

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

MUFG Bank and NEXI Announce Partnership Promoting Blended Finance

Tokyo, June 5, 2023 --- MUFG Bank, a consolidated subsidiary of Mitsubishi UFJ Financial Group, Inc. (MUFG), announced that today it signed a Memorandum of Understanding with Nippon Export and Investment Insurance Co., Ltd., (NEXI) for the purpose of establishing a financing scheme using blended finance for the Asian Zero Emissions Community (AZEC) and other projects.

Blended finance is a financing method that combines public and private funds and is expected to effectively support developing countries' efforts to solve issues they are confronting. In particular, Asia, which has a large number of developing countries, needs an investment and financial framework to gradually decarbonize its economy for sustainable growth. The Japanese government has announced the Asian Zero Emissions Community initiative^[1], which seeks to promote an energy transition through wide-area partnerships with Asian countries, and is taking the lead in decarbonization and economic growth in line with the realities in Asia. In addition, the Japanese government's Asian Energy Transition Initiative (AETI)^[2] is studying comprehensive measures for supporting decarbonization in Asia, including the launch of the Asia Transition Finance Study Group (ATFSG)^[3] led by major financial institutions in ASEAN countries. As a member of the ATFSG's secretariat, MUFG Bank has led discussions with financial institutions and government agencies to develop international guidelines.

The purpose of this agreement is for MUFG Bank and NEXI to cooperate to establish a financing scheme using blended finance for the purpose of realizing an effective energy transition in Asia, addressing the issue of climate change, and meeting the economic and social demands of eliminating poverty, sustainable economic growth, and a stable energy supply. We will also consider introducing public and private funds in the form of debt funding as a framework for investments and loans to support decarbonization according to each country's circumstances. Initiatives under this agreement are consistent with the objectives of the Japanese government-led AZEC and AETI.

MUFG Bank will further contribute to the sustainable development of Asia and the realization of a phased energy transition by utilizing its financial schemes and risk management techniques that contribute to the resolution of environmental and social issues, as well as knowledge gained through the ATFSG.

Overview of NEXI

Name	Nippon Export and Insurance Co., Ltd.
Representative	Atsuo Kuroda, President and Chief Executive Officer
Address	East Building, Chiyoda First Building, 8-1, Nishikanda 3-Chome, Chiyoda-ku, Tokyo
Website	https://www.nexi.go.jp/

[1] A framework for Asian countries to cooperate in decarbonization and energy transition, set out in a policy speech by Prime Minister Fumio Kishida in January 2022. Please refer to the following link for information about the Ministerial Meeting of the Asian Zero Emissions Community held in March 2023.

<https://www.meti.go.jp/press/2022/03/20230306005/20230306005.html> (Japanese)

[2] For more information about the Asian Energy Transition Initiative, which was announced by the Ministry of Economy, Trade and Industry in May 2021, please refer to the following link:

<https://www.meti.go.jp/press/2021/05/20210528007/20210528007-1.pdf> (Japanese)

[3] For the Asia Transition Finance Study Group, please refer to the following link:

https://www.bk.mufg.jp/news/news2022/pdf/news0926_2.pdf (Japanese)

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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>.