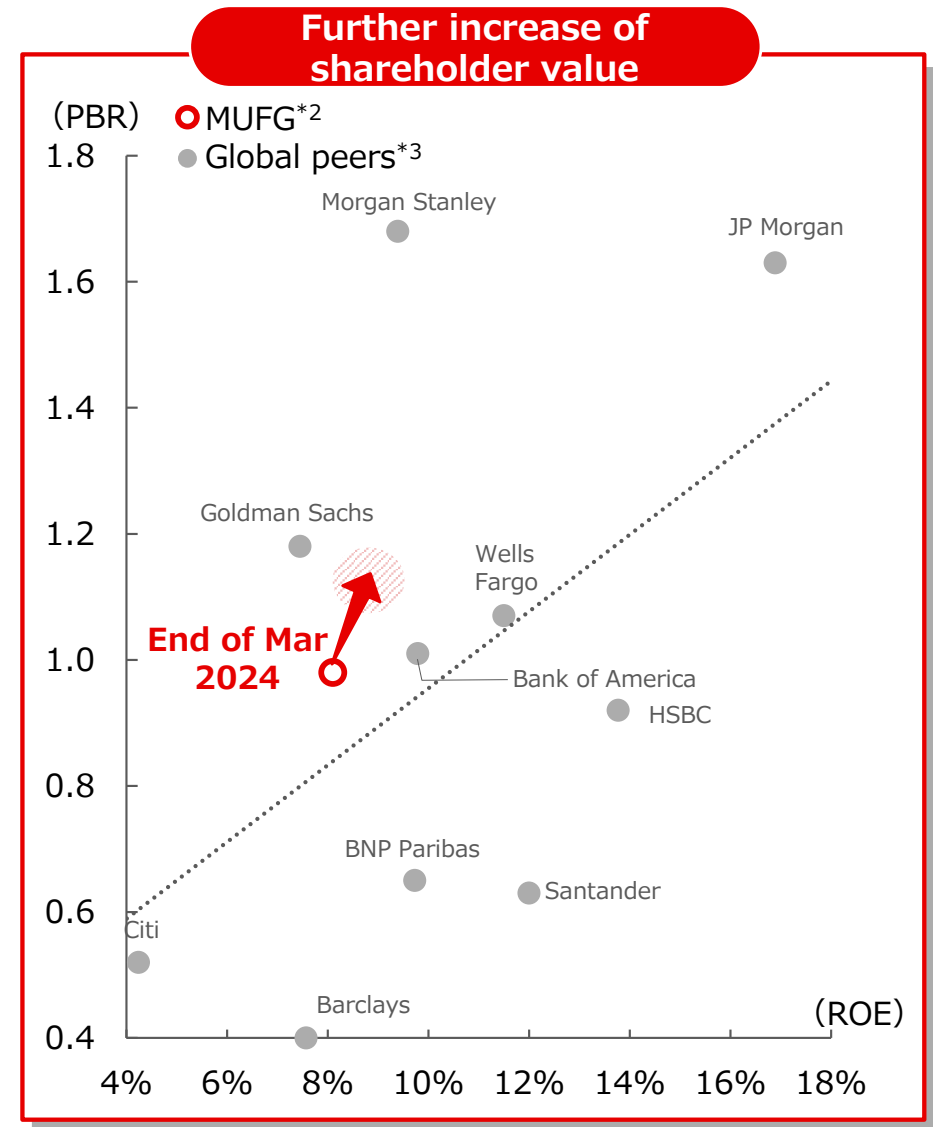
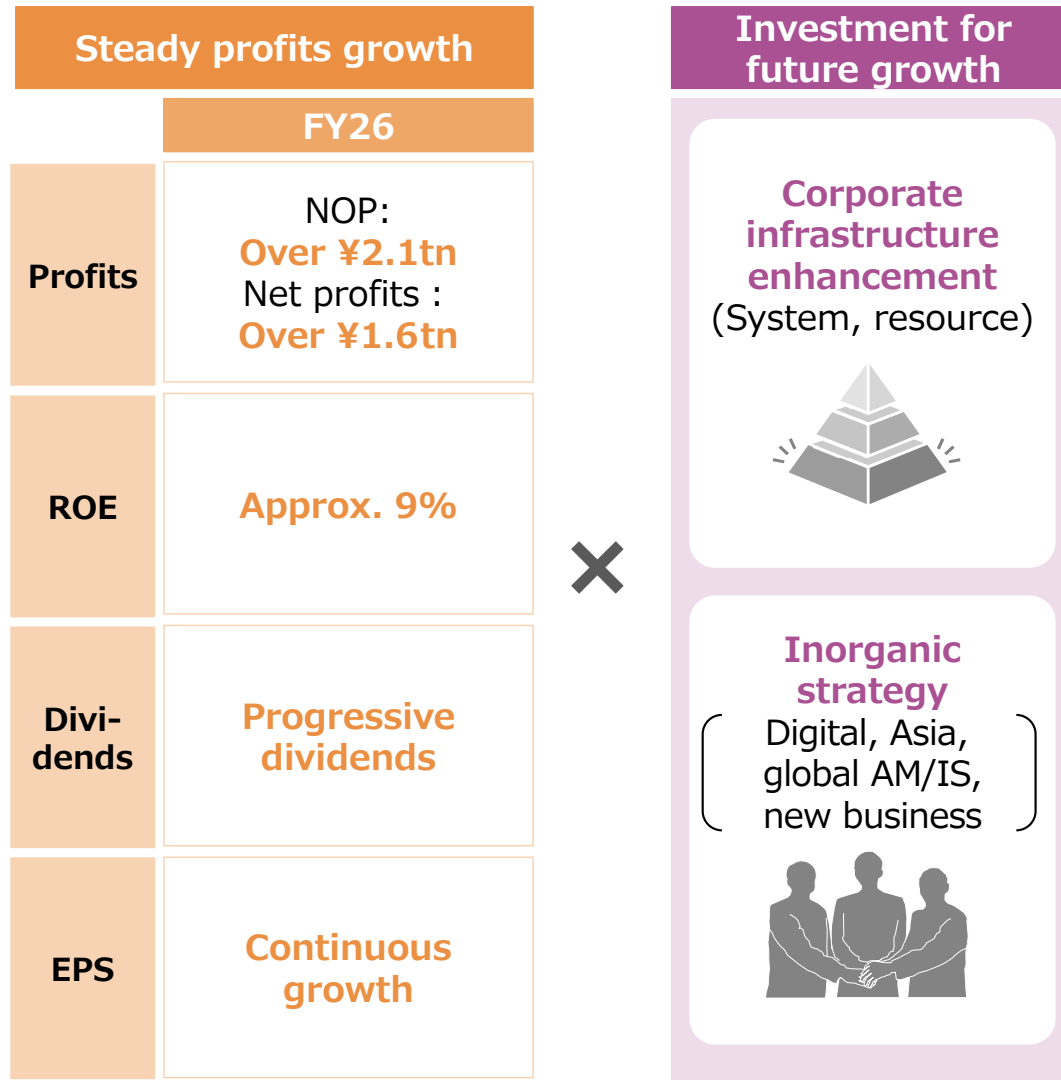
\*6 FY20 result=100 \*7 Net profits before tax. ISG:Institutional Securities, IM:Investment Management, WM:Wealth management (source) MS 234Q Strategic Update 24

\*8 as of FY23 excl. the impact of the change of closing date in the equity method of accounting for MS \*9 As of Dec 23 (source) PFI

\*10 excl. ETF \*11 Assets under Administration in the Master Trust Bank of Japan \*12 Private Debt

# Aim in the current MTBP (Re-shown\*1)

- Aim to increase shareholder value further by achieving both steady profits growth and investment for future growth




\*1 From page 35, FY2023 IR presentation \*2 ROE is on a Japan Exchange Group basis \*3 as of the end of December 2023 (Source) Bloomberg

# Strategic investments for sustainable growth

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












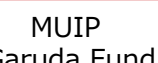
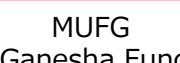




## Disciplined investment criteria

<b>Strategy</b> <ul style="list-style-type: none"> <li>Consider investments in new businesses and growth areas such as digital, global AM/IS and Asia, etc.</li> </ul>	<b>Profitability</b> <ul style="list-style-type: none"> <li>Profitability criteria for enhancing corporate values</li> <li>Periodic monitoring after investments</li> </ul>	<b>Capital efficiency</b> <ul style="list-style-type: none"> <li>Reallocate capital to strategic areas</li> </ul>
--	---	---










**Current situation of consideration**

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

## Strategic Investment

Asia	Digital related	Global AM/IS
<b>2024</b>  Approx. <b>¥66bn</b>	<b>2024</b>  Approx. <b>¥63bn</b>	<b>2024</b>  Approx. <b>¥110bn</b>
<b>2023</b> Krungsri Capital Securities <sup>*1</sup> Approx. <b>¥21bn</b>	<b>2023</b>  Approx. <b>¥32bn</b> <sup>*3</sup>	<b>2023</b>  Approx. <b>¥50bn</b>
<b>2012–2019</b> Commercial Banks (VTB, KS, SBC, BDI) Approx. <b>¥1.4tn</b> <sup>*2</sup>	<b>2023</b>  Approx. <b>¥87bn</b>	<b>2019</b>  Approx. <b>¥300bn</b>
	<b>2022</b>  Approx. <b>¥14bn</b>	<b>2013–2020</b>  Approx. <b>¥76bn</b>
	<b>2022</b>  Approx. <b>¥78bn</b>	
	<b>2022</b>  Approx. <b>¥26bn</b>	
	<b>2022</b>  Approx. <b>¥13bn</b>	
	<b>2022</b>  Approx. <b>¥37bn</b>	
	<b>2022</b>  Approx. <b>¥31bn</b>	
	<b>2022</b>  Approx. <b>¥16bn</b>	
	<b>2022</b>  Approx. <b>¥55bn</b> <sup>*4</sup>	
	<b>2022</b>  Approx. <b>¥233bn</b> <sup>*3</sup>	

## Divestment

<b>2024</b>  Approx. <b>¥132bn</b> <sup>*6</sup>	<b>2022</b>  Approx. <b>¥2.1tn</b>
<b>2022</b>  Approx. <b>¥10bn</b>	<b>2020</b>  Approx. <b>¥36bn</b>
<b>2019</b>  Approx. <b>¥10bn</b>	<b>2019</b>  Approx. <b>¥49bn</b>
<b>2018</b>  Approx. <b>¥45bn</b>	<b>2017</b>  Approx. <b>¥68bn</b>

\*1 Rebranded from Capital Nomura Securities to Krungsri Capital Securities \*2 Initial investment total amount into Vietin Bank, KS, Security Bank Corporation, BDI

\*3 In August 2024, an additional investment of approx. ¥49 billion was announced \*4 Internal managerial basis (after adjustment of sales, etc.)

\*5 Rebranded from Link Administration Holdings Limited to MUFG Pension & Market Services Holdings Limited

\*6 Partial sale of 24 million shares (approx. \$936 million/additional shares acquired in Aug. 2023) in Aug. 2024. Converted to yen at the end of July 2023 exchange rate

# External evaluation

## Evaluation by ESG rating agencies

Entities	Sep 2024
MSCI	A
FTSE	4.1
Sustainalytics	21.0
S&P Dow Jones	50
CDP	A-
Nikkei SDGs	★4.5
Toyo Keizai	386.8

: Indicators in executive compensation

## Inclusion in ESG indices

### ESG indices selected by GPIF

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

### Others

- Bloomberg Gender-Equality Index
- FTSE4Good
- SOMPO Sustainability Index, etc.



# Human Capital KPIs

– A global financial group capable of contributing to society and customers by making a positive social impact and foresting a culture where our employees thrive

		Progress* <sup>1</sup>	FY26 Target
Employee enablement and progression	Core DX specialists	747	1,200
	IT skill acquisition	77.7%* <sup>2</sup>	100%
	Candidate pool for key overseas posts	3.8x* <sup>3</sup>	Maintain 3x or more
Improving employee engagement	Engagement score* <sup>4</sup>	73%	A level improved from the FY23 result
DEI workforce	Ratio of female managers (Japan)	22.9%* <sup>5</sup>	27%
	Ratio of eligible male employees who took childcare leave* <sup>6</sup>	86.1%	100%
	Inclusion score* <sup>4</sup>	75%	Maintain 75 or more
	Ratio of employment of people with disabilities	2.68%* <sup>7</sup>	Maintain statutory employment ratio or more
Embedding a culture of healthy working	Absenteeism	0.96%	1% or lower
	Presenteeism	17-18%	15% or lower

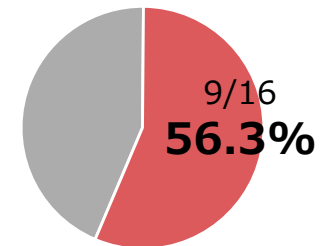
\*1 Total for the three main domestic subsidiaries (the Bank, the Trust bank, MUMSS). KPIs without notes are as of Mar 2024 \*2 Participate in IT Passport e-learning, and acquire IT-related qualifications as of Oct 2024 \*3 As of Oct 2024 \*4 Consolidated basis, including major overseas subsidiaries (engagement and inclusion scores are from Group Employee Survey) \*5 The ratio of female employees in line manager or higher positions as of Sep 2024 \*6 Real ratio of childcare leave usage reflecting the expiration date for the leave \*7 Total for the six main domestic subsidiaries as of Jun 2024

# Governance (Structure of the Board of Directors)

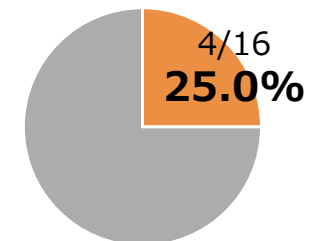
Name	Committee-related duties* <sup>1</sup>	Independent Outside	Knowledge, expertise and experience						
			Corporate management	Finance	Finance & accounting	Legal affairs	Global	IT/digital	Sustainability
1 Mariko Fujii	Nominating Compensation Risk*	●	-	●	-	-	●	-	-
2 Keiko Honda	Audit	●	-	●	-	-	●	-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

(as of end June 2024)

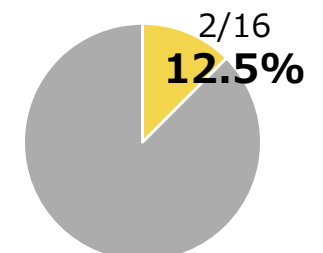
## Independent outside directors



## Female directors



## Foreign nationals



\*1 Nominating: Nominating and Governance Committee member Compensation: Compensation Committee member  
 Audit: Audit Committee member Risk: Risk Committee member \*Chairperson

# Governance (Compensation system)

Type of compensation	Linkage with performance	Performance-based range	Standards for payment		Weight	Time of payment	Payment method	Proportion of Group CEO's compensation
Annual base salary	Fixed	-	•Paid based on positions, etc. •Includes Director Allowance, Committee and Chair Allowance, Housing Allowance, etc.		-	Monthly	Cash	1
Stock compensation *3	Non performance based	-	•Base amount by position		-	At the time of retirement of executives	50% in shares and 50% in cash	1
	Medium- to long-term performance based	0%–150%	Base amount by position ×	Target attainment rate of indices below in MTBP (1) Consolidated ROE (2) Consolidated expenses ratio (3) ESG assessment <ul style="list-style-type: none"><li>• Reduction of GHG emissions from our own operations</li><li>• MUFG Employees survey score</li><li>• Ratio of women in management</li><li>• Ratings granted by ESG rating agencies*1</li></ul>	<55%> 30% 10% 10%	At the end of the MTBP		
				(4) TSR	5%			
				Comparison of YoY growth rate of indices below with competitors*2 (1) Consolidated net operating profits (2) Profits attributable to owners of parent	<45%> 25% 20%			
Cash bonuses *3	Short-term performance based	0%–150%	Base amount by position ×	Performance factor (quantitative evaluation factor applied to the Group CEO) Rate of YoY change and target attainment rate of indices below (1) Consolidated net operating profits (2) Profits attributable to owners of parent (3) Consolidated ROE (4) Consolidated expense ratio	<60%>  20% 10% 20% 10%	Annually	Cash	1
				Status of individual execution of duties (qualitative evaluation factor applied to Group CEO) •Improvement in customer-segment profitability •Risks handling •Advances in sustainability management, etc.	<40%>			

<sup>\*1</sup> A relative evaluation basis in light of the degree of improvement in external ratings by major five ESG rating agencies (CDP, FTSE, MSCI, S&P Dow Jones and Sustainalytics) <sup>\*2</sup> Evaluated based on comparisons with main competitors (Mizuho Financial Group and Sumitomo Mitsui Financial Group) <sup>\*3</sup> Subject to malus (confiscation) and clawback (restitution claim)