



July 18, 2023 – FOR IMMEDIATE RELEASE

MUFG and Morgan Stanley to Enhance Global Strategic Alliance under “Alliance 2.0”

TOKYO, JAPAN - Mitsubishi UFJ Financial Group, Inc. (MUFG) (NYSE: MUFG) and Morgan Stanley (NYSE: MS) today announced the launch of “Alliance 2.0”, an enhanced Global Strategic Alliance for further collaboration between both firms for the next decade and beyond.

Since MUFG and Morgan Stanley entered into our Global Strategic Alliance in 2008, throughout the 15 years of deep mutual understanding and trust, we have made tremendous achievements in various areas, including global investment banking and our Japan securities joint venture businesses. We have provided our clients with the unique value from the MUFG-Morgan Stanley alliance.

Looking forward, both firms intend to further strengthen our Global Strategic Alliance. The cornerstone of “Alliance 2.0” is enhanced collaboration across critical client-facing businesses. In launching “Alliance 2.0”, our firms have entered into memoranda of understanding to collaborate in foreign exchange trading and in the Japanese research and equity businesses for institutional clients. Both parties will work to conclude definitive agreements regarding each collaboration initiative with a targeted implementation date in the first half of 2024, subject to regulatory approval.

Hironori Kamezawa, MUFG’s President and Chief Executive Officer, said, “as part of our enhanced strategic alliance for the coming decades, we will collaborate in global FX business and Japanese research and equity businesses for institutional investors. We aim to continue to provide exceptional services to each of our firm’s clients by adapting in the evolving landscape and incorporating cutting edge ideas”.

James P. Gorman, Chairman and Chief Executive Officer of Morgan Stanley, added that “these initiatives are significant not only in terms of providing better services to our clients, but also as examples of ways our two firms can continue to work together and deepen our strategic alliance over the years to come”.

Collaboration in Foreign Exchange Trading

In recent years, the competition in global Foreign Exchange (“FX”) markets has intensified by the rapid electronification of trading and by new entrants driving technology innovation. The increased operational and technology development challenges coupled with the introduction of global financial regulation have further increased the need to enhance the FX trading business.

Global players have responded by scaling up FX trading volume by expanding and diversifying their customer base and by increasing technology investments.

Given such market trends, MUFG's consolidated subsidiary MUFG Bank (President & CEO: Junichi Hanzawa, "MUBK") and Morgan Stanley have agreed on a memorandum of understanding for an FX collaboration that utilizes Morgan Stanley MUFG Securities Co., Ltd. (President & CEO: Alberto Tamura, "MSMS"), leveraging the unique and complementary strengths of each party. Both parties will benefit from the enhanced scale of the collaboration, which will improve client service and efficiency, given MUBK's extensive trading relationships with Japanese and global corporate clients, and Morgan Stanley's substantial trading relationships with global institutional and corporate clients. In this new collaboration, MUBK will link with Fixed Income at MSMS for FX trading and utilize Morgan Stanley's leading global FX business platform, enabling a more competitive offering to serve the diversified and complex needs of MUBK's clients. Client contacts will remain unchanged as the FX sales business will continue to be operated by each firm independently.

Collaboration in Japanese Research and Equity Businesses for Institutional Clients

Since Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (CEO: Makoto Kobayashi, "MUMSS") and MSMS were established in May 2010 as the securities joint venture entities of MUFG and Morgan Stanley in Japan, both MUMSS and MSMS have been closely collaborating in various areas such as M&A advisory and equity and debt underwriting, as well as wealth management. As part of the new collaboration, MUMSS and MSMS will integrate the institutional Japan Equity business by consolidating Japan Equity Research, Institutional Sales, Corporate Access, and a part of Execution Services functions of both entities into MSMS. The Japan Equity underwriting business will also be optimized so that MUMSS and MSMS can further leverage Morgan Stanley's global platform.

The integration of MUMSS' broad Japan Equity coverage and domestic client relationships with MSMS' global operating platform and international client relationships will better serve clients' sophisticated demand for Japan Equity products and services through thought leadership in Research, Execution, and Corporate Access, making the joint venture a best-in-class Japanese equity house. Councils with representatives of both firms will be established, and certain employees of MUMSS and other MUFG subsidiaries will be dispatched to MSMS and other Morgan Stanley entities for the consolidated functions. MUMSS will continue to provide Japan Equity services for corporate clients, wealth management and select financial institutions.

As a result of the stronger collaboration between the two joint venture entities, MUFG plans to disclose business metrics across both entities. The disclosure, combined with the enhanced collaboration between the joint venture entities across multiple business areas, will help demonstrate MUFG's and Morgan Stanley's joint goal of becoming the top securities firm in Japan.

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 approximately 2,000 locations in more than 50 countries. The Group has about 160,000 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.mufig.jp/english>.

About Morgan Stanley

Morgan Stanley (NYSE: MS) is a leading global financial services firm providing a wide range of investment banking, securities, wealth management and investment management services. With offices in 42 countries, the Firm's employees serve clients worldwide including corporations, governments, institutions and individuals. For further information about Morgan Stanley, please visit www.morganstanley.com.

Please access the joint video message with Morgan Stanley from below link:

<https://youtu.be/NcfU00GLU80>

MUFG / Morgan Stanley Strategic Alliance Update

July 2023

Alliance 1.0 – Development of MUFG/MS Alliance (1/2)

- MUFG/MS Alliance has expanded from Investment Banking to the WM^{*1} , AM/IS^{*2} businesses
- The relationship has deepened over the years through ongoing activities

History of MUFG/MS Alliance

2008

- Invested US\$9 billion in preferred stock in MS to fundamentally strengthen global operations

2009

- Established a LMJV^{*3} to provide corporate financing services in the Americas

2010

- Established MUMSS and MSMS in Japan

2011

- Appointed a second representative to MS Board of Directors and the MS preferred stock owned by MUFG were converted into common stock

At present

- Deepening dialogues in WM and AM/IS businesses

Continuous efforts to deepen the alliance

Active dialogues between the top managements

Global Steering Committee held semi annually

- Senior managements of the two firms discuss periodically on the collaboration initiatives to further develop the alliance



Two Directors of MS' Board designated by MUFG^{*4}

Secondment Program (since 2010)

- More than 80 secondees have completed the program^{*5}
- The secondees have learned MS' best in class practices in several areas including Investment Banking, WM and Risk Management

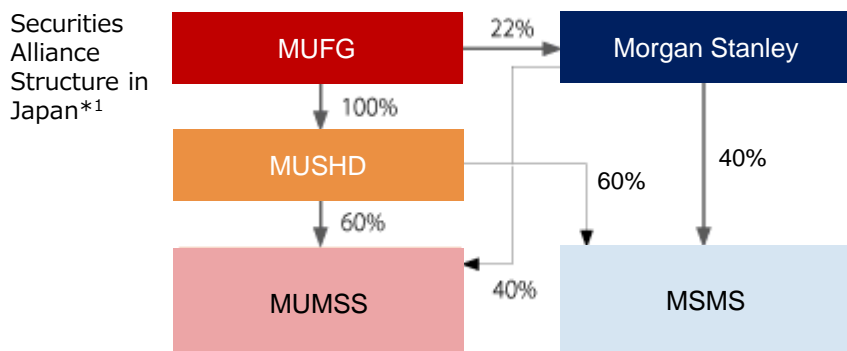
Further Strengthening the Alliance to "Alliance 2.0" , a Deeper and Stronger Alliance

Alliance 1.0 – Development of MUFG/MS Alliance (2/2)

- MUFG/MS Alliance has expanded from Investment Banking to the WM, AM/IS businesses

Collaborations on Investment Banking Business (Japan)

- MUMSS and MSMS have leveraged MUFG's domestic client relationships and MS' global operating platforms for the M&A and GCM businesses
- MS supported MUMSS in enhancing its WM business



Collaborations on Investment Banking Business (Global)

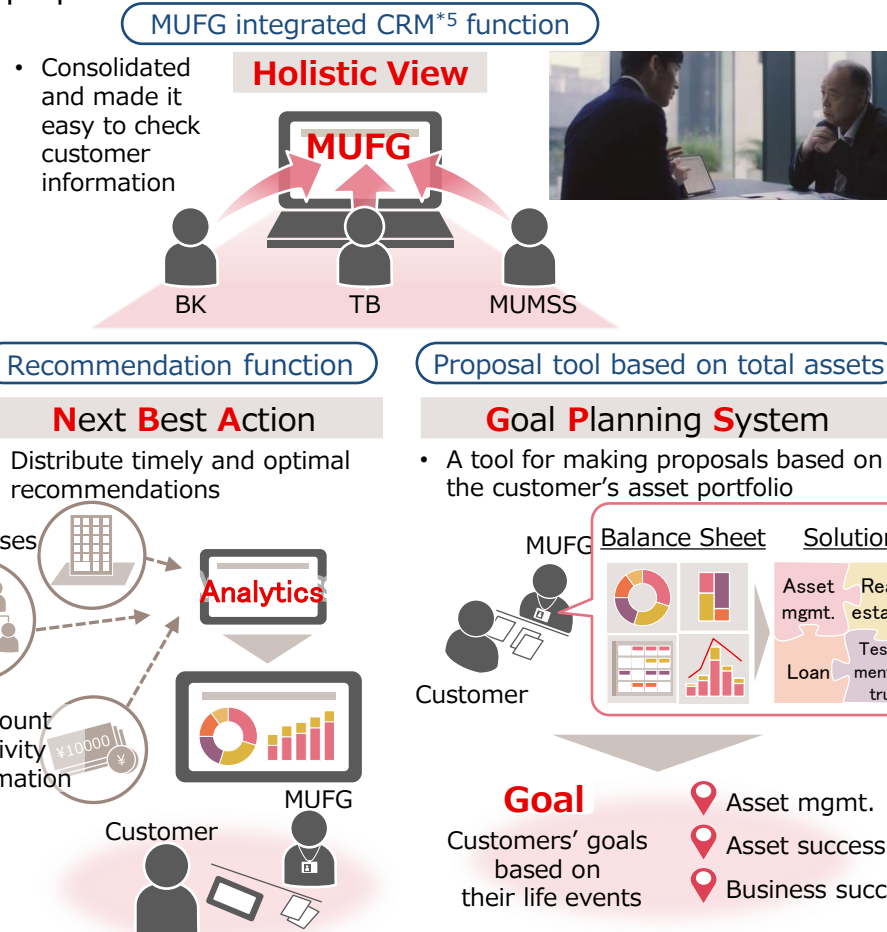
- In addition to LMJV collaborations in the U.S., client referrals for ECM and M&A deals have grown globally
- Client referrals for the Non-IG space in the U.S., and pre-IPO client referrals in Asia have been developing

Collaborations on AM/IS business

- Collaborations between MUTB², MUKAM³ and MSIM⁴ on formulating investment trusts, and MUTB and MUKAM providing AM/IS functions

MUFG WM Digital Platform

Leveraged MS' know-how in the course of developing MUFG's unique platform



3 1. Voting rights in MSMS are held as follows: MUFG 49%, MS 51% 2. Mitsubishi UFJ Trust Bank 3. Mitsubishi UFJ Kokusai Asset Management 4. Morgan Stanley Investment Management 5. Customer Relationship Management

Alliance 2.0 – Collaboration Initiative in Foreign Exchange Trading (1/3)

- MUFG Bank (MUBK) and Morgan Stanley (MS) have agreed on a memorandum of understanding for an FX collaboration to improve client service and efficiency

Understanding of Background and Environment regarding the FX Trading Collaboration



The **competition in global FX markets has intensified** by the **rapid electrification** of trading and by new entrants driving technology innovation



The **increased operational and technology development challenges** coupled with the introduction of global financial regulation have further increased the **need to enhance the FX trading business**



Global players have responded by **scaling up FX trading volume** by **expanding and diversifying their customer base** and by **increasing technology investments**

Given such market trends,

Provide improved client service

Leverage the unique and complementary strengths of MUBK and MS, through an FX collaboration utilizing Morgan Stanley MUFG Securities Co., Ltd. (MSMS)



MUFG MUFG Bank

MUBK's strengths in extensive trading relationships with Japanese and Global corporate clients, and in JPY/ Asian currencies



Morgan Stanley

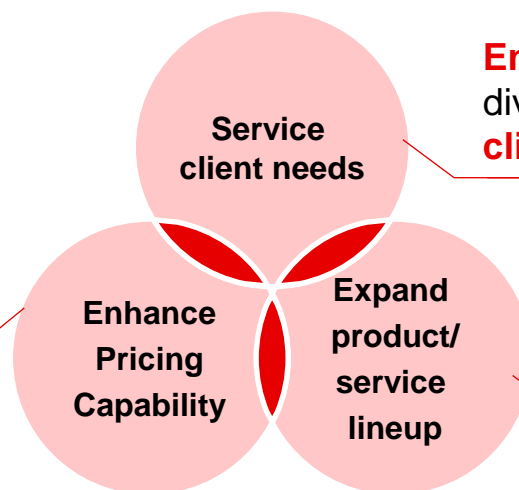
MS' strengths in substantial trading relationships with global institutional and corporate clients and FX business platform

Alliance 2.0 – Collaboration Initiative in Foreign Exchange Trading (2/3)

- MUBK will link with Fixed Income at MSMS for FX trading and utilize Morgan Stanley's leading global FX business platform, enabling a more competitive offering to serve the diversified and complex needs of MUFG Bank's clients

Aspirations

Enhance Pricing Capability for various currencies, transactions, and channels by leveraging MUBK and MS strengths



Enabling service to the diversified and complex **needs of clients** with speed and accuracy

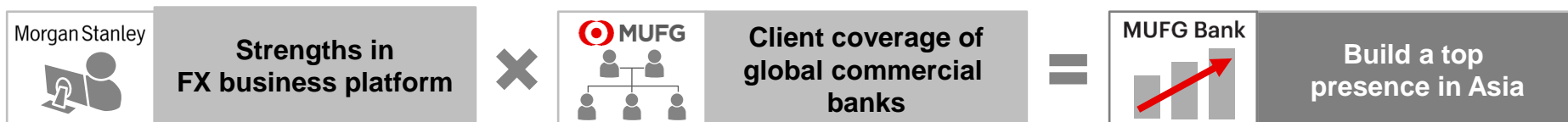
Provide leading edge online trading **services**, and **offer products** such as NDF, Options, and more



As a result

MUBK to build a top presence in Asia

MUBK to build a top presence in Asia by leveraging MS' strengths in FX trading platform and MUBK's client coverage of global commercial banks

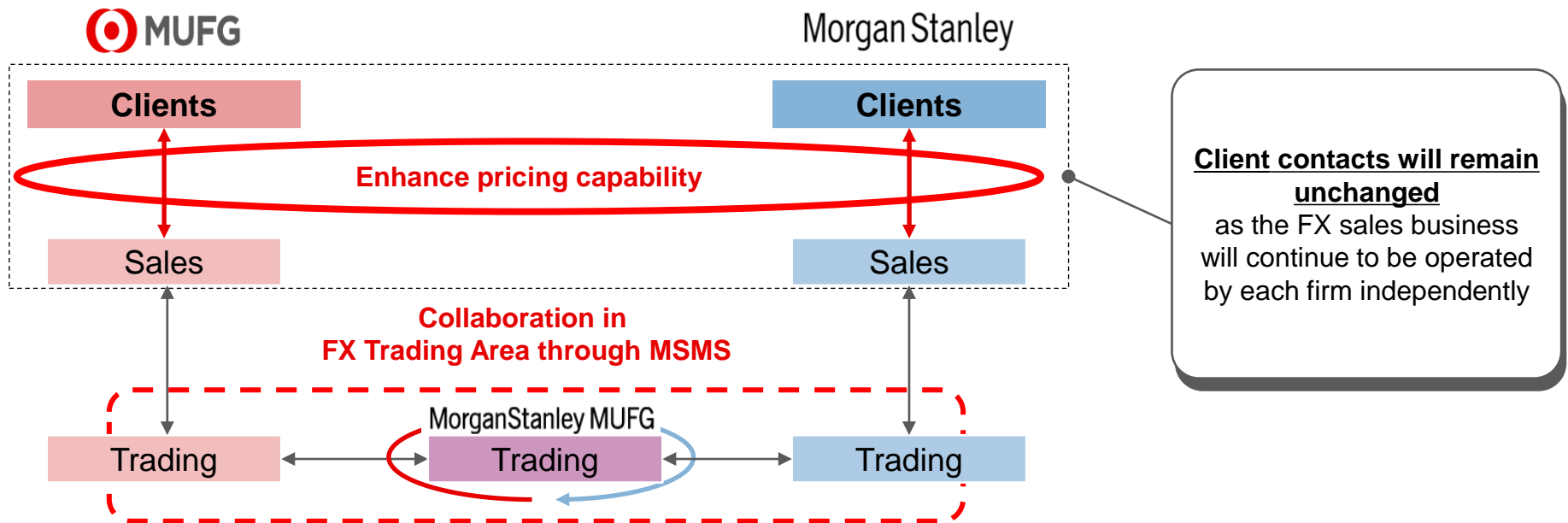


Alliance 2.0 – Collaboration Initiative in Foreign Exchange Trading (3/3)

- In this new collaboration, MUBK will utilize Morgan Stanley's leading global FX business platform through MSMS in order to enhance pricing capability and expand product/services lineup. However, client contacts will remain unchanged as the FX sales business will continue to be operated by each firm independently

Overview of the Collaboration in the FX Trading Area

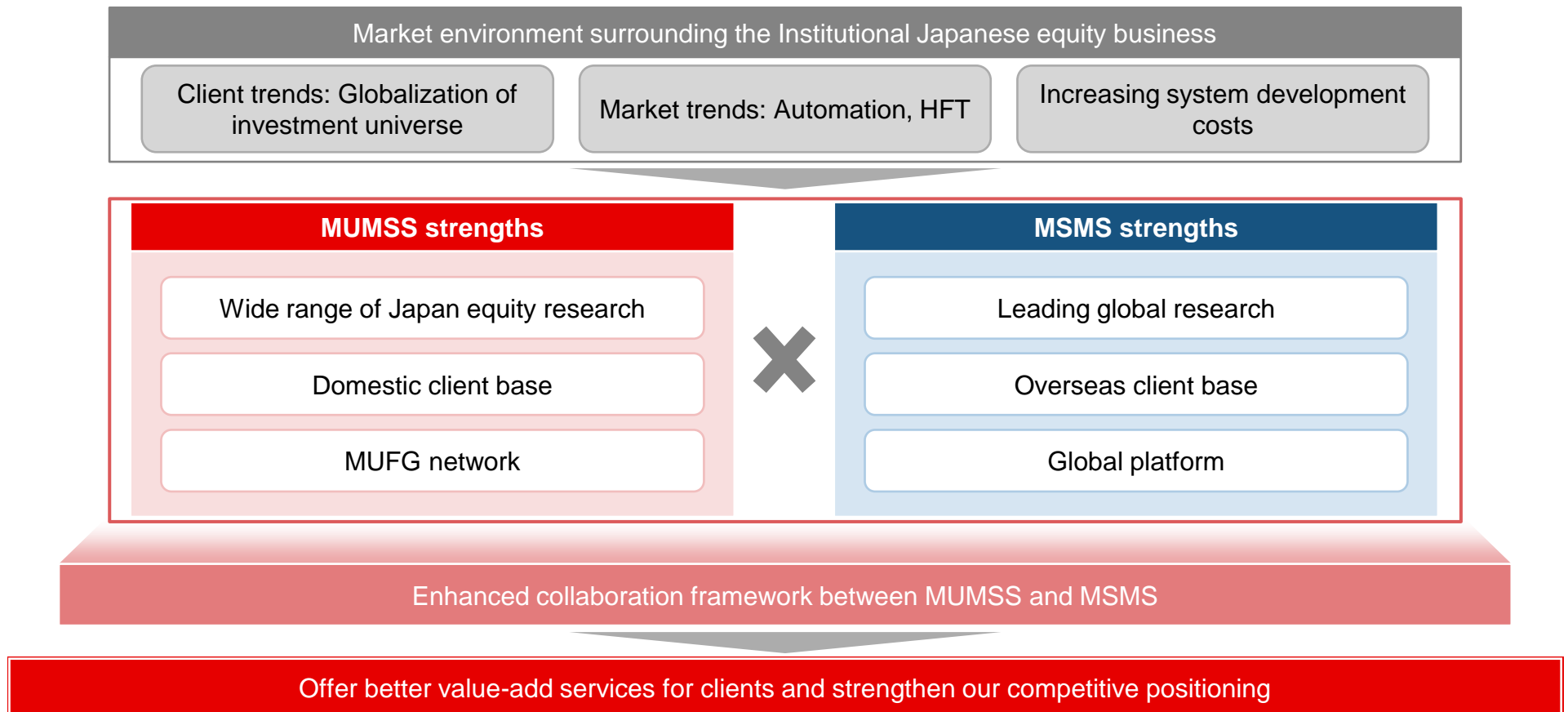
Collaboration Structure



Alliance 2.0

– MUFG/MS Collaboration Initiative in Japanese Research and Equity Business for Institutional Clients (1/3)

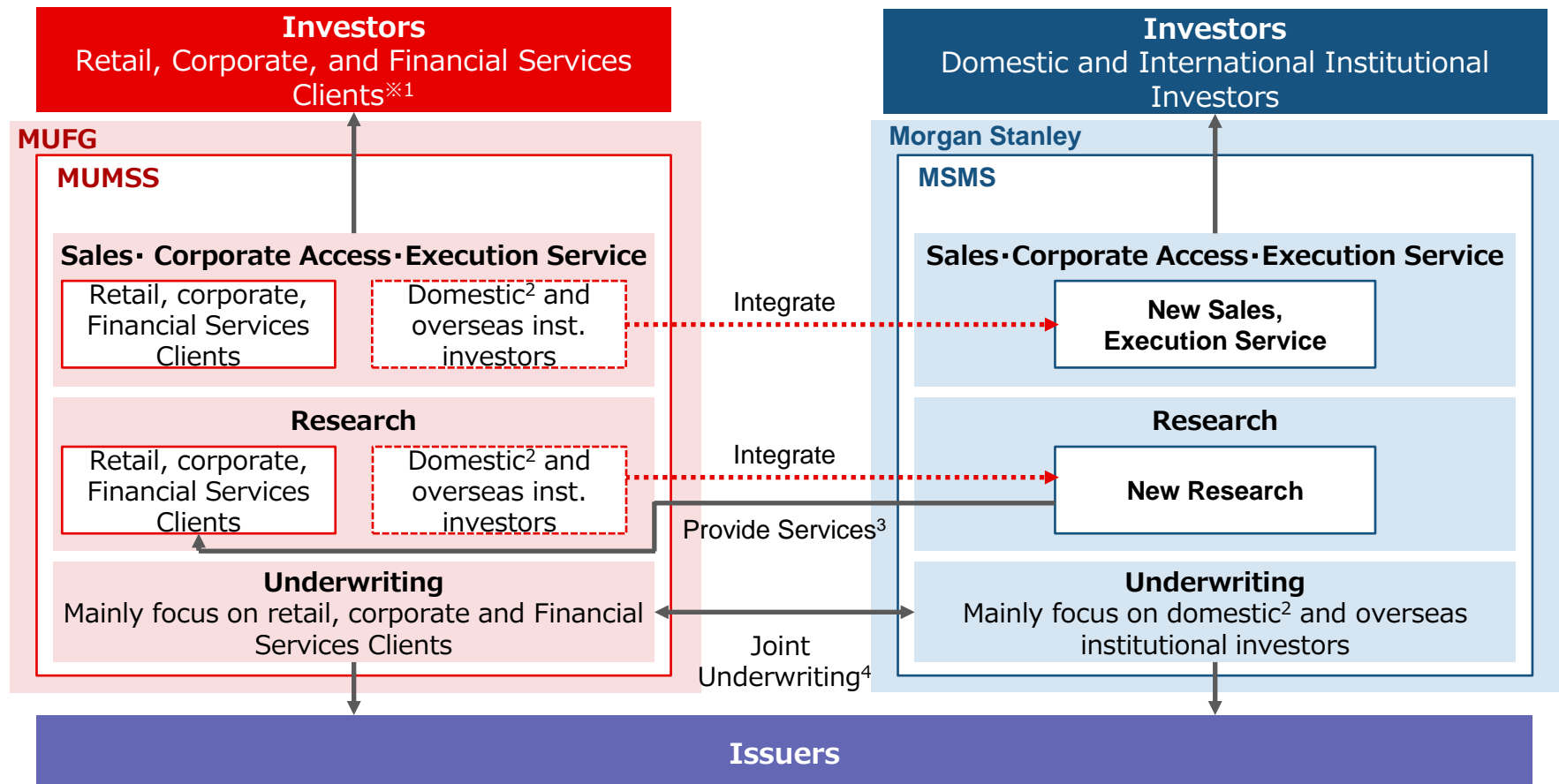
- **MUFG and Morgan Stanley will establish a collaboration framework to leverage each other's strengths in the wholesale equity business to offer better value-add services for clients and strengthen our competitive positioning**



Alliance 2.0

– MUFG/MS Collaboration Initiative in Japanese Research and Equity Business for Institutional Clients (2/3)

- Integrate the existing MUMSS and MSMS research, institutional equity sales, Corporate Access and a part of execution services within MSMS
- Following the integration, equity underwriting functions in MUMSS and MSMS will be optimized to further leverage the MSMS global platform



1. “Financial Services Clients” includes, among others, proprietary funds for domestic banks and insurance companies, and certain regional financial institutions

2. Other than “Financial Services Clients”

3. New Research provides services to MUMSS’s retail, corporate, and financial institution clients through MUMSS

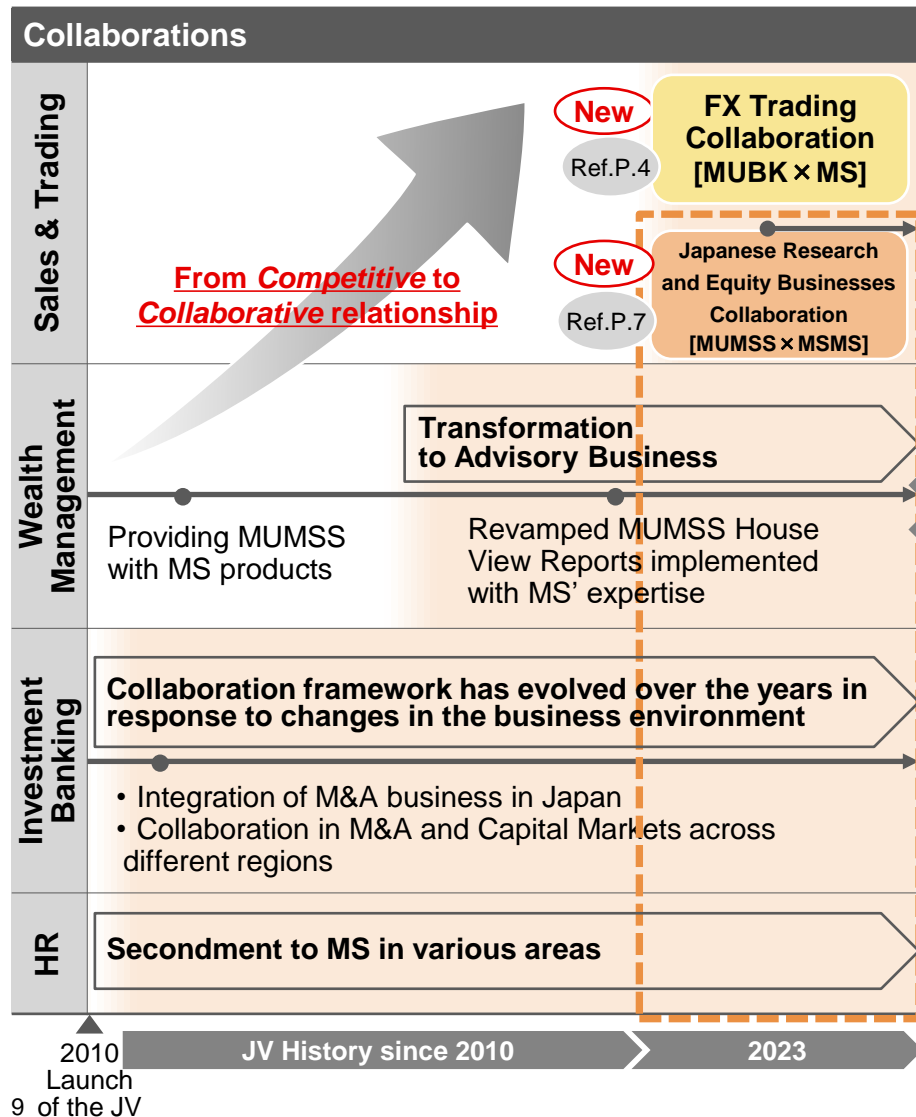
MSMS continues its services for MSMS’s financial institutions clients

4. For certain domestic deals, MSMS may act as selling agent while MUMSS acts as underwriter

Alliance 2.0

– MUFG/MS Collaboration Initiative in Japanese Research and Equity Business for Institutional Clients (3/3)

- Build the top securities firm with a holistic view of the Joint Venture



JV Joint Disclosure (New)

MUMSS

+

MSMS

- The total net operating revenue of the Japan JV entities in FY22 secured the **#2** position, after Nomura Securities, among all domestic securities firms

Net operating revenue of domestic securities firms in FY2022 (JPY bn)

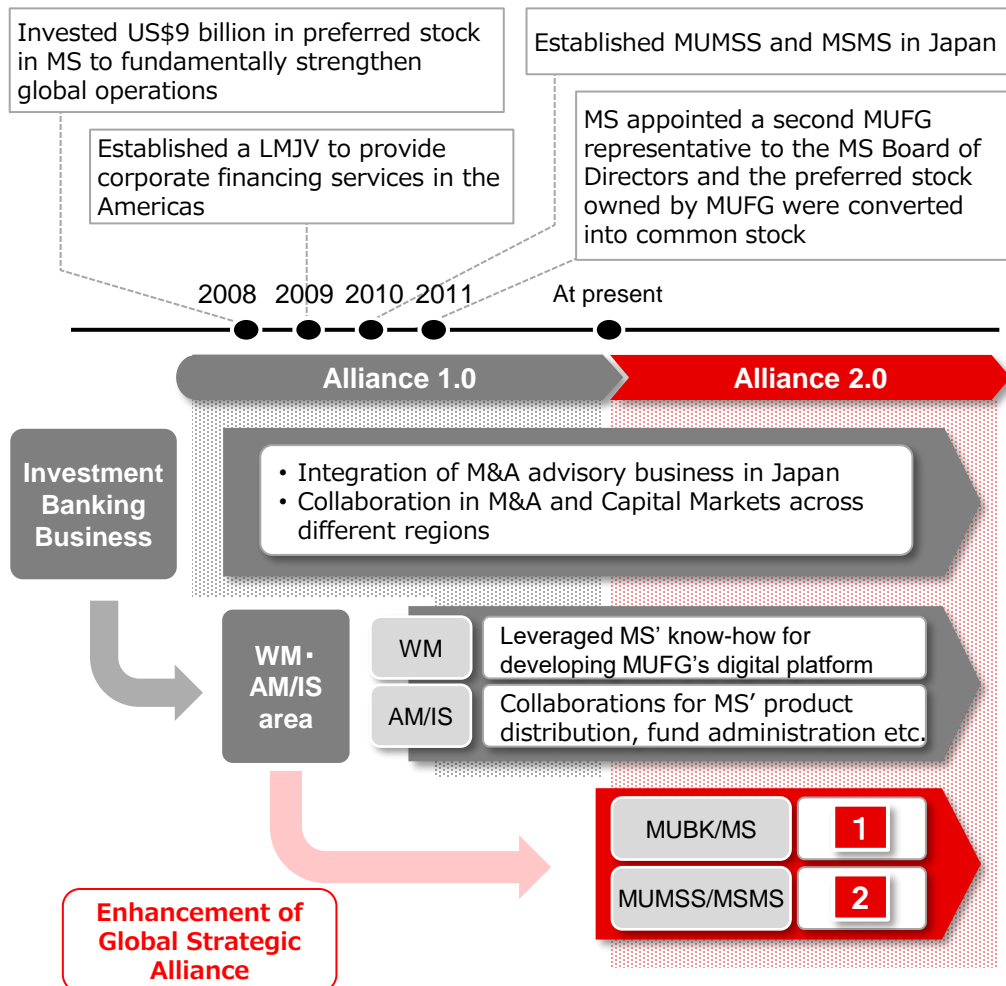
Rank	Security firm(s)	Amount
#1	Nomura Securities	488.7
#2	MUMSS + MSMS	381.3
#3	Mizuho Securities	251.9
#4	Daiwa Securities	243.3
#5	SMBC Nikko Securities	213.4

(Source) Company disclosures

Become the Top Securities Firm in Japan

Alliance 2.0

- **An enhanced Global Strategic Alliance for further collaboration between MUFG and Morgan Stanley (MS)**



1



Collaboration in Foreign Exchange Trading

2



Collaboration in Japanese Research and Equity businesses for Institutional Clients

JV Joint Disclosure