

**MUFG Bank (Malaysia) Berhad**  
A member of MUFG, a global financial group

For Immediate Release

## **MUFG signs RM100 million Sustainability-Linked Islamic Facility with Ajinomoto (Malaysia) Berhad**

**Tokyo/Kuala Lumpur, 15 December 2020** – MUFG Bank (Malaysia) Berhad (MUFG), a subsidiary of Mitsubishi UFJ Financial Group, Inc., has signed an agreement with Ajinomoto (Malaysia) Berhad (AMB) to provide a RM100 million Sustainability-Linked Islamic Financing Facility that would go towards supporting the development of a new Halal certified factory in Techpark @ Enstek, Bandar Baru Enstek, Negeri Sembilan.

Under the agreement, MUFG will support AMB in its sustainable business development efforts by introducing a financing solution in line with the Sustainability-Linked Loan Principles<sup>1</sup>, a globally-recognised framework designed to track the environmental impact of financing assets. The agreement establishes annual GHG (Greenhouse Gas) emissions reduction targets for AMB, and applies and accords favourable financing conditions depending on the company's fulfilment of such sustainability performance targets. These targets are based on Ajinomoto Group's commitment to the 1.5°C global warming target as determined by the SBT (Science Based Target) initiative<sup>2</sup> in April 2020 and is considered ambitious.

The sustainability-linked facility will also be based on an Islamic financing structure tailored to AMB's needs, which is to build a new factory that develops and produces Halal certified food products. MUFG has long recognized the growing demand for Islamic finance both globally and within Malaysia, having established its Islamic banking window in the country in 2008, making it the only Japanese bank to offer a full suite of Islamic financing solutions denominated in Malaysian Ringgit under the guidance of its in-house Shariah Committee.

As a global market leader in project finance and sustainability-linked financing, the agreement with AMB underscores MUFG's ongoing commitment in leveraging its expertise in these areas to build long-term relationships with our valued clients by jointly contributing to society and achieving sustainable growth together. The agreement also deepens MUFG's track record in developing innovative and tailored client solutions. In May 2020, the bank was one of the lead arrangers for Asian telecommunications company Axiata's award-winning<sup>3</sup> USD800 mil transaction, with its unique combination of Islamic financing principles,

<sup>1</sup> Refer to the link below on Sustainability Linked Loan Principles defined by the Loan Market Association (LMA); [https://www.lma.eu.com/application/files/5115/8866/8901/Sustainability\\_Linked\\_Loan\\_Principles\\_V032.pdf](https://www.lma.eu.com/application/files/5115/8866/8901/Sustainability_Linked_Loan_Principles_V032.pdf)

<sup>2</sup> Greenhouse gas emission reduction targets defined as science-based targets, or SBT. The target is in-line with Paris Agreement (to keep global temperature increase well below 2C above pre-industrial level and perusing efforts to limit it to 1.5C) and is set by corporates using 5-to-15-year time frames. <https://sciencebasedtargets.org/>

<sup>3</sup> Islamic Finance Deal of the Year, FinanceAsia Achievement Awards 2020

sustainability parameters and multi-currency feature serving as a breakthrough in the international financing markets.

MUFG Bank (Malaysia) CEO/President Fumio Takamatsu said: “It is an honour to collaborate with AMB on our joint pursuits of promoting sustainable development, both for the community as well as for our respective organisations. MUFG Malaysia has been a steadfast partner to Malaysian and Japanese corporates since 1957, and this latest agreement will further enable us to harness our strengths in support of our long-term client relationships as well as Malaysia’s development as an Islamic financial hub.”

<b>Date of agreement</b>	15 December 2020
<b>Financer</b>	MUFG Bank (Malaysia) Berhad
<b>Amount</b>	MYR 100 million (equivalent to JPY 2.5 billion)
<b>Tenor</b>	5 years
<b>Purpose of funds</b>	Capital Expenditure

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## About MUFG Bank (Malaysia) Berhad

Mitsubishi UFJ Financial Group’s banking subsidiary, MUFG Bank (Malaysia) Berhad (MUFG), has been providing services to Malaysian and Japanese corporations since 1957.

Over the past 63 years, MUFG has strengthened its presence in Malaysia through establishing long-term client relationships with a large number of local corporates and Japanese Investors.

In recognition of the growing significance of Islamic finance in the global market, MUFG established an Islamic banking arm in Malaysia in 2008, making it the first Japanese bank to offer Islamic banking products and services.

In 2014, MUFG launched a USD500 million multi-currency Sukuk programme and set a landmark by issuing the world’s first Yen-denominated Sukuk. In 2015, MUFG established Islamic banking capabilities in its branch in the Dubai International Financial Centre (DIFC) to better serve customers in the EMEA region. In 2019, MUFG Group increased its shareholding in PT Bank Danamon Indonesia and Bank Danamon have become consolidated subsidiaries of MUFG Group. Bank Danamon has Islamic banking capabilities within the entity that provides Islamic banking services in Indonesia.

The strong growth of MUFG’s Islamic business via the key regional hubs in Malaysia, Dubai and Indonesia, would continue to create MUFG’s visibility and capabilities in supporting its clients. Islamic finance in MUFG currently provides comprehensive suite of Shariah-

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compliant banking products and services includes financing, deposits, derivatives, securitisation as well as advisory services, to its respective local markets that it operates as well as to the global markets at large.

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