

Investment in Shriram Finance Limited, a Leading Non-Banking Financial Company in India

December 19, 2025

Disclaimer

This document may contain financial statements and expectations relating to Shriram Finance Ltd. and its group companies (collectively, "Shriram Finance").

These figures are based on information currently available to our company. In addition, certain assumptions are used in these statements. These statements or assumptions are subjective and may prove to be inaccurate or may not be realized in the future.

There are a number of uncertainties and risks that could cause such a situation. Please refer to Shriram Finance's financial statements for additional information.

The statements contained in this document represent the information as of the date hereof (or the date otherwise specified therein), and our company has no obligation or policy to update such information from time to time.

Information on companies other than the Shriram Finance described in this document is taken from publicly available information, and our company has not verified the accuracy or appropriateness of such information, nor does it guarantee the accuracy or appropriateness of such information.

The financial figures for our company in this report are based on Japanese GAAP (including management accounting standards in Japan), and the financial figures for Shriram Finance in this report are based on Indian GAAP.

Japanese GAAP and Indian GAAP, differ in certain important respects. You should consult your own professional advisers for a more complete understanding of the differences between Indian 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.

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Executive Summary

Investment Target	<ul style="list-style-type: none"> ■ Shriram Finance Limited (“Shriram Finance”) ■ The second largest retail NBFC^{*1} in India in terms of loan size, net income, and market cap <ul style="list-style-type: none"> ➢ Provides loans for the purchase of Commercial Vehicles (“CV”), Passenger Vehicles (“PV”), working capital needs of MSME^{*2} and individual business owners mainly in the transportation industry^{*3}. Industry leader in financing for this segment ➢ A high-quality company with loan balance of USD 28.9 Bn^{*4}, net income of USD 919 Mn, and ROE of 15.8% (Mar 2025)
Transaction Overview	<ul style="list-style-type: none"> ■ MUFG Bank will subscribe to a preferential allotment of 20%^{*5} equity shares in Shriram Finance for INR 396.2 Bn which is approximately JPY 682.3 Bn^{*6} (Post-money PBR of 1.9x^{*7}) ■ Upon completion of the Investment, Shriram Finance will become an equity method affiliate of both MUFG and MUFG Bank ■ MUFG will have the right to appoint 2 nominee directors on the board of Shriram Finance
Strategic Rationale	<ul style="list-style-type: none"> ■ Support the growth of Shriram Finance as a strategic partner <ul style="list-style-type: none"> ➢ Support business expansion in the segments including new CV and MSME^{*2} by providing growth capital ➢ Enhance funding capacity through improved creditworthiness ➢ Provide opportunities for transactions with MUFG’s broad customer network ■ Establish a business platform in MSME^{*2} and retail segments in India which enables MUFG to capture the domestic demand that drives India’s growth ■ Support the development of road transport infrastructure which is essential to India’s growth and contribute to the advancing financial inclusion ■ The largest FDI^{*8} in the Indian financial services sector and also the largest from Japan to India
Financial Impact	<ul style="list-style-type: none"> ■ Investment profitability: Expect contribution on ROE above 12% in the mid-term business plan after the next ■ Impact on MUFG’s CET1 ratio^{*9}: Approximately (60 bps)

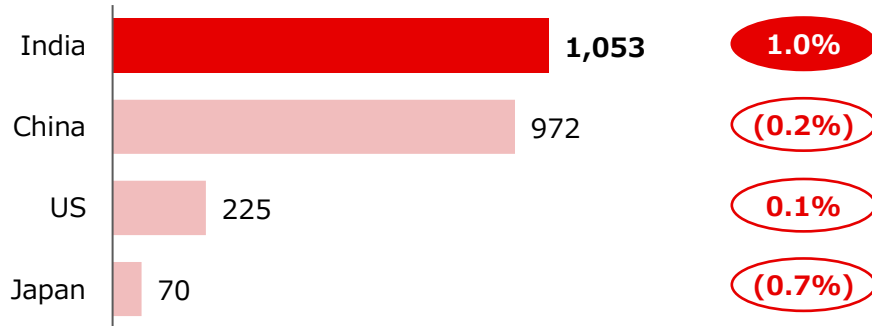
Notes: *1 Non-Banking Financial Company. Excluding housing finance companies; *2 Micro, Small, and Medium Enterprises; *3 Others: Construction Equipment, Farm Equipment, Two Wheelers, Gold, Personal Loans; *4 Total loan balance is on-book basis; *5 On a fully diluted basis; *6 Exchange Rates: USD/INR=90, USD/JPY=155 apply the same to other slides; *7 Pre-money PBR is 2.5x. Pre-money: 100% value based on the investment amount / median consensus of net assets for FY Mar26, Post-money: (100% value based on the investment amount + amount of capital infusion) / (median consensus of net assets for FY Mar26 + amount of capital infusion); *8 Foreign Direct Investment; *9 Estimated value based on regulations to be applied by the end of March 2029 due to the finalized and fully implemented Basel III requirements

Growth potential of the Indian market (1/2)

Population: India overtook China to become world's most populated country

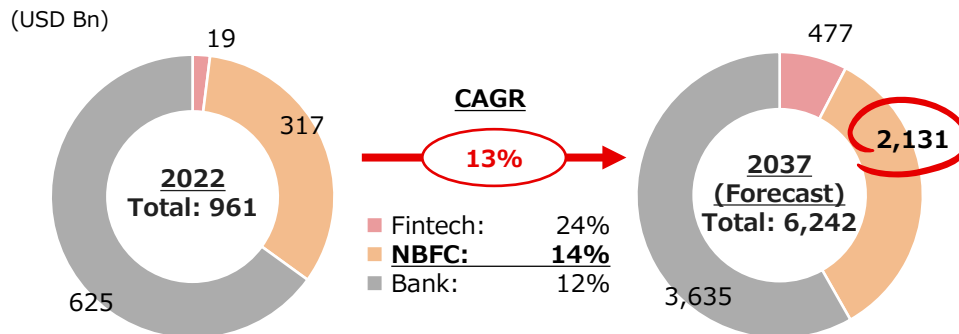
Projected working-age population
(15 to 65 years old, Mn, 2030)

CAGR
(2024– 2030)



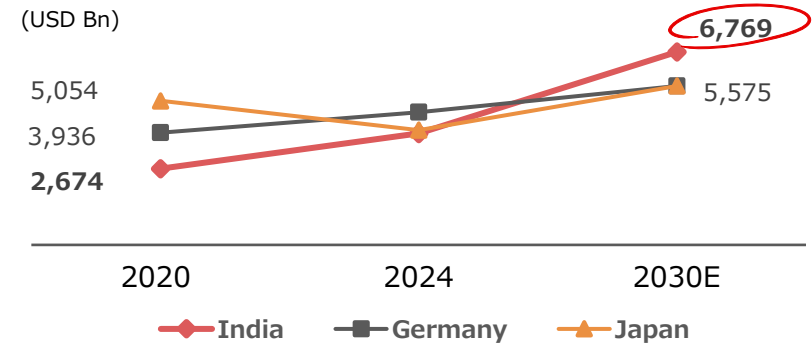
Size of the Indian loan market by business type: NBFCs to enhance market share

- The size of the loan market is expected to expand by 6 times in 15 years. NBFCs are expected to grow at a high rate while maintaining a large market share



GDP: On course to become world's 3rd largest

- India's GDP continues to grow rapidly and is expected to overtake Japan and Germany to rank third in the world in 2030



Loan amount growth forecast by customer segment

- MSME segment, where Shriram Finance holds strength, is expected to grow over the long term

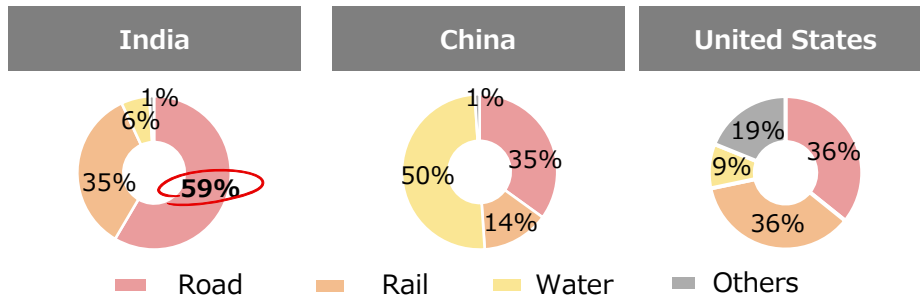
CAGR	25/3–32/3 (Forecast)	32/3–37/3 (Forecast)
NBFC total	13–15%	7–9%
Large corporate	17%	(2%)
Small and Medium enterprise	10%	8%
Micro and individual business owners	13%	12%
Retail	15%	6%

Growth potential of the Indian market (2/2)

- Road transport which is India's main mode of transportation is expected to grow steadily due to increase in road infrastructure investment, transport cargo volume, and e-commerce ("EC") transactions
- Sales volume of used CV/PV, which is Shriram's core business segments, and loan market are expected to grow steadily

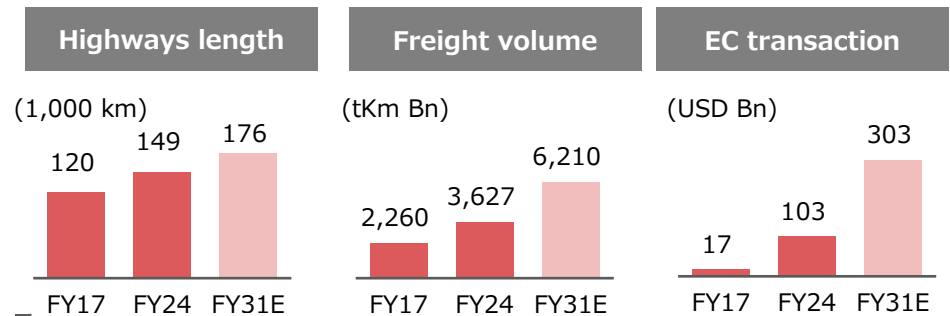
Comparison of transport composition by country (2025)

- Road transportation accounts for approx. 60% of India's total transportation, which indicates that the country is more dependent on it than China and the United States



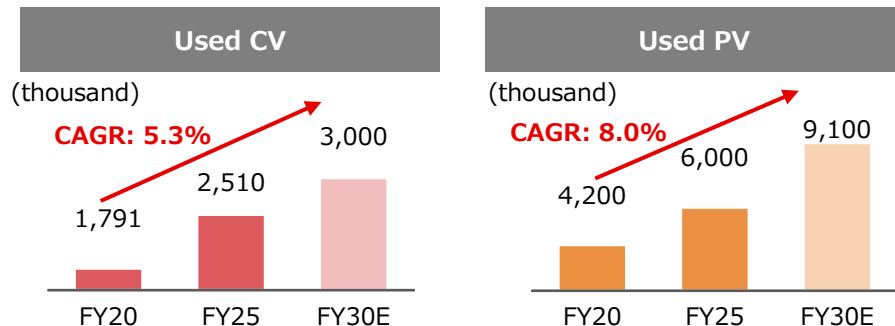
Highways length, Freight volume, EC transaction

- Land transport is expected to expand with the expansion of highways due to infrastructure investment, increase in freight volume, and growth in EC transactions relying on last-mile delivery



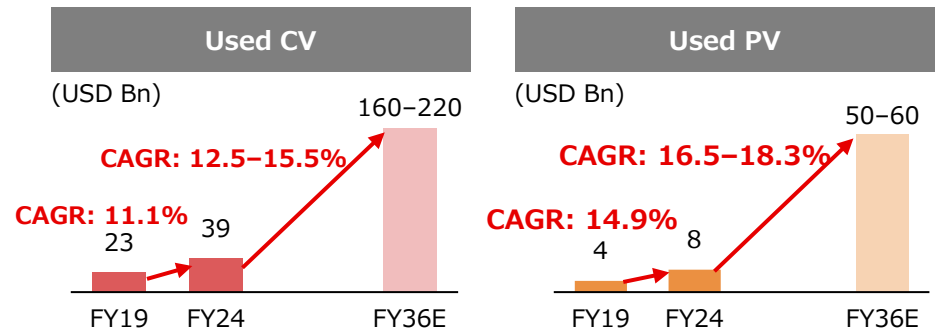
Sales forecast and trends for used CV/PV

- Sales volume of used CV and PV, which are Shriram Finance's main areas, is expected to continue grow steadily over next 5 years



Trends in used CV / PV loan balance

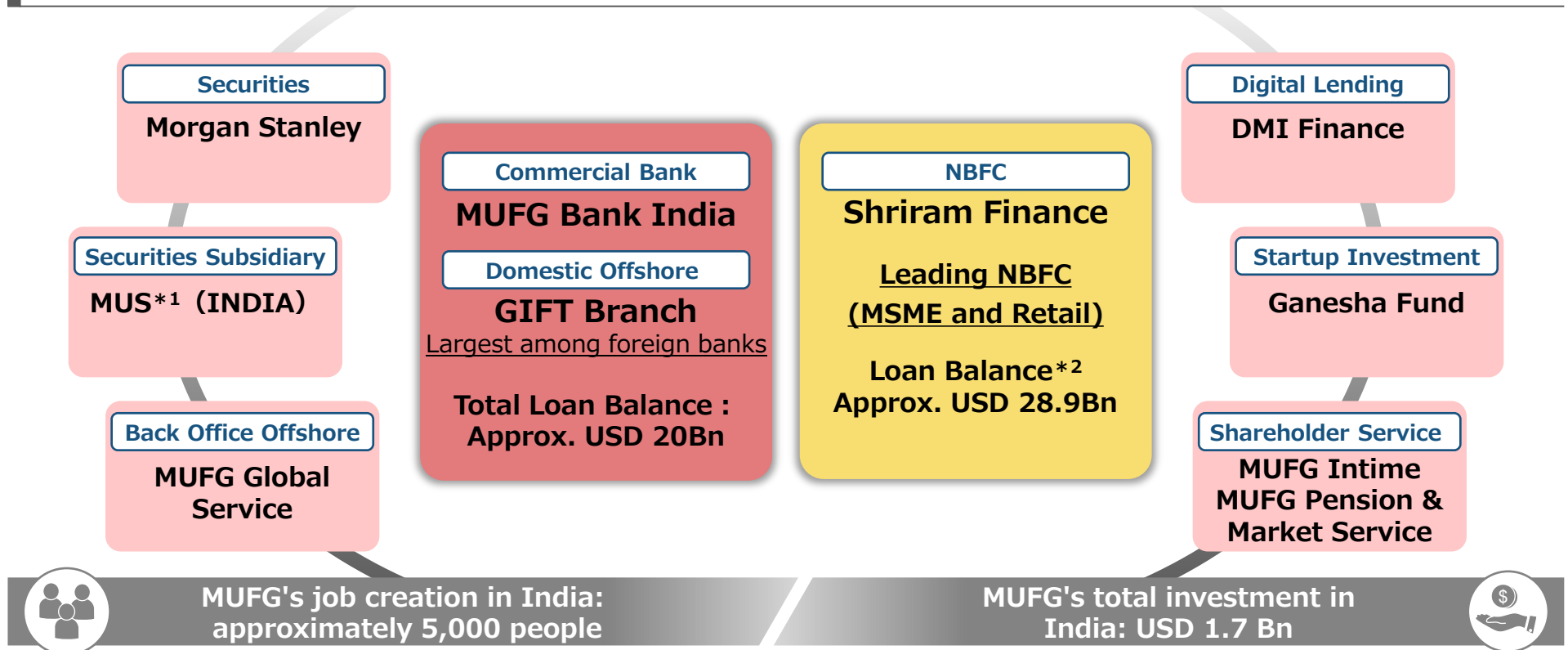
- The balance of CV / PV loans has steadily expanded from FY19-24, and expected to continue growing at a CAGR exceeding 10%



MUFG's India Strategy

- MUFG has consistently supported India's rapid growth since the opening of Bombay(now Mumbai) branch in 1894
- MUFG has established a diversified business portfolio, which is amongst the largest in foreign banks in India, covering from corporate banking to startup investment and back office offshoring
- **Through investment in Shriram Finance, MUFG will expand its business platform to include MSME and retail segments, and capture the domestic demand that drives growth in India**

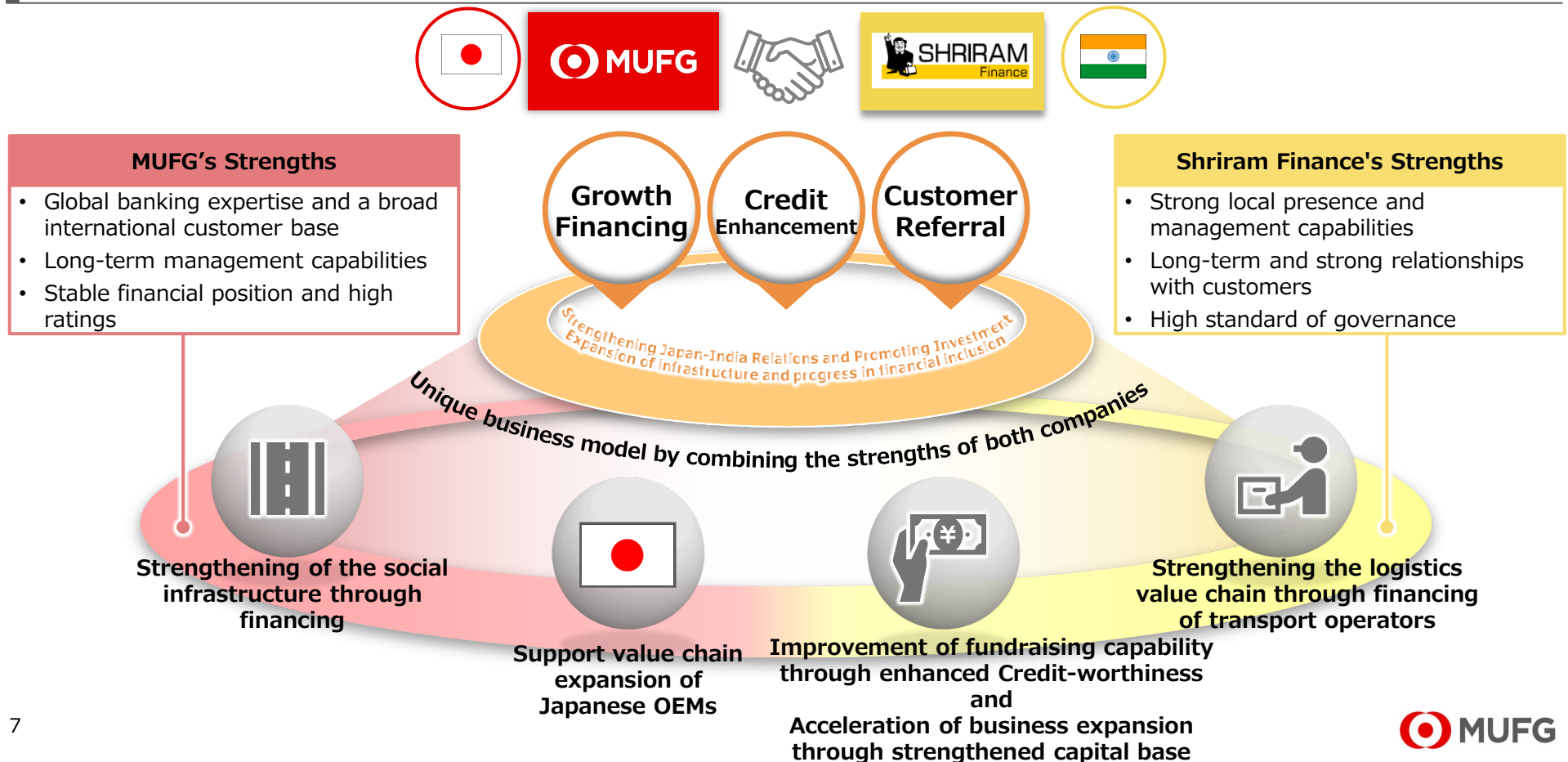
MUFG's business foundation in India



Strategic Rationale of the Alliance

- **MUFG and Shriram Finance signed a Memorandum of Understanding for a strategic alliance.** The two companies aim to accelerate the growth of Shriram Finance
- Combining the strengths and know-how of both companies, the alliance will **support the development of India's road transport infrastructure and logistics value chain**
- **The alliance will support financial inclusion**, which is an important policy agenda in India

Multifaceted support for development of Road Transport Infrastructure essential to India's growth



Features and Strengths of Shriram Finance (1/3)

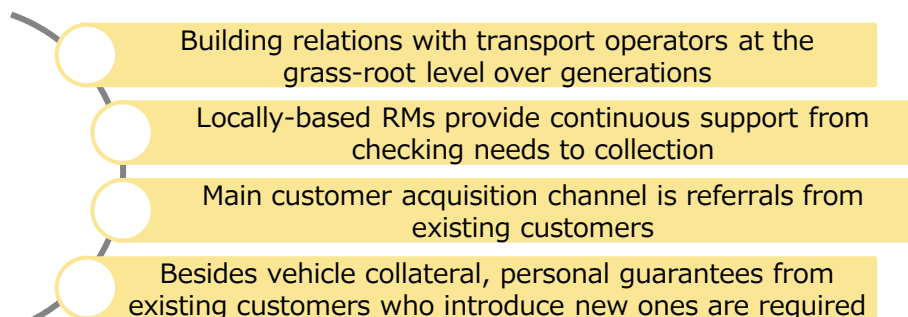
- Shriram Finance was founded in 1979 by R.Thyagarajan. **Based on the philosophy of fostering and development of the transportation industry, which is a key driver of India's economic growth, Shriram Finance has been building a strong and unique business base at the grassroot level throughout India**
- Shriram Finance has achieved a high market share in used CV and PV loan segments, **due to its unique strengths, such as excellent customer service provided by locally-based RMs and its deposit license while being an NBFC. Its Corporate culture values trust and discipline making it highly compatible with MUFG**

Strong customer base and branch network throughout India

- The leading financing company in transportation vehicle finance with a dominant customer base**
- 3,225 sites throughout India, beyond urban areas



Unique Business Model



Excellent management team and corporate culture that values social contribution

- Most executives have been with Shriram Finance for more than 30 years
- The founder is a man of integrity who values rewarding Indian society and employees
- Corporate culture that values relationships of trust and contributions to society

Key Management Team

Founder	R. Thyagarajan
Chairman	Jugal Kishore Mohapatra
Vice-Chairman	Umesh Govind Revankar
CEO	Parag Sharma
CFO	Sunder Subramanian

The Shriram Way – 5 Values

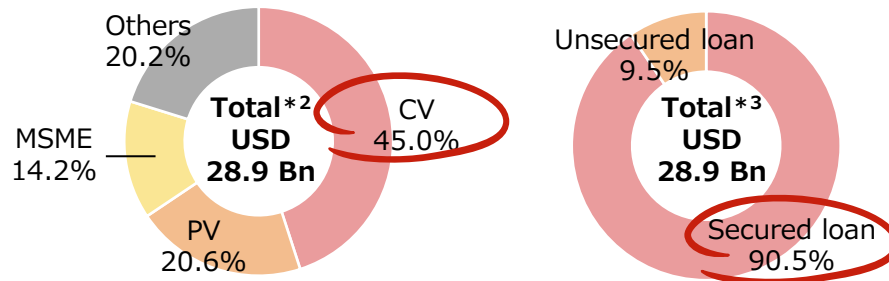
- Value Relationships
- Build Trust
- Create Prosperity
- Transform Lives
- Build an Inclusive Society

Features and Strengths of Shriram Finance (2/3)

- Shriram Finance's loan assets consist mainly of used CV and used PV loans, and 90.5% of its loans consist of secured loans. NIM also exceeds its competitors.
- A well-balanced funding structure, including deposits, with prospects for cross-selling in the future for customers with highly sticky medium- to long-term deposits

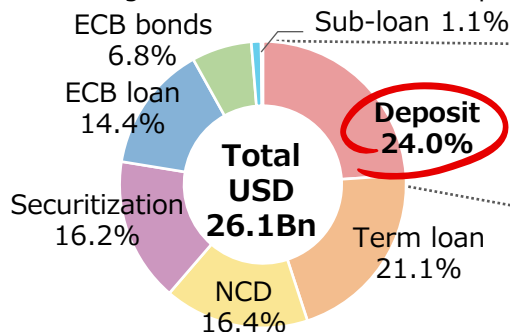
Breakdown of loan by product*¹

- CV and PV loans account for nearly 70% of the loan portfolio
- Particularly strong in loans for used CV. Secured loans accounted for 90.5% of the total



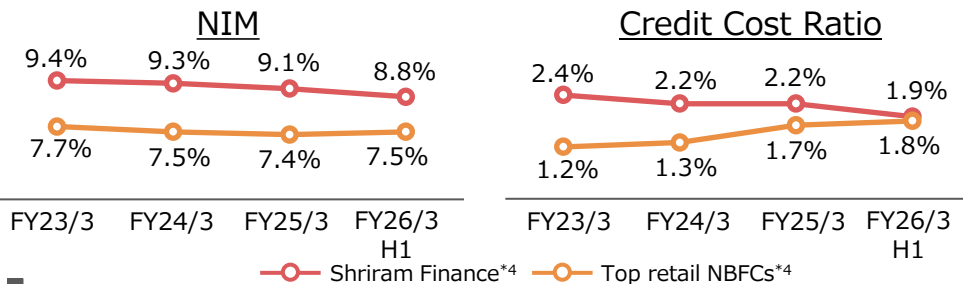
Breakdown of funding by source*¹

- Shriram Finance holds a deposit license, resulting in balanced funding structure. Cross-selling is envisioned from the deposit customer base



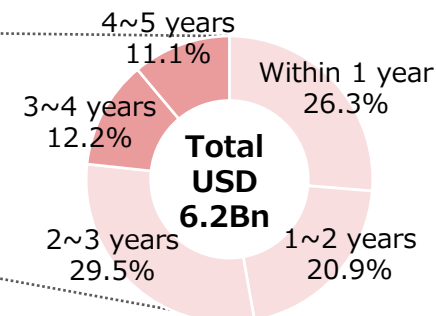
NIM and credit cost ratio

- While the credit cost ratio is 1.9%, higher than the top retail NBFCs average (1.8%) due to target customer segment, NIM 8.8% exceeds peer average (7.5%)



Breakdown of deposit by maturity period*¹

- Average deposit period is approx. 3.6 years since the deposits are term deposits with diversified maturity



Notes: *¹ As of March 31, 2025 *² Total loan balance is on-book basis whereas product-wise share includes both on-book and off-book balance *³ Total loan balance is on-book basis

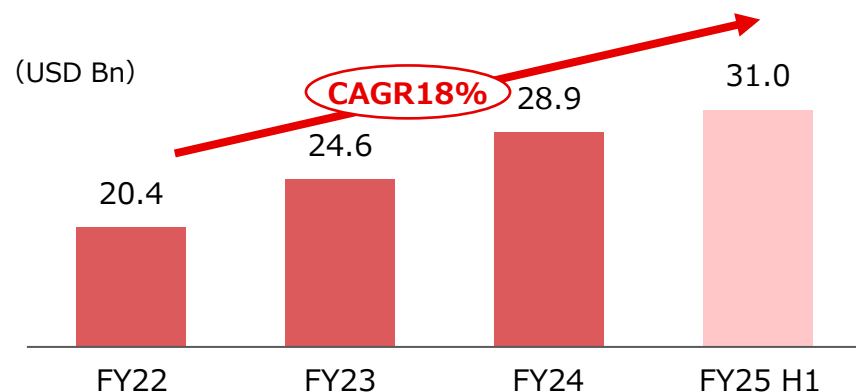
*⁴ Average of the top 10 retail NBFCs in India based on AUM, excluding Shriram Finance and housing finance companies based on AUM. Except credit cost ratio for which Piramal is excluded due to its credit cost being positive

Features and Strengths of Shriram Finance (3/3)

- Established a solid presence in Indian NBFC sector with stable growth and profitability

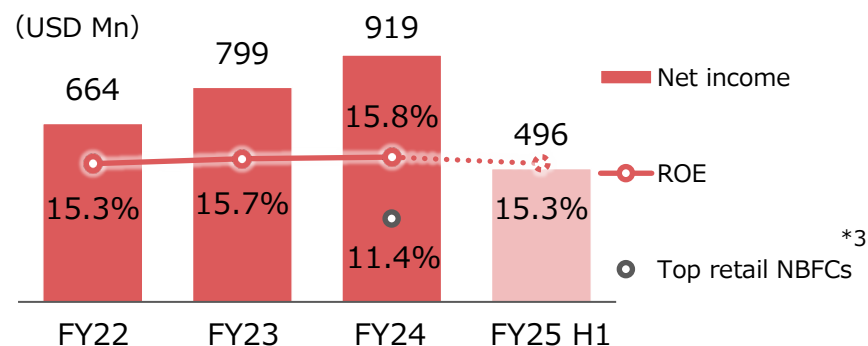
Continued expansion of loan balance*¹

- Loan balance is increasing steadily with a **CAGR of 18%**



Stable profits and high ROE*^{1*2}

- Net income is steadily increasing, and ROE remains stable at over 15%



Strong presence in India's retail NBFC*⁴ sector

Loan balance (25/3, USD Bn)

1	Bajaj Finance	46
2	Shriram Finance	29
3	Tata Capital	25
4	Chola	21
5	Aditya Birla	14

Net income (25/3, USD Mn)

1	Bajaj Finance	1,864
2	Shriram Finance	919
3	Muthoot Finance	595
4	Chola	473
5	Tata Capital	407

Market Cap*⁵ (25/12, USD Bn)

1	Bajaj Finance	70
2	Shriram Finance	18
3	Chola	17
4	Tata Capital	16
5	Muthoot Finance	15

Source: Company disclosure, FactSet as of December 11 2025, external research

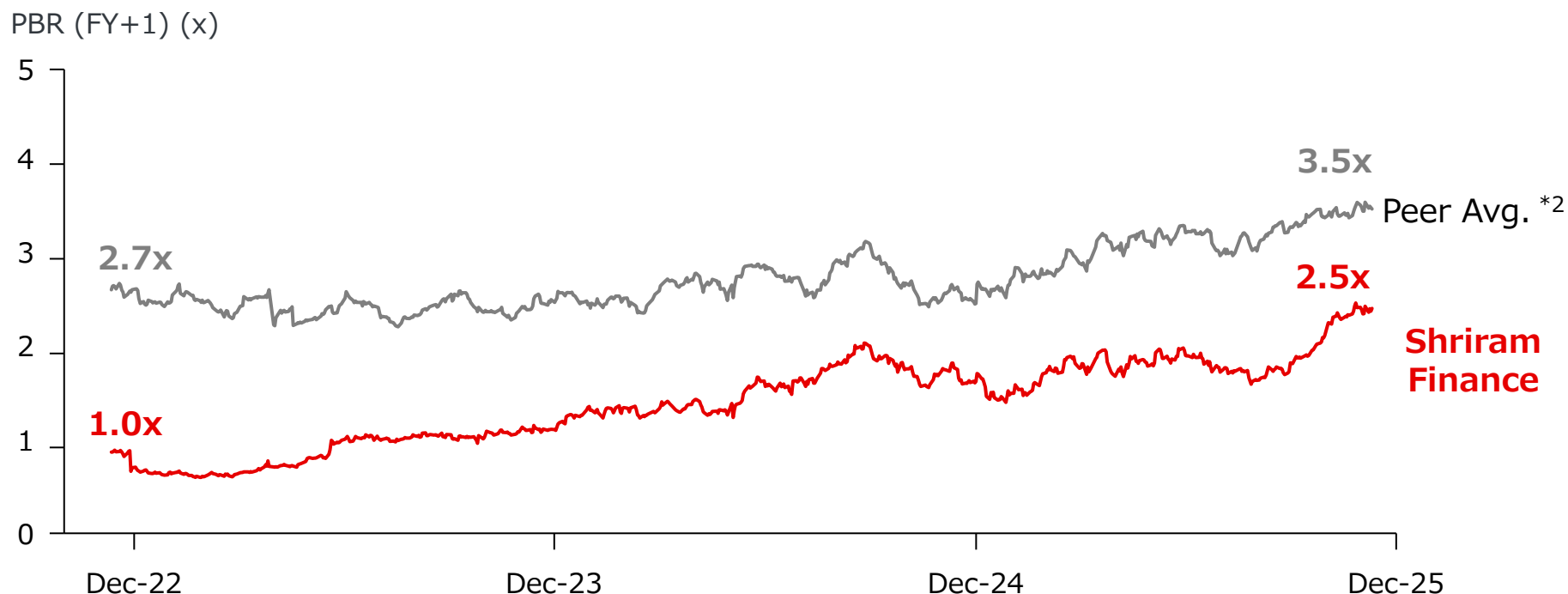
Notes: *¹ Year-end: March *² FY25 H1 ROE is annualized *³ Average ROE of the top 15 retail non-banks by loan balance as of 25/3 (excluding Shriram Finance)

*⁴ Excluding house financing companies *⁵ As of December 11, 2025

Validity of acquisition price and profitability of investment

- Based on the market stock price, **Shriram Finance's PBR is 2.5x, significantly lower than the non-bank peer's average of 3.5x**. Additionally, the **PBR based on the investment amount for this transaction is at a level of 1.9x in post-money and 2.5x in pre-money**.
- Based on forecasts, contribution on ROE above 12% is expected to be achieved in the mid-term business plan after the next. **Shriram's stable ROE of around 15% has been posted as an actual record and high growth potential is assumed while maintaining a Tier1 ratio of 20.0%**. Further financial contributions to MUFG is expected over the medium term

PBR of Shriram Finance

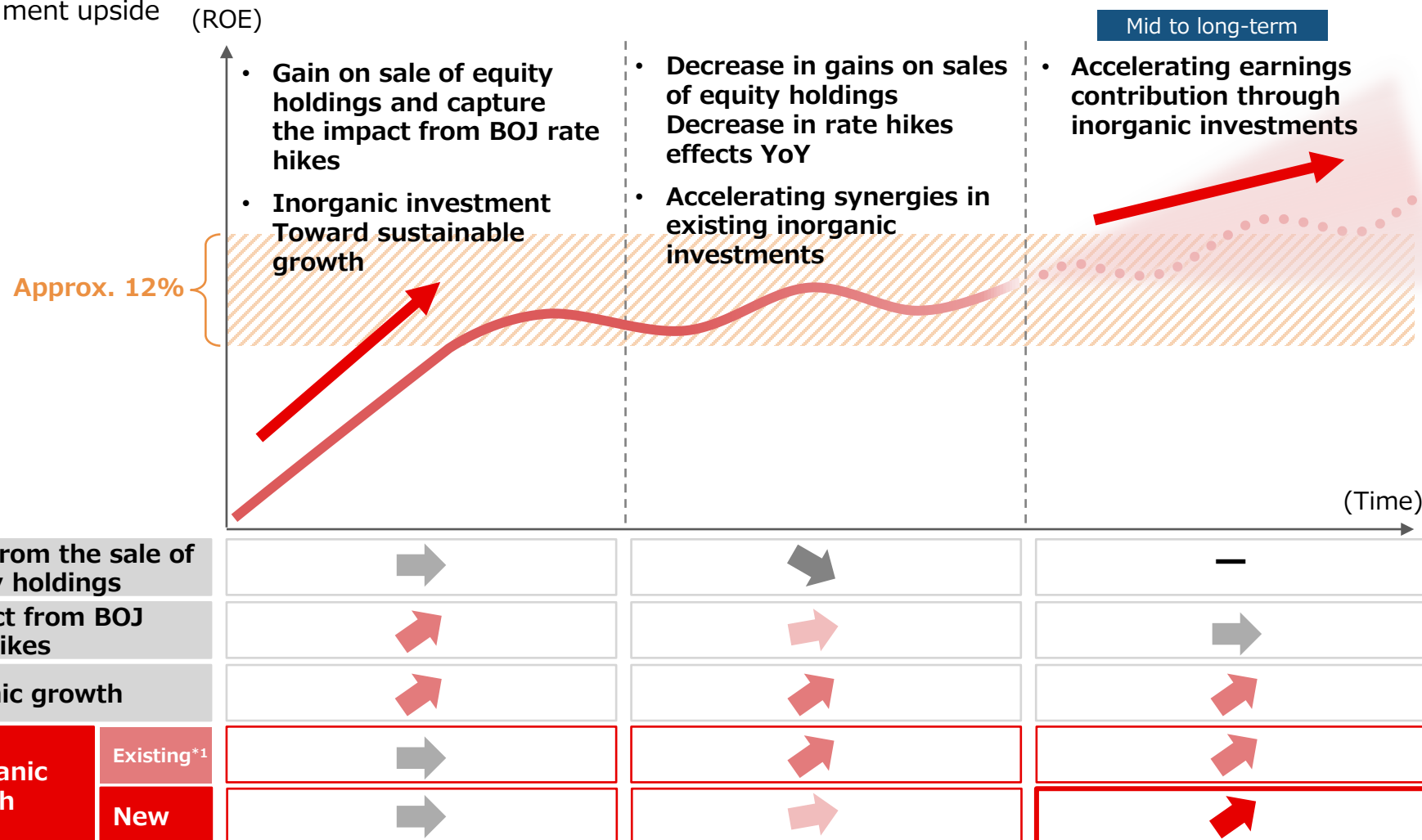


Source: FactSet (as of December 11, 2025)

Notes: *1 Pre-money: 100% value based on the investment amount / median consensus of net assets for Mar FY26, Post-money: 100% value based on the investment amount + amount of capital increase / median consensus of net assets for Mar FY26 + amount of capital increase *2 retail NBFC (Bajaj Finance, Tata Capital, Aditya Birla, L&T Finance, HDB) and auto financing NBFC (Chola, Sundaram, Mahindra Finance)

Path towards mid to long-term ROE target of approx. 12%

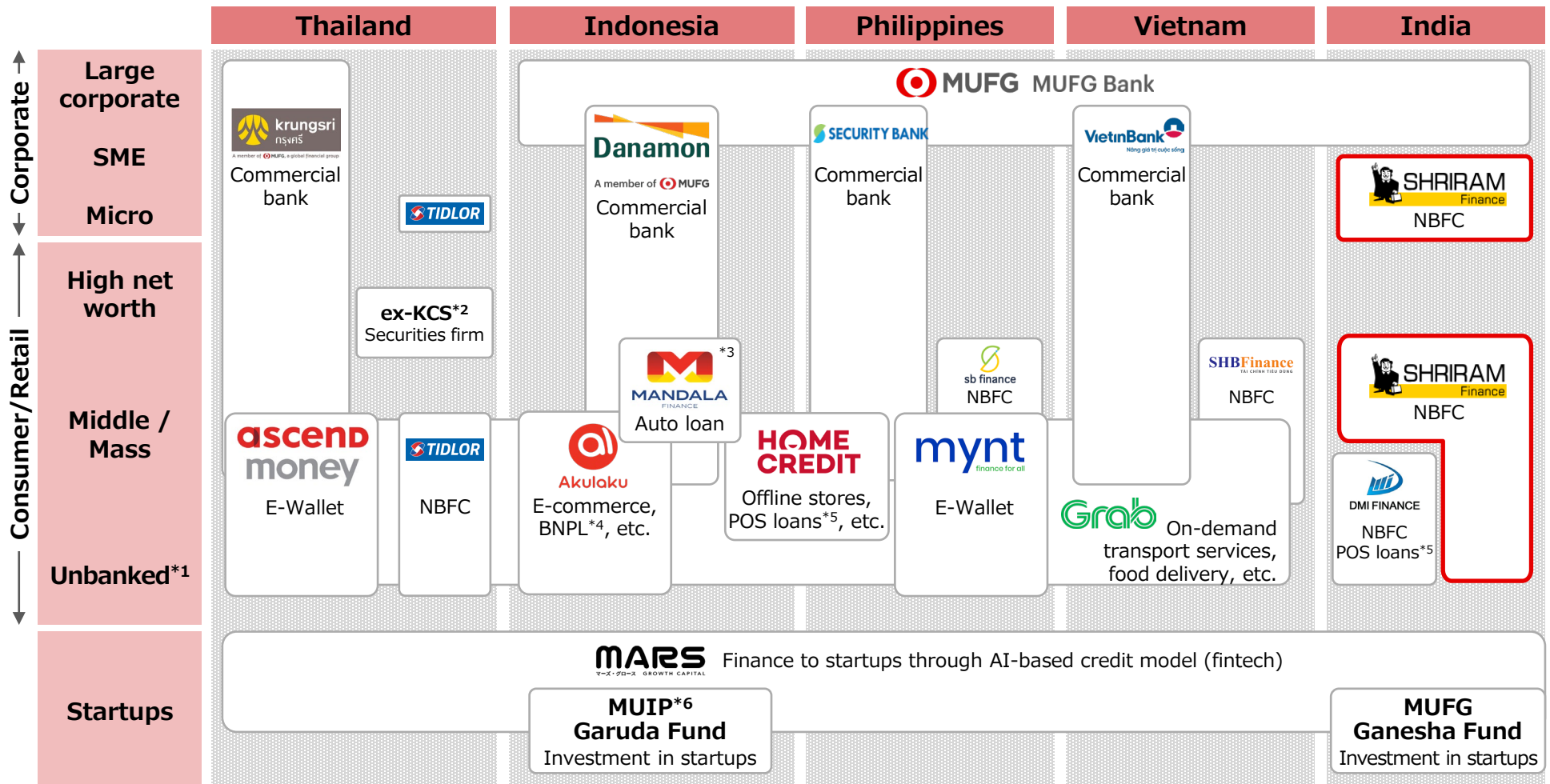
- MUFG's ROE has improved due to strong performance of the customer segment along with a favorable macro environment
- Continue to explore inorganic opportunities to achieve constant improvement in ROE even without macro environment upside (ROE)



Appendix.

MUFG's economic sphere in Asia

- MUFG positions Asia as its second home market and has expanded / strengthened its business base for the past 10 years. This transaction will strengthen the foundation for growth in India, **expand the franchise network, and capture the growth of Asia more broadly and multilaterally**



* Notes: *1 Customers without access to bank accounts or other basic financial services *2 After Krungsri Capital Securities (previously Capital Nomura Securities) transferred the business to Krungsri Securities, their name was changed as PATTANASIN Plus (1970) *3 Merger with PT Adira Dinamika Multi Finance Tbk completed as of October 1, 2025 *4 Buy Now Pay Later is a form of financing that lets customers pay for purchases later *5 Point of Sale loans are installment loans provided at automobile and household appliance dealerships *6 MUFG Innovation Partners

Overview of Shriram Finance

- Established in 1979, **Shriram Finance is the second largest retail NBFC in India** *1
- Supports India's social and logistics infrastructure through vehicle financing for MSME and individual business owners**
- Has developed grassroots relationships with transport operators over generations and brand presence across India

Company overview

Established	1979
Key management team	Founder R. Thyagarajan
	Chairman Jugal Kishore Mohapatra
	Vice Chairman Umesh Govind Revankar
	CEO Parag Sharma
	CFO Sunder Subramanian
No. of employees*2	78,833
No. of sites*2	3,225 sites across India
No. of customers*2	~9.7 Mn
Credit ratings	Moody's Ba1 / S&P BB+ / Fitch BB+ / JCR BBB+
Post-transaction shareholders (plan)	Promoter & Promoter Gr. 20.3% (controlling shareholder)
	MUFG Bank 20.0%
	Other Public Shareholders 59.7%
History	1979 Founded Shriram Transport Finance Company ("STFC")
	1984 STFC listed on Bombay Stock Exchange
	2022 Merged with Shriram City Union Finance and renamed to Shriram Finance Limited

Key financial information

USD Mn	FY23/3	FY24/3	FY25/3	FY26/3 1H
PL				
Interest income	3,179	3,733	4,479	2,525
Non-interest income	133	155	172	82
Gross profit*3	1,917	2,244	2,601	1,393
SG&A expenses	546	666	794	433
Profit after tax*4	664	799	919	496
BS				
Loan balance*5	20,371	24,630	28,880	30,954
Deposit balance	4,016	4,938	6,232	7,287
Borrowings	13,530	15,711	19,790	18,748
Total assets	22,629	26,364	32,640	33,221
Net worth	4,812	5,396	6,253	6,712
Key Metrics				
Yields on loans*6	16.72%	16.37%	16.52%	16.69%
Cost of funds*6	8.28%	8.61%	8.79%	9.33%
NIM*6	9.39%	9.28%	9.08%	8.76%
Credit cost on loans*6	2.43%	2.23%	2.21%	1.95%
Gross non-performing assets ratio	6.21%	5.45%	4.55%	4.57%
ROE*6	15.29%	15.65%	15.78%	15.30%

Sources: Company Disclosure

Notes: *1 excluding housing finance companies *2 As of Sep 30, 2025 *3 Sum of net interest income and non-interest income *4 Exclusive of one-time impact of the sale of Shriram Housing Finance in FY24/3 Q3 *5 On book basis *6 The figure in FY26H1 is on an annualized basis. Yields on loans = interest income/average loan balance, Cost of funds = interest expense/(average deposit balance + average borrowings), NIM (Net Interest Margin) = (interest income - interest expense)/average loan balance, credit cost on loans = credit cost/average loan balance, ROE = net profit/average equity

Major Indian Retail NBFCs and Private Sector Banks

Major Indian Retail NBFCs*1

(USD Mn)		Group	Scale, profitability*2			
			Loan balance (FY25/3)	Market cap*4 (Current)	Profit after tax (FY25/3)	ROAE (FY25/3)
1	Bajaj Finance	Bajaj Finserv	46,296	69,547	1,864	19.1%
2	Shriram Finance	Shriram Group	28,880*3	17,710	919	15.8%
3	Tata Capital	Tata Sons	25,173	15,374	407	12.9%
4	Chola	Murugappa Group	20,527	16,128	473	19.7%
5	Aditya Birla Finance*6	Aditya Birla Group	14,039	10,297	329	12.5%
6	Muthoot Finance	Muthoot Group	13,576	16,652	595	19.7%
7	Mahindra Finance	Mahindra Group	13,297	5,256	261	12.4%
8	HDB Financial	HDFC Bank	11,918	7,065	242	14.7%
9	L&T Finance	L&T	10,862	8,391	294	10.8%
10	Piramal	Piramal	8,965	3,905	54	1.8%

Major Indian Private Sector Banks

(USD Mn)		Pro-moter ^{*5}	Scale, profitability ^{*2}			
			Loan balance (FY25/3)	Market cap ^{*4} (Current)	Profit after tax (FY25/3)	ROAE (FY25/3)
1	HDFC Bank	–	291,068	170,951	7,483	14.3%
2	ICICI Bank	–	149,085	108,038	5,247	17.8%
3	Axis Bank	LIC 8.16%	115,646	43,886	2,930	15.9%
4	Kotak Mahindra Bank	Uday Kotak F 25.88%	47,434	48,203	1,828	15.4%
5	IndusInd Bank	Hinduja Gr 15.82%	38,335	7,234	294	4.2%
6	Yes Bank	–	27,354	7,649	267	5.3%
7	Federal Bank	–	26,093	7,120	450	13.0%
8	IDFC First Bank	–	25,901	7,696	169	4.3%
9	IDBI Bank	Govt. of India + LIC holds 94.71%	24,267	11,368	835	13.6%
10	Bandhan Bank	Bandhan Gr 40.29%	14,665	2,601	305	11.9%

Sources: Company disclosure, FactSet as of December 11 2025

Notes: *1 Excluding housing finance companies *2 Bajaj Finance, Tata Capital, Muthoot Finance, L & T Finance, Piramal are consolidated basis, while others are non-consolidated basis

*3 On-book basis *4 As of Dec 11, 2025 *5 As of the end of Sep 25 *6 Market capitalization, profit after tax and ROE are the figures of the listed parent company;