

Mitsubishi UFJ Financial Group, Inc. (MUFG)
Mitsubishi UFJ Securities Holdings Co., Ltd.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd.
MUFG Bank, Ltd.

Basic Agreement Concerning Capital Transfer and Merger Among Consolidated Subsidiaries

Tokyo, April 1, 2019 ---MUFG today announced that Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (“MUMSS”) and Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (“PB Securities”), consolidated subsidiaries of MUFG and Mitsubishi UFJ Securities Holdings Co., Ltd. (“MUSHD”), have agreed on a merger set out below whereby MUMSS will become a surviving company with the aim of reinforcing the wealth management business. In line with this, MUMSS and MUFG Bank, Ltd. (“MUFG Bank”) have also agreed as follows with regard to the transfer of PB Securities shares held by MUFG Bank.

1. Background and Objective

With MUMSS and MUFG Bank serving as its shareholders (MUMSS 75.00%, MUFG Bank 25.00%), PB Securities has provided asset management and other services to high-net-worth customers in Japan by leveraging MUFG’s solid customer base and Morgan Stanley’s advanced global know-how.

By setting the wealth management business as one of its key strategies, MUFG has also pushed forward with the reinforcement of a structure for offering a wide range of solutions on a Group basis including asset management, asset and business succession transfers and real estate services.

In promoting the wealth management business, MUMSS, PB Securities and MUFG Bank reached this agreement by commonly recognized the necessity of the merger concerned in order to maximize the know-how of PB Securities that has earned high acclaim^{*1} in Japan in order to meet the diverse needs of MUFG customers while delivering extensive solutions by MUFG including MUMSS also to PB Securities’ existing customers more smoothly.

By integrating PB Securities’ unique know-how on asset management services and MUMSS’ full-service securities functions as MUFG’s broad range of solutions, we will take measures in order to help our customers access even higher quality services in a more convenient manner in the future.

^{*1} PB Securities has been rated first for the seven consecutive years (fiscal 2013 through fiscal 2019) in the overall rankings of questionnaire surveys for Japan’s Best Private Banks conducted by the UK’s *Euromoney* magazine.

2. Contents, etc. of the Basic Agreement

MUMSS and PB Securities resolved at the Board of Directors' meeting of respective companies and concluded this basic agreement as of today that the two companies will pursue discussions on the merger with MUMSS as the surviving company.

Consequently, MUMSS and MUFG Bank resolved at the Board of Directors' meeting of MUMSS and the Management Committee of MUFG Bank and concluded a basic agreement as of today with regard to the discussion on the transfer of all of PB Securities shares held by MUFG Bank (24,407 shares (25.00%)) to MUMSS.

The merger between MUMSS and PB Securities is tentatively scheduled for the second half of fiscal 2019.

-End-

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 over 1,800 locations in more than 50 countries. The Group has over 150,000 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 www.mufg.jp/english.