

Mitsubishi UFJ Financial Group, Inc. (MUFG)
MUFG Bank, Ltd.

MUFG to Invest in Emerging Market Climate Infrastructure Fund

Tokyo, July 8, 2021 --- MUFG's core banking subsidiary MUFG Bank today announced its decision to invest in the Climate Finance Partnership (the Fund), which focuses on climate infrastructure investments across emerging markets^[1]. The Fund is managed by BlackRock and backed by public and private investors.

1. Background

MUFG defines its purpose as being "Committed to empowering a brighter future." Our business activities are driven by the determination to make every effort to empower all stakeholders to advance to the next stage. In order to lead the way in bringing solutions for climate change, one of the most serious issues facing the world, MUFG announced its "MUFG Carbon Neutrality Declaration^[2]" in May 2021. As a financial institution, we want to work alongside our customers to become carbon-free, and are committed to supporting customers' efforts towards decarbonization including the development of innovative technologies.

Impact investing, which seeks to generate positive social and environmental impacts while still securing appropriate financial returns, has been gaining momentum in recent years. MUFG Bank announced a "Sustainable Business Investment Strategy" in August 2020, which considers social and environmental impact in addition to financials and serves as the foundation for future expansion in this area. MUFG Bank's investment in the Fund is its third such investment under its "Sustainable Business Investment Strategy," and consideration of the investment included utilizing internal carbon pricing^[3].

2. Fund Overview

The Fund is focused on climate infrastructure investments across emerging markets and has raised funds from governments, foundations and institutional investors. In emerging markets, energy demand is poised to expand in tandem with population and economies, and therefore significant capital is required for climate infrastructure assets to help reduce carbon emissions. This fund showcases the potential for public and private sectors to work together and mobilize significant investments into climate infrastructure that can deliver positive environmental and social impacts and allow for attractive risk-adjusted returns.

MUFG Bank, as a leading Institutional Partner, will join the French Development Agency (AFD), Germany's KfW Development Bank (KfW), and others to monitor and evaluate the Fund's environmental and social impact and seek to support emerging markets' transition to a low-carbon future.

Fund name	Climate Finance Partnership
Fund manager	BlackRock
Total fund value (target)	USD 500 million
MUFG Bank's investment	USD 20 million
Target regions	Emerging markets
Target sectors	(i) Grid connected and/or distributed renewable power generation; (ii) energy efficiency in residential, commercial and/or industrial sectors; (iii) transmission or energy storage solutions; and (iv) ultra-low emission or electrified transportation and mobility services.
Features	Considerations of social and environmental impact are integrated into the investment management process. Impact is evaluated along specific United Nations Sustainable Development Goals.
Investors	French Development Agency (AFD), Germany's KfW Development Bank (KfW), Japan Bank for International Cooperation (JBIC), Grantham Environmental Trust, Quadrivium Foundation, Dai-ichi Life Insurance, Standard Chartered Bank, MUFG Bank, and others
MUFG Bank's share of estimated impact	CO ₂ emissions reduction of approximately 17,000 tons / year (MUFG Bank's own calculations)

^[1] Refers to the countries and territories in the DAC List of ODA Recipients published by the OECD.

^[2] For details on the MUFG Carbon Neutrality Declaration, please refer to the following link:

https://www.mufg.jp/dam/pressrelease/2021/pdf/news-20210517-003_en.pdf

^[3] A way of calculating the value of CO₂ emissions reductions by multiplying the reduction amount by the price of carbon. Organizations utilize the calculated value to drive decarbonization of their activities. It is used primarily by businesses for investment decisions.

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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 around 2,500 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>.