

MUFG Driving Social & Environmental Progress

- for our Brighter Future-



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■ Abbreviations of the MUFG organizations featured in this report

Abbreviation	OFFICIAL NAME
MUFG	Mitsubishi UFJ Financial Group
Bank	MUFG Bank
Trust	Mitsubishi UFJ Trust and Banking Corporation
Securities	Mitsubishi UFJ Securities Holdings
MUMSS	Mitsubishi UFJ Morgan Stanley Securities

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CEO Message



President &
Group CEO

Hironori Kamezawa

This report reflects our strong determination to accelerate our efforts to drive social & environmental progress.

FY2024 was another year of impactful forces driving changes around the world. We witnessed the hottest summer on record, with the average global temperature soaring to an unprecedented high for the second consecutive year. Torrential rains, floods, heatwaves, wildfires, and other extreme natural events manifested worldwide, calling for vigorous efforts to conserve and restore our natural capital.

For the Japanese economy to achieve sustainable growth in this environment, it is essential to foster growth industries that fuel the economy and support rapidly growing startups. At the same time, Japan's birth rate has reached a historic low, requiring desperate measures to address the issue, along with the nation's aging population. And while emerging technologies such as AI are making our lives more convenient, financial crimes – including cybercrime and money laundering – are becoming more intricate and sophisticated.

CEO Message

Our role as a financial institution in a dynamic society with increasing challenges.

Relevant to all these issues is “先義後利” – a Confucian philosophy which teaches that profit will follow ethical conduct as a natural consequence. It is critical for financial institutions to understand that resolving issues of clients and society come first, and our business engagement must accrue to solutions. We are determined to address social issues through financial services that eventually lead to elevated economic value of both our clients and MUFG. This is our responsibility and the role we must fulfill.

MUFG is a financial group composed of leading entities from various financial industries, including banking, trust, securities, asset management, and consumer finance. These entities deploy their considerable skills,

insights, and expertise through collaboration across MUFG’s group-wide global network. By doing so, we “bridge” together individuals, corporations, and society as a whole, to help drive social & environmental progress. This is an important element of embodying our stated purpose of being “Committed to empowering a brighter future.”

In this exclusive report, “MUFG Driving Social & Environmental Progress – for our Brighter Future,” we present our approach in two ways. In the first chapter, we demonstrate our early achievements as a company dedicated to driving social & environmental progress. We do this by showcasing real-world successes in addressing priority issues, either as top-down strategic projects or as bottom-up projects driven by first-mover employees alert to the urgency of these issues. In the second chapter, we share our understanding of ten priority issues in light of social & environmental

progress, our efforts to address them, and the KPIs that point to a future we strive to achieve. We also disclose some impact indicators we have identified to help us understand the social & environmental effects of our initiatives. Logic models that outline our expected path to drive each priority issue are shown at the end. We have taken a significant step toward establishing these impact indicators by defining quantitative targets. This was a bold challenge, and much remains to explore as we continue to form quantitative impact indicators for all ten priority issues.

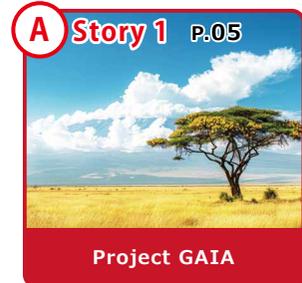
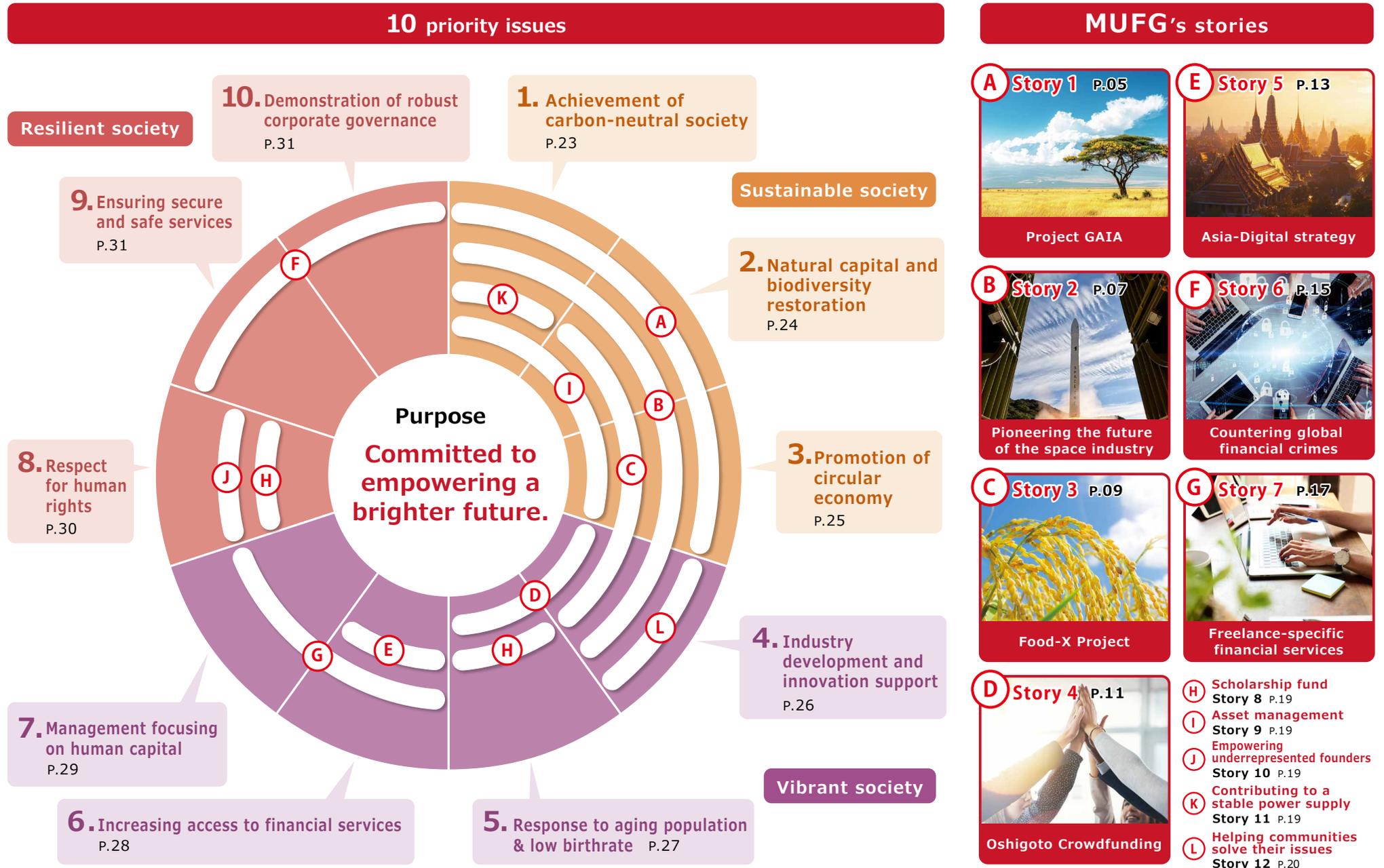
I truly hope this report helps convey our firm commitment to social and environmental progress, through dialogue with stakeholders and building momentum through our targeted activities.

President & Group CEO

Hironori Kamezawa

How 10 issues relate to our stories

Under its purpose of being "Committed to empowering a brighter future," MUFG has selected 10 priority issues to address in its medium-term business plan. This chapter features the stories of our employees who are tackling these issues.



Underlying Social Issues

- It is essential to respond to climate change adaptation in order to enable sustainable livelihoods while avoiding and reducing the damages caused by climate changes in emerging countries such as countries in Africa.
- Given the substantial funding requirements, it is important that public and private jointly tackle the issue. Therefore a coordinator bringing together the multiple stakeholders is needed.

Why MUFG?

- We have existing trust-based relationships with leaders of emerging countries and international organizations through years of dialogue and are in a strong position to collaborate with those countries and institutions.
- Having built a world-leading track record and expertise in project finance and blended finance, MUFG has a capability of structuring advanced financial solutions.

Values MUFG aims to create

Value for society

Supporting climate change adaptation to achieve sustainable living and preserve biodiversity, as well as reducing CO₂ emissions via forest and environmental protection.

Contributing to the advancement of infrastructure and to the development of new industries through investments in emerging countries, which have the potential to generate 10,000 jobs in the future.

Economic value for MUFG

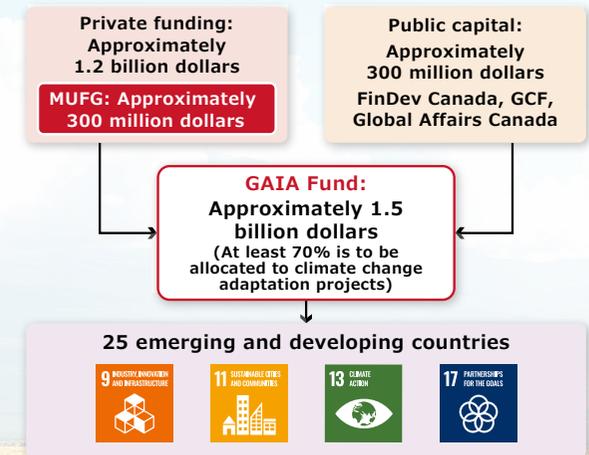
Arrangement and provision of advanced financial solutions utilizing both public and private risk appetite.

Gaining new business opportunities from the development of industries in emerging countries.

What is Project GAIA?

GAIA Fund offers long-term loans, through a blended finance structure, to 25 emerging and developing countries, including Africa, Latin America, and Southeast Asia, that are particularly severely affected by climate change. At COP29 in October 2024, MUFG and other partners have announced that the Fund of approximately \$1.5 billion in total capital will be established. In addition to MUFG, FinDev Canada, Green Climate Fund (GCF)^{*1}, and Global Affairs Canada, participate to the Fund.

Project GAIA allocates at least 70% of its investment portfolio towards climate adaptation projects^{*2}. MUFG, as the only Japanese bank among the founding members, plays a leading role not only in providing finance but also in structuring the blended finance platform.



Dialogue with the team

Q What distinguished MUFG in this effort?

A MUFG, as a leading bank in climate finance, has a track record of structuring numerous finance schemes that contribute to climate change mitigation and adaptation. According to statistics from Convergence, a global network for blended finance, MUFG ranked first globally in terms of number of blended finance commitments as of 2022 (cumulative number in the past 5 years).

MUFG has well-established direct connections with numerous international stakeholders, including governments, financial institutions, and private companies, enabling collaboration towards achieving carbon neutrality. We believe that the trust built through years of diligent dialogues has led to the fruition of Project GAIA.



Bank
Global Corporate & Investment
Banking Business Unit
(London, Tokyo)

*1 A multilateral fund that operates a financing system to help developing countries reduce greenhouse gas (GHG) emissions and address the impacts of climate change based on the United Nations Framework Convention on Climate Change.

*2 Measures to prevent or mitigate ongoing or expected damage from climate change. Measures to reduce GHG emissions, which cause climate change, are known as "climate change mitigation."

Underlying Social Issues

- With the global space industry growing rapidly under private sector leadership, the Japanese space industry should also make efforts to advance and strengthen its industrial competitiveness and ensure national security.
- The space industry, which encompasses a wide range of activities from satellite manufacturing and rocket launches to satellite data utilization, needs a sustainable ecosystem.
- Sufficient funding is required to expand and enhance the space industry supply chain.

Why MUFG?

- We can oversee the entire value chain, from upstream to downstream, from a neutral standpoint.
- We can connect with diverse stakeholders to create value.
- We have been quick to engage in supporting Japan's aerospace industry, building up a track record and expertise in financing while recognizing our responsibility as a financial institution.

Values MUFG aims to create

Value for society

Help to develop the Japanese space industry. Drive regional revitalization and contribute to national security through the space industry.

Provide satellite-enabled solutions to address challenges such as strengthening national infrastructure, visualizing greenhouse gas (GHG) emissions, and conserving biodiversity.

Economic value for MUFG

Fund efforts to develop the space industry. Expand business by leveraging the knowledge and expertise of our partners, including investee companies.

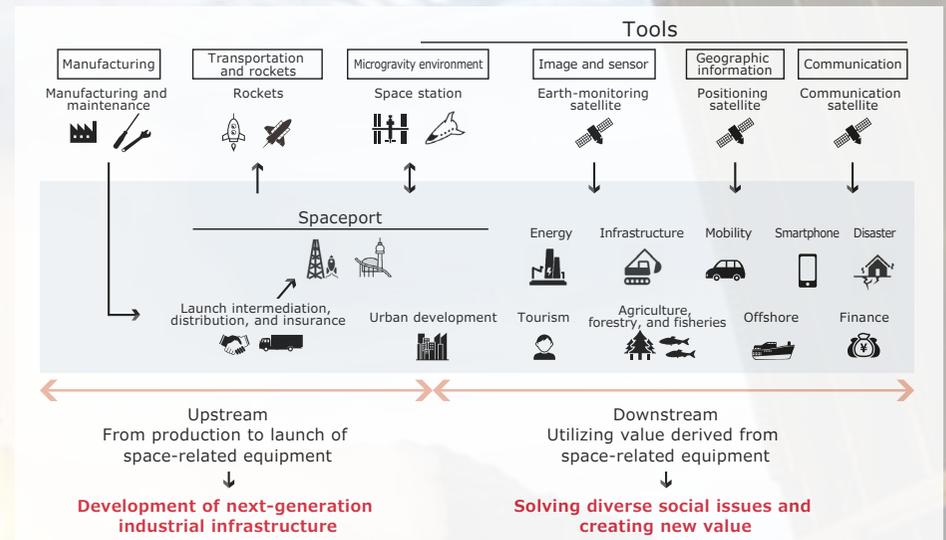
Drive regional revitalization by developing launch sites and surrounding areas and create business opportunities by cultivating customer relationships.

Our space industry initiatives

As a financial institution, we are able to help develop the Japanese space industry by performing various functions for the entire space industry value chain from upstream to downstream.

For upstream, we provide financial support to build next-generation industrial infrastructure, such as transport equipment, satellites, and launch sites. We also finance and invest in private startups specializing in rocket launches as well as in providers of in-orbit satellite services (such as space debris removal). Furthermore, we are advancing various initiatives by working closely with operating companies, government agencies, municipalities, and research institutes.

For downstream, we leverage satellite data to drive both customer business applications and our own new business development. Specifically, we visualize our efforts to reduce GHG emissions and measure GHG reduction and absorption to create carbon credits.



Dialogue with the team

Q How does space technology help solve issues?

A The space industry is broad, ranging from producing and launching satellites to utilizing space technology, data, etc. In addition, the space sector is well-suited to tackle social issues and serves an important function in domains such as climate change, natural capital, and regional revitalization.

For example, since GHG emission data is currently self-reported, satellite data could provide an objective and standardized metric. Visualizing efforts towards carbon neutrality may lead to the creation of fair markets and in turn further reduce GHG emissions through accelerated investments.

Q What role do banks play in helping develop the space industry?

A While space-related and other frontier technologies, known as “deep tech,” require substantial investment, it may take time before they translate into profits. In light of this risk, we can create and support a framework for assessing bankability (loan eligibility). MUFG has been partnering with

industries, such as the automobile and steel industries, that have been supporting Japan’s economic growth since their inception. We believe that the space industry is indeed in its early, formative phase and financial institutions have the responsibility to help fuel its growth.



Bank
Sustainable Business
Division
Space Innovation
Office

Underlying Social Issues

- As the global population continues to increase, food demand is soon expected to overwhelm the capacity of existing food systems. Moreover, the risk of food value chain disruption is drawing attention due to issues like climate change and military conflicts, heightening concern about food security.
- In light of Japan’s low self-sufficiency rate for food and agricultural materials, it is necessary to adopt sustainable agricultural practices as soon as possible to establish medium-to-long term food security.

Why MUFG?

- We have an extensive network consisting of food-business customers, government agencies, and academia and are capable of promoting various initiatives to integrate the food value chain and establish a sustainable food system while maintaining a neutral standpoint as a financial institution.
- We can help reform the food industry through diverse solutions enabled by our collective capabilities as Japan’s largest financial group.

Values MUFG aims to create

Value for society

Integrate the entire food industry to establish a sustainable food system.

Engage in international rule-making and support innovation to enhance the competitiveness of Japanese food companies in the global market.

Economic value for MUFG

Generate business opportunities by co-creating initiatives with large enterprises and supporting startup growth.

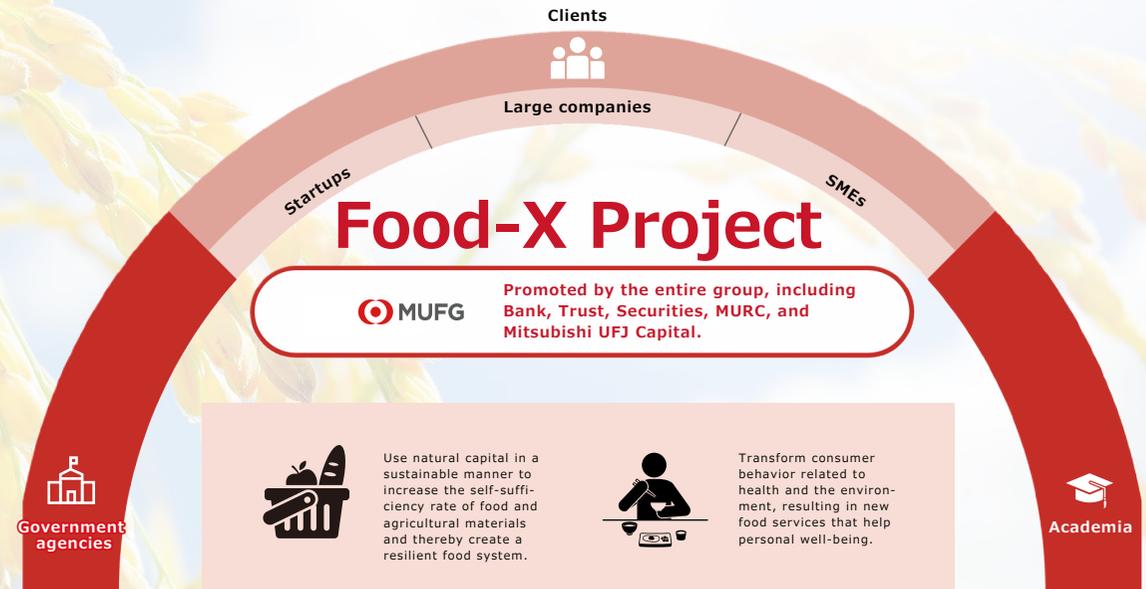
Create greater economic value by supporting the advancement of the food industry through agricultural restructuring and export promotion.

What is Food-X Project?

Food-X Project was launched in 2022 with the aim of simultaneously resolving structural issues faced by the Japanese food industry, establishing a sustainable food system that contributes to food security, and enhancing personal well-being through food.

We are strengthening our efforts to shape the future of food by collaborating with various stakeholders, including our customers in food production, retail, restaurants, and various other related sectors, as well as with government agencies and academia.

We are committed to rebuilding the value chain from farm to table, strengthening international competitiveness, and transforming consumer behavior related to health and the environment.



Dialogue with the team

Q What role can banks play in solving issues in the food industry?

A We believe that our neutral position as an industry-agnostic entity allows us to integrate across sectors and promote cross-industrial efforts to solve issues. To that end, we first repeatedly engaged in dialogues with various stakeholders from industry, government, academia, and finance. While they were surprised that a financial institution was venturing into

the food and agricultural sectors, they reacted to our proposal favorably saying, "This is difficult to solve alone and requires cooperation from multiple stakeholders. We would be happy to join you!" Despite the constant trial and error, we vow to continue to connect various stakeholders to solve the issues faced by the food industry.

Q What demonstrates MUFG's uniqueness in this project?

A Through repeated discussions with numerous stakeholders, the project members realized the ways in which MUFG is able to contribute. I believe it reflects our company's identity that this idea has resonated with various departments and that they have been working together

with their intentions aligned right down to the practical level. Another key factor for the project's sustainable progress is that our management takes a long-term approach to providing support, rather than overemphasizing short-term achievements.



Bank
Industry Research &
Creation Division
Chemicals & Well-
Being Division

Underlying Social Issues

- Startups that aim to tackle social issues through their business activities are struggling to raise funds.
- No platform existed where startups with potential solutions to social issues of particular interest to large corporations could connect with the municipalities facing these issues and individuals/ organizations wishing to support such initiatives.

Why MUFG?

- By utilizing our unparalleled domestic customer base, we can provide a platform that would allow respective stakeholders to compensate for each other's weaknesses, and thereby enable large-scale, swift approaches to solving social issues.
- This framework embodies the "what if" ideas of individual employees, which represent MUFG's culture in that the entire company works together to help translate individual ambitions into business.

Values MUFG aims to create

Value for society

Scale up our support for startups to help cultivate emerging industries and technologies and accelerate open innovation.

Create and scale up a framework to address social issues. Provide platforms for individuals wishing to support startups and help solve social issues.

Economic value for MUFG

Unlock business opportunities through increased engagement with startups.

Create a donation brokerage business. Strengthen relationships with large companies to co-create new businesses.

What is "Oshigoto" Crowdfunding?

It is an initiative that connects social startups*¹ (startups trying to solve social issues through business) with the companies, municipalities, and individuals who endorse their efforts.*²

As the originator of this program, MUFG harnesses our extensive customer network to bring together diverse stakeholders, pioneering a new approach to social issues by funding social startups through donations.



*² This includes business matching, which supports collaboration between corporations and startups, gyaku propo,*³ where startups and municipalities work together to solve problems, and hometown tax crowdfunding, which allows individuals and corporations to donate directly to address challenges faced by municipalities. MUFG, in collaboration with SocialX Inc., provides seamless support for these currently separate mechanisms, creating a platform where all stakeholders—companies, startups, municipalities, and individuals—can work together to address social issues.

Dialogue with the team

Q What is the purpose of this project?

A We launched this project because we thought MUFG might somehow be able to help startups that are struggling with funding issues tackle social issues through business. Since it was not easy to provide support under the traditional financing framework, we needed an

innovative fundraising approach. After learning that the hometown tax market has grown to 1 trillion yen and donation-type crowdfunding has become more common in recent years, we realized that we might be able to raise funds through these means to tackle issues.

Q Are there any accomplishments that only MUFG could have achieved?

A First off, our customer base is of an unparalleled scale. In addition to about 34 million individual customers, MUFG works with almost all major companies in Japan. And above all, our strength lies in our culture. We provide the

framework for our employees to turn their observations into practical business solutions. In our culture, employees can propose and pursue projects that they are personally passionate about, even if they do not align with their department's mission.

*¹ A company launched to address social issues, including poverty, education, and the environment, and which generates social impact through business with an emphasis on social contribution in addition to profit.

*³ A co-creation platform provided by SocialX Inc., where companies present the social issues that they are interested in and municipalities propose plans and ideas to solve them.



Bank

Japanese Corporate & Investment
Banking Business Planning Division
Business Development Office,
Corporate Planning Division
Trust
Corporate Business Planning Division
Corporate Market Department

Underlying Social Issues

- While Asia has been growing rapidly, a number of people there still have limited access to financial services.
- They are unable to enjoy the benefits of financial services, limiting their convenience and reducing their quality of life.

Why MUFG?

- We have helped Japanese companies expand into other Asian countries and built trust with governments and companies in Asian countries through investments in local partner banks.*1
- We can deliver highly convenient financial services by combining our digital finance platform (developed through investments in various digital financial service providers*2) with our conventional finance platform centered around partner banks.

Values MUFG aims to create

Value for society

Increase access to financial services and contribute to financial inclusion in Asia.

Broaden digital financial services to help improve personal living standards and accelerate economic growth in Asia.

Economic value for MUFG

Scale up our digital financial service offerings to fuel the growth of investees, enhancing the economic value.

Amplify business opportunities by integrating digital financial services and banking services in the future.

*1 Commercial banks that MUFG invests in. Specifically, we have invested over 14 billion dollars into Krungsri (Bank of Ayudhya/Thailand), Bank Danamon (Indonesia), VietinBank (Vietnam), and Security Bank (Philippines).

*2 Business operators providing banking, investment, and other financial services through internet and smartphone apps, etc.

Increasing access to financial services in Asia

In recent years, widespread adoption of the internet and smartphones has made it increasingly feasible to provide digitally-enabled financial services to people who previously had limited access to them. In particular, the ASEAN region and India have recently seen a rapid expansion of smartphone use, increasing opportunities for digital financial services to expand into these regions.

In line with the “Asia x Digital” strategy outlined in our medium-term business plan implemented in FY2024, MUFG is strategically investing in digital financial service providers to identify growth opportunities in Asia’s consumer finance sector where digitalization is expected to continue. We will continue to contribute to the financial inclusion of people in Asia by focusing on supporting the growth of our investee companies.



Dialogue with the team

Q Have there been times when you personally realized that you were helping expand financial services in Asia?

A During business trips to Asian countries, we see people using financial services via their smartphones at stores like supermarkets, consumer electronics retail stores, and shopping malls, and these services are utilizing the financial

channels provided by our partner banks and investees. Moments like these remind us of our mission and make us fully realize the extent to which the services of the companies we support have become part of people’s lives.

Q Are there any initiatives unique to MUFG or things that only MUFG can do?

A By connecting fintech companies in our portfolio with our affiliates, we can create new business opportunities and platforms for sharing insights. We wanted to launch a new project to complement our daily efforts to connect our investees. This inspired us to take the initiative and hold the MUFG Fintech Festival for the first time two years ago.

Participants discussed strategies for better financial services and technological applications while actively taking advantage of the business matching program. We have started to discuss providing services to previously unreachable unbanked populations*¹ by leveraging the customer bases of our investees, something MUFG could not accomplish on its own.

*1 Customer demographics that do not have bank accounts.



Bank
Global Commercial
Banking Planning Division

Underlying Social Issues

- Financial services are rapidly diversifying and becoming more complex due to the advancement of digitalization and the emergence of cutting-edge technologies like AI. Global financial crimes*1 and their funding sources, such as those derived from fraud, are becoming increasingly sophisticated every day. These include illicit fund transfers /payments and the financing of terrorist organizations.
- It is crucial for financial institutions to sophisticate their countermeasures to protect customer assets from global financial crimes.

Why MUFG?

- As Japan's largest financial group, we take the significant impact that the effectiveness of our global financial crime countermeasures has on society very seriously, and we are advancing these initiatives through unified, company-wide efforts.
- Our HQ organization for global financial crimes countermeasures is located in New York, USA, home to a wealth of expertise in the field, and we have developed a consistent framework based on globally standardized rules and procedures.

Values MUFG aims to create

Value for society

Protect customer assets and help provide secure and safe financial services.

Help sophisticate industry-wide countermeasures, contributing to the stability of Japan's financial services as a linchpin to defense.

Economic value for MUFG

The estimated amount of money laundered globally is 2 to 5% of GDP.*2 Prevent this to help ensure funds are recirculated into legitimate economic activities.

Help maintain a sound financial system, contributing in turn to the healthy advancement of international economic activities.

*1 At MUFG, money laundering, terrorist financing, sanctions, bribery, and corruption are collectively referred to as Global Financial Crimes.

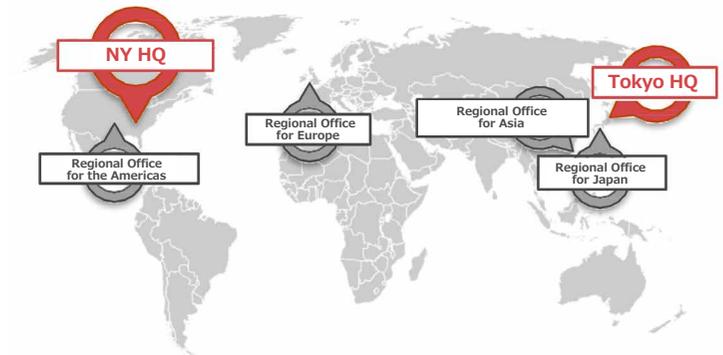
*2 Source: UN website (<https://www.unodc.org/unodc/en/money-laundering/overview.html>)

What are global financial crimes?

At MUFG, we collectively refer to illicit financial activities, such as money laundering, terrorist financing, sanctions, bribery, and corruption, as global financial crimes. As new financial services enter the market and financial institutions expand internationally, criminal methods are becoming increasingly sophisticated, resulting in a higher risk of global financial crimes. In light of these circumstances, we believe financial institutions, which handle the money that is the lifeblood of the economy and society, have a responsibility to counter global financial crimes.

As the only Japanese bank with a global financial crime prevention HQ in New York, the center of global finance in the US, MUFG has been strengthening its coordinated response across the entire group worldwide.

Our employees worldwide work together daily to improve our capabilities, ensuring that our customers are not inadvertently involved in criminal activities.



Dialogue with the team

Q How do you track global trends such as regulations, supervisory guidelines, and industry trends?

A If financial institutions fail to properly address global financial crimes such as fraud and other illicit activities, individual and business customers may be exposed to risks that may cause them financial damage. In addition, this

can increase the risk that money from criminal groups ends up funding terrorism and other illegal activities. This will compromise the safety of society as a whole.

Q How do you track global trends such as laws, regulations, supervisory guidelines, and industry trends?

A MUFG offices worldwide maintain communication with local authorities to stay on top of the latest trends. In addition, we are the only Asian company in the Wolfsberg Group, an international group of financial institutions organized to develop frameworks and

guidelines for global financial crime risk management. Through this group, we share best practices with major financial institutions and apply the findings to combat global financial crimes.



Bank
Global Financial
Crimes Division

Underlying Social Issues

- Diverse workstyles, including freelancing and side jobs, are crucial to the revitalization of Japanese industries. However, many freelancers struggle to raise funds, preventing them from fully utilizing their skills and expertise.
- There are no convenient financial services leveraging data on freelancer track records and business transaction records.

Why MUFG?

- The Acom Group, which has been providing retail financial services for over 50 years, has constantly tracked changes in personal lifestyles to address emerging needs for financial services.
- We can help ensure stable access to financial services for freelancers by integrating a new financing method known as “embedded finance” ^{*1} into a highly convenient application.

Values MUFG aims to create

Value for society

Develop new industries and technologies and promote innovation by providing reliable funding channels for freelancers.

Reduce future economic uncertainty for freelancers, contributing to their financial well-being.

Economic value for MUFG

Address new customer needs through funding support for freelancers.

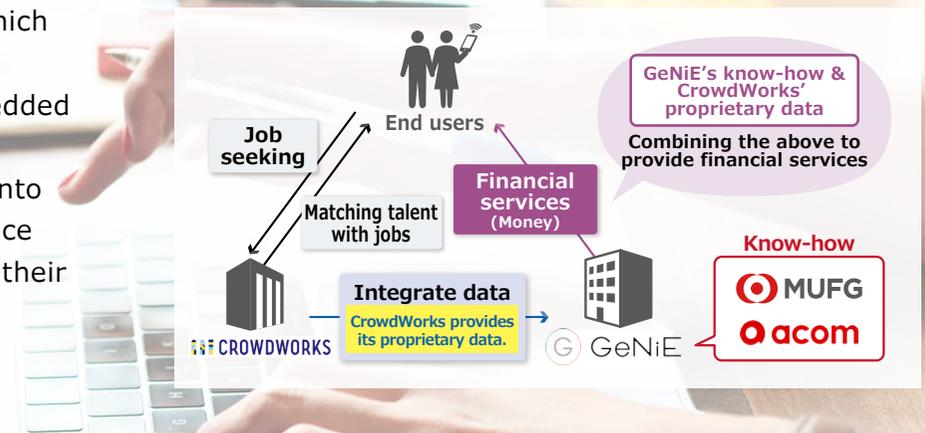
Develop new financial solutions to various issues through embedded finance.

*1 This indicates financial services that end-users can access through services provided by non-financial businesses that they regularly use without having to directly access the financial service providers themselves.

What are freelance-specific financial services?

In 2022, Acom founded GeNiE as a provider of embedded finance services, which are financial services integrated into various platforms. GeNiE partnered with CrowdWorks, Inc. to launch freelance-specific financial services utilizing embedded finance technology.

GeNiE's embedded financial loan solution, Money Lamp, has been integrated into Crowdworks.jp, one of Japan's largest online human resources matching service platforms provided by CrowdWorks, Inc. to provide financial services through their platform.



Dialogue with the team

Q Why did you decide to address issues faced by freelancers?

A The Acom Group, which has been providing retail financial services for over 50 years, had concerns that financial services for self-employed professionals and freelancers were leaving a lot to be desired. While

advancing discussions regarding the partnership with CrowdWorks, we realized that both companies shared these concerns and that we might be able to address them by working together.

Q How do you plan to expand these efforts going forward?

A Building on this experience, we would like to create an environment that provides optimal financial services for freelancers by collaborating with organizations supporting diverse workstyles and other stakeholders.

Furthermore, we plan to expand the business model established with CrowdWorks into services that benefit freelancers across Japan.

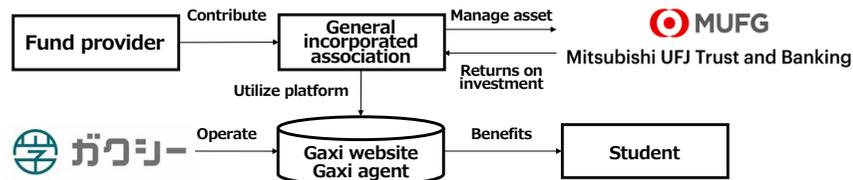


GeNiE
Business Planning
Department
Bank
Business Development Office,
Corporate Planning Division

Story 8

Creating a grant-based scholarship fund through donation management

Trust, in collaboration with Gaxi, one of Japan's largest scholarship websites, will establish a grant-based scholarship fund that will manage donations to provide educational opportunities for motivated students. Starting in FY2025, we will launch this fund to distribute scholarships that do not require repayment. Today, one out of every two students is said to be a scholarship recipient. Through this service, we aim to help solve social issues in the education sector.



Story 10

Empowering female and underrepresented founders

In FY2024, MUMSS launched a startup acceleration program (Japan Inclusive Ventures Lab) which leverages Morgan Stanley Inclusive & Sustainable Ventures by Morgan Stanley, MUFG's strategic partner.

This program provides 25 million yen in funding as well as a curated curriculum. Participant startups are invited to present to potential business partners and investors at Morgan Stanley's global Showcase & Demo Day, an event hosted by Morgan Stanley's global office.



Story 9

Engagement in asset management

MUFG AM^{*1} believes that continuous dialogue (engagement) with investee companies will help transform corporate activities in a way that has a positive impact on society and the environment.

Based on the idea that improvements in society and the environment will ultimately provide widespread benefits to both households and the investee companies themselves, we are advancing our dialogue on sustainability.

The details of the initiatives are provided in the Sustainable Investment Report 2024.



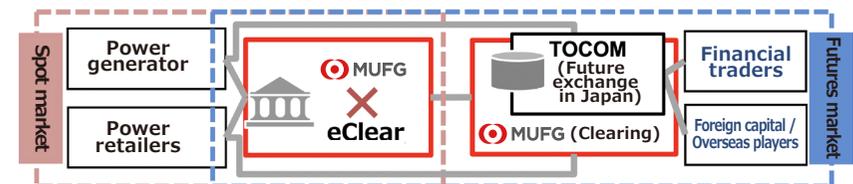
https://www.tr.mufg.jp/new_assets/houjin/jutaku/pdf/20241226_01.pdf

Story 11

Contribute to the development of the power market and stabilization of power supply

In August 2024, MUFG has obtained approval for participant qualifications in the energy market from the Tokyo Commodity Exchange, Inc. in preparation for commencing power futures trade execution and clearing services. Furthermore, we invested in eClear Corporation, which holds qualifications for handling spot trading.

Advancing initiatives towards carbon neutrality and increased electrification are likely to raise power demand and electricity costs. By improving customer access to exchanges, and building hedging infrastructure in Japan's power trading, MUFG aims to enhance liquidity in both futures and spot market to expand hedging functions, and contribute to the overall development of the power market and stabilization of power supply.



*1 A brand name formed by Mitsubishi UFJ Trust and Banking Corporation, Mitsubishi UFJ Asset Management Co., Ltd., Mitsubishi UFJ Real Estate Asset Management Co., Ltd., Mitsubishi UFJ Asset Management (UK) Ltd., and Mitsubishi UFJ Alternative Investments Co., Ltd., which are asset management companies in the MUFG Group.

Story 12

Helping communities solve their issues

MUFG branches located across Japan aim to help local communities solve issues and develop together alongside them.

At the Himeji branch, we felt challenged by the decrease in consumption in the Himeji area due to the decline in inbound tourists and visitors during the COVID-19 pandemic. Hoping to increase awareness of Himeji, we brought the Japanese regional competition of the World Cosplay Summit to Himeji. In 2024, HimeCON contest 2024 was held for the first time, with many cosplayers and spectators participating.

The cosplayers did photoshoots at Himeji's fantastic sightseeing spots, sharing and spreading the photos through social media and other means. This marked the first step for Himeji to enhance its reputation as a mecca for cosplayers in Japan. The branch will continue with promotional activities to make Himeji Japan's hub for cosplay events by working closely with the local government and companies to host future HimeCON contests in the area.

At MUFG, we will continue to tackle issues faced by communities and collaborate with various stakeholders to contribute to regional revitalization and identify new business opportunities across regions.



Community services

For social challenges that are difficult to address through business, we have established a framework to return a portion of our net business profit to society, serving the community through donations and volunteer works.

MUFG KOGEI Project

KOGEI (crafts) –which is carefully created by hand using natural materials, is a precious culture enriching our daily lives, while also shaping the local ecosystem of the industry. At the same time, KOGEI is indeed an precise technique itself which is the foundation of Japanese manufacturing.

Historically, finance has played a role in supporting and creating industries of each era. Faced with the critical situation where the craftsmanship techniques that thrive in modern industries are on the verge of being lost, we launched the MUFG KOGEI Project in 2023. Leveraging our extensive network of various stakeholders and the capabilities of our employees across global locations, we will promote the appeal of KOGEI and support their adaptation to contemporary contexts.



MUFG PARK

We have opened to the public our "MUFG PARK": MUFG facilities with natural environments and historical significance that our employees have carefully protected and nurtured over many years.

Through MUFG PARK, we are tackling the various regional and social issues that will affect future generations. Such initiatives include preserving valuable urban green spaces, fostering community connections, and contributing to a more resilient society.

In March 2025, we were certified with the highest Triple Star (★★★) rank, under the Certification System for Securing Quantity and Quality Urban Green Space (TSUNAG*1). We will continue to actively provide community services to contribute to a sustainable environment and society.



*1 A system in which the Minister of Land, Infrastructure, Transport and Tourism evaluates and certifies initiatives by companies and other organizations to secure high-quality green spaces from the perspectives of climate change measures, biodiversity conservation, and well-being improvement.



**Initiatives for the
10 priority issues**

Output KPIs and impact indicators

For each priority issue, we have established output KPIs to quantify the outcomes of our initiatives and impact indicators to represent the resulting social and environmental changes and impacts.

Output KPIs and impact indicators that measure only the results without including specific targets are labeled as “Result.”

	Output KPI	Impact indicator
 Sustainable society	① Achievement of carbon-neutral society <ul style="list-style-type: none"> Sustainable finance 100 trillion yen (50 trillion yen for environmental projects) (through 2030) Number of co-created GX^{*1} projects 50 projects (through FY2026) 	<ul style="list-style-type: none"> Emissions from our financed portfolio (FY2023, client Scope 1 and 2 emissions) Result 177MtCO₂e Amount reduced through renewable energy project finance where MUFG is involved 70 million tons (FY2019 to FY2030) Result 46.83 million tons (FY2019 to FY2023)
	② Natural capital and biodiversity restoration <ul style="list-style-type: none"> — 	<ul style="list-style-type: none"> Expanding support for startups related to natural capital and biodiversity Result
	③ Promotion of circular economy <ul style="list-style-type: none"> — 	<ul style="list-style-type: none"> Expanding support for startups related to accelerating the transition to a circular economy Result
 Vibrant society	④ Industry development and innovation support <ul style="list-style-type: none"> Initiatives for empowering startups Result Held MUFG Startup Summit Asset under management 200 trillion yen (through FY2029) BPO^{*2} contracting balance 100 trillion yen (through FY2029) 	<ul style="list-style-type: none"> Startup market capitalization 20 trillion yen (through FY2026)
	⑤ Response to aging population & low birthrate <ul style="list-style-type: none"> Loan balance related business succession 1 trillion yen (through FY2026) Number of students who participated in our financial and economic education programs 800,000 students(through FY2026) 	<ul style="list-style-type: none"> Ratio of financial literacy questions answered correctly 70% or higher
	⑥ Increasing access to financial services <ul style="list-style-type: none"> Mitsubishi UFJ Direct Monthly Active User count ^{*3} 10 million people (through FY2026) Strategic investment support for financial digital service providers Result 	<ul style="list-style-type: none"> Share of ASEAN adult population using digital financial services provided by strategic investment targets Approx. 1/4 (through FY2034)
	⑦ Management focusing on human capital <ul style="list-style-type: none"> DX^{*4} core talent 1,200 people (through FY2026) Pool of global management candidates Three times or more (through FY2026) Ratio of female management members 27% (through FY2026) Ratio of childcare leave taken by male employees 100% (through FY2026) 	<ul style="list-style-type: none"> Engagement score Improved from FY2023 (through FY2026) Inclusion score Maintain at least 75 (through FY2026) Absenteeism 1% or lower (through FY2026) Presenteeism 15% or lower (through FY2026)
 Resilient society	⑧ Respect for human rights <ul style="list-style-type: none"> Ensure fulfillment of human rights due diligence based on the Human Rights Policy Statement, Environmental and Social Policy Framework, and the Equator Principles. Result 	<ul style="list-style-type: none"> —
	⑨ Ensuring secure and safe services <ul style="list-style-type: none"> — 	<ul style="list-style-type: none"> —
	⑩ Demonstration of robust corporate governance <ul style="list-style-type: none"> — 	<ul style="list-style-type: none"> —

*1 Abbreviation of Green Transformation

*2 Business Process Outsourcing

*3 Number of Mitsubishi UFJ Direct personal internet banking service users

*4 Abbreviation of Digital Transformation



Background and philosophy of our initiatives

The rising average temperature is increasingly causing extreme weather events and natural disasters, which severely affect people’s lives and corporate activities. Combating climate change is essential to creating a sustainable society.

Achieving carbon neutrality by 2050 will require mobilizing substantial funds, with some estimates suggesting that 4 trillion dollars need to be invested annually into clean energy. As a financial institution that has sustained industrial and structural changes, we consider it our mission to reliably facilitate our clients’ transition as well.

As one of the largest global energy sector-supporting financial institutions, MUFG has not only underpinned energy transition but has also led as a frontrunner in renewable energy project finance. We will continue to facilitate our clients’ transition through active engagement as we work toward achieving carbon neutrality by 2050. Our goal is to help create a sustainable society by decarbonizing the real economy and fostering a virtuous cycle between environmental and economic progress.

Output KPIs and impact indicators

Note: The logic model is provided on page 36.

We have demonstrated how our initiatives have helped cut GHG emissions by disclosing both the GHG emissions from our overall investment and loan portfolio and the CO₂ reduction achieved through the renewable energy project finance that we have participated in. Going forward, we will continue to hold discussions to measure the broader impact of our contributions toward a carbon-neutral society, including the amount of funds mobilized for carbon neutrality through our activities.

KPI

- Sustainable finance
100 trillion yen
Through FY2030
(Amount allocated to environmental projects)
- Number of co-created GX projects
50 projects
In FY2026

Indicator

- Emissions from our financed portfolio*1
Result 177MtCO₂e
- Amount reduced through renewable energy project finance where MUFG is involved
70million tons
FY2019 to FY2030
Result 46.83million tons
FY2019 to FY2023

*1 Measured client Scope 1 and 2 emissions in FY2023.

Key initiatives

Engage ment

By jointly proposing policies with industry and government agencies and identifying customer needs and issues through the solutions we provide, MUFG incorporates the findings from these activities into new policy proposals and customer support. In this way, we continue to enhance our client engagement.

Financing support

We structure project finance for renewable energy and promote strategies such as transition finance and blended finance to help our clients decarbonize their business operations and ultimately create a carbon-neutral society.

Transition plan

In April 2024, MUFG formulated a transition plan that consisted of three primary components: reducing our emissions, providing engagement and financing support, and making adjustments to our investment and loan portfolio. We are currently pushing ahead with systematic transition support measures to achieve the medium-term emissions target.

The details of the initiatives are provided in the MUFG Climate Report 2025.





Natural capital and biodiversity restoration

Background and philosophy of our initiatives

People’s economic activities rely on various benefits from natural capital such as water, air, soil, the oceans, animals, and plants and damage to such resources is a serious problem for both business activities and human lives. At COP15, which took place in 2022, an international agreement was reached to achieve Nature Positive by 2030.

Financial institutions, including MUFG, not only depend on and have an impact on natural capital through their own business activities, but also have connections to the activities of our clients and their supply chains through investments and loans. Promoting Nature Positive across both our client and the supply chain is essential for the sustainable growth of a company.

MUFG accurately understands the client challenges and needs and supports their initiatives through consulting, financing, and startup enablement services. In addition, as a financial institution with one of the leading client bases globally, we are committed to expanding technologies and markets aimed at realizing a nature-positive society.

Output KPIs and impact indicators

Note: The logic model is provided on page 37.

MUFG facilitates the environmental conservation initiatives of our customers by developing and providing diverse solutions suitable for each stage of their implementation. Rather than establishing specific KPIs, we prioritize supporting our customers’ efforts in natural capital and will continue to collaborate with a wide range of stakeholders on the various business opportunities related to natural capital. Going forward, we will continue to hold discussions to visualize the impacts that we should measure.

Indicator

- Expanding support for startups related to natural capital and biodiversity **Result**

Key initiatives

Investment and loan portfolio analysis

As a financial institution, we make an effort to appropriately identify opportunities and risks by identifying sectors with significant dependencies and impacts on natural capital in our investment and loan portfolio as well as through location analysis.

Providing services and financing

We provide support tailored to customer needs and stages of implementation through consultation on natural capital strategy development and TNFD*1 disclosure as well as through green/blue financing.

Empowering startups

Our group companies, including the Bank, Mitsubishi UFJ Capital, and MUFG Innovation Partners (MUIP), are investing in startups related to natural capital and biodiversity.

Expanding technologies and market expansion

Through industry, government, academia, and financial sector collaborations in space, food, and other sectors, we are working to expand technologies and markets to create a nature-positive society.

The details of the initiatives are provided in the MUFG TNFD Report.



*1 Taskforce on Nature-related Financial Disclosures



Background and philosophy of our initiatives

The risk of unstable procurement due to resource depletion and environmental pollution caused by waste is becoming increasingly serious. There is an urgent need to transition from a linear economy of mass production, mass consumption, and mass disposal to a circular economy that efficiently and cyclically utilizes resources.

The transition to a circular economy is effective not only as a means to achieve carbon neutrality and restoring natural capital and biodiversity but also for regional revitalization, strengthening industrial competitiveness, and ensuring economic security. The transition to a circular economy requires mobilizing funds for implementing new technologies and building/upgrading supply chains, making the role of financial institutions significant.

MUFG has committed to contributing to the establishment of a circular economy by joining various initiatives. We will support the transition to a circular economy by providing solutions to our customers that leverage the group's comprehensive capabilities, including not only financial support but also leasing and consulting services.

Output KPIs and impact indicators

Note: The logic model is provided on page 38.

MUFG is implementing various initiatives to transition to a circular economy in response to growing international awareness of resource circulation from the perspectives of securing stable resource procurement and environmental conservation. Rather than establishing specific KPIs, we will first facilitate the transition to a circular economy by supporting our customers' efforts, joining various initiatives, and financing their projects. Going forward, we will continue to hold discussions to visualize the KPIs and impacts that we should measure.

Indicator

- Expanding support for startups related to accelerating the transition to a circular economy **Result**

Key initiatives

Joining initiatives

We have joined initiatives such as the "Industry, Government, Academia Partnership for a Circular Economy," which is co-sponsored by the Ministry of Economy, Trade and Industry and the Ministry of the Environment.

Examples of initiatives that we have joined	Overview
Industry-Government-Academia Circular Economy Partnerships (Ministry of Economy, Trade and Industry, Ministry of the Environment)	Promotes collaboration among industry, government, and academic organizations that are pioneering circular economy initiatives.
JAPAN PARTNERSHIP FOR CIRCULAR ECONOMY (Ministry of the Environment, Ministry of Economy, Trade and Industry, Keidanren)	Facilitates the understanding and acceleration of initiatives for the establishment of a circular economy among a wide range of stakeholders, including domestic companies.

Empowering startups

We are investing in startups that provide recycling and other solutions to facilitate the transition to a circular economy. In addition, MUFG Group companies are working together to enhance the valuation of these startups.

Expanding markets

We provide support for businesses that facilitate the transition to a circular society through investment and partnerships. Furthermore, we help drive market expansion by scaling up these businesses through financing.



Background and philosophy of our initiatives

In recent years, product lifecycles in all markets have become shorter due to globalization and diversifying market needs, while competition between companies has intensified. In Japan, the emergence of growth industries that drive the economy, the development of vibrant startups, and the promotion of regional economies are essential. Additionally, emerging countries are grappling with the challenge of developing social infrastructure to adapt to their increasing populations and growing economies.

We believe that nurturing new industries and businesses to solve challenges together with our customers not only through financial support but also by providing various business opportunities is essential for Japan's sustainable economic development. As Japan's leading financial institution serving the largest corporate client base in the country, we remain dedicated to creating innovative value for our customers.

In addition, MUFG has a track record of contributing to the development of social infrastructure, particularly in emerging countries, through the structuring of project finance and funds from an early stage, and we will continue these efforts in the future.

Output KPIs and impact indicators

Note: The logic model is provided on page 39.

Regarding startup support, we have set an impact indicator to increase the total market capitalization of the startups we support to 20 trillion yen by FY2026, and we remain committed to nurturing emerging businesses. We will also continue to expand asset management and BPO^{*1} trust services.

We will not set KPIs or impact indicators for business co-creation, regional revitalization, and infrastructure support since each customer has different needs; instead, we will disclose the status of our initiatives.

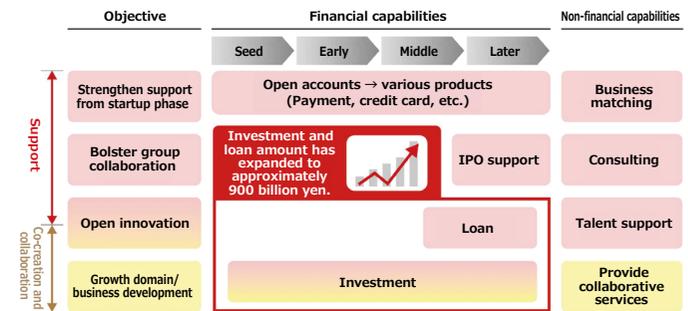
- | | | | |
|------------|--|---|------------------|
| KPI | ● Initiatives for empowering startups | | Indicator |
| | [Result] Held MUFG Startup Summit | | |
| | ● Asset under management | 200 trillion yen
Through FY2029 | |
| | ● BPO contracting balance | 100 trillion yen
Through FY2029 | |

- Market capitalization of startups supported by MUFG **20 trillion yen** Through FY2026

*1 Business Process Outsourcing *2 Digital Transformation

Key initiatives

Empowering startups MUFG group mainly provides services that require specialist expertise, including investment, loan, stock transfer agency services and DX support, and IPO support.



Market capitalization of startups supported by MUFG: 20 trillion yen (FY2026)

Business co-creation We view providing our customers with the power to tackle social issues as our goal, and we are advancing "business co-creation investments" to jointly fund new ventures centered on addressing social issues alongside our clients.

Regional revitalization In April 2023, we published "The potential for carbon neutrality in Hokkaido" and donated 500 million yen to a fund promoting "Zero Carbon Hokkaido." We are improving investment visibility in Hokkaido while helping foster new industries and develop talent.

Bolstering infrastructure We help strengthen aging infrastructure both domestically and internationally as well as meet the demand for social infrastructure development primarily in developing countries by structuring project finance and funding.



Background and philosophy of our initiatives

Japan has one of the most rapidly aging populations and sharply declining birthrates in the world, and this demographic shift is one of the challenges that needs to be addressed for Japan's economy to grow sustainably. As social structures change due to the aging population and low birthrate and customer needs diversify as a result, financial institutions are expected to help facilitate asset and business succession, enhance financial products and services tailored to the needs of the elderly, and promote personal asset formation. As Japan's largest financial group, MUFG will continue to adapt to social structural changes brought about by the aging population, declining birthrate, and diversifying customer needs by leveraging its customer base across a wide range of generations and the group's comprehensive capabilities. We will remain committed to providing optimal financial products and services to our customers through collaboration across our group companies in banking, trust, securities, asset management, and other domains.

Output KPIs and impact indicators

Note: The logic model is provided on page 40.

We help facilitate the transfer of assets between generations based on knowledge of corporate-initiated capital policies and business succession needs. Additionally, we will promote financial and economic education as a unified group to help improve financial literacy in Japan. We have established KPIs and indicators to measure the progress of such initiatives as we push forward towards achieving them.

- KPI**
- Loan balance related to business succession
1 trillion yen
Through FY2026
 - Number of students who participated in our financial and economic education programs
800,000 students
Through FY2026

- Indicator**
- Ratio of financial literacy questions answered correctly*1
70% or higher

Key initiatives



Employing functions afforded by the Group as well as networks offered by our alliance partners, we deliver proposals regarding M&A, inheritance, real estate and asset management by taking a groupwide, integrated approach. Through these endeavors, we support the succession of assets and businesses worth.



We offer trust products that support wills and gifts to adapt our offerings to the increasing scale of financial assets held by seniors, the advancement of aging, and the shift to nuclear families. Furthermore, we are amplifying services to ease the anxiety of seniors who do not have anyone they can rely on close by.



We will promote investment and support asset formation through our industry leading asset management and investor services and providing customer centered professional investment advisory services, diverse solutions, as well as financial and economic education.

Financial and economic education

We are strengthening our initiatives by expanding guest lectures and diversifying game and app content. We have also appointed an executive in charge of financial and economic education to promote these initiatives as a unified group.



*1 Increase in the ratio of correct answers to questions related to the KPI, "Financial Knowledge and Judgment," set by Japan Financial Literacy and Education Corporation (J-FLEC) in its FY2024 Business Plan to a level comparable to levels in Europe and the United States (70%)



Background and philosophy of our initiatives

In Japan, with its declining birthrate, aging population, and diversification of lifestyles, the need for easy access to various financial services is increasing. In Asia, particularly ASEAN countries, some people still have difficulty accessing financial services despite remarkable economic growth. In addition, the rapid spread of smartphones has led to a rapidly growing need for digital financial services.

MUFG believes it should help improve living standards, correct information disparities, and fuel economic development in emerging countries by making financial services more accessible. In Japan, we have been working to provide financial services that are unrestricted by location and time by promoting the use of internet banking. MUFG also made an early expansion into Asia, making it a second home market where we have established conventional financial platforms and proactively invested in digital financial service providers. We will focus on providing services to more customers through wider channels while addressing the challenges of financial inclusion in Asia.

Output KPIs and impact indicators

Note: The logic model is provided on page 41.

In Japan, we will continue to strive to provide financial services unrestricted by location and time by expanding the use of personal internet banking. In Asia, we will advance initiatives to increase the share of adults using the digital financial services provided by our strategic investment targets within the ASEAN adult population to approximately 1/4 by 2034 (compared to approximately 16% as of 2024). In the future, we will continue to hold discussions to comprehensively measure the extent to which MUFG's initiatives have contributed to financial inclusion in Asia by improving the ratio of the unbanked population*1 among other means.

KPI

- Mitsubishi UFJ Direct Monthly Active User count
Approx. 10 million people
Through FY2026
- Strategic investment support for financial digital service providers
Result

Indicator

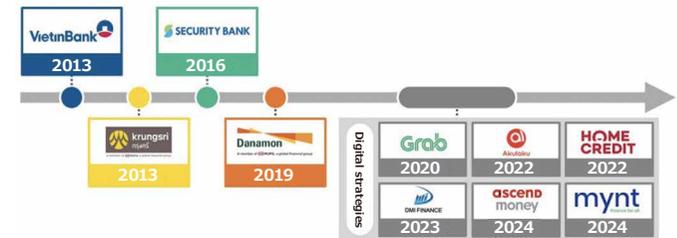
- Share of the ASEAN adult population*2 using digital financial services provided by strategic investment targets
Approx. 1/4
Through FY2034

*1 Customer demographics that do not have bank accounts.

*2 Total adult populations of partner bank countries (Thailand, Indonesia, Vietnam, and the Philippines)

Key initiatives

- Domestic retail** MUFG is facilitating access to financial services in Japan by providing more customer touchpoints, including improved access to internet banking, which is an important gateway to financial services.
- Asia X Digital strategy** Under the "Asia x Digital" strategy, MUFG will pursue strategic investment opportunities for digital finance services providers. By focusing on supporting the growth of investees, MUFG will capture the development of digital financial services in Asia that could not be fully captured through conventional financial services and contribute to financial inclusion in the region. MUFG also focuses on accumulating expertise in consumer finance acquired through investments in digital finance service providers, knowledge sharing among investees, and creating synergies. This has led to the formulation of a unique ecosystem. By using these activities to expand opportunities to provide digital lending, we aim to accelerate economic development in emerging economies.





Background and philosophy of our initiatives

In Japan, with its declining birthrate and aging population, the labor force is decreasing, and personal values are diversifying, making the securing of talent a challenge for companies as they strive to maintain and strengthen their competitiveness. MUFG positions human capital as one of its most important assets and, through enhancing human capital, aims to become a global financial group where each employee can thrive and make valuable contributions to customers and society. We are committed to human capital-focused management that aims to improve employee well-being, thereby promoting our two key pillars: enhancing business competitiveness and fostering a culture that embraces challenges and agility. This creates a virtuous cycle of human capital reinvestment and cultural embedding.

Output KPIs and impact indicators

Note: The logic model is provided on page 42.

We have established KPIs and impact indicators to visualize progress toward promoting our two pillars: enhancing business competitiveness and fostering a culture that embraces challenges and agility. We will regularly assess the appropriateness of these indicators according to changes in the external environment and the progress of initiatives, and make revisions as needed.

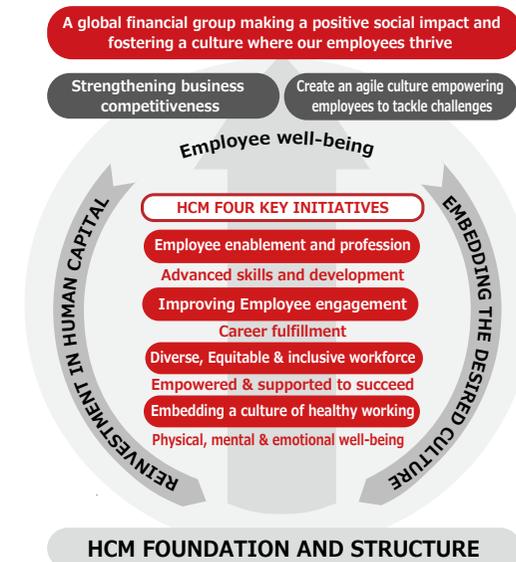
- KPI**
- Core DX specialists **1,200 people**
Through FY2026
 - Candidate pool for key overseas posts **Three times more than the number of positions**
Through FY2026
 - Ratio of female managers (Japan) **27%**
Through FY2026
 - Ratio of eligible male employees who took childcare leave **100%**
Through FY2026

- Indicator**
- Engagement score **Improvement from FY2023**
Through FY2026
 - Inclusion score **Maintain at least 75 or more**
Through FY2026
 - Absenteeism **1% or lower**
Through FY2026
 - Presenteeism **15% or lower**
Through FY2026

Key initiatives

- Employee enablement and progression** We are working to secure and place personnel with the advanced skills and expertise necessary to implement our business strategies across various domains.
- Improving Employee Engagement** We are working to create an environment where each employee can thrive, develop their career independently, and derive greater satisfaction from their work.
- Diverse, Equitable & inclusive workforce** We are committed to creating an organization where our diverse personnel can achieve a work-life balance, foster mutual respect, and play an active role.
- Embedding a culture of healthy working** We emphasize maintaining and enhancing the physical and mental health of each individual employee.

■ MUFG's Approach to Human Capital Management





Background and philosophy of our initiatives

The human rights issues that companies face are becoming more diverse and more serious due to the globalization of corporate activities, the emergence of social issues, including climate change, and AI and other technological advancements. Respect for human rights is a universal value common to humanity, and to create a sustainable environment and society, it is essential to address the increasingly diverse and serious human rights issues affecting the entire value chain, not just within our company.

As part of the economic infrastructure, financial institutions have relationships with diverse stakeholders and we recognize that we are expected not only to conduct respect for human rights but also to influence stakeholders. MUFG has a broad global customer base throughout the value chain, from upstream to downstream. Through human rights due diligence in financing and remedy to negative human rights impacts occurring throughout the value chain, including local communities and residents, we will remain dedicated to building a value chain where human rights are respected.

Output KPIs and impact indicators

Note: The logic model is provided on page 43.

The three actions required of companies in the “United Nations Guiding Principles on Business and Human Rights” are: (1) establishing a Human Rights Policy Statement, (2) conducting human rights due diligence (HRDD), and (3) developing access to remedy. While MUFG advances initiatives in line with these guiding principles, we believe that as a financial institution, it is particularly important to consistently conduct human rights due diligence during financing procedures to prevent and mitigate human rights violations. Building on this idea, we have created KPIs representing “Ensure fulfillment of human rights due diligence based on our Human Rights Policy Statement, Environmental and Social Policy Framework^{*1}, and the Equator Principles.” However, since human rights cover a wide range of areas, we have not set quantitative impact indicators but will continue our unceasing efforts.

KPI

- Ensure fulfillment of human rights due diligence based on the Human Rights Policy Statement, Environmental and Social Policy Framework, and the Equator Principles **Result**

*1 A framework for identifying and managing environmental and social risks when considering financing for banking, trust, and securities customers, including bond/equity underwriting.

*2 Abbreviation for Japan Center for Engagement and Remedy on Business and Human Rights

Key initiatives

Human Rights Policy Statement

In 2018, MUFG formulated its Human Rights Policy Statement. We have continued to conduct regular reviews since then, and most recently added further details regarding the impact of climate change and AI on human rights.

Human rights due diligence

We have created a human rights issues map to identify and prioritize human rights issues. In addition, we conduct human rights due diligence for projects eligible for financing according to the MUFG Environmental and Social Policy Framework and the Equator Principles.

Remedies

In addition to establishing contact points for employees and customers, we have joined the JaCER^{*2} in 2023 to provide grievance mechanisms for employees of our borrowers/investees, as well as for communities and neighborhood residents, in order to address negative human rights impacts across the entire value chain.

The details of the initiatives are provided in the MUFG Human Rights Report 2024.



https://www.muftg.jp/dam/csr/report/humanrights/2024_en.pdf

Resilient society

Ensuring secure and safe services



Background and philosophy of our initiatives

As new technologies such as AI continue to emerge and a wide variety of services becomes more accessible, financial services are increasingly becoming part of the social infrastructure. At the same time, financial systems are growing more complex, and financial crimes such as cyberattacks and money laundering are becoming more sophisticated. Financial institutions must constantly adapt to these changes and bear the responsibility of delivering secure and safe services as a part of the social infrastructure. MUFG views the protection of valuable customer assets and the secure and stable delivery of financial services as core social responsibilities. As Japan's largest financial group, we aim to help build a society supported by a robust and highly reliable financial infrastructure. To that end, we are working on rebuilding our deposit and foreign exchange systems, enhancing systems and training programs to prepare for large-scale disasters or system failures, strengthening cybersecurity measures, and reinforcing measures to combat global financial crime.

Output KPIs and impact indicators

Note: The logic model is provided on page 44.

Rather than setting specific KPIs or impact indicators, MUFG believes that through strong, continuous efforts to enhance and advance its own initiatives to provide safe and secure services, it can contribute meaningfully to customers and society.

Key initiatives

Rebuilding deposit and Remittance systems

We are rebuilding our Deposit and Remittance host system in order to improve their safety and maintainability, and to adapt flexibly to business changes (Architecture Strategy^{*1}). Through this initiative, we aim to provide a highly reliable financial system that supports the economy and society.

Disaster and system failure preparedness

We have established a backup center to prepare for large-scale disasters, ensuring a recovery structure that can quickly provide financial services in the event of disasters or disruptions. This initiative strengthens our operational resilience.

Cybersecurity

MUFG has set up the MUFG CERT^{*2} as an umbrella organization to prepare for the occurrence of a cyber security incident and act in cooperation with the Computer Security Incident Response Teams^{*3} of Group companies MUFG is also involved in collaborative activities with government agencies, other companies in the financial industry and security communities, including the Financials ISAC^{*4} Japan.

Global Financial Crimes Compliance

MUFG has established a headquarter function for global financial crimes (such as Money Laundering, Terrorist Financing, Sanctions violations, and Bribery and Corruption) counter measures in New York, where expertise in the field is concentrated. This is to enhance our governance framework on a group-wide and global basis to prevent global financial crimes.

*1 An infrastructure and platform reform initiative launched in FY2021. It aims to build competitive systems that can provide stable services over the medium to long term.

*2 A group-wide coordination body for cybersecurity incident response.

*3 Abbreviation of Computer Security Incident Response Team. A team that receives reports of security incidents, investigates them, and carries out response activities.

*4 A cooperative framework of over 400 domestic financial institutions working together to protect Japan's financial infrastructure from cyber threats.

Demonstration of robust corporate governance



Background and philosophy of our initiatives

Societal expectations for corporate compliance and strengthened governance are growing year by year. It is essential for companies to comply with all laws and regulations, engage in fair and transparent business practices with integrity, and maintain and enhance the trust and confidence of society.

As a financial institution entrusted with valuable customer assets, MUFG believes it has a duty to conduct its daily operations with an elevated awareness of compliance. We view efforts to enhance corporate governance as a key social responsibility. As Japan's largest financial group, we aim to build a society supported by resilient, fair, and ethical financial services. To that end, we are promoting behavior aligned with our Code of Conduct, which ensures a customer-centric approach to our operations and reinforces the internal controls that underpin the delivery of our financial services.

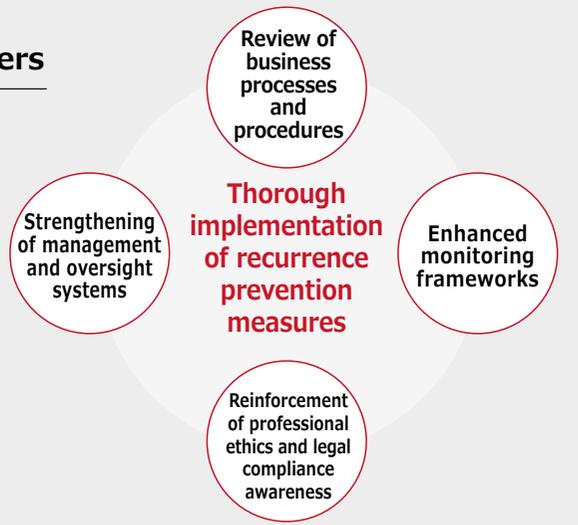
Output KPIs and impact indicators

Note: The logic model is provided on page 45.

MUFG believes that strengthening and advancing compliance with procedures and rules, as well as enhancing customer-centric initiatives, ultimately provides benefits to our customers. Therefore, we have not established specific KPIs or impact indicators, and instead remain committed to continuous, ongoing improvement.

Striving to remain a financial institution trusted by our customers

In FY2024, an incident occurred at one of our banks involving the theft of customer assets from a safe deposit box. In addition, the MUFG Group received an administrative action from the Financial Services Agency due to improper handling of customer information and solicitation activities in our bank-securities collaboration business. MUFG and all group companies take these incidents seriously as breaches of public trust and confidence. We are united in our efforts to prevent recurrence and ensure all operations are conducted with a customer-first mindset.



Key initiatives

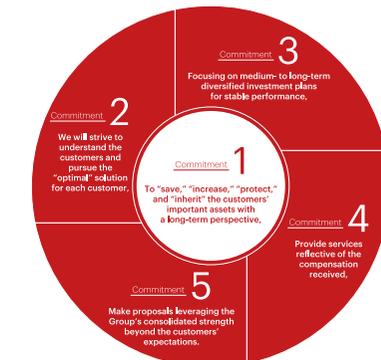
Raising compliance awareness

We engage in ongoing efforts to ensure that each employee embraces proper action principles in accordance with the Code of Conduct. These efforts include providing e-learning for all employees, disseminating messages from management, holding compliance training sessions that discuss case studies of external compliance incidents and call employee attention to real-life compliance issues, and implementing periodic tests to confirm training results. In these ways, we strive to help employees raise their compliance literacy and awareness.

Customer-Oriented approach

MUFG has placed "Customer Focus" in Chapter 1 of its "Code of Conduct ". Additionally, MUFG has formulated and publicized the "MUFG Basic Policy for Fiduciary Duties" (hereinafter referred to as MUFG FD Basic Policy) as a unified guiding principle for the Group. In line with this policy, all Group entities are committed to practicing customer oriented approach and endeavor to improve their products and services.

Our commitments to customers considering investment **Five Commitments**



In pursuit of our customers' best interests, based on the MUFG Basic Policy for Fiduciary Duties, we declared our five commitments and engage in customer oriented asset management proposals.

For more details, visit this website:
https://www.bk.mufg.jp/tameru/pdf/unyou_yakusoku.pdf

Expert commentary



President of Takasaki City University of Economics

Takeshi Mizuguchi

I commend MUFG for clearly committing to addressing social issues through finance. By identifying priority issues and presenting a logic model for addressing them, MUFG is signaling a shift in the role finance plays from a transparent flow of funds to a model in which finance expresses intent and purpose. Challenges such as climate change and population decline are deeply connected to the structures that underpin all financial flows. I hope MUFG will extend this sense of purpose beyond specific projects to every corner of its financial operations.



Executive Officer at Nippon Life Insurance Company and Board Member of PRI (Principles for Responsible Investment)

Takeshi Kimura

As global progress toward achieving SDGs by 2030 stalls, society's expectations for financial institutions to take the lead are growing stronger. To ensure that sustainability initiatives go beyond rhetoric, it is crucial to set impact targets and manage progress with clearly defined milestones. MUFG's decision to establish and disclose impact targets for the ten priority issues and to begin meaningful engagement with stakeholders is highly significant. I look forward to MUFG continuing to demonstrate leadership in transforming systems not only in Japan but around the world.



Professor, Graduate School of Leadership and Innovation, Shizenkan University / President, Institute for Studies in Happiness, Economy and Society / Founder and President, e's Inc.

Junko Edahiro

For companies rooted in a specific region, identifying who makes up "society" and what issues they face is relatively straightforward. But for a global institution like MUFG, whose activities are often abstract in nature, addressing social issues is both more important and more difficult. I hope this report will serve as a starting point for further refining both direction and progress, identifying emerging social issues, and collaborating with other players in society to move forward together.



Dean, Professor, Hitotsubashi Business School, School of International Corporate Strategy

Emi Osono

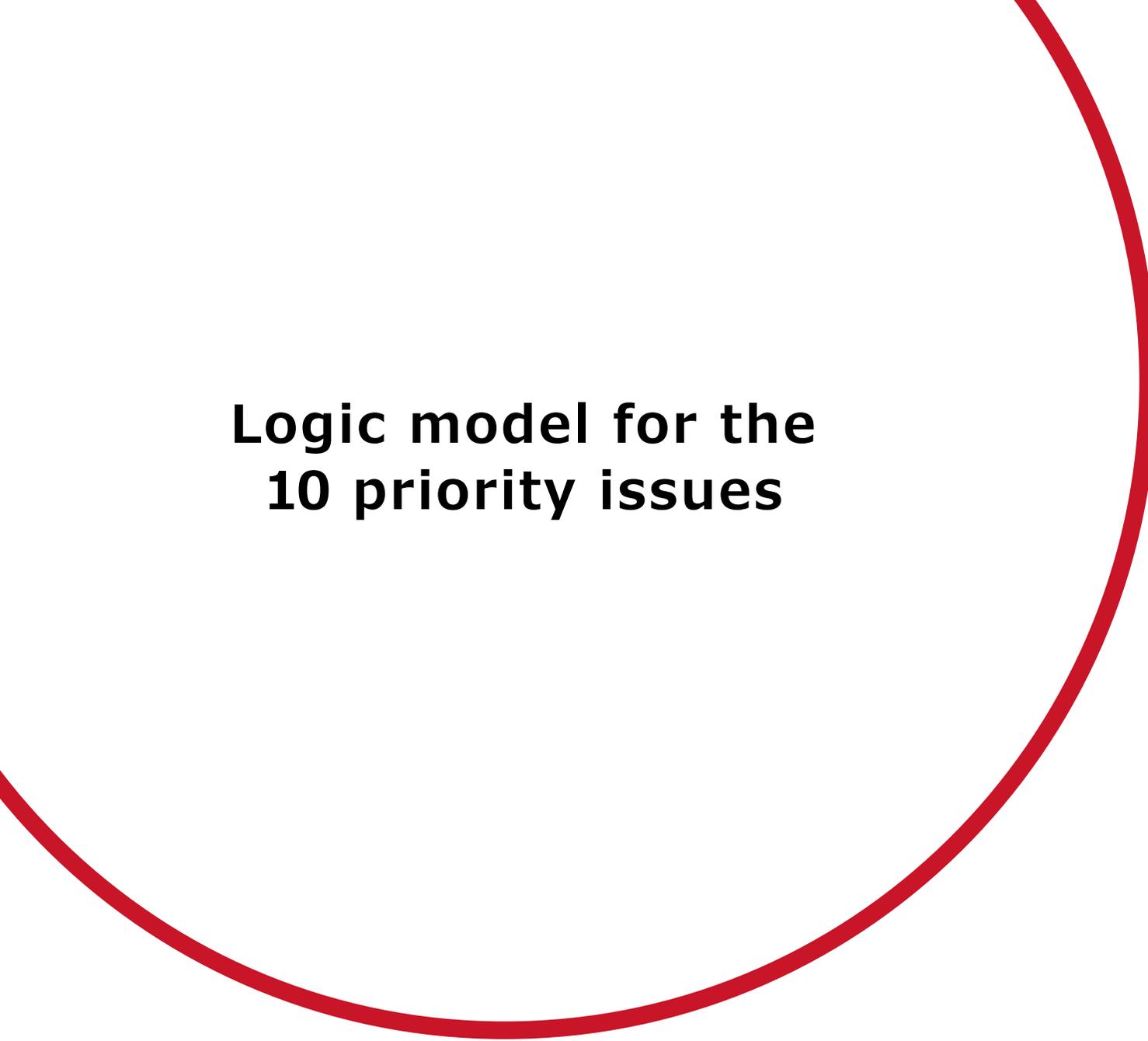
This report, which carries the subtitle "MUFG's Way of Solving Social Issues," shows that MUFG's initiatives go beyond simple social contributions and also seek to enhance corporate value, which I think is a positive. Another point is that many of the case studies featured in the report originated from employees who identified issues in their local work environments, rallied those around them, and took action with initiatives that were both issue-driven and rooted in the local branches and communities. This is an ideal approach for solving issues in a way that reflects actual conditions. While I hope to see such efforts in local work environments continue to grow, I also look forward to seeing more initiatives that originate from MUFG's overseas offices and make use of its global network. The decision to introduce impact indicators to demonstrate contributions to society is a courageous first step. I look forward to seeing these made more concrete in future reports.



CEO, Neural Inc.

Kenji Fuma

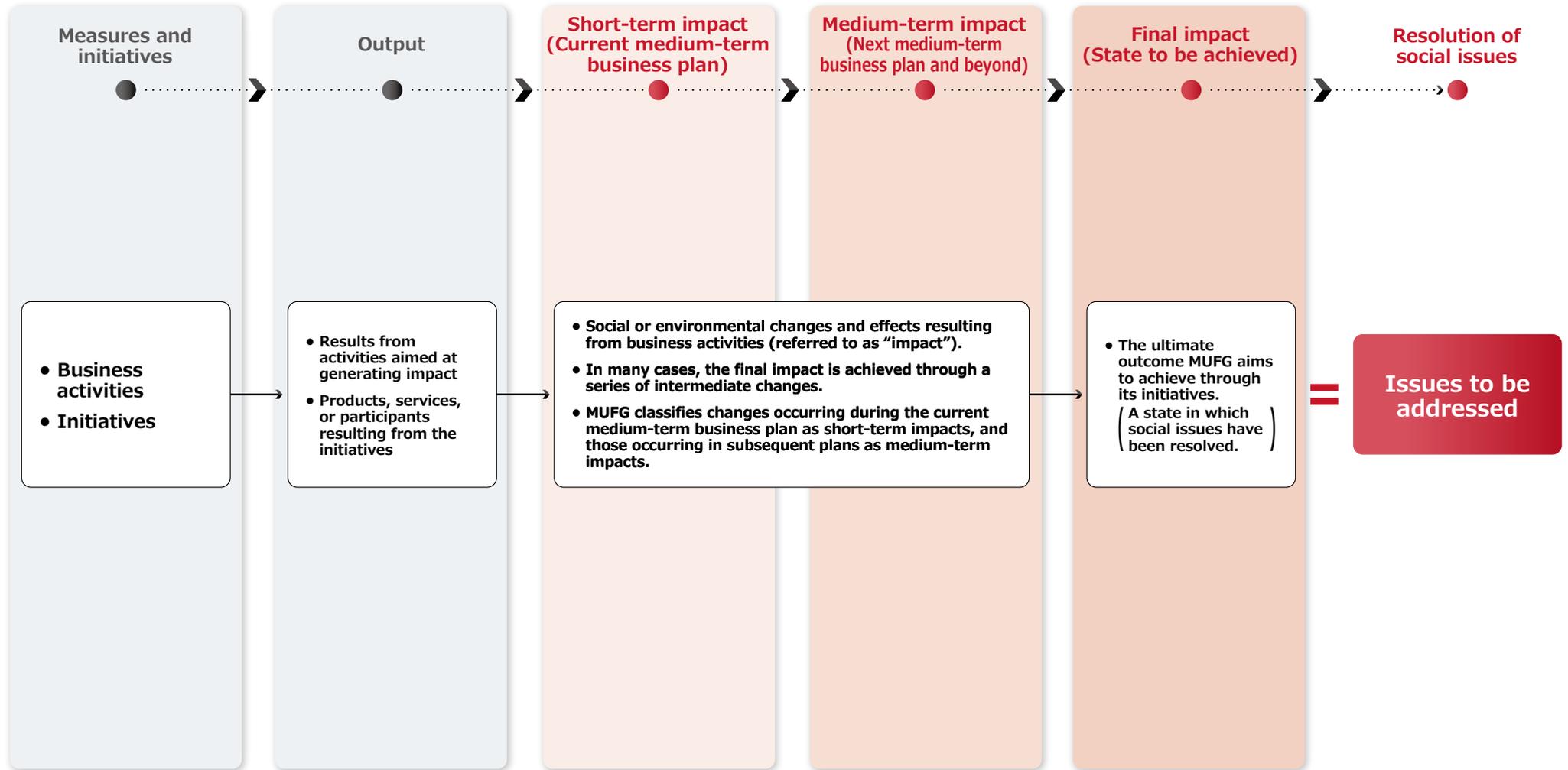
What stands out about Mitsubishi UFJ Financial Group is its active and wide-ranging efforts to identify social issues and the roles it can play in addressing them as a major financial group. At the same time, many of MUFG's current efforts appear to focus on individual actions related to specific themes. Going forward, I hope to see MUFG evolve to take more wide-ranging action: establishing pathways to resolve issues more comprehensively and deploying structural solutions across the group.



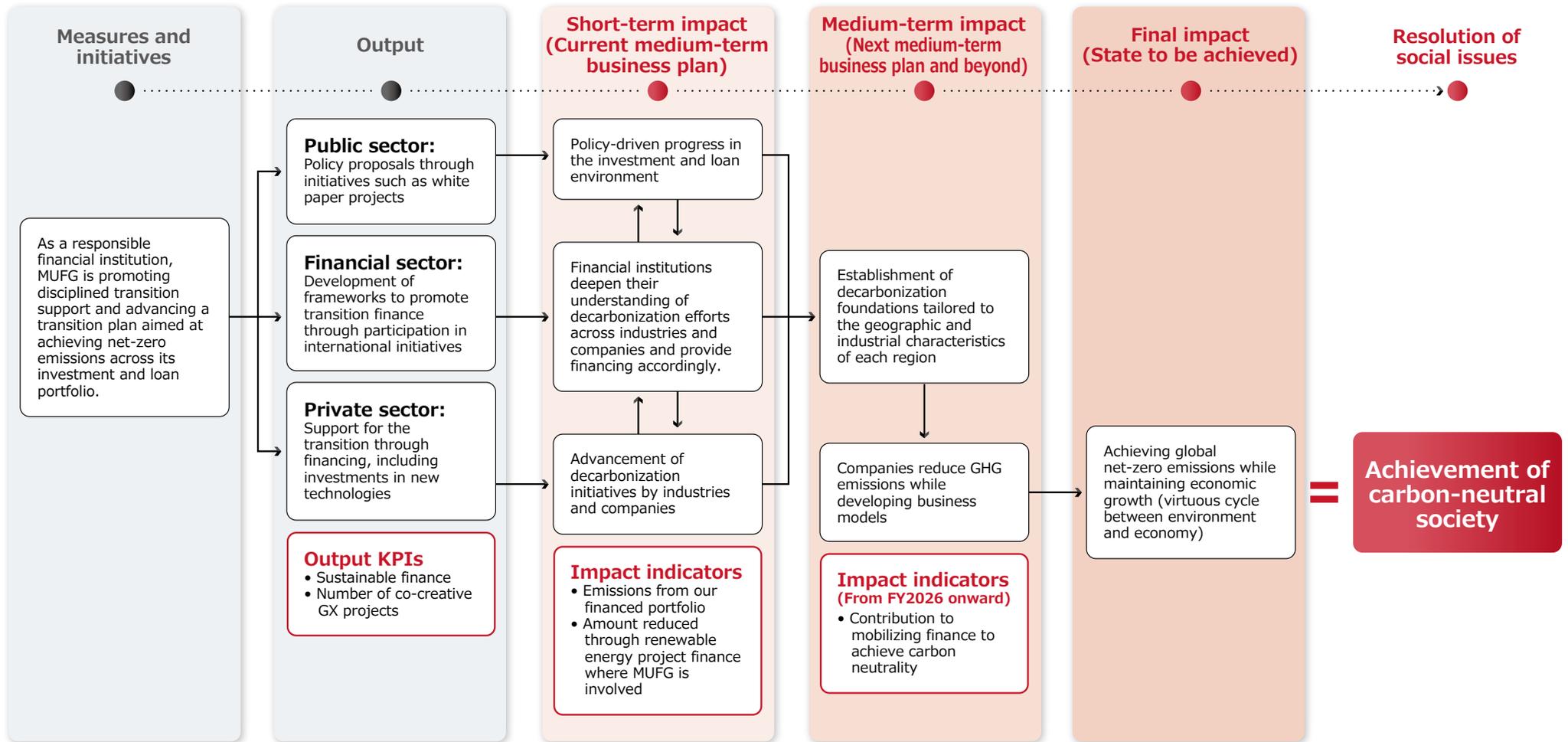
**Logic model for the
10 priority issues**

What is a logic model?

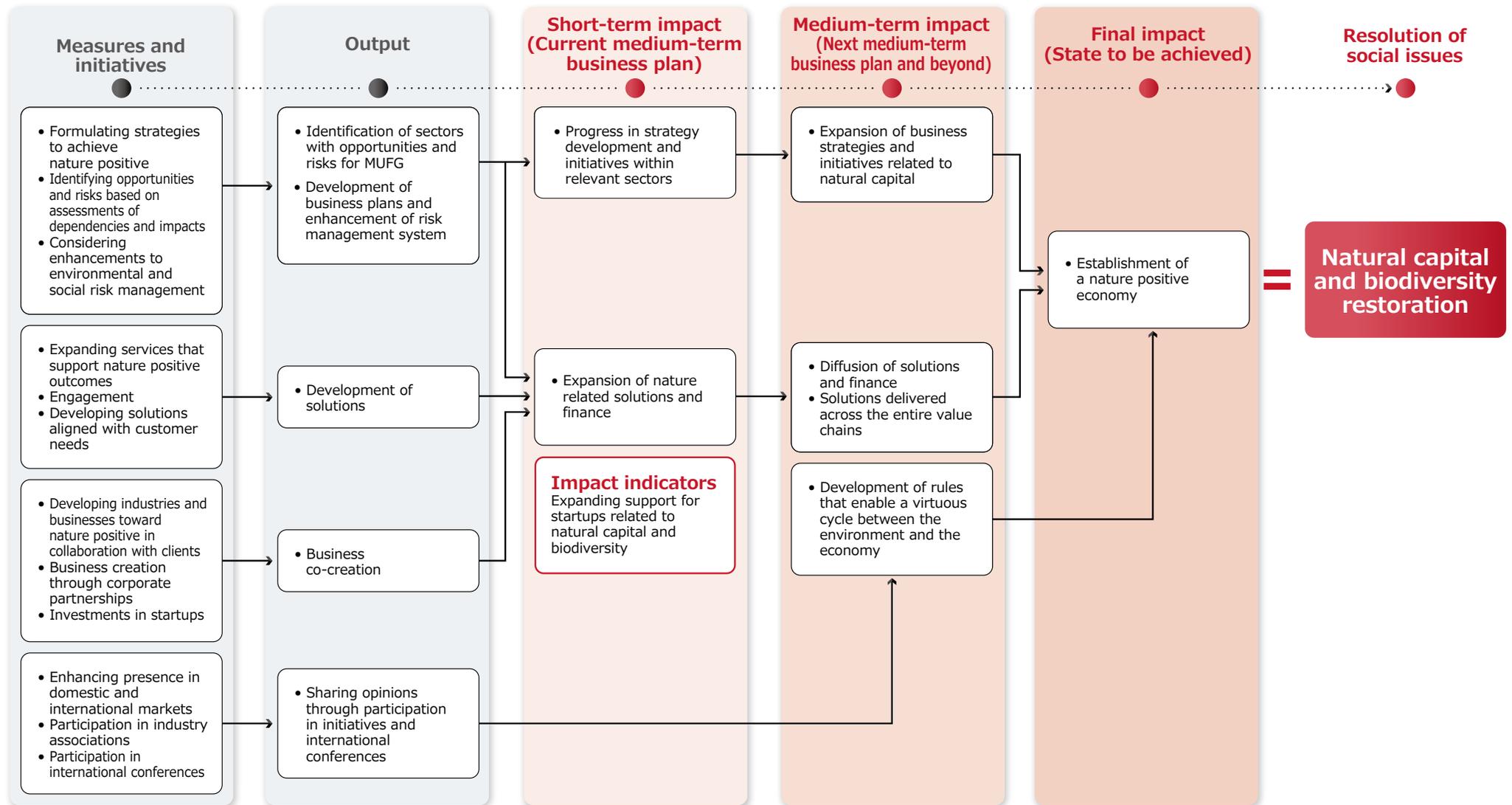
A logic model is a widely used framework for clarifying, visualizing, and measuring the intent behind business activities. It is often used to visualize the logical cause-and-effect relationships that connect business activities to impact creation.



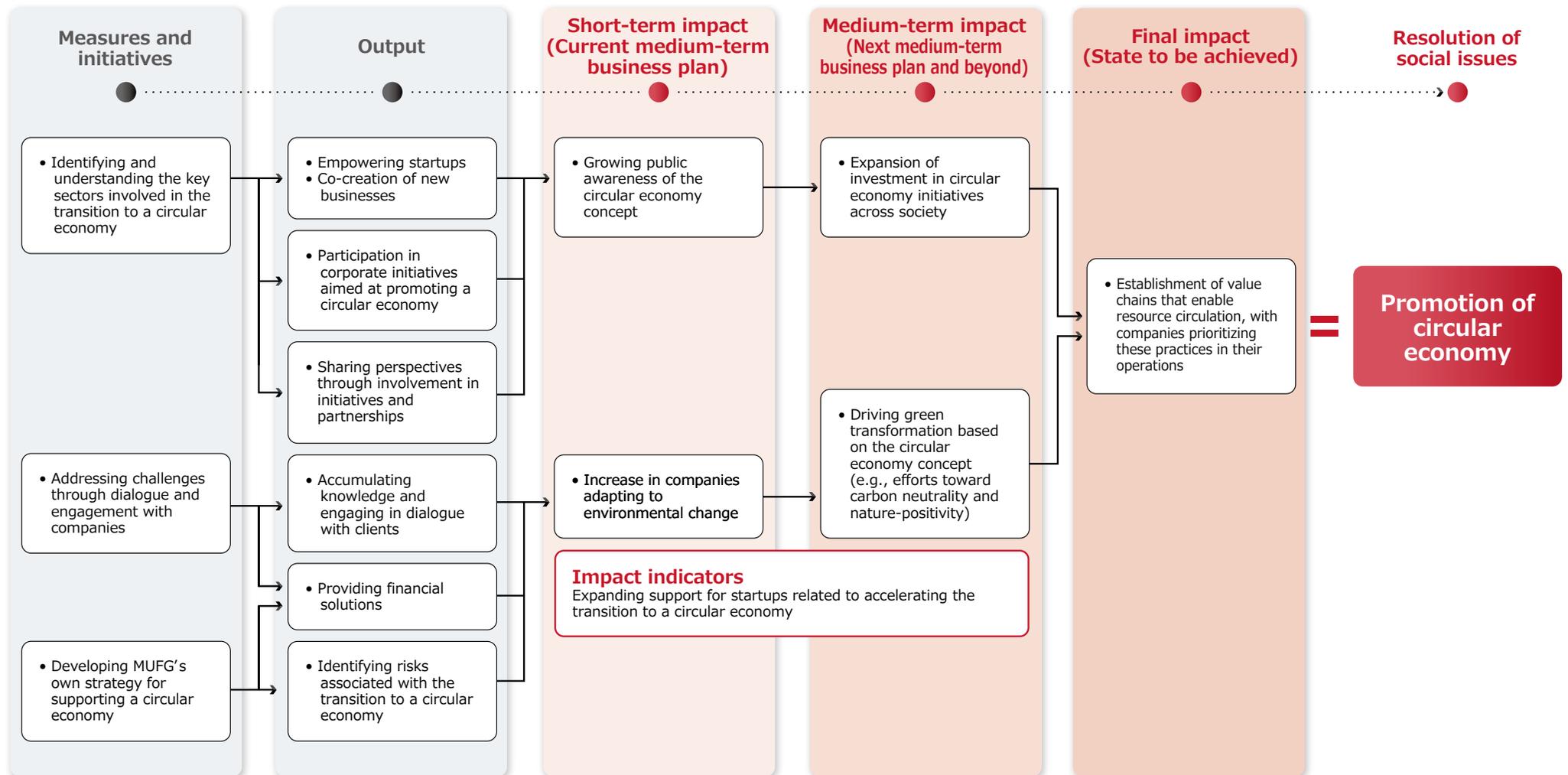
Achievement of carbon-neutral society



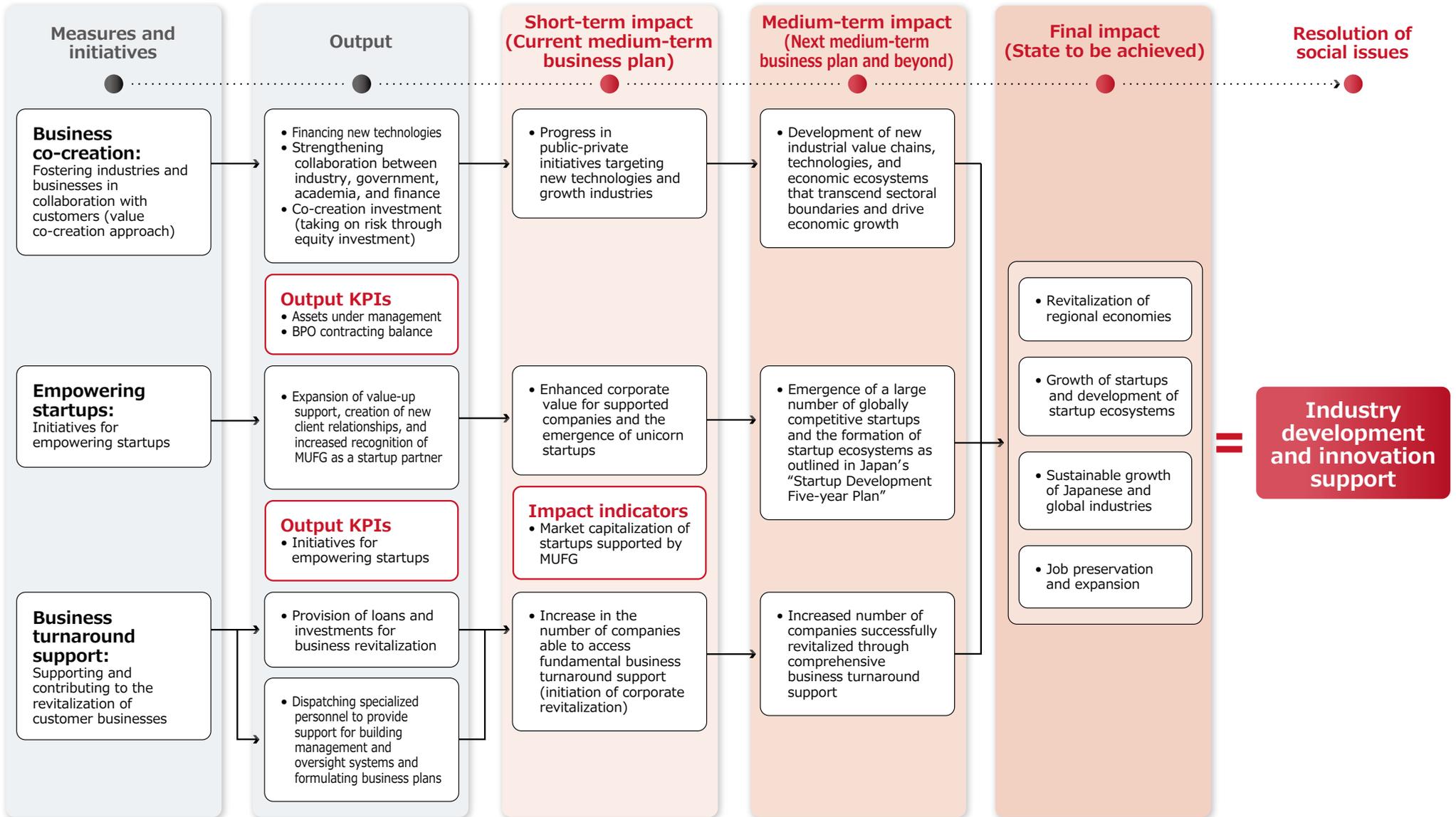
Natural capital and biodiversity restoration



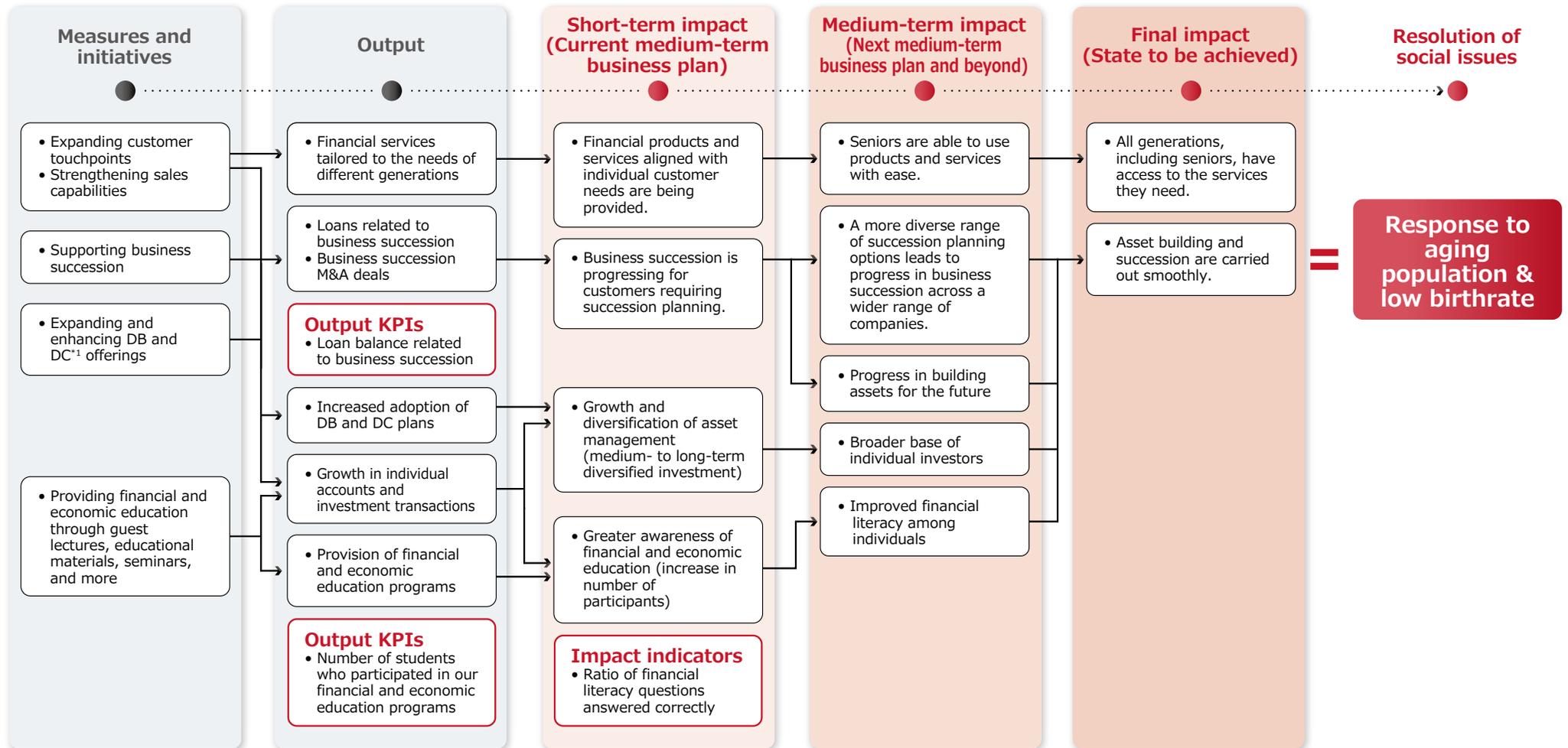
Promotion of circular economy



Industry development and innovation support

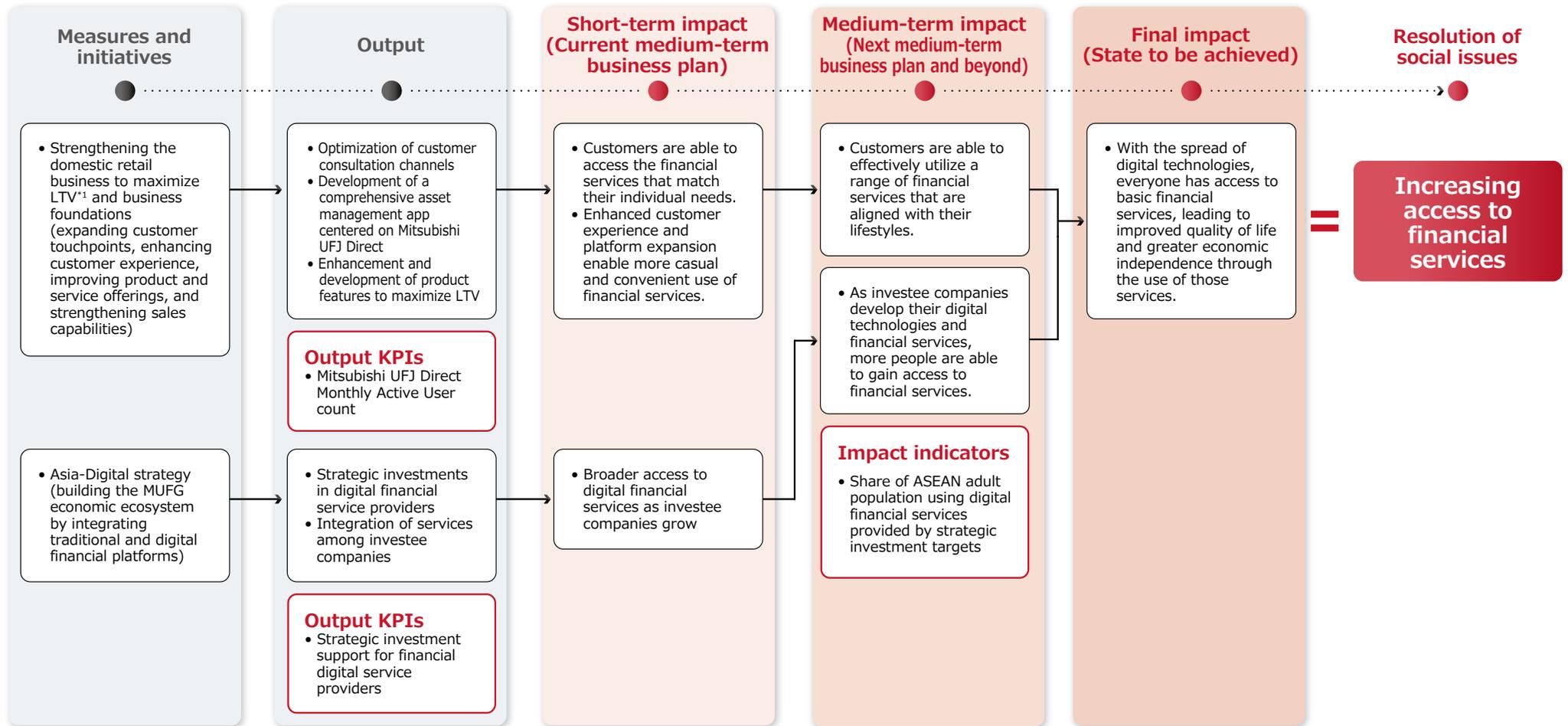


Response to aging population & low birthrate



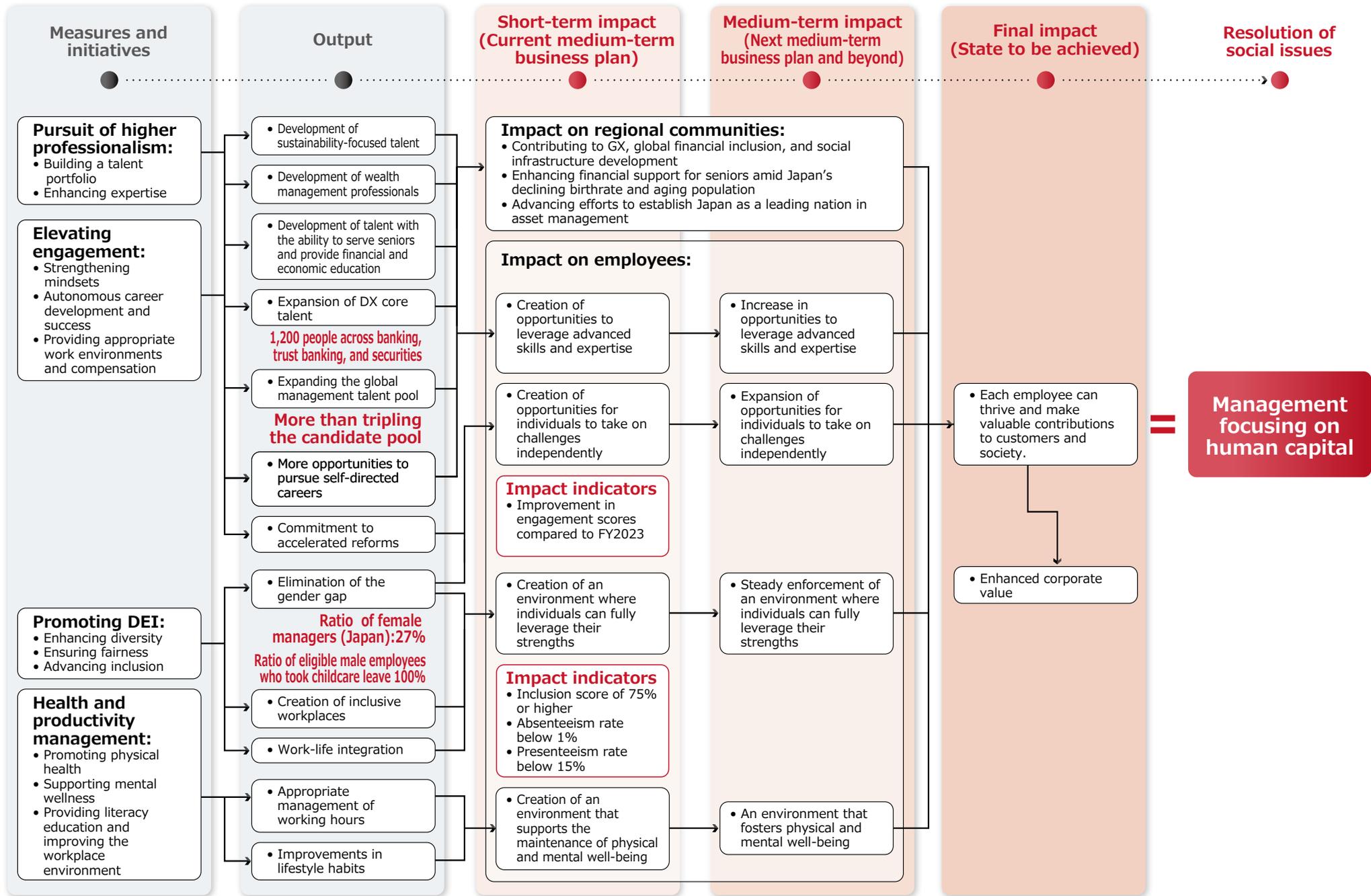
*1 DB: Defined benefit plans, DC: Defined contribution plans

Increasing access to financial services

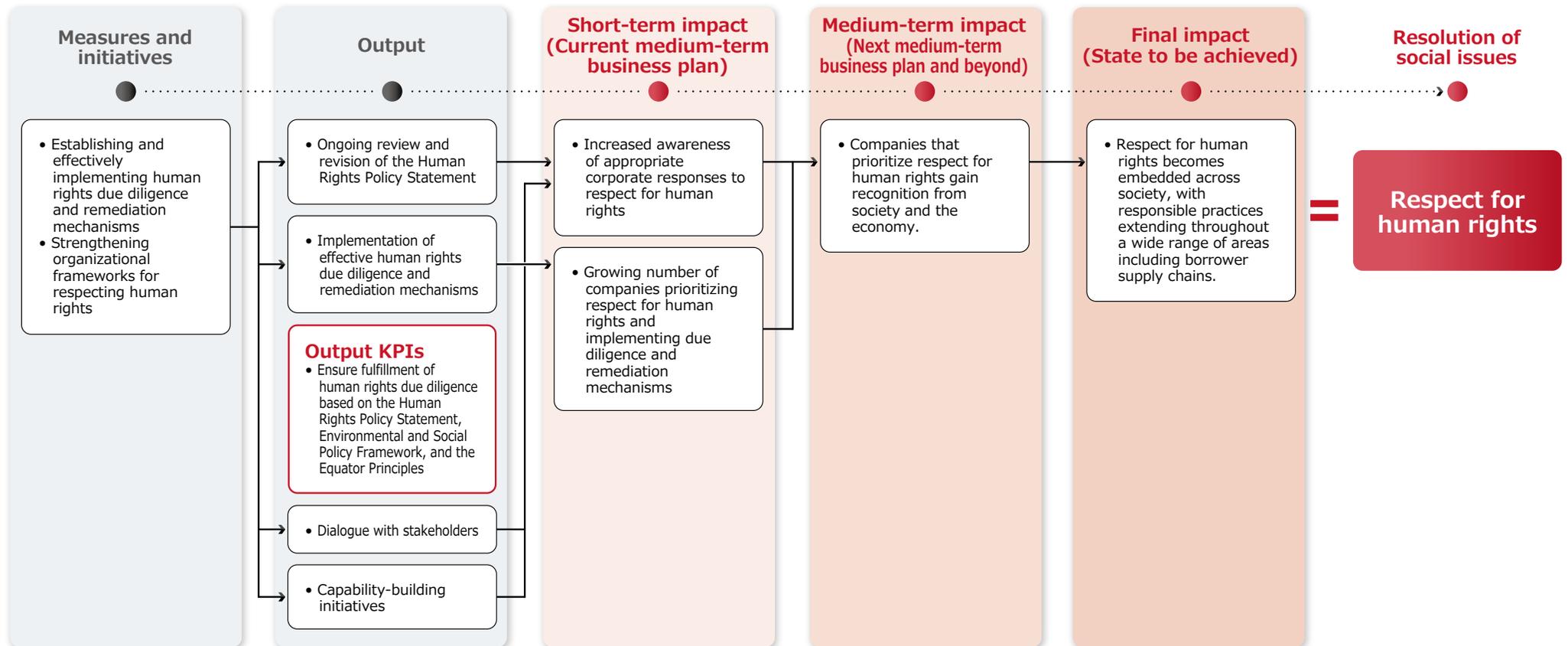


*1 Abbreviation of Lifetime Value

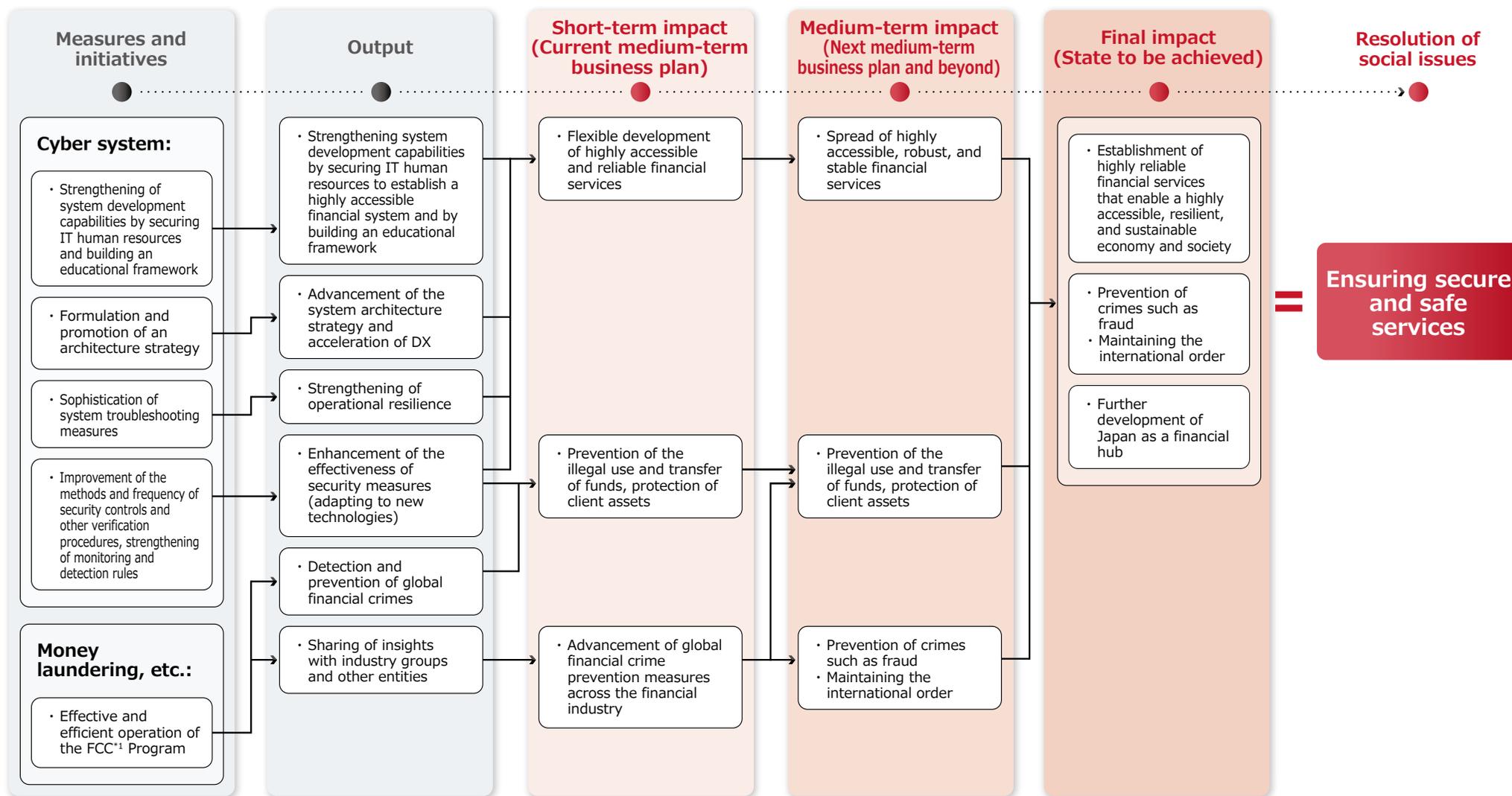
Management focusing on human capital



Respect for human rights

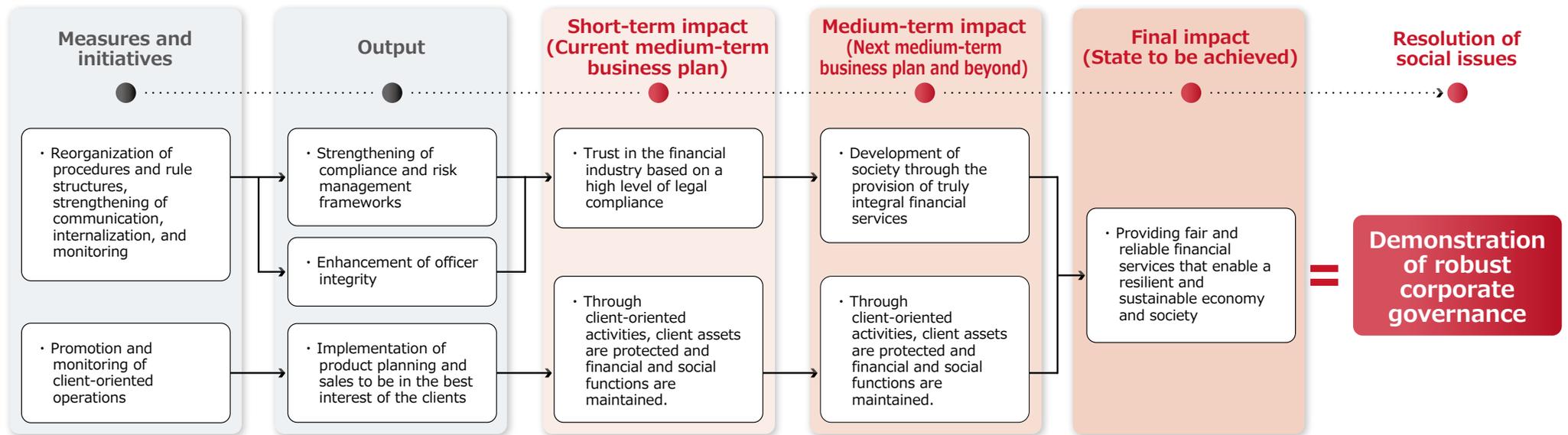


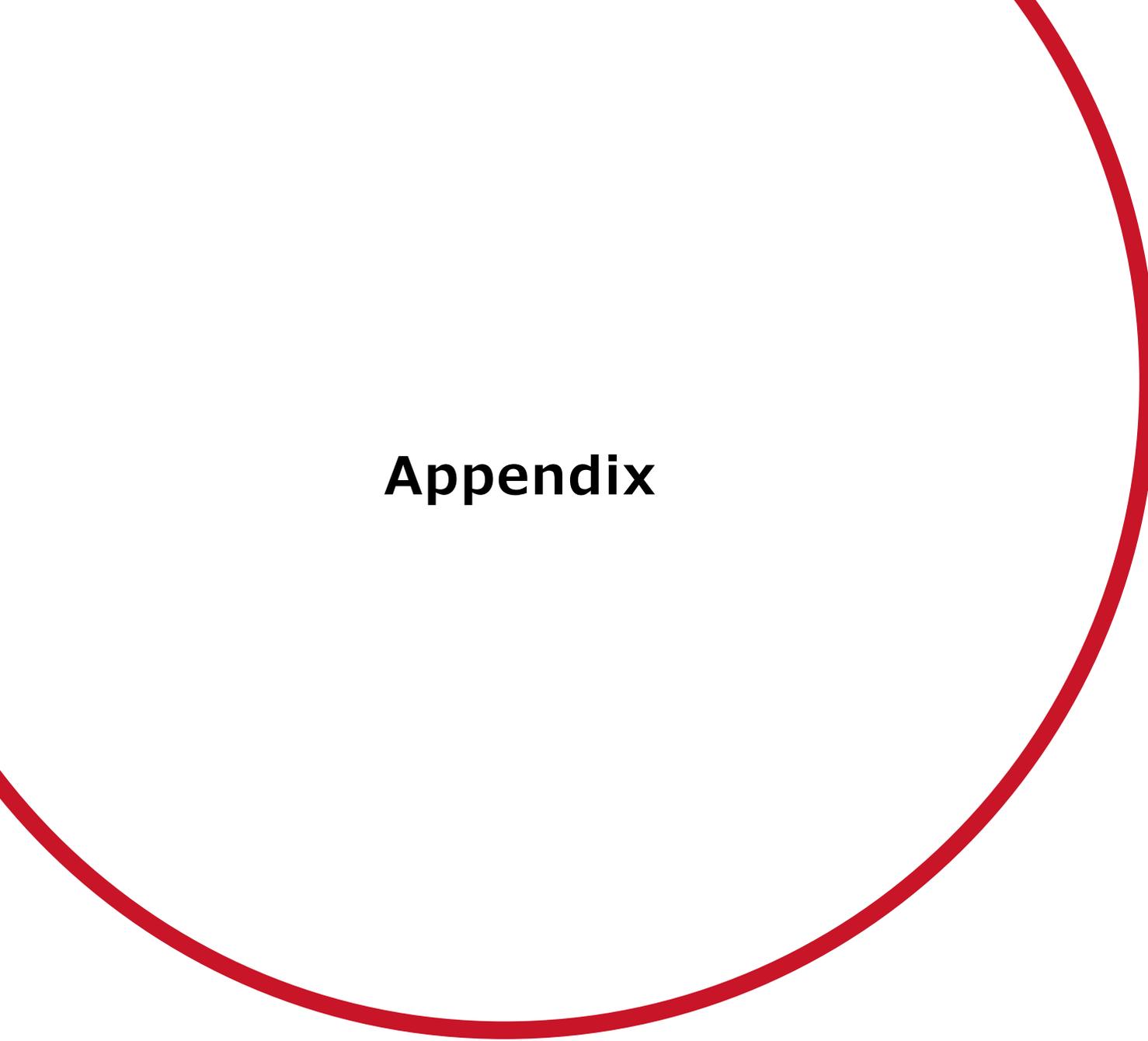
Ensuring secure and safe services



*1 Abbreviation of Financial Crimes Compliance

Demonstration of robust corporate governance





Appendix

Definitions and concepts underlying the impact indicators

This section presents the definitions and concepts underlying some of the impact indicators.

Impact indicators

■ Emissions from the entire investment and loan portfolio (FY2023, client Scope 1 and 2 emissions)

Of the greenhouse gas emissions from customers and projects that are recipients of investments or loans from MUFG, these are the emissions that are deemed to be attributable to MUFG through finance.

■ Ratio of financial literacy questions answered correctly

Increase in the ratio of correct answers to questions related to the KPI, “Financial Knowledge and Judgment,” set by Japan Financial Literacy and Education Corporation (J-FLEC) in its FY2024 Business Plan to a level comparable to levels in Europe and the United States (70%)

■ Share of ASEAN adult population using digital financial services provided by strategic investment targets

Number of users using digital financial services provided by strategic investment targets of MUFG ÷ adult population of ASEAN countries with partner banks × 100

■ Engagement score

Number calculated on a consolidated basis, including major overseas subsidiaries (engagement score obtained from group awareness survey)

■ Inclusion score

Number calculated on a consolidated basis, including major overseas subsidiaries (inclusion score obtained from group awareness survey)

■ Absenteeism

Number of days absent (absence and leave of absence) due to injury or disease (physical, mental) ÷ total number of working days of directly employed staff × 100

■ Presenteeism

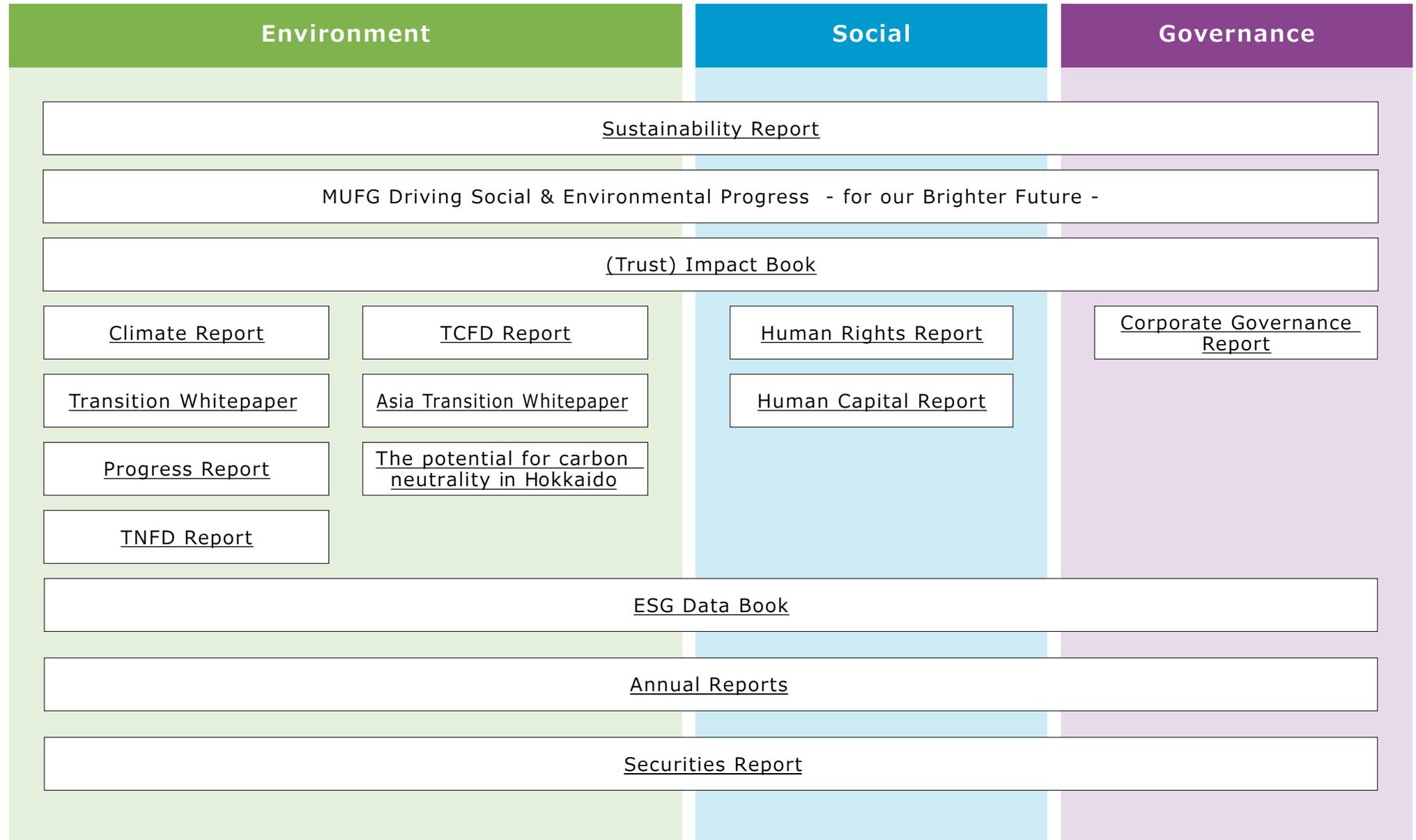
(Bank) Calculated based on the “quantity and quality of work” and “performance” of the past month, when regular work is assumed as 100

(Trust) Calculated based on an employee survey (pulse survey) using the Single-Item Presenteeism Question
(Securities) Self-evaluation of the past four weeks of work, assuming work in a normal, healthy state as 100%

Term	Definition
COP29	29th Conference of the Parties to the UN Framework Convention on Climate Change. Held in Azerbaijan in 2024.
COP15	15th meeting of the COP to the Convention on Biological Diversity. Held in two parts: the first in Kunming, China in October 2021, and the second in Montreal, Canada in December 2022.
Green Climate Fund	A fund established under the United Nations Framework Convention on Climate Change (UNFCCC) and the Paris Agreement to support developing countries in the reduction of greenhouse gas emissions and the implementation of measures to mitigate (or adapt to) the impacts of climate change.
Open innovation	A framework for companies to drive innovation by incorporating ideas and technologies from outside sources.
Carbon credit	A system that enables companies and organizations to earn credits (emissions rights) by reducing their CO ₂ emissions and to trade those credits. Companies with lower emissions sell their credits to those with higher emissions, thereby reducing the overall amount of emissions.
Crowdfunding	A method of raising small amounts of money from a large, unspecified number of people via the Internet.
Nature positive	Taking actions to prevent and reverse the loss of biodiversity so as to set nature on a pathway to recovery.
Fair market	A market based on information transparency and free participation in which fair competition takes place at reasonable prices.
Financial well-being	A state in which individuals can achieve, from a financial perspective, diverse forms of happiness and gain a sense of security in both the present and future by managing their own financial situation and making necessary choices.
Financial literacy	Knowledge and judgment related to money that are necessary for one to be financially independent and to lead a better life.
Equator Principles	A framework for identifying, assessing, and managing the environmental and social risks associated with large-scale projects. Adopted by 129 financial institutions globally as of the end of March 2025.
Unicorn	An unlisted company established within the last 10 years with an appraised value of at least 1 billion dollars.

Sustainability-related content

MUFG issues various reports related to sustainability.



Disclaimer

This report (the "Subject") is intended to comply with the general principles related to the environment, nature, biodiversity or corporate responsibility. However, please be aware that environmental, social and governance (ESG) standards, laws, regulatory requirements and practice may vary significantly across different jurisdictions. As such, depending on your country of residence or incorporation, there may be specific local requirements or standards that the Subject does not fully address. We encourage you to consider our local requirements you're your own ESG criteria and objectives when selecting our products and services.

It should be noted that no universally accepted global framework (legal, regulatory, or otherwise) currently exists, nor is there a market consensus in terms of what constitutes a "green", "sustainable", "responsible", "traditional", or equivalent "ESG" investment, communication, product, or offering. Furthermore, no assurance can be given that such a universally accepted framework or consensus will develop over time. Although there have been regulatory efforts in certain jurisdictions and regions (in particular, in the European Economic Area) to define such concepts, the legal and regulatory framework is still under development.

Additionally, the lack of common or harmonized definitions and labels currently regarding what is considered "green", "ESG", "sustainable", "responsible", and other similar criteria, or clear guidelines on what these monikers mean may result in different approaches being taken by different institutions.

Alongside its sustainable financing activities, MUFG and its affiliates invest in and finance projects associated with a wide range of industries, businesses and jurisdictions including in, but not limited to, high-emitting and hard to abate sectors such as the energy sector. MUFG commits to achieve net zero emissions in its finance portfolio by 2050 and its own operations by 2030. MUFG's Carbon Neutrality Declaration can be found [here](#).

Accordingly, no assurance, warranty or representation can be given by MUFG that any of their investments, products, communications, services or offerings will meet any or all expectations regarding "green", "ESG", "sustainable", "responsible", or other equivalently labelled objectives or that no adverse environmental, social, and/ or other impacts will occur.