

MUFG to Issue USD-Denominated Social Bonds in Japan

Tokyo, December 6, 2019 — MUFG has decided to issue its second series of US dollar-denominated unsecured bonds (no collateral provision restrictions or other financial covenants; limited to designated financial institutions, etc.) (Social Bonds) as the first domestic foreign-currency-denominated Social Bonds publicly offered in Japan by a Japanese financial institution.

1. Background

MUFG's mission as a financial institution is to build long-lasting relationships with its customers and society so as to achieve sustainable growth together. By working to resolve key environmental and social issues through its financial activities, MUFG aims to contribute to our sustainable business growth and enhance our corporate value.

In May 2019, MUFG established its new Sustainable Finance Goals^{*1} with a view to further strengthen our ESG initiatives. MUFG also updated its Environmental and Social Policy Framework^{*1}, which has been in effect since July 1, 2019. In addition, in October 2019 MUFG created a new "Green, Social, and Sustainability Bond Framework"^{*2} (the Framework), the first of its kind in Japan, to broaden the scope of projects eligible for financing within the existing Green Bond Framework to include not only environmental projects but also social projects.

2. Objective and overview

MUFG has been issuing Green Bonds that comply with international financial regulations (TLAC^{*3}) in domestic and overseas markets since September 2016 as part of our efforts to contribute to promoting a sustainable environment and society through capital markets. To enhance our endeavors to resolve not only environmental but also social issues under the Framework, MUFG has now decided to issue Social Bonds in the domestic market.

Independent rating firm Sustainalytics has provided a Second Party Opinion confirming that the Social Bonds meet the criteria set forth by the International Capital Markets Association (ICMA) in its "Social Bond Principles 2018 (SBP)"^{*4}.

The funds acquired through the sale of the MUFG Social Bonds will be lent to MUFG Bank, Ltd., a consolidated subsidiary of MUFG, which will use them to finance reconstruction after disasters including earthquakes and typhoons; public hospitals (domestic and overseas) and domestic hospitals run by social medical care or social welfare corporations; public schools; and public housing suppliers that are registered with the Regulator of Social Housing in England.

Through the issuance of Social Bonds and through financing by MUFG Bank, MUFG will use the proceeds from the bonds to support projects that contribute to promoting a sustainable environment and society, as well as continue to contribute to investment and financing projects which take Environmental, Social and Governance (ESG) factors into account.

[Terms and conditions: MUFG's second series of US dollar-denominated unsecured bonds]

Issuer	Mitsubishi UFJ Financial Group, Inc.
Issuance format	Domestic foreign-currency-denominated publicly offered bond
Currency	US dollar
Issuance amount	USD 90 million
Maturity	10 years
Denomination	USD 10 million
Amount to be paid	100 US dollars per face value of 100 US dollars
Interest rate	2.847% per annum
Subscription period	December 6, 2019
Payment date	December 12, 2019
Maturity date	December 12, 2029
Interest payment dates	June 12 and December 12 of each year
Use of proceeds	MUFG Bank will use the proceeds for the following: 1. Financing contributing to reconstruction after disasters including earthquakes and typhoons 2. Financing of public hospitals (domestic and overseas) and domestic hospitals run by social medical care corporations or social welfare corporations 3. Financing of public schools 4. Financing of public housing suppliers that are registered with the Regulator of Social Housing in England
Lead manager	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Social Bond structuring agent ^{*5}	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Fiscal agent	MUFG Bank, Ltd.
Securities depository	Japan Securities Depository Center, Incorporated

^{*1} Establishment of Sustainable Finance Objectives and Update of the MUFG Environmental and Social Policy Framework
https://www.mufg.jp/dam/pressrelease/2019/pdf/news-20190515-001_en.pdf

^{*2} Creation of the Green, Social, and Sustainability Bond Framework
https://www.mufg.jp/dam/pressrelease/2019/pdf/news-20191008-001_en.pdf

^{*3} Total Loss-Absorbing Capacity (TLAC) is an equity and bail-in debt requirement applicable to G-SIBs, etc.

^{*4} The ICMA's SBP 2018 can be found at the following link.
<https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

^{*5} Agent supporting Social Bond issuance by providing advice on creating a Social Bond Framework and obtaining a Second Party Opinion

This document is a press release to announce the issuance of MUFG's second series of US dollar-denominated unsecured bonds (no collateral provision restrictions or other financial covenants; limited to designated financial institutions, etc.) (Social Bonds) to the general public. It is not prepared for the purpose of soliciting investment.

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About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with over 2,700 locations in more than 50 countries. The Group has over 180,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit <https://www.mufg.jp/english>.