

Message from the CEO

A Fresh Beginning

Our Pledge to “Empower” Extends to All MUFG Stakeholders



**Hironori
Kamezawa**

President & Group CEO

Assessing Our Environment & Challenges

Every New Year, my family celebrates with a newly crafted parchment of Japanese calligraphy, featuring a character chosen to represent a resolution.

For my 2022 resolution, I chose “初”—representing “a fresh beginning.”

It has been almost three years since I was appointed CEO, and almost two since the Group entered its current Medium-Term Business Plan (MTBP) cycle. So why choose a character representing “beginning” when we are already well down the road in significant ways?

Two reasons.

First, we are witnessing the advent of a new epoch. We have endured the COVID-19 pandemic for more than two long years, with a general sense that we will never return exactly to a pre-pandemic state—and the virus is just one of several radical forces transforming society. We are stepping into a different world.

Second, for a clear vision of how to adapt to this world, society needs fresh eyes and a learner’s perspective—what you could call a beginner’s “young mind.” Utterly unfamiliar circumstances surely lie ahead, and we cannot put our full faith in past experience or current “expert opinion” about a shape-shifting future.

As I have asserted before, to flourish we must do much more than fortify the status quo. At MUFG, everyone across the Group is being called on to reshape their course of action from square one and be clear on what needs to be tackled next. We are working on embracing a fresh mindset—not just modeling our successful track record—as we take on the unfamiliar.

We have also seen irreversible megatrends toward “Digital” and “Green.” We need to pay close attention to these forces while assessing how they will be affected by current developments in international affairs and economies. Will they accelerate? Will they change course? True, it is hard to prepare for changes beyond our imagination, as we have seen with the pandemic. But we must clue into the slightest signs of societal shifts to reveal opportunities they may be cloaking. And we need to be flexible enough to handle the unexpected.

This is an era of decentralization and diversification. In general, thought-lines of society—and industry—have historically been shaped by consensus and guided by authority. But diversification of values—and the means to broadcast so many voices—sparks public debate on a more granular level than ever before. Social Networking Services (SNSs) and other emerging media provide new communication platforms that give individuals the power to freely broadcast personal opinions.

This democratization of public discourse helps drive decentralization of power, and is fueled by rapid advances in Information Communication Technologies, facilitating the interconnection of various “things” and creating new value. Moreover, Web 3.0 and Metaverse—which are drawing entrepreneurial attention—may lead to the complete reshaping of our worldview and value systems.

If this happens, we may well see major disruptions in our current mechanisms for decision-making and consensus-setting. These might marginalize prevailing concepts of nationality or currency, or even render them obsolete—and in the process redefine finance.

Such projections are no longer far-fetched. Being sensitive to diversification of value systems among customers, MUFG is looking to address an even more wide-reaching range of customer needs. Amid these and other changes in society, the survival of financial institutions hinges on successful innovation.

In a milieu of decentralization and diversification, what corporate management approach should we take? As employees increasingly judge and take actions for themselves, they cannot be hidebound by top-down management. Yet management maintains a responsibility to provide a shared “axis”—a common base for all employees to stand on and common standards to guide their actions—so individual efforts merge into a single, concerted force.

In this regard, MUFG’s stated *Purpose*, announced in April 2021—to be “Committed to empowering a brighter future.”—was deliberately crafted to serve this objective of providing that axis to shape and guide our actions.

Our *Purpose* was not created to be a mere slogan. Simply posting it on breakroom walls is woefully insufficient. For our stated purpose to have institutional impact, it is vital for employees to individually accept its

Message from the CEO

importance and believe in its power—then translate it into daily business conduct.

Over the past year, we have created mechanisms to help employees “own” the *Purpose*, including formal sessions to frame it within a simple corporate-culture moniker, the “MUFU Way.” I hosted one of these sessions, which caused me to reflect on past experiences of taking on something new, some dating as far back as my early childhood. I recalled educational and developmental stages in my life—including when I first joined this Group, and—when I faced career-altering role changes and transfers.

Along the way, I somehow got accustomed to the idea that being flawless in every detail is the hallmark of a good banker. But these sessions forced me to reflect on my true aspirations. Hadn’t I always hoped to contribute something positive to society? Shouldn’t this hope be my reason for being? How can I apply it to my role at work?

People hesitate to share inner thoughts like this with others in a professional setting. But it is a path to fulfillment in our everyday jobs. I encourage employees to tap into what originally motivated them to become a part of MUFU. And as CEO, I am motivated to create a work community and atmosphere where each employee can remain true to, and openly pursue, their original aim in a career that serves themselves, their families, their communities, and society.

The MUFU *Purpose* also provides a basis for our initiatives to empower stakeholders, as encapsulated in our current MTBP, launched in fiscal 2021. We have positioned the MTBP period as *three years of new challenges and transformation*, which aims to create a model finely tuned to the evolving business environment, and we have worked throughout its first year toward this goal.

Review of Fiscal 2021 and Targets for Fiscal 2022

In fiscal 2021, we took a firm step toward transformation through initiatives that put our *Purpose* into practice. We have also made solid progress on three specific transformative pillars: *Corporate Transformation*, *Strategies for Growth*, and *Structural Reforms*.

In particular, our work on *Strategies for Growth* and *Structural Reforms* is reflected in our financial results. For example, net operating profits of customer

segments such as wealth management and global asset management & investor services (AM/IS) increased significantly over the previous year. Expenses also declined year on year, excluding the impact of foreign exchanges. We have maintained a firm grip on risk-weighted assets (RWAs) as well. Profits attributable to owners of parent amounted to ¥1.13 trillion, hitting an all-time best for MUFU, and ROE stood at 7.79%, up 2.16 percentage points from the previous fiscal year.

We have made progress in the review of our business portfolio as well. In September 2021, we decided to sell MUFU Union Bank to U.S. Bancorp, to optimally allocate our management resources, and when the transaction is complete, we will concentrate our management resources for the US business in corporate transactions. To enhance our earnings power, we are focused on growth in existing key strategic fields while tackling new risk-taking endeavors and new businesses. For example, we increased the overall size of our investment in Mars Growth Capital, which handles startup financing in Asia, to US\$500 million. We also established MUFU Ganesh Fund to invest a total of US\$300 million for startups in India.

In fiscal 2022, we will speed implementation of these initiatives and establish a clear path toward our fiscal 2023 MTBP targets of achieving ROE of 7.5% and consistently earning at least ¥1 trillion of annual profits attributable to owners of parent.

Of course, we cannot know what COVID has in store, and are accordingly cautious. The outlook for developments in international affairs and geopolitical risks is also unclear. We need to remain vigilant against potential major market fluctuations from shifts in monetary policy outlook, influenced by rapid inflation in Europe and the United States.

Even so, we intend to steadily improve operating results, especially in our established customer segments, and to raise net operating profits. We have set our target for profits attributable to owners of parent at ¥1 trillion with a view toward our overall MTBP targets, even as we deal with a decline in net gains on equity securities, the recording of net unrealized losses on our bond holdings upon the sale of MUFU Union Bank, and other negative factors.

This leads to the topic of our progress so far—and challenges ahead—regarding *Corporate Transformation*, including “Digital transformation (DX),” “Contribution to addressing environmental and social issues,” and “Transforming our corporate culture.”

Digital Transformation (DX)

In April 2021, we established the Digital Service Business Group to consolidate functions and authority over digital initiatives and back-office operations. This move made it possible to accelerate our DX initiatives by streamlining existing operations and taking on challenges in new fields.

Through digitalization of existing operations, we made steady progress in transforming branch operations and in going paperless, which has curbed expenses and produced a tangible financial impact. By fiscal 2023, with few exceptions our customers will no longer be asked to visit branches for routine processes, and we will expand the scope of online tools to encompass 70% to 80% of key procedures, such as account openings and address changes. We have also fully enacted digitalization of paper documents—such as those for registering personal seal images—through AI and robotics technologies provided by Ripcord.

We are taking on challenges in new fields through a variety of services in collaboration with external partners. Previously, our services were organized in a silo structure according to specific products or entities. We reviewed this structure and began realigning it into module-based functional allocations that allow more flexible service delivery. For example, Biz Forward, a joint venture we established in tandem with Money Forward, provides SMEs with new financial services such as online factoring.

Similarly, Busikul, a platform offered by Business Tech, a company we recently acquired, solves various problems associated with DX and ESG. Through Busikul, we also offer new functions developed by Zeroboard, such as measuring greenhouse gas (GHG) emissions, and supporting their funding needs through Biz Forward. With this reorganization, we have made it possible to extend our support to SMEs in even more diverse ways, including non-financial solutions addressing a variety of problems they commonly confront.

For individual customers, we launched the asset management platform, Money Canvas. To assure delivery of what customers genuinely need, we offer financial products developed not only by the Group but also by other companies. These initiatives are meant to increase customer contact points and reach out to an even broader market range.

We are also engaged in Banking as a Service (BaaS), in

which we deliver our financial services on platforms of external partners. Usually, the operation of payment, personal authentication, and other relevant systems entails considerable costs, due to their stringent security requirements. This makes it quite hard for non-financial players to quickly adopt such functions. We believe there is great value in MUFU assuming the bulk of responsibility in providing safe and secure BaaS, so that our customers can confidently use our payment and ID services.

Of course, it will take time before these early-stage initiatives become profitable, but they are solid strides forward in our multifaceted approach to become a financial and digital platform operator. These endeavors will help define the direction and shape the future of MUFU business operations.

Addressing Environmental and Social Issues

We believe that empowering members of society to effectively confront environmental and social issues is an integral part of our mission as a financial institution.

Since we announced the MUFU Carbon Neutrality Declaration in May 2021, we have been promoting our climate change-related initiatives at a robust pace. We launched a project team—nine working groups taking a groupwide, cross-regional approach—that meets periodically in committee meetings with top management. We also established the Sustainable Business Division and hired an external expert to lead the Division.

As we work toward our goal of reducing—down to zero—GHG emissions from our financed portfolio, we have announced interim emission targets in our Power and Oil & Gas sectors, as reported in the *MUFU Progress Report* issued in April 2022. We continue to engage with approximately 550 corporate clients at home and abroad to understand the varied issues and needs our customers face. And for our own energy sources at MUFU, we plan to complete our conversion to 100% renewable for electricity procured domestically by the end of fiscal 2022. We have made progress in these and other ways, with preparatory initiatives that have leaned toward the reactive, and are beginning to turn our focus more toward the proactive.

We cannot be a genuine contributor to a sustainable society and become a sustainable company ourselves

Message from the CEO

unless we substantively support customers' decarbonization efforts through our initiatives. But obviously, the challenge is not exclusive to MUFG; it calls universally on each company and sector, and a number of our corporate clients have begun addressing the challenge. We will work with clients and share business risks that may arise in the course of decarbonization. We will not only extend financial assistance to help our clients promote decarbonization; for example, we can help formulate strategies to assess and reduce GHG emissions while developing and providing diverse solutions, including those enabling carbon offsetting.

Since the start of the pandemic, my online communication with CEOs at European and US financial institutions has become more frequent. Our recent conversations have mostly concerned topics related to environmental and social issues. Frankly I feel that we need to do more to raise awareness of these issues in Japan as a whole. This is why I believe that, as a leading global company, MUFG must engage and play our part in international initiatives that meet such pressing issues head-on.

Among these initiatives, the Net Zero Banking Alliance (NZBA)¹ is supported by a global membership of more than 100 banks. MUFG is a member of the NZBA steering committee and plays a role in its management. We are also a member of its six working groups and chair of one, where we are directly involved in developing an international framework for transition financing. We will continue to contribute to decarbonization initiatives globally by developing a substantive roadmap, engaging with clients, and supporting technological advances that promote decarbonization.

Transforming Our Corporate Culture

To be more than mere window-dressing, corporate-culture reforms obviously must include changes in behavior. Even if reforms succeed in raising employee awareness, to the outside observer nothing will appear to have changed unless changes are put into action—not just as top-down efforts by management alone, but by movement in the body of employees as a whole.

So have there been changes in MUFG employee behavior? Yes—we have seen a growing number come forward to take on new challenges. For example, Job Challenge, an in-house job-posting program, attracted

around 2,300 applicants in fiscal 2021, roughly tripled from the previous year. Also, more than 30 employees have been appointed as branch managers through a similar program. And applications for dual in-house assignments and secondment to external companies grew notably.

These efforts have had a cumulative effect—taking on new challenges is now seen positively by a growing number of employees. Of course, not everyone who steps forward is selected for a particular special task, but the initiative of every applicant—selected or not—is well noted. Validation is important, which is why I take time to speak online with those who applied but weren't selected, thanking them and commending their ambition. In these conversations, I sense these employees have an energetic frustration—"the world belongs to the discontented" phrase comes to mind—and, despite the missed opportunity, they show a passion to try again. These people are inspiring—I feel it, and certainly those around them do, too.

A new business-incubation project called Spark X is underway. This program was proposed and organized by participants in the "Straight-Talking" roundtable event² that took place in 2021, where I met directly with a group of frontline employees. It is interesting that the program is patterned after entrepreneur training programs. Since it has attracted 650 entries from about 20 Group companies, this level of interest indicates that employees see the value of taking on fresh challenges.

Recent feedback on the "MUFG Way integration sessions" came from Heads of branches and divisions, who told me more employees are open to discussions on our company's *Purpose* than we might have expected. It's true we are nowhere near our goal of the *Purpose* being fully embraced by all, but I was gratified to hear a flood of positive comments from those who joined these discussions. Comments included "I was made to remember my original aspirations when I joined the Company," "I began to develop a tangible vision of what I want to deliver to my customers" and "Thanks to these sessions, communications between supervisors and their staffs became smoother, and they are now more aware of differences in their ways of thinking."

On the other hand, "speed" is still a key issue MUFG must address. Recently, I heard that some investors and analysts commended an uptick in the pace of MUFG's decision-making, especially the Group's timely announcement of our carbon neutrality initiatives and our decision to sell

MUFG Union Bank. As CEO, I find myself being asked more frequently to review and consult on impending decisions—so I also feel the pace quickening.

However, the most recent round of annual surveys on employee awareness still shows that only 60% of respondents think MUFG is capable of speedy business operations. It is noteworthy that comments suggesting our operations lack speed tend to have been voiced by younger employees.

We also recognize that the burden placed on each frontline employee has become heavier, mainly due to the recent decrease in our employee headcount. With this in mind, we will step up our efforts to simplify procedures and rules while enhancing systems, tools, and other means of employee support.

Investment in Human Capital

Empowering employees with what they require to move forward in their roles and careers is an essential part of leadership's duties. To this end, for example, we invest in a variety of programs and training sessions to help employees take on new challenges and realize their potential.

In fiscal 2021, we introduced a digital-skill certification program for employees, with cash incentives to earn designated internal and external certification. As a result, a number of employees—including those whose jobs do not regularly require digital expertise—have eagerly applied. We then decided to double the program's budget, and at this writing, 1,633 have been internally certified as "gold skill holders." We also introduced our DEEP training program to nurture core digital specialists. Applicants for this intensive program are asked to study extensively and attend numerous lectures to acquire the skills and concept-building capabilities they need to help create new digital-driven businesses. To date, approximately 290 have completed the DEEP program and become a key to spearheading our DX initiatives.

We also transfer employees who were hired overseas to our Head Office in Japan for on-the-job training (OJT) programs, and offer ongoing education programs that support employees in taking more ownership of their autonomous career development.

A project to help design our new MUFG headquarters building in Tokyo has met with particular enthusiasm. This new construction will house consolidated headquarters for the holding company, the Bank, the Trust Bank, and Securities, and is meant to serve as a symbol of our groupwide integrated management approach. This particular project is run by employees who voluntarily put themselves forward in response to in-house solicitation; they are tasked with helping to plan an innovative workplace capable of accommodating a hybrid of on-site and remote workstyles. Project members include not only Tokyo-based headquarters staff but also those who join meetings remotely from the Kansai area. These colleagues are visibly passionate about envisioning MUFG's future headquarters, and we will incorporate a broad range of opinions to create a working environment supportive of innovative work styles.

Embracing diverse points-of-view is key to resilience and agility in times of change. My eyes were opened to the importance of inclusion & diversity in my thirties, when I was seconded to Securities and assigned to launch stock-related operations. My fellow project members included colleagues from external securities companies and whose backgrounds and ways of thinking were wildly divergent from each other's—and mine. During meetings, I was taken aback by opinions unlike anything I had ever conceived. Working as part of that team was challenging. But it was genuinely fun. We were each different but all on the same page with our shared objective of creating a company strong in stock-related operations. This was why our energetic discussions were constructive. For me, it was a case study in how a specific, shared purpose ensures that diversity translates into a strength for the organization. That was an important lesson early in my career.

Running a homogeneous organization might, in some ways, be much easier because of compliant and compatible points of view among all involved. But a conventional management approach that depends on a homogeneous team is anachronistic in our current—and no doubt our future—environment. So it has been imperative for MUFG to become more diverse, which makes a codified *Purpose* even more important as a unifying point of reference.

In terms of promoting gender diversity, we have made modest progress—but progress nonetheless. For example, we raised our fiscal 2023 target for the ratio of female managers in Japan to 20%, while fully acknowledging that we need to step up our efforts. The old male-dominated

Message from the CEO

workforce model makes flexible adaptation to current and future realities next-to-impossible. True, tangible benefits from workstyle reforms enacted today may take a long time to emerge, but this makes it even more urgent to launch them as early and forcefully as possible. This is why, starting in fiscal 2022, we tied our executive officers' financial compensation to their effectiveness in promoting inclusion & diversity.

Promoting diversity within an organization is not just about biological or social characteristics. It involves creating an atmosphere where an individual can develop "intrapersonal diversity" as well—the personal ability to absorb, synthesize, and internalize new stimuli with curiosity and caring—which leads to understanding not only others but ourselves. If each individual employee successfully expanded "intrapersonal diversity" even incrementally, this would collectively add a substantial dimension of diversity to our organization. To this end, we have introduced in-house and external dual-job arrangements and are allowing employees to be seconded to external companies with different concerns and cultures. Such practices offer employees opportunities to acquire an even broader perspective.

This internalized "intrapersonal diversity" can be built through everyday activities that have little to do with job duties—readings from various fields of thought; attending joint-study sessions with thoughtful minds from outside the company; and engaging in dialogue with professionals from different sectors—all these help shift our perspective, stretch our mindset, and develop our own acceptance of diverse ideas.

A key to individual and corporate vitality is a willingness to be aware of external viewpoints, to respect and absorb them, and to incorporate what we learn into our own world view. MUFG is not alone in having a long heritage of responding to a new hire's question of "Why?" with the lackluster answer, "Do it this way, because this is how it's done." This is strait-jacket thinking and defeats the purpose of new blood in an organization. "Why?" should trigger our response of "Wait a minute, let's re-examine this process... maybe it is unnecessary; let's change it."

The perspective of the beginner, the "learner," which I touched on earlier, could also be expressed as maintaining a "young mind." We all were once young and can remember processing new experiences—ideally without fear. Flexibility and curiosity must be core qualities for business success going forward, starting

with really hearing what others have to say. For MUFG to remain viable, our people must develop, embrace, and model these vital qualities.

Capital Management and Shareholder Returns

We have set our target for the Common Equity Tier 1 (CET1) capital ratio at the 9.5% to 10.0% range (the finalized Basel III reforms basis, excluding net unrealized gains on available-for-sale securities), as part of capital management targets under the current MTBP. In line with this target range, we will allocate our capital to investment for growth and additional shareholder return measures.

Regarding capital deployment to enhance earnings power, we will continue exploring investments in growth fields such as digital, global AM/IS, and the Asia business. We will approach this with discipline to ensure strategic effectiveness, investment profitability, and capital efficiency. At such times when no candidates meet our investment criteria, we will allocate more resources to boost shareholder returns to enhance ROE, while securing a certain level of capital surplus.

Having positioned cash dividends as primary vehicles for shareholder returns, our policy of further enhancing the content of shareholder returns remains unchanged. As for our dividend forecasts for fiscal 2022, we plan to pay an annual dividend of ¥32 per share, up ¥4 per share from fiscal 2021, with an eye to ensuring a progressive increase in the volume of dividends per share and achieving a dividend payout ratio of 40% by the end of the current MTBP period. Also, in May 2022, we decided to undertake the repurchase of our own shares in an amount up to ¥300.0 billion. Looking ahead, we will pay close attention to the current status of, and the outlook for, our capital, as well as our pipeline of candidates for growth investments, even as we continue to consider the flexible execution of shareholder return measures.

Over the past year, MUFG's stock price has been more robust than ever. We believe this is testament to steady growth in MUFG's earnings power from strengthening the revenue base for domestic businesses, and a shift from quantity to quality in overseas operations. In addition, we believe judgments made by management, including our recent decision to sell MUFG Union Bank, have been appreciated by investors.

On the other hand, the Price Book-value Ratio (PBR) has remained at around 0.5 times. This figure is in no way considered sufficient vis-à-vis MUFG's potential. Taking all factors into account, bringing our ROE to an even higher level is necessary for further improvement in the stock price. With this in mind, we will definitively achieve an ROE of 7.5% in the current MTBP period by steadily enhancing our earnings power while maintaining a tight grip on expenses and RWAs. In these ways, we will strive to raise our ROE to 9% to 10% over the medium to long term.

Becoming a Company Whose Employees Are Excited About What They Do

When I meet with our business alliance partners, it's not unusual to hear them commend MUFG colleagues for their diligence and talent, which is reflected by their sincere communication styles and dedication to their roles. However, these welcome comments are too often followed by "... but they don't seem enthusiastic about what they do." This suggests to me that our employees may be sincerely focused on reliable, professional, and dedicated service, but are almost too focused on doing—albeit well—simply what they are told to do.

Diligence is a fundamental trait I would never want our colleagues to forgo. But excessive diligence can border on rigidity—the last thing we want in a fast-changing environment. When our colleagues lower their defenses and become more open to the unexpected, they can approach their duties with a greater sense of engagement—and excitement.

In last year's integrated report, I shared my hope that one year later I would hear our stakeholders attest, "MUFG has changed!" Some said that one year was too short to expect much change. But if we cannot show a glimpse of change in one year, why expect substantive change in three? So I declared a one-year time frame to begin moving the needle.

Now, a year later, things may not be radically different, but I am hearing observations from customers like, "The atmosphere of your company has changed a bit, hasn't it?"

Of course, we are nowhere near reaching the reform goals we've set forth. We need to keep pushing for dramatic transformation. But I believe that over the past

twelve months, MUFG has taken a strong step toward that transformation. We have begun translating our vision into tangible action. For us to take a second and third step going forward, every employee is being called on to change behavior and put into real practice our *Purpose*, "Committed to empowering a brighter future.," in their own personal terms.

In this new world, MUFG may enjoy less freedom in selecting our business partners. We will instead strive to be selected by new partners. We have built a distinctive, attractive bedrock of strengths over many years, but to stand out as a wise choice to partner with in this new world, we also need to exude a sense of excitement about new endeavors.

I wish MUFG to transform into a company of enthusiastic, approachable people with exuberant minds. I will do my best to accelerate the transformation initiatives discussed herein to help build a sense of excitement among employees that can be felt by our customers, partners, and other stakeholders, with the hope that MUFG will be their prime choice.



Hironori Kamezawa
President & Group CEO
July 2022

Notes

*1 An international initiative established by the United Nations Environment Programme Finance Initiative (UNEP FI) in April 2021, the NZBA consists of banks worldwide and is committed to reducing GHG emissions volumes from their investment and financing portfolios to net zero by 2050.

*2 A four-month series of discussion sessions involving 10 frontline employees and the Group CEO meeting to exchange unfettered opinions about the future of MUFG.

Message from the CEO

Reflections & Aspirations

Creating a virtuous cycle with stakeholders

As CEO, I am sometimes asked, “For whom does a company exist?” Because I have clearly stated that our ROE target is the most important of our MTBP targets, it might seem my sole intention is to serve the interests of shareholders.

Not true, although I do believe that improving ROE is the minimum requirement for any corporation. A solid track record in social contribution can never excuse poor earnings power—that would make any business unsustainable. By the same token, contributing to society coincides with my personal policy as a business leader. So a balance must be found.

Accordingly, within the context of MUFG, I have striven, and will continue to strive, to empower all stakeholders to realize a brighter future in their own way.

In my opinion, a corporation is a vessel fueling a virtuous cycle of progress through engagement in its business and with all its stakeholders. A company’s primary reason for being is to serve its customers, and by extension society. But at the same time, employees not only constitute a company; they also help constitute society.

The company is expected to return profit to the group of investors who have risked their capital—its shareholders. If it succeeds in perpetuating a virtuous cycle of serving customers, empowering employees, and returning profit to investors, it can be deemed a valid vessel for current and future generations and can expect to remain in place as a productive force in society.

When I meet with outside peers, we often find ourselves agreeing on how difficult corporate management has become. If I were to use the latest terminology, we are in an era of “multi-stakeholder capitalism.” Today’s management has to consider a host of factors that consists not only of financial achievements but environmental concerns, corporate ethics, and much more. Moreover, the composition of our stakeholders has become more diverse.

Given these circumstances, CEOs are called upon to consolidate diverse opinions into a consensus that affects business operations that are more demanding



than ever, making it impossible to depend on “business as usual.”

In communicating with stakeholders, I came to realize our differences do not outweigh our commonalities. Regardless of where we each come from, we are living in the same era, facing the same challenges, and finding our own way forward.

Despite—or perhaps because of—these commonalities, we can also be subject to harsh disagreements. How best to respond to opinionated challenges is completely up to us. Whether we can reach the best possible conclusion depends on our communication capabilities. We need to pay attention to a broad range of information sources while carefully examining what we have learned when drawing and expressing our own conclusions. In addition to maintaining the fresh mindset of a “learner,” a “beginner,” a “young mind,” we should be open to expressing what is in our own heart, and acting on it—with conviction, energy, and contagious passion.

This kind of openness attracts allies because, after all, people tend to be attracted to others who clearly are energized and excited about what they are doing. These qualities are contagious and can inspire a whole team.

This integrated report features articles contributed by employees who exhibit these qualities, each in their own way. Here they share their honest opinions about their duties and other personal accounts. Some stories are presented with enthusiasm; others with more reserve and formality. Either way, it is my greatest pleasure to convey to our readers what MUFG truly looks like now through this publication. Thank you for taking the time to read it.