

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

MUFG Bank Invests in Forest Funds

Tokyo, June 30, 2023 --- MUFG Bank, a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc., today announced that it has signed an investment agreement with Imprint Nature-Based Opportunities (NBO) and Manulife Forest Climate Fund (MFCF), two global forest investment funds, to contribute to the creation and development of the carbon credit^[1] (CC) market in Japan and the invigoration of the global CC market.

NBO, managed by Goldman Sachs Asset Management, makes globally diversified investments in forest projects, mainly in the Americas, Asia, Africa and Europe, utilizing knowledge gained through their extensive experience identifying investment opportunities and providing customized investment programs through the Goldman Sachs network.

MFCF, managed by Manulife Investment Management Timberland and Agriculture Inc. (MIMTA), makes globally diversified investments, primarily in the Americas, leveraging MIMTA resources that encompass a long history and wealth of knowledge in forest fund management and operations.

In addition to financial returns through investments in forest projects, both funds seek to receive CCs, a tradable form of greenhouse gas emission reductions and carbon removal. These CCs are to receive measurement and certification standards for voluntary emission reduction efforts, such as the Verified Carbon Standard^[2] (VCS) or the American Carbon Registry^[3] (ACR). Furthermore, each forest project is expected to obtain international certification such as that provided by the Forest Stewardship Council^[4] (FSC).

Corporate initiatives utilizing CC are gaining momentum globally, and in Japan, the government's plan for realizing a "new form of capitalism" is expected to include full-fledged initiatives such as the promotion of voluntary emissions trading and the development of a CC market, starting next fiscal year. As the growth of the global CC market accelerates, we intend to hold certified CCs in view of the expansion of the market in Japan and to open up the CC market through customer engagement.

In business activities, there are residual emissions that cannot be fully eliminated even when efforts to reduce carbon emissions through renewable energy and other means are undertaken. The CCs from this investment provide an opportunity to offset such

residual emissions, and is one incentive mechanism for emission reduction, carbon absorption, etc. MUFG aims to lead the growth and development of the sustainable investing market by leveraging this investment in forest funds as a catalyst. Through engagement with customers, MUFG will not only meet offset needs, but also develop and provide a variety of solutions based on the different issues and needs of each customer, thereby providing comprehensive support for achieving carbon neutrality.

- [1] Certifies projects such as forest management to enable their trade among countries and companies after monitoring, reporting and verification of the difference between projected and actual greenhouse gas emissions in the absence of the project.
- [2] A certification standard and system established in 2005 by an organization that includes private companies such as the World Business Council for Sustainable Development and International Emissions Trading Association. It is implementing various projects, including ones related to forest and land use and for reducing emissions through wetland conservation.
- [3] The world's first private credit certification standard and system, established in 1996 by Winrock International, a non-profit organization. It manages and operates a registry of GHG emissions and develops voluntary certification standards and methodologies. The emissions trading system in California has participating companies use ACR-certified and other credits.
- [4] The FSC aims to promote responsible forest management worldwide, providing international certification to forests and forest businesses that meet its standards.

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About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with approximately 2,000 locations in more than 50 countries. The Group has about 160,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to "be the world's most trusted financial group" through close collaboration among our operating companies and flexibly respond to all of the financial needs of our customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit <https://www.mufg.jp/english>.