News Release

Japan Credit Rating Agency, Ltd.
26-D-0926
November 26, 2026

Japan Credit Rating Agency, Ltd. (JCR) announces the following credit rating.

Mitsubishi UFJ NICOS Co., Ltd. (security code: -)

<Affirmation>
Long-term Issuer Rating: AA
Outlook: Stable
CP: J-1+

Rationale

(1) Mitsubishi UFJ NICOS Co., Ltd. (“MUN”) is a credit card company under the Mitsubishi UFJ Financial Group (the “Group”). MUN operates the cardholder, merchant, entrusted and other businesses. Given the degree of the Group’s involvement in MUN and MUN’s managerial importance in the Group, JCR deems MUN’s long-term issuer rating to be at the same level as the Group’s creditworthiness equivalent to the rating of “AA.”

(2) MUFG is strongly involved in MUN. It holds 100% voting rights in MUN, and many of MUN’s directors are from MUFG Bank, Ltd. (“MUFG Bank”). MUFG is deeply involved in MUN’s management decision-making, and business administration is also carried out in an integrated manner. MUN is managerially highly important to MUFG. As MUFG regards its domestic retail business as one of its growth strategies, MUN plays the core role in the settlement business and occupies a strategically and functionally important position.

(3) MUN enjoys a strong market position and competitiveness. Leveraging MUFG’s individual and corporate customer base as a strength, it possesses a top-tier membership base and merchant network in Japan. In recent years, the number of applications for the Mitsubishi UFJ Card, its proprietary card, has been increasing due to efforts to highlight the benefits through aggressive point rewards and bundled proposals when opening bank accounts. In December 2025, the system integration of the MUFG card the DC card, a long-standing management issue, was completed as planned. Going forward, the Company plans to proceed with the integration of the NICOS brand by 2030, and JCR will monitor its progress.

(4) Earning capacity remains at a low level. While core profits is maintained to some extent, the capacity to absorb loan loss expenses and financial costs is low. Going forward, while the profit level is likely to rise due to the disappearance of one-time costs associated with the DC card brand system integration and an increase in credit card shopping transaction amount, JCR sees that it will take time for earning capacity to improve significantly, given the costs for the NICOS brand system integration and increasing financial costs.

(5) Asset quality is sound. Credit risk is kept low under prudent credit management. Operating assets consist mainly of credit card receivables diversified into small lots. The delinquency ratio and the bad debt write-off ratio are in low levels, and bad debt-related expenses related to operating assets are constrained. Interest repayments have continued to decrease, and the risk has also declined compared to before.

(6) Capital adequacy is at a low level. Capital was impaired in the past due to losses recorded following the review of the system integration plan, and profit accumulation since then has been consistently slow. Capital further decreased due to losses recorded in the fiscal year ended Marh 2025 (FY2024) and FY2025, driven by one-time expenses such as system integration costs. There is still room for improving JCR-adjusted capital adequacy ratio and capital margin relative to risk. JCR finds no particular concerns about liquidity. MUN has established a solid indirect financing base with MUFG Bank, its main bank, and other financial institutions.

Hidekazu Sakai, Ippei Koga, Yuji Ichinari

Rating

Issuer: Mitsubishi UFJ NICOS Co., Ltd.

<Affirmation>
Long-term Issuer Rating: AA Outlook: Stable
CP: J-1+
Maximum: JPY 600 billion

Copyright © Japan Credit Rating Agency, Ltd. All Rights Reserved.

Rating Assignment Date: November 20, 2026

The assumptions for the credit ratings and the definitions of the rating symbols are published as "Types of Credit Ratings and Definitions of Rating Symbols" (January 6, 2014) in Information about JCR Ratings on JCR's website (https://www.jcr.co.jp/en/).

Outline of the rating methodology is shown as "JCR's Rating Methodology" (October 1, 2024), "Credit Cards and Credit Sales" (June 21, 2022) and “Rating Methodology for Financial Groups’ Holding Companies and Group Companies” (September 1, 2022) in Information about JCR Ratings on JCR's website (https://www.jcr.co.jp/en/).

The rating stakeholder participated in the rating process of the aforementioned credit ratings.

Japan Credit Rating Agency, Ltd.
Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

Information herein has been obtained by JCR from the issuers and other sources believed to be accurate and reliable. However, because of the possibility of human or mechanical error as well as other factors, JCR makes no representation or warranty, express or implied, as to accuracy, results, adequacy, timeliness, completeness or merchantability, or fitness for any particular purpose, with respect to any such information, and is not responsible for any errors or omissions, or for results obtained from the use of such information. Under no circumstances will JCR be liable for any special, indirect, incidental or consequential damages of any kind caused by the use of any such information, including but not limited to, lost opportunity or lost money, whether in contract, tort, strict liability or otherwise, and whether such damages are foreseeable or unforeseeable. JCR's ratings and credit assessments are statements of JCR's current and comprehensive opinion regarding redemption possibility, etc. of financial obligations assumed by the issuers or financial products, and not statements of opinion regarding any risk other than credit risk, such as market liquidity risk or price fluctuation risk. JCR's ratings and credit assessments are statements of opinion, and not statements of fact as to credit risk decisions or recommendations regarding decisions to purchase, sell or hold any securities such as individual bonds or commercial paper. The ratings and credit assessments may be changed, suspended or withdrawn as a result of changes in or unavailability of information as well as other factors. JCR receives a rating fee paid by issuers for conducting rating services in principle. JCR retains all rights pertaining to this document, including JCR's rating data. Any reproduction, adaptation, alteration, etc. of this document, including such rating data, is prohibited, whether or not wholly or partly, without prior consent of JCR.

JCR is registered as a "Nationally Recognized Statistical Rating Organization" with the U.S. Securities and Exchange Commission with respect to the following four classes. (1) Financial institutions, brokers and dealers, (2) Insurance Companies, (3) Corporate Issuers, (4) Issuers of government securities, municipal securities and foreign government securities.

JCR publishes its press releases regarding the rating actions both in Japanese and in English on the same day. In case that it takes time to translate rating rationale, JCR may publicize the summary version, which will be replaced by the full translated version within three business days. (Regarding Structured Finance products, JCR only publicize the summary version in English.)

Copyright © Japan Credit Rating Agency, Ltd. All Rights Reserved.

INFORMATION DISCLOSURE FORM

Japan Credit Rating Agency, Ltd.

Disclosure Required by Paragraph (a)(1)(ii) of Rule 17g-7

Issuer:	Mitsubishi UFJ NICOS Co.,Ltd.
Rating Publication Date:	November 26, 2026

1 The Symbol, Number, or Score in the Rating Scale used to Denote Credit Rating Categories and Notches and, the Identity of the Obligor or the Identity and a Description of the Security or Money Market Instrument as Required by Paragraph (a)(1)(ii)(A) of Rule 17g-7

・ Please see the news release. If the credit rating is a private rating, please see the report for private rating.

2 The version of the procedure or methodology used to determine the credit rating; as Required by Paragraph (a)(1)(ii)(B) of Rule 17g-7

・ Please see the news release. If the credit rating is a private rating, please see the report for private rating.

3 The Main Assumptions and Principles used in Constructing the Procedures and Methodologies used to Determine the Credit Rating as Required by Paragraph (a)(1)(ii)(C) of Rule 17g-7

・ The credit rating methodology assumes, in principle, to be applied to assess the likelihood of a given debt payment in light of its issuer's condition and business environment, etc. in the relevant future. There is certain limitation, however, in the time horizon that the rating foresees.

・ The credit rating methodology assumes, in principle, that the factors posted in the below are particularly important for such likelihood to be determined, and that the rating determination is made by evaluating each of them not only quantitatively but also employing qualitative analyses.

A) Business Bases

The likelihood of a given debt payment is highly conditional to its issuer's business bases - how they can be maintained/ expanded into the future and thereby secure earnings and cash flows in adequacy and in a sustainable way.

B) Financial Grounds and Asset Quality

The likelihood of debt payment is highly dependent on the degree of the issuer's indebtedness and loss absorption capacity in terms of equity capital. Also notable is that a financial institution might see a significant loss of financial grounds as a result of changes in value of the assets under its possession.

C) Liquidity Positions

The likelihood of debt payment is highly dependent on the adequacy of the issuer's cash and other sources of repayment (liquidity positions).

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The likelihood of debt payment is affected one way or the other by the issuer's related parties such as parent company, subsidiary, guarantor, and the government of the issuer's business domicile, etc. - by their own conditions and/ or position of support/ assistance for the issuer.

E) Order of Seniority in Debt Payment

The likelihood of debt payment can be different between given debts of the same issuer. The likelihood of debt payment for an individual debt is dependent on the issuer's discretion, and/ or its rank relative to other debts of the same issuer in the order of seniority in principal/ interest payment which is determined by design as financial product or by laws, etc.

4 The Potential Limitations of the Credit Rating as Required by Paragraph (a)(1)(ii)(D) of Rule 17g-7

- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- The objective of the credit rating herewith presented does not include any concerns other than the likelihood of debt payment, such as risks of price changes, market liquidity, etc.
- The credit rating herewith presented is necessary to be reviewed along with possible changes of the issuer of rated objects in its business performance and/ or circumstances which include regulatory environment, and hence subject to possible alteration.

5 Information on the Uncertainty of the Credit Rating as Required by Paragraph (a)(1)(ii)(E) of Rule 17g-7

- The information used for the determination of credit rating as herewith presented is obtained by JCR from the issuer of rated objects and other sources that JCR trusts in terms of accuracy and reliability but possibly contains errors due to human, non-human or other causes. Consequently, the credit rating determined on the grounds of such information does not constitute, explicitly or implicitly, any representation or warrant of JCR on the information itself or any consequences of its use in terms of accuracy, relevance, timeliness, wholeness, market value, or usefulness for any specific purposes.

6 Use of Due Diligence Services of a Third Party in Taking the Rating Action as Required by Paragraph (a)(1)(ii)(F) of Rule 17g-7

- There is no use of any third-party due diligence service in the determination of the credit rating herewith presented.

7 Use of Servicer or Remittance Reports to Conduct Surveillance of the Credit Rating Required by Paragraph (a)(1)(ii)(G) of Rule 17g-7

- There is no use of any servicer or remittance report to conduct surveillance of the credit rating herewith presented.

8 The Types of Data Relied Upon for the Purpose of Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(H) of Rule17g-7

- The information posted in the below, which includes data, is used for the determination of the credit rating herewith presented.

  A) Audited financial statements presented by the rating stakeholders

  B) Explanations of business performance, management plans, etc. presented by the rating stakeholders

9 Overall assessment of the Quality of Information Available and Considered in Determining the Credit Rating as Required by Paragraph (a)(1)(ii)(l) of Rule 17g-7

- JCR holds its basic policies for securing the quality of information as a base of due diligence for the determination of credit ratings. The information used as a base for the determination of credit rating herewith presented satisfies such policies, which include the audit by an independent auditor, the warranty made by the issuer, the publication by the issuer, some independent media or, otherwise, JCR analyst's scrutiny, etc.
- JCR sees no particular weakness in the quality of information used for the determination of the credit rating herewith presented as compared to the information used in other cases of the credit rating for comparable issuers or ratable objects.
- If the credit rating is an Indication, please see the report for Indication.

10 Information Relating to Conflicts of Interest as Required by Paragraph (a)(1)(ii)(J) of Rule 17g-7

- JCR receives payment of compensation for the determination of the credit rating herewith presented from either one of those parties who are issuer, underwriter, depositor or sponsor.
- JCR did not receive in the last fiscal year in the past payment of compensation from the same party for any kind of JCR's service other than the determination of public or private credit rating, such as one in the ancillary business.

11 Explanation or Measure of the Potential Volatility of the Credit Rating as Required by Paragraph (a)(1)(ii)(K) of Rule 17g-7

A) Business Bases

The credit rating is subject to alteration if there is improvement or deterioration of the issuer's business bases, since its revenue, etc. may improve or deteriorate by the change in its business management policies, clients' preferences, competitive situation, or a technological innovation. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the business bases is large.

B) Financial Grounds and Asset Quality

The credit rating is subject to alteration if the issuer increases/ decreases its debt/ capital or vice versa and thereby makes its individual debt payment liability less or more bearable and its loss absorption capacity into the future decreased or increased. Also, the changes in the quality of asset under the issuer's holding may affect the credit rating, since such changes could raise or lower the likelihood of future loss of the issuer's financial grounds. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change in the financial grounds and/ or asset quality is large.

C) Liquidity Positions

The credit rating is subject to alteration if there is a change in the issuer's financial management policy or in the relations with fund procurement sources and the change thereby makes its liquidity positions improve or deteriorate. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is large.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating is subject to alteration if there is a change in the issuer's parent company or subsidiary, guarantor or other provider of credit enhancement, or the government of the issuer's business domicile, or other related parties' own conditions and/ or position of support/ assistance for the issuer, and the change thereby makes its business bases, financial grounds and/ or liquidity positions improve or deteriorate, and/ or making the effectiveness of guarantee and other credit enhancement improve or deteriorate. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large.

E) Order of Seniority in Debt Payment and Non-Payment Forgiven by Contract

The credit rating is subject to alteration if there is a change in the rated debt's status in the order of seniority relative to other debts caused by the improvement/ deterioration of the issuer's financial condition. The resultant alteration of the credit rating is usually a notch, with possibility of a few notches if and when the change is large. Also, in case of the financial products for which non-payment of interest/ principal is contractually permissible, the credit rating is subject to alteration if and when the likelihood of such non-payment is projected to increase or decrease. The resultant alteration of the credit rating could be by a notch but often as much as a few notches.

F) Rise and Fall in General Economy and Markets

The credit rating is subject to alteration if there is a rise/ fall in the general economy and/ or the markets inducing the issuer's revenues/ expenses to increase/ decrease and vice versa, etc. The resultant alteration of the credit rating is usually by a notch, with possibility of a few notches if and when the change is exceptionally large.

G) Various Events

The credit rating is subject to alteration on occurrence of various events, such as change in the issuer's major shareholders, M&A and other organizational change, accident, violation of the law, litigation, legal/ regulatory change, natural disaster, etc., which are unforeseeable at the time when the credit rating is determined, causing a significant change on the issuer's business bases, financial grounds, etc. The resultant alteration of the credit rating could be by a notch but more often than not as much as a few notches.

12 Information on the Content of the Credit Rating, Including the Historical Performance of the Credit Rating and the Expected Probability of Default and the Expected Loss in the Event of Default as Required by Paragraph (a)(1)(ii)(L) of Rule 17g-7

- Historical records of the credit rating herewith presented are posted in the end of this paper.
- The credit rating herewith presented by JCR is its summary opinion with regard to the likelihood of given debt payment and hence not necessarily a perfect representation of such likelihood. The credit rating is not intended to estimate the probability of default or the loss on given default, either.
- Facts of the probability of default are posted as Form NRSRO Exhibit 1 on the JCR website under the URL:

https://www.jcr.co.jp/en/service/company/regu/nrsro/

13 Information on the Sensitivity of the Credit Rating to Assumptions Made as Required by Paragraph (a)(1)(ii)(M) of Rule 17g-7

A) Business Bases

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's business bases and powers of earning or cash flow generation, etc. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's business bases on some drastic change in the operational environments, etc.

B) Financial Grounds and Asset Quality

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's financial grounds and asset quality. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but

possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's financial grounds and/ or asset quality on some drastic change in its business bases.

C) Liquidity Risks

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's liquidity positions. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if the development is rapid in improvement or deterioration of the issuer's liquidity positions on some drastic change in its financial management policy or relations with fund procurement sources, etc.

D) Related Parties' Status and Stance of Support/ Assistance for the Issuer

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the issuer's parent company or subsidiaries, guarantor or other providers of credit enhancement, the government of the issuer's business domicile or other related parties' status and stance of support/ assistance for the issuer. The resultant change of the credit rating is most likely by a notch, as JCR speculates, but possibly as much as a few notches if there is a major change on the part of related parties, such as replacement, disappearance, some drastic improvement/ deterioration of financial grounds/ balances, etc.

E) Rise and Fall in General Economy and Markets

The credit rating herewith presented could be changed if and when the assumptions made at the time of its determination turn out to be inaccurate with regard to the prospects of general economy and markets. JCR expects the change should be most likely by a notch but could be as much as a few notches, should the economy or the markets change so greatly.

14 Information on the Representations, Warranties, and Enforcement Mechanisms of an Asset-backed Security as Required by Paragraph (a)(1)(ii)(N) of rule 17g-7

・ The credit rating herewith presented is not for an ABS product, and hence no relevant issue.

Japan Credit Rating Agency, Ltd.
Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026

The Historical Performance of the Credit Rating

Issuer Name	Issue Name	Publication Date	Rating	Outlook/Direction
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	March 2, 2006	A+	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	March 30, 2007	A+	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	March 31, 2008	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 9, 2009	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	September 15, 2010	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	September 20, 2011	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 3, 2012	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	September 30, 2013	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 1, 2014	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	September 28, 2015	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	September 27, 2016	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 2, 2017	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 3, 2018	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 31, 2019	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 21, 2020	AA-	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 29, 2021	AA	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 7, 2022	AA	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	November 6, 2023	AA	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	October 25, 2024	AA	Stable
Mitsubishi UFJ NICOS Co., Ltd.	Issuer(Long-term)	November 27, 2025	AA	Stable
Mitsubishi UFJ NICOS Co., Ltd.	CP	September 27, 2005	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	September 1, 2006	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	March 30, 2007	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	March 31, 2008	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 9, 2009	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	September 15, 2010	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	September 20, 2011	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 3, 2012	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	September 30, 2013	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 1, 2014	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	September 28, 2015	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	September 27, 2016	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 2, 2017	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 3, 2018	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 31, 2019	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 21, 2020	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 29, 2021	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 7, 2022	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	November 6, 2023	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	October 25, 2024	J-1+	
Mitsubishi UFJ NICOS Co., Ltd.	CP	November 27, 2025	J-1+	

Attestation Required by Paragraph (a)(1)(iii) of Rule 17g-7

I, Tomohiro Miyao, have responsibility to this Rating Action and to the best of my knowledge:

A) No part of the credit rating was influenced by any other business activities.

B) The credit rating was based solely upon the merits of the obligor, security, or money market instrument being rated.

C) The credit rating was an independent evaluation of the credit risk of the obligor, security, or money market instrument.

宮尾 知浩

Tomohiro Miyao
General Manager of Financial Institution Rating Department

Japan Credit Rating Agency, Ltd.
Jiji Press Building, 5-15-8 Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel. +81 3 3544 7013, Fax. +81 3 3544 7026