

Mitsubishi UFJ Financial Group, Inc.
Mitsubishi UFJ Trust and Banking Corporation
Mitsubishi UFJ Securities Holdings Co., Ltd.
Mitsubishi UFJ Asset Management Co., Ltd.
KOKUSAI Asset Management Co., Ltd.

Merger of Mitsubishi UFJ Asset Management and KOKUSAI Asset Management

Tokyo, December 12, 2014 --- Mitsubishi UFJ Financial Group, Inc. (MUFG) and its subsidiaries Mitsubishi UFJ Trust and Banking Corporation (MUTB) and Mitsubishi UFJ Securities Holdings Co., Ltd. (MUSHD) have been considering the creation of a new organizational structure to strengthen the Group's asset management business. As part of these efforts, Group asset management companies Mitsubishi UFJ Asset Management Co., Ltd. (MUAM) and KOKUSAI Asset Management Co., Ltd. (KAM) have signed a "Memorandum of Understanding on Merger," and have begun discussions and preparations towards a merger.

1. Aims of the merger

With the investment trust market expected to grow as Japanese individuals shift their assets from savings to investment, there is strong demand for further strengthening of asset management companies' investment capabilities and for raising quality as part of asset managers' fiduciary duty. In order to flexibly respond to these changes in the environment, it has been decided to merge MUAM and KAM.

Post-merger, the new company will make use of the strengths of both MUAM and KAM, enhance its asset management ability and plan to increase management efficiency to create a structure that can satisfy customers by providing higher quality and higher value-added asset management services.

2. Asset management services post-merger

Post-merger, the new company will aim to enhance its services by combining MUAM and KAM's accumulated know-how to enhance its line-up of products that address a broad range of customer needs while working to make services more convenient for customers.

Regarding the asset management services that both MUAM and KAM are currently providing, the new company will continue to provide those services.

3. Merger time-frame

The merger of MUAM and KAM is targeted to be concluded on July 1, 2015.

Details of the new company's post-merger name, shareholding structure, personnel, etc. will be considered and disclosed when these details have been decided.

MUFG will seek to realize synergistic effects throughout the Group between the post-merger new company's high quality and sophisticated products and services, the Group's outstanding business base, investment infrastructure and resources, solidifying its top class position in the asset management business.

(Reference) Overview of merging companies

(As of September 30, 2014)

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|---|--|----------------------------------|---|----------------------------------|
| Company name | Mitsubishi UFJ Asset Management Co., Ltd. | | KOKUSAI Asset Management Co., Ltd. | |
| Principal business | Investment trust management and advisory business | | Investment trust management and advisory business | |
| Date of establishment | August 1985 | | March 1983 | |
| Head office | Chiyoda-ku, Tokyo | | Chiyoda-ku, Tokyo | |
| President & CEO | Takashi Kanagami | | Hiroyuki Tanaka | |
| Total outstanding shares | 124,098 shares | | 12,998 shares | |
| Capital | JPY 2.0 billion | | JPY 2.68 billion | |
| Investment trust asset balance | Publicly offered: JPY 6,129.7 billion Privately placed: JPY 2,474.2 billion Total: JPY 8,604.0 billion | | Publicly offered: JPY 3,481.9 billion Privately placed: JPY 27.3 billion Total: JPY 3,509.2 billion | |
| Number of employees | 442 | | 329 | |
| Major shareholders (shareholding ratio) | Mitsubishi UFJ Trust and Banking (50%) Mitsubishi UFJ Financial Group (25%) The Bank of Tokyo-Mitsubishi UFJ (25%) | | Mitsubishi UFJ Securities Holdings (82%) The Bank of Tokyo-Mitsubishi UFJ (10%) Mitsubishi UFJ Trust and Banking (7%) | |
| Business results | Fiscal year ended March 31, 2013 | Fiscal year ended March 31, 2014 | Fiscal year ended March 31, 2013 | Fiscal year ended March 31, 2014 |
| | Operating revenue | JPY 48.56 billion | JPY 53.66 billion | JPY 34.21 billion |
| | Ordinary income | JPY 8.48 billion | JPY 9.87 billion | JPY 8.67 billion |
| | Net income | JPY 5.40 billion | JPY 6.73 billion | JPY 5.32 billion |

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