

## **MUFG to Issue USD-Denominated Green Bond in Japan**

**Tokyo, November 27, 2018** --- MUFG has decided to issue the MUFG first series US dollar-denominated unsecured bond (no collateral provision restrictions or other financial covenants; limited to designated financial institutions, etc.) (green bond) as a domestic foreign-currency-denominated publicly offered green bond in Japan. This will be the first green bond issue in Japan within the Japanese banking sector, and also the first domestic foreign-currency-denominated publicly offered green bond.

### **1. Purpose and Background of the Issuance of This Bond**

In our Corporate Vision, MUFG calls for building up lasting relations with customers and society and realizing continuous growth together from a long-term perspective as our mission as a financial institution, and we are working toward achieving that goal. As part of those efforts, MUFG has specified response to global warming and climate change as one of the seven priority environmental and social issues that we must address on a priority basis, especially from the perspective of the Sustainable Development Goals<sup>\*1</sup> adopted by the United Nations. We are advancing initiatives to reduce environmental load and contribute to the realization of a sustainable environment and society.

Green bonds are debt instruments where proceeds are earmarked for renewable energy and energy efficiency projects, and other projects expected to contribute to the global environment. While green bonds have been issued in Europe and other foreign markets to date, recently issuances of green bonds in Japan have been increasing. MUFG has been issuing MUFG Green Bonds which comply with international financial regulations (Total Loss-Absorbing Capacity requirements<sup>\*2</sup>) on foreign markets since September 2016 as part of our efforts aimed at contributing to the realization of a sustainable environment and society through capital markets. This time, considering the environment surrounding green bonds on the Japanese market, MUFG has decided to issue a green bond in Japan.

MUFG plans to apply the proceeds from this green bond, through financing to our consolidated subsidiary MUFG Bank, Ltd. ("MUFG Bank"), for financing of real-estate properties equivalent to Eligible Green Properties<sup>\*3</sup> owned by Japanese real estate investment trusts (J-REITs) and for financing of renewable energy projects (solar thermal power generation, photovoltaic power generation, and wind power

generation) which have undergone environmental and social impact reviews in accordance with the Equator Principles<sup>\*4</sup> and have been certified as in compliance.<sup>\*5</sup> While supporting projects that contribute to the realization of a sustainable environment and society through the issuance of green bonds and use of the proceeds for financing via MUFG Bank, the entire Group will continue contributing to investment and financing which gives consideration to environmental, social, and governance criteria in the future.

\*1 International goals adopted at the September 2015 United Nations Summit, comprising 17 goals and 169 targets to realize a sustainable world.

\*2 A type of capital-related regulations that are applied to global systematically important banks.

\*3 Properties that have received any of the following ratings:

- Gold or Platinum rating under LEED;
- Excellent or Outstanding rating under BREEAM;
- A or S rating under CASBEE; or
- Four or five stars under DBJ Green Building Certification.

\*4 Guidelines for international private-sector financial institutions to systematically identify, evaluate, and manage the environmental and social risks and impacts accompanying the development of large-scale projects, as the funds lender or as the funds procurement advisor, in cooperation with customers who are the borrowers.

\*5 Certification of compliance requires a Category B or C classification in the assessment under the Equator Principles.

## 2. Outline of This Bond

Issuer	Mitsubishi UFJ Financial Group, Inc.
Issuance format	Domestic foreign-currency-denominated publicly offered bond
Maturity	To be determined
Currency	US dollar
Issuance amount	To be determined
Issuance time	December 2018 (scheduled)
Use of proceeds	(1) Financing of real-estate properties equivalent to Eligible Green Properties owned by J-REITs. (2) Financing of renewable energy projects (solar thermal power generation, photovoltaic power generation, and wind power generation) which have undergone environmental and social impact reviews in accordance with Equator Principles and have been certified as in compliance.
Lead manager	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Green bond structuring agent <sup>*6</sup>	Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

MUFG has obtained a second-party opinion<sup>\*7</sup> regarding the compliance of this green bond from the independent rating firm Sustainalytics, which confirmed that this issuance meets the criteria set out in the Green Bond Principles<sup>\*8</sup> of the International Capital Market Association and the Green Bond Guidelines 2017<sup>\*9</sup> of the Ministry of the Environment of Japan.

\*6 The agent which provides support for the issuance of green bonds, primarily by providing advice on setting the green bond framework and obtaining a second-party opinion.

\*7 For the details of the opinion, see the Sustainalytics website below:

[https://www.sustainalytics.com/wp-content/uploads/2018/09/MUFG-Framework-Overview-and-Second-Party-Opinion\\_Final.pdf](https://www.sustainalytics.com/wp-content/uploads/2018/09/MUFG-Framework-Overview-and-Second-Party-Opinion_Final.pdf)

\*8 Voluntary process guidelines for issuing green bonds formulated by the International Capital Market Association in January 2014, recommending transparency, disclosure, and reporting to promote integrity in the green bond market.

\*9 Guidelines formulated and published by the Ministry of the Environment in March 2017 for the popularization of green bonds in Japan.

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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 1,800 locations in more than 50 countries. The Group has over 150,000 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.mufig.jp/english>

#### **Disclaimer**

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