

Small meeting with outside directors

December 13, 2024

Profile of Outside Directors



Koichi Tsuji
Member of the Board
of Directors (Outside
Director)

Tenure as an Outside Director: Three years
● Ordinary Shares: 0 ■ 9/9
Certified Public Accountant

- 1984 Joined Peat Marwick Mitchell & Company
- 1988 Registered as Certified Public Accountant in Japan
- 1989 Resident Representative, Zurich, Switzerland
- 2004 Senior Partner of Ernst & Young ShinNihon LLC
- 2016 Chairman & CEO of Ernst & Young ShinNihon LLC
- 2019 Chairman & CEO of EY Japan Godo Kaisha
Member of the Board of Directors of EY Japan Co., Ltd.
- 2021 Member of the Board of Directors (Outside Director),
MUFG (current)
- 2023 Outside Statutory Auditor of Teijin Limited (current)
Outside Director of MARUICHI STEEL TUBE LTD.
(current)



**Satoko
Kuwabara**
Member of the Board
of Directors (Outside
Director)

Tenure as an Outside Director: Three years
● Ordinary Shares: 0 ■ 9/9
Partner, Gaiien Partners

- 1990 Registered as an attorney at law, Member of the
Daini Tokyo Bar Association
Joined Mori Sogo (currently Mori Hamada &
Matsumoto)
- 1998 Partner of Mori Hamada & Matsumoto
- 2016 Outside Director of BANDAI NAMCO Holdings Inc.
(current)
- 2020 Outside Auditor of Unicafe Inc. (current)
Partner of Gaiien Partners (current)
Outside Audit & Supervisory Board Member of
Nippon Yusen Kabushiki Kaisha
- 2021 Member of the Board of Directors (Outside
Director), MUFG (current)
- 2023 Outside Director of Nippon Yusen Kabushiki
Kaisha (current)

● Type and Number of MUFG Shares Owned as of March 31, 2024 (Dilutive Shares: The number of corresponding vested points in the stock compensation system using a trust structure.)

■ Attendance at Board of Directors Meetings (FY2023)

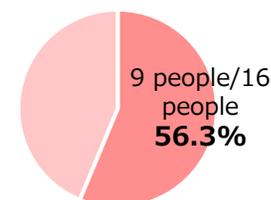
Composition of the Board of Directors and Skill Matrix

List of Directors

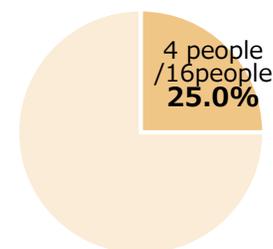
	Name	Gender	Current position at MUFG and committee-related duties ¹				Knowledge, expertise and experience						
			Nominating and Governance Committee	Compensation Committee	Audit Committee	Risk Committee	Corporate management	Finance	Finance & Accounting	Legal affairs	Global	IT/digital	Sustainability
Outside directors	Mariko Fujii	Female	○	○		◎		●			●		
	Keiko Honda	Female			○			●		●		●	
	Kaoru Kato	Male	○	○	○		●				●	●	
	Satoko Kuwabara	Female	○	◎					●	●		●	
	Hirofumi Nomoto	Male	◎	○			●				●	●	
	Mari Elka Pangestu	Female				○		●		●		●	
	Hiroshi Shimizu	Male				○	●	●			●	●	
	David Sneider	Male				○			●	●		●	
Internal directors	Koichi Tsuji	Male			◎				●	●		●	
	Kenichi Miyanaga	Male			○					●		●	
	Ryoichi Shinke	Male			○					●		●	
	Kanetsugu Mike	Male							●	●	●	●	
	Hironori Kamezawa	Male	○	○					●	●	●	●	
	Iwao Nagashima	Male							●		●	●	
	Junichi Hanzawa	Male									●	●	
Makoto Kobayashi	Male							●		●	●		

¹ ◎: Chairperson of the Committee; ○: Committee member

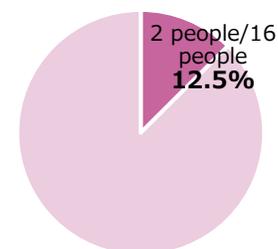
% of independent Outside Directors



% of women



% of foreign nationals



(as of June 2024)

(Re-shown*1) Response to the administrative actions*2

– status of improvement measures (6 pillars*3) etc.

– Completed to establish the framework to prevent recurrence, and focus on penetration

Completed items in 6 pillars

- (1) Revise / emphasize procedures / rules based on specific examples 1stL 2ndL 3rdL
 - Revise procedures (Partial restrictions on comprehensive consent agreements for information sharing between bank-securities)
 - Establish guidelines (the scope of internal sharing of corporate information, compliance with the Banking Act and Financial Instruments and Exchange Act)
- (2) Enhance training more in line with practice 1stL 2ndL 3rdL
 - Trainings customized by layers based on specific examples (incl. raising awareness), topic based training (e.g. bank-securities collaboration)
 - Establish the internal consultation desk to provide prompt and practical support
- (3) Review performance evaluations and reemphasize the objective of group profitability management 1stL 2ndL 3rdL
 - Revise and implement performance evaluations (requirements of double counting of profit between bank-securities) and rules to evaluate organizations
 - Clarify / notify / emphasize interpretation of group profitability management
- (4) Enhance monitoring framework at sales / risk management divisions 1stL 2ndL 3rdL
 - Expand monitoring scope of products and project phase (generation ~ closing)
 - Establish and implement bank-securities integrated monitoring framework with a holding company as a control tower
- (5) Enhance management framework 1stL 2ndL 3rdL
 - Top managements interview and training led by counsels for executives
 - The Group CEO / the Bank CEO / the SCHD CEO / the business group head townhall mtg
- (6) Improvement measures as the holding company 1stL 2ndL 3rdL
 - The Group Crisis Control Headquarters meetings (held 15 times*4)
 - Plan / execute group based improvement measures

Initiatives for penetration

- 1stL 2ndL 3rdL
 - Continue training sessions
 - Confirm the status of penetration through post-training verification tests
- 1stL 2ndL 3rdL
 - Penetration through detection and guidance via monitoring (incl. effectiveness verification)
- 1stL 2ndL 3rdL
 - Expand target media for AI-based communication monitoring
- 1stL 2ndL 3rdL
 - Continuously raise awareness across various layers, incl. executives
- 1stL 2ndL 3rdL
 - Verify the appropriateness of improvement measures and the status of penetration through internal audit
- 1stL 2ndL 3rdL
 - Continue monitoring the progress of improvement measures through the Group Crisis Control Headquarters

The Board of Directors and Audit committee was involved from the planning stage, and will closely monitor and oversee whether improvement measures have been established

*1 P.29 on FY24Q2 Investor Meeting Presentation *2 The recent status has been reported to the Financial Service Agency as of October 15, 2024

*3 Reference: [press release issued on July 19, 2024](#) *4 As of November 14, 2024

(Re-shown*1) Response to the administrative actions

– Having analyzed the causes of incidents, we believe their root causes to be as follows.

Overall

- There were procedures/rules and certain internal control frameworks in place while proactively advancing bank-securities collaboration. But considering the balance between messages promoting leveraging MUFG's collective strengths to realize customer-centric sales activities through bank-securities collaboration, there was insufficient penetration of correct understanding and consciousness for complying with laws, regulations, etc., in such collaboration.

Sales divisions (1st line)

- There was insufficient development of risk ownership by sales divisions amid the growth of bank-securities collaborative business.

Risk management divisions (2nd line)

- Internal control frameworks, which should be continuously reviewed in light of operational realities, were not sufficiently expanded, and clarification of operational processes and procedures/rules matching the reality of bank-securities collaboration did not progress.
- Furthermore, enhancement of the operating model to appropriately recognize risk with an understanding of the operational situation of sales divisions, and expansion of monitoring frameworks by risk management divisions (including risk management functions within sales divisions) were insufficient.

Management

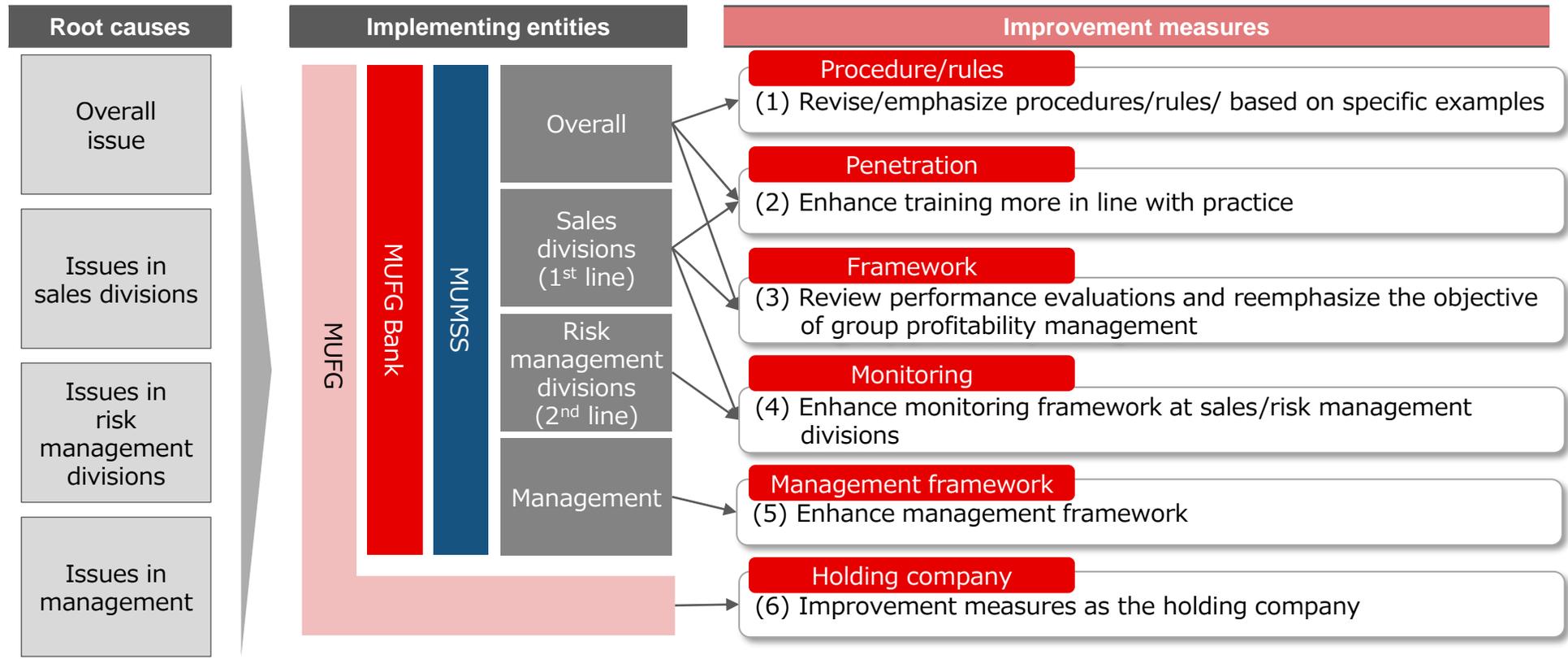
- Management did not properly recognize risks around a possible imbalance between the messaging of advancing bank-securities collaboration and notifying/emphasizing relevant procedures/rules within sales divisions, and were not able to take appropriate action on the issues above.

*1 Reference : [the press released on July 19, 2024](#)

(Re-shown*1) Response to the administrative actions

– Measures for improvement to prevent recurrence

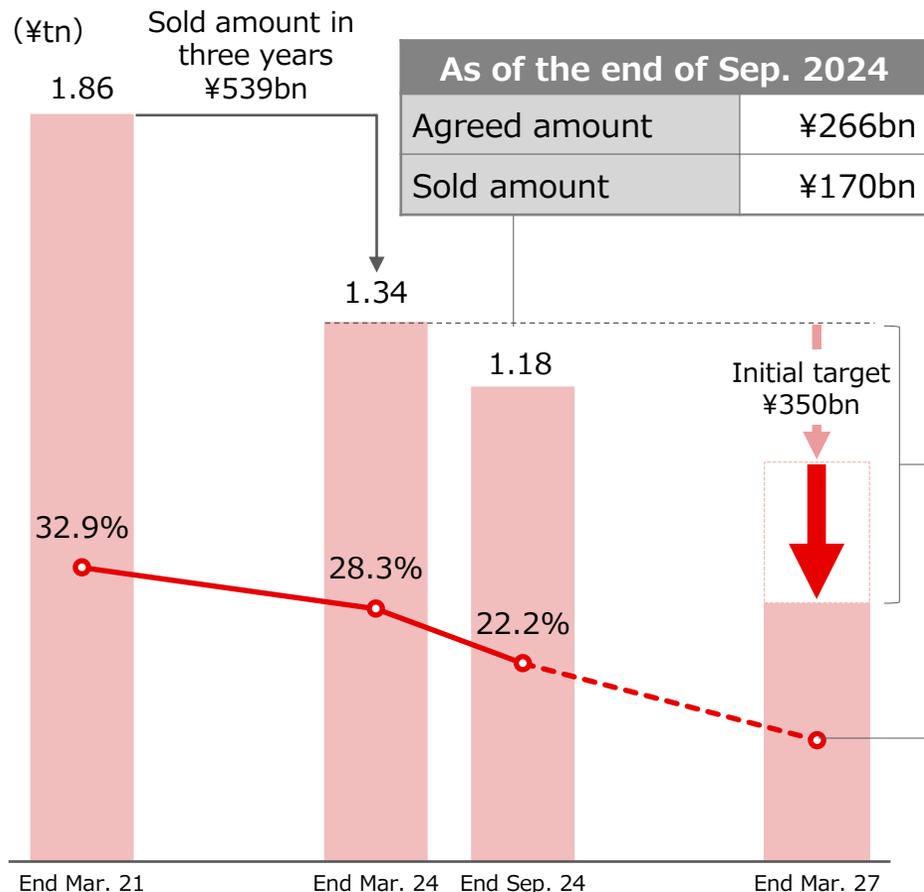
- Via the 5 improvement measures and improvement measures as the holding company, we will strengthen our management framework, compliance framework related to bank-securities collaboration, and internal control frameworks including our customer information management framework.



*1 Reference : [the press released on July 19, 2024](#)

(Re-shown*1) Increase target for reduction of equity holdings*2

– Set and achieve a higher target reflecting the change in environment and negotiation status



Target

¥700bn

2.0x from initial target

Reduce by half

from the balance as at the end of Mar. 2024

Less than 20% of consolidated net assets*5

During the current MTBP

Three years ahead of the initial schedule

Legend:
■ Domestic equity (Acquisition cost basis) *3
● Domestic equity (Market price) *4 / Consolidated net assets

*1 P.10 on [FY24Q2 Investor Meeting Presentation](#) *2 Sum of the Bank and the Trust Bank *3 Acquisition price of domestic equity securities in the category of "other securities" with market value (consolidated) *4 Market price of domestic equity securities in the category of "other securities" with market value (consolidated)

*5 (①Domestic listed equity securities + ②Deemed holdings) / ③Consolidated net assets < 20%

①: Acquisition cost basis of domestic equity securities in the category of "other securities" with market value (consolidated)

②: Including the balance of "Deemed holdings" stated in the Annual Securities Report ③: Net assets at the end of Sep. 2024