

**MUFG Bank, Ltd. (MUFG Bank)**

## **Malfeasance by Former Employee: Status Update and Measures to Prevent Recurrence**

**Tokyo, January 16, 2025** --- MUFG Bank today announced that, with regard to the incident in which a former employee stole customers' assets from safe deposit boxes (see November 22, 2024 press release titled "*Regarding Malfeasance by a Former Employee*"), it has analyzed causes of the incident, formulated measures to prevent recurrence, and resolved to reduce the compensation of executives to reflect their responsibility for the matter. Details are provided below.

Additionally, MUFG Bank today submitted a report to the Financial Services Agency in accordance with the order to submit report it was issued with.

We sincerely apologize for the inconvenience and concern this is causing customers and stakeholders.

MUFG Bank will continue to confirm the details of damage incurred by customers and to advance the process to compensate them, and will strive to regain trust by thoroughly implementing these measures to prevent any recurrence.

**- End -**

### 1. Customer losses and compensation

We are in the process of confirming the details of losses incurred by customers. Compensation will be provided once this process has been completed.

- Losses: Cash, gold, etc., held by customers in safe deposit boxes
- Total amount of losses: Approx. JPY 1.4 billion\*
- Current status of compensation: 40 cases, totaling approx. JPY 0.7 billion\*

\* *Provisional: As of January 10, and still being confirmed with customers.*

### 2. Causes of incident

We believe the primary factors enabling the thefts were deficiencies in safe deposit box management procedures/rules and their application, along with insufficient checks and monitoring both at branches and by headquarters, etc.

(1) Deficiencies in safe deposit box management procedures/rules	<ul style="list-style-type: none"> <li>• Deficiencies in management of safe deposit box spare keys, etc.</li> <li>• Deficiencies in management procedures/rules for accessing safe deposit box room, opening of safe deposit boxes, etc.</li> </ul>
(2) Insufficient checks and monitoring at branches	<ul style="list-style-type: none"> <li>• Failure to regularly review division of responsibilities</li> <li>• Insufficient checks and monitoring by management</li> </ul>
(3) Insufficient checks and monitoring by headquarters, etc.	<ul style="list-style-type: none"> <li>• Lack of clarity regarding subsidiary's spare key inspection method</li> <li>• Insufficient checks and monitoring by subsidiary and MUFG Bank's Unit Inspection Office</li> </ul>

### 3. Measures to prevent recurrence

Based on careful analysis of the incident, MUFG Bank is implementing multilayered measures to prevent recurrence, including storing all spare keys centrally. These measures will be implemented thoroughly across the bank.

(1) Review safe deposit box procedures/rules and strengthen management	<ul style="list-style-type: none"> <li>• Strengthen management of safe deposit box spare keys and other important items (including storing all spare keys centrally)</li> <li>• Strengthen management of safe deposit box room access, opening of safe deposit boxes, etc.</li> <li>• Consider future direction for the safe deposit box business (medium- to long-term)</li> </ul>
(2) Strengthen checks and monitoring at branches	<ul style="list-style-type: none"> <li>• Strengthen direct checks of Operation Service Department heads</li> <li>• Conduct rigorous, arms-length intra-branch mutual checks and strengthen checking and monitoring by branch management</li> </ul>
(3) Enhance checks and monitoring by headquarters, etc.	<ul style="list-style-type: none"> <li>• Enhance checking functions of subsidiary</li> <li>• Enhance checking functions of Unit Inspection Office</li> <li>• Clarify positioning of checking by subsidiary and Unit Inspection Office</li> </ul>

(4) Review HR management	<ul style="list-style-type: none"><li>• Ensuring thorough awareness of recurrence prevention among branch management, including Operation Service Department heads</li><li>• Review Operation Service Department heads' HR management from the perspective of early detection of irregularities</li></ul>
(5) Reemphasize thorough compliance with laws, regulations, etc.	<ul style="list-style-type: none"><li>• Raise consciousness via messages from top management and reemphasize our Code of Conduct, etc.</li><li>• Reemphasize Code of Conduct and compliance with laws, regulations, etc., via training and other such measures.</li><li>• Strengthen fraud prevention by collecting feedback on “awareness” from employees on-site</li></ul>

#### 4. Disciplinary actions against executives

Regarding the significant social impact caused by this incident, which has fostered considerable concern and anxiety to the victimized customers and all our stakeholders, we take our responsibility very seriously and will reduce the following executives' compensation as below.

Chairman of the Board of Directors (Representative of the Board of Directors)  
Naoki Hori                      30% of monthly compensation × 3 months

President & CEO (Representative of the Board of Directors)  
Junichi Hanzawa              30% of monthly compensation × 3 months

Managing Executive Officer (Representative of the Board of Directors)  
Chief Executive, Retail & Digital Business Unit  
Tadashi Yamamoto            30% of monthly compensation × 3 months

Managing Executive Officer  
Deputy Chief Executive, Retail & Digital Business Unit  
Naoto Yamada                20% of monthly compensation × 3 months

Managing Executive Officer  
Deputy Chief Executive, Retail & Digital Business Unit  
Shin Kitamura                20% of monthly compensation × 3 months

In addition to the above, other persons involved in this incident will be strictly disciplined according to internal rules.

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## **About MUFG Bank**

MUFG Bank, Ltd. is Japan's premier bank, with a global network spanning around 40 countries. Outside of Japan, the bank offers an extensive scope of commercial and investment banking products and services to businesses, governments and individuals worldwide. MUFG Bank's parent, 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 40 countries. The Group has about 140,000 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>.