

# MUFG Investors Day 2026

## Main Q&A

### Retail & Digital Business Group

Q. Is collaboration between business groups sufficient for the wealth management (WM) business?

A. We recently launched Emut Excellent Club, a service targeting high-net-worth clients. Currently, members make up 2% of MUFG Bank's individual customers but account for 50% of assets under management. The aim is to increase client stickiness through non-face-to-face services. When assets under management reach ¥100 million, clients are referred to the Commercial Banking & Wealth Management (CWM) Business Group, which offers face-to-face services. During the next MTBP, we will evolve the framework, so that we can collaborate based on a more accurate understanding of clients' needs, along with asset information.

Q. What is the Group-wide deposit interest rate strategy after the establishment of the digital bank?

A. We want to maintain approximately a 40% pass-through rate across the Group for ordinary deposits. MUFG has a dominant retail JPY deposit balance of ¥94 trillion. However, new account openings among the younger generation are slowing, and we have a sense of crisis. We are maintaining a net inflow of retail deposits, but outflows will continue to rise if more of the younger generation hold only internet banking accounts without opening an account with MUFG. In particular, deposits tended to flow from regional banks to MUFG at the time of inheritance, the largest wealth transfer event in life. More recently, we have seen cases of deposits flowing to internet banks. An overwhelming volume of deposits may flow to internet banks, and the impact will be greater than the decline in new account openings. Therefore, the digital bank must be conscious of competition with internet banks. The Group will maintain the pass-through rate for ordinary deposits, but the digital bank must implement competitive strategies and consider prioritizing products and services.

Q. If the policy rate hikes continue, to what level would ROE rise?

A. If the policy rate increases to 1.25% by the end of the fiscal year, our trial calculation shows that the FY29 deposit income will increase by ¥300 billion compared to FY25, including lagged effects of past rate hikes. We are currently developing the Emut platform, and measures including the loyalty program, common ID, digital bank, and the integration of Mitsubishi UFJ eSmart Securities and WealthNavi will be completed during the next MTBP. Thus, we expect the upfront investment expenses to continue for a while. Given this environment, we will aim for double-digit ROE during the next MTBP. In addition, we want

to play a solid role in referring clients to face-to-face businesses. The rising share market has increased the valuation of clients' financial assets. We will refer clients who need in-person proposals with more added value to CWM. This may result in profitable transactions being transferred from the Retail & Digital (R&D) Business Group to CWM, but we will increase referrals to maximize Group profits. For example, high-net-worth clients who hold significant financial assets at competitors may not be identified solely through transaction data with MUFG. Moneytree, our 100% subsidiary, provides services that capture asset status, including assets held at other companies. We will create profit opportunities for the whole Group by capturing these high-net-worth clients and making referrals with their consent. We'd like to achieve double-digit ROE during the next MTBP by playing these roles and transitioning Emut to the profitability phase.

Q. Were there any competitive advantages and issues that were recognized after launching Emut?

A. The business model for retail businesses changes rapidly, so we tend to require speedy decision-making. Given this trend, keeping the core financial function within the Group as a subsidiary is our strength. For example, when the share market rises, funds tend to flow from deposits into investments. With Mitsubishi UFJ eSmart Securities and WealthNavi as 100% subsidiaries, we can keep clients' financial assets within the Group. We want to increase Group-wide profit opportunities, leveraging these strengths. Emut launched in June 2025, but services are currently limited to the updated banking app and a new points program. Additional services are yet to be introduced. We have seen reasonable results, partially driven by campaign effects. New account openings are already 1.5x compared to last year, and card issuance is 1.8x. We want to increase client stickiness by completing the Emut platform towards the next MTBP and creating a framework that keeps clients' financial assets within the Group.

Q. What are the pros and cons of having two business groups covering individual clients?

A. Necessary expertise differs significantly by client segments. This is the advantage of having two business groups provide separate coverage. R&D utilizes AI through collaborations with Google and OpenAI. In many cases, R&D requires expertise that differs from face-to-face business, such as improving app UI/UX and choosing effective marketing methods. This separation helps recruit and develop highly specialized personnel. On the other hand, we must deepen cooperation between business groups to ensure R&D identifies high-net-worth clients from its large customer base and refers them to CWM.

### **Commercial Banking & Wealth Management Business Group**

Q. What is the strength of your WM business compared to peers?

A. Firstly, our partnership with Morgan Stanley (MS) enables us to apply their global expertise

and know-how in WM gained over the years, adjusted to the features of the Japanese market. For example, our goal-based approach promotes dialogue with clients based on their life stage and needs, including future funding, asset development, inheritance, and business succession. This goal-based approach has been instilled since the establishment of the WM unit. Additionally, we offer MUFG Wealth Management's house view (its official investment outlook) on how rising geopolitical risks and technological developments affect the financial market. MS is also promoting collaboration with OpenAI, and MUFG is gradually implementing AI in Japan, starting with areas where implementation is feasible. Secondly, we are developing a Corporate x WM business model, starting with corporate transactions and capturing the corporate owners' and family members' needs for asset development and business/asset succession. Our strengths are offering seamless services through one business group, including corporate and individual transactions for corporate owners and their family members.

Q. If the policy rate hikes continue, to what level would ROE rise?

A. Our plan is to increase FY26 RWA by ¥1 trillion from FY25, aiming for 17% ROE. In addition to increasing net interest income from the rate hike, we will balance risks and returns while meeting robust demand for funds to further improve ROE.

Q. How will you enhance balance sheet profitability and expand the WM business to achieve medium- to long-term growth?

A. The government announced the public-private investment roadmap for the 17 strategic fields under the Japan Growth Strategy. As public-private collaboration accelerates to strengthen Japan's industrial competitiveness, we believe lending will play an increasingly important role. Listed companies are increasing growth investments as the Corporate Governance Code becomes more established, and funding needs remain robust. We want to capture both organic and inorganic funding needs and support growth for non-listed large corporations and mid-tier companies, etc. by identifying funding needs through clients' strategic issues. Additionally, highly profitable deals exist, mainly involving going-private deals driven by Tokyo Stock Exchange reforms. We will continue to strengthen our capabilities to win these deals and improve balance sheet profitability by steadily capturing them.

Given the WM business's growth potential, increasing the number of financial advisors (FA) at MUMSS is one of our key initiatives. We will use AI to free up time for FAs to communicate with clients and implement job rotation across the bank, trust bank, and securities to promote diverse career paths and deepen expertise.

Q. What is your opinion regarding the shift of capital from deposits to retail JGBs?

A. There is strong interest in retail JGBs. We are implementing a goal-based approach, starting

with the clients' needs and risk appetite. As we tailor proposals to each client, considering product features such as deposits, retail JGBs, and investment trusts, we don't simply view the shift of capital from deposits to JGBs as a risk. Our plan factors in, to a certain extent, the shift from savings to investments, and we will continue to monitor the trend.

Q. What are the pros and cons of having two business groups covering individual clients?

A. WM mainly offers face-to-face services. Digitalization is progressing; clients' needs span both face-to-face and non-face-to-face (digital) channels, so cooperation with R&D is essential. As technologies advance rapidly, incorporating technologies, including AI, into services in collaboration with external partners requires deep expertise. It is important for each business group to enhance its own expertise while seamlessly connecting the two groups' knowledge. Branch organizations span both business groups, so operations on the ground are integrated.

### **Japanese Corporate & Investment Banking Business Group**

Q. What level of net operating profit is required for Japanese Corporate & Investment Banking Business Group (JCIB) to become the driver for MUFG to reach global top 5 ranking? What is needed to achieve this?

A. The target for the next MTBP is under discussion. We aspire to drive Group growth by further increasing JCIB's ROE and size. Over the past 3 years, interest income has increased through the expansion of highly profitable loans and rising policy rates. Non-interest income also increased through loan arrangements for M&A and real estate-related deals. As interest rate hikes pause, clients' corporate actions are expected to increase. We will not rely solely on increasing the loan balance; instead, we will strengthen non-interest income by enhancing loan arrangements and strengthening appropriate risk-taking. We will also secure the headcount needed to expand the business, leverage AI, and drive efficiency across JCIB. We believe maximizing the Group's capabilities through these initiatives and trust bank/securities cooperation will be key.

Q. As large deals are expected to increase, can you maintain profitability while increasing RWA?

A. Over the past 3 years, loans increased by ¥4-5 trillion. Given the current project pipelines and robust funding demand, we will increase RWA for the foreseeable future. Under Japan's growth strategy, private investment is expected to rise, leading to larger deals and a larger project pipeline. MUFG will lead the Japanese financial industry's efforts to provide solid funding by using our balance sheet effectively, such as by distributing the underwritten deals while maintaining capital efficiency.

Q. Could you tell us about the sustainability of the robust domestic funding demand and loan margin improvement initiative?

A. It would depend on the Japanese economy and corporate performance, but we expect strong funding demand during the next MTBP. Additionally, policy support for growth, such as the 17 strategic fields, is in place, and growth investment is accelerating. On the other hand, some corporations are going private due to pressure from activist investors and the capital markets. All of these factors drive funding needs, and we expect strong demand for now. Reviewing low-profitability projects and increasing high-profitability projects such as LBOs and MBOs steadily improved our loan margin. It decreased slightly in FY25 due to the impact of a large deal in FY24, but we will continue to improve while taking on appropriate risk.

Q. How is the progress in negotiations for the reduction of equity holdings, and what is the likelihood of achieving the MTBP target?

A. We engaged in ongoing negotiations with clients to achieve the MTBP target of ¥700 billion reduction, resulting in a substantial buildup in the balance of agreed-but-yet-executed sales. The timing of the sale may change depending on the market environment and the clients' capital policy, but we will continue to engage with clients without exception, even beyond the current MTBP period.

Q. What is your competitive advantage relative to other companies in expanding the domestic O&D business?

A. We have been building a solid track record, including syndicated loans. But to sell large deals to investors, pricing must match the investors' appetite. Japan's private credit market remains small compared with the US. We must start by establishing pricing that matches investors' appetite across financial institutions in specific areas and products, such as M&A, LBO finance, and large project finance.

### **Asset Management & Investor Services Business Group**

Q. What conditions are necessary to promote a positive cycle of growth investment in Japan through the expansion of the investment chain?

A. First, diversification of investment products. Private asset-related products are growing, but there remains room for expansion in the investment product lineup compared with overseas. We need a product lineup that matches investors' needs, and to do that, we also believe it is important to further develop the institutional framework for product structuring. Second, responding to environmental changes driven by rising interest rates. Japan has long maintained a low interest rate environment, but is now moving into a period of rising rates. The appeal of bonds and existing products is changing. Investors' needs and return expectations are also shifting, so offering corresponding product designs and investment

opportunities will be essential.

Q. Do you see greater growth potential or competitive advantage in asset management (AM) or investor services (IS)?

A. We do not intend to focus on only one of AM or IS. Our policy is to expand both areas. AM is a business in which competitiveness stems from investment management capabilities and specialist personnel, whereas IS focuses on providing fundamental functions such as administrative services and product structuring. From the perspective of areas where MUFG can more easily leverage its strengths, we believe it is relatively easier for businesses offering foundational functions, such as IS, to establish a competitive advantage.

Q. What is your competitive advantage relative to other companies in expanding the domestic O&D business?

A. MUFG's strength is that we have both origination and distribution functions. We can design products based on clients' needs, leveraging expertise across business groups. Such business group collaborations have been in place for some time, and we will further promote product offerings that match investors' needs, reflecting the changing interest rate environment.

### **Global Corporate & Investment Banking Business Group**

Q. How will you apply the experience gained from the U. S. business to enhancing O&D and expanding direct financing in Japan?

A. Mainly in the U.S, we have originated transactions such as project finance (PF), and structured them as bankable alternative products in terms of yields and structures, and distributed them to investors including insurers and pension funds as well as banks. We recognize these capabilities as one of MUFG's strengths that can also be leveraged in Japan. Our origination activities in Japan have focused on the needs of issuers and borrowers, but we will work with Asset Management and Investor Services (AM/IS) Business Group to incorporate investor demand into product development and deal origination. Additionally, deals such as PF, M&A finance, and LBO finance are increasing in scale. Japanese megabanks have traditionally been the primary providers of capital, but for these products, we will seek to attract funding from institutional investors in addition to regional banks. We will also work across the business group boundaries, by sharing structuring and pitching expertise for MUFG to secure the lead roles in these transactions.

Q. What is the status of PJ Evolution, and what are the issues going forward?

A. Both O&D volumes are growing steadily, even exceeding our initial expectations. However, they still remain behind the benchmarks of the Royal Bank of Canada and BNP Paribas. It means there is considerable room for further growth, so we will continue to focus on origination transactions in which we can secure lead-roles and enhancing our ability to

capture associated cross-sell opportunities. If we were climbing a mountain, it would still be only about a third of the way.

Q. AI data center financing can provide a significant profit opportunity, but would involve corresponding risks. Do you think it would become the driver of Global Corporate & Investment Banking (GCIB) Business Group's growth?

A. AI data center financing projects are increasing in scale. Risk profiles differ depending on whether the final off-taker, the user of the data center, is a hyperscaler or a neocloud provider. Risks could also differ depending on the terms, such as whether the data center can be used regardless of the completion status of construction or whether the usage agreement allows early termination. We have one of the largest PF teams globally, with more than 500 professionals, including specialists in the Credit Division. We conduct detailed risk management consistently throughout the transaction lifecycle, from initial screening and ongoing portfolio management, to distribution strategy. Regarding hyperscalers, we manage concentration risk by assessing whether the cash flow from their existing business can sufficiently cover annual data center investment.

At the end of 2025, we decided to invest as an LP in an AI/data center focused equity fund where the top industry players participate. The fund lists companies such as NVIDIA and Microsoft as GPs, and through direct communication with their management, we have been gaining a solid understanding of their funding needs and cutting-edge AI industry trends. We also focus on startup industry trends. For example, we try to capture the current and future digital infrastructure ecosystem, including potential market disruptors in areas such as energy- efficient semiconductor chips.

Furthermore, by capturing funding needs across the value chain, from downstream data centers and midstream GPUs to upstream supply chains centered in East Asia, we believe AI-related business will become a key driver of GCIB's profit growth. We will pursue the opportunity while enforcing thorough risk management.

Q. What are your initiatives for talent development and rotations beyond business groups?

A. As we handle increasingly complex products, talent development is critical. Locally hired employees account for about 90% of GCIB's 4,000 employees, and the number of new graduate hires has increased over the past decade. We have established training programs to enable employees to build long-term careers in globally competitive areas, including PF, aviation finance, securitization products such as ABS.

Employees seconded from Japan have already started Cross-Business Group rotations with the Global Markets (GM) and AM/IS. We are also promoting initiatives to develop global talent capable of contributing across business groups, as well as future leaders. Talent development strategy is essential for business group collaboration, and we will continue to prioritize this at the management level.

## **Global Markets Business Group**

Q. What are your thoughts on BOJ's monetary policy regarding the interest rate outlook and the corresponding JGB investment approach?

A. BOJ may increase the policy rate by 25bps at the September monetary policy meeting and may continue interest rate hikes at a pace of approximately once every three meetings, ultimately reaching around 1.75% to 2.00%. In this scenario, the 10-year JGB yield, which temporarily rose to nearly 3%, may reach around 3.2%, with fluctuations along the way. We will monitor the probability of this main scenario and gradually increase the bond position, at yield levels that would avoid a negative spread even when the terminal rate is reached. On the other hand, beyond the risk of higher terminal rates from prolonged inflation and behind-the-curve concerns, long-term interest rates could move meaningfully higher if the bond risk premium rises as fiscal discipline loosens. Accordingly, we will focus on these risk factors and cautiously determine the level and timing of bond purchases. We will continue to use the held-to-maturity bonds to mitigate deterioration in the valuation gains/losses on our bond holdings and enhance interest income.

Q. Business group collaboration is deemed essential for expanding the direct finance market in Japan. Do you have innovative ways to further promote the initiative?

A. Japan's private credit market remains small compared to the US and Europe. Developing Japan's private credit market and expanding financing options are important for meeting the funding needs of Japanese companies. To meet diversified funding needs, we need an open platform in which various institutional investors can participate, so we issued a press release announcing that we will begin considering collaboration with a foreign asset manager. We aim to channel both domestic and overseas capital into the Japanese economy through Group-wide efforts and external collaborations to develop the Japanese private credit market and contribute to the further growth of Japanese corporations and the development of the Japanese economy.

Q. What are the medium- to long-term ROE target and measures to achieve it for S&T (Sales & Trading) and treasury?

A. Target ROE for FY26 is 7.5%, with a lower target for treasury than for S&T. We are currently promoting a new ALM operation. Long-term interest rates are rising as Japan returns to a normal interest rate environment, making interest income easier to secure than trading profits. We will manage our portfolio in line with the monetary policy cycle, manage interest income over a multi-year horizon, and maximize revenue opportunities from a stable deposit base to steadily increase ROE.

Q. What are the initiatives on personnel exchanges across entities and talent development?

A. Currently, the heads of the bank's JPY and foreign currency treasury operations are

securities and trust bank employees with experience in market operations. At MUFG, the bank, trust bank, and securities each have market operations. We believe it is important to gain market experience as both an investor and a broker/dealer, so we implement job rotations across the bank, trust bank, and securities entities.

Q. How will you monetize the digital asset trend?

A. In FY25, the bank, trust bank, and securities collaborated to commence the security tokenization business, including real estate. We are also advancing initiatives to bring JGBs on-chain. This is not merely a short-term systems investment. These are strategically important initiatives for MUFG to secure a leading position as on-chain finance emerges as a next-generation market infrastructure. MUFG includes MUMSS, ranked No. 1 among JGB primary dealers by trading volume; MUTB, which provides custody functions; and MUFG Bank, which offers settlement functions. We believe that our significant strength lies in providing these services as a Group. By leveraging these strengths, we aim not only to strengthen the existing revenue base but also to secure new transaction flows, settlement-related business, and custody-related business. Additionally, as the market environment and structure change significantly, we want to continue capturing flows from domestic and overseas investors by actively engaging from the market formation and infrastructure design stages to protect existing revenue streams while creating new revenue opportunities.

### **Global Commercial Banking Business Group**

Q. What is the outlook for Shriram Finance (SFL)'s contribution to earnings, and how confident are you in this outlook? What are the expected synergies other than lowering funding costs?

A. Our investment in SFL was completed in April, and we are making efforts to realize synergies as early as possible. Because of goodwill amortization, ROE contribution on a post-amortization basis will take some time. FY25 ROE before amortization for the Global Commercial Banking (GCB) Business Group was 8.5%. We aim to achieve double-digit ROE by the final year of the next MTBP and a mid-teens range by FY32, the final year of the MTBP after the next, to contribute to MUFG's overall medium- to long-term business performance. SFL's latest results indicate that profitability has improved due to lower funding costs, supported by improved creditworthiness following our investment. From a medium- to long-term perspective, SFL's profit contribution will steadily increase. SFL has a network across India with more than 3,000 branches and wide coverage in urban and rural areas, presenting significant potential for collaboration with Japanese corporations. India Day, a customer seminar held in July, drew SFL and about 80 Japanese corporations. Japanese corporations have shown strong interest, and expectations are high for contributions to GCB and MUFG's India business, including collaborations with Japanese corporations and partnerships with Japanese OEMs, such as auto manufacturers.

Q. What is Bank Danamon Indonesia (BDI)'s policy regarding the Indonesian regulation on free float ratio?

A. We are currently not considering a review of the capital relationship with BDI in light of the free float ratio regulation. Steadily completing the integration of BDI and MUFG Bank's Jakarta Branch, scheduled for 2027, is critical. When realized, it is expected to secure the No. 5 position in the Indonesian banking industry. Indonesia has the largest population among ASEAN countries and offers a promising market with growth potential driven by domestic demand. The market is characterized by the very large scale of the top-ranking banks, so we will consider how to capture business opportunities created by growing domestic demand.

Q. Now that we have established a certain portfolio of investees, what is your outlook and vision for the future? Will SFL's growth be a major contributor to MUFG's overall profits?

A. We built a partner bank network and implemented strategies to capture growth in Asia. As conditions have begun to vary by country, we will shape our future strategy by carefully assessing each country's growth stage and the likelihood of prolonged geopolitical risk. The flow of people, goods, and money is changing significantly in ASEAN. A bank branch alone cannot capture the detailed changes in such commerce flows. With its partner banks, MUFG has the unique strength to see such global changes in commerce flow as a business opportunity.

India is a huge economy, and SFL's growth would make a significant contribution to profits. But we will not rely on SFL alone. We will leverage our strong partner bank network across Asian countries to respond flexibly to global shifts in the flow of people, goods, and money, creating business opportunities.

Q. What are examples of active involvement in management?

A. We are at the stage of stepping up our involvement in SFL's management and have dispatched two directors from MUFG. We discussed synergies and held a forum to follow up on progress.

Given Thailand's economic circumstances, we believe Bank of Ayudhya (KS) needs to expand its overseas business while strengthening its domestic base. Overseas business now accounts for nearly 20% of gross profits. We are working to strengthen KS's business operations and management by sharing the expertise and knowledge that MUFG has gained through developing its overseas operations.

Q. What is the policy on digital investment holdings?

A. The Asia x Digital strategy is a strategic investment aimed at supplementing areas that partner banks alone cannot cover and is not aimed at short-term returns. For example, in Thailand, KS does not cover the unbanked, so we invested in a digital finance partner that

does. Our goal is to build a strong MUFG economic sphere across Thailand to strengthen long-term business. However, if the intended business model doesn't perform well enough, we will naturally consider restructuring the investment portfolio.

Q. How do you manage risks for overseas strategies?

A. Each partner bank has its own risk management systems and structures, and we also have initiatives to share and implement MUFG's risk management methods and frameworks. For example, KS personnel come to Tokyo to learn MUFG's risk management methods and compliance approach, then return with the knowledge to enhance local business operations and the management framework.

Q. Regarding the situation in the Middle East, what is the impact on partner banks, and how are you cooperating with other business groups?

A. Since late February, we have been confirming the size of clients that may be directly affected, reviewing their portfolios, and conducting stress tests. To date, there has been no significant direct impact, but we will carefully assess the impact of prolonged conflict in cooperation with the local risk management departments. The fact that there has been no impact on the partner banks' business performance to date indicates that there has been no significant impact on JCIB's and GCIB's clients. Meanwhile, clients themselves are also seeking to respond to changes in the flow of people, goods, and money in light of these impacts. MUFG will leverage the network of partner banks to capture the business opportunities arising from these changes.

Q. Multiple ROE figures are presented. Which is the priority KPI for GCB?

A. From a financial target perspective, we will evaluate performance based on post-amortization ROE. Investments in Asia are made with a view to their medium- to long-term contribution to ROE. To assess the investment effects, we must consider pre-amortization ROE as well as post-amortization ROE.

Q. KS and BDI still lag behind the top-ranked banks. What are their issues?

A. BDI still has a large gap compared with leading local banks. We believe there is room to improve funding, including the acquisition of savings and current deposits. We will further enhance the competitiveness of BDI's subsidiary, Adira Finance, which is ranked No. 2 in the auto loan sector. BDI is expected to reach a certain scale by integrating with the Jakarta Branch, but it requires further scale-up to narrow the gap with major banks. KS has already integrated with the Bangkok Branch, maintaining its fifth-place position in the local market and becoming a bank with broad coverage, spanning retail and wholesale banking. We will further enhance its competitiveness. Firstly, we will share MUFG Bank's knowledge while further expanding and strengthening overseas business. Secondly, we will implement "One

Retail,” integrating retail businesses currently operated separately by multiple entities to drive business development and improve efficiency.

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