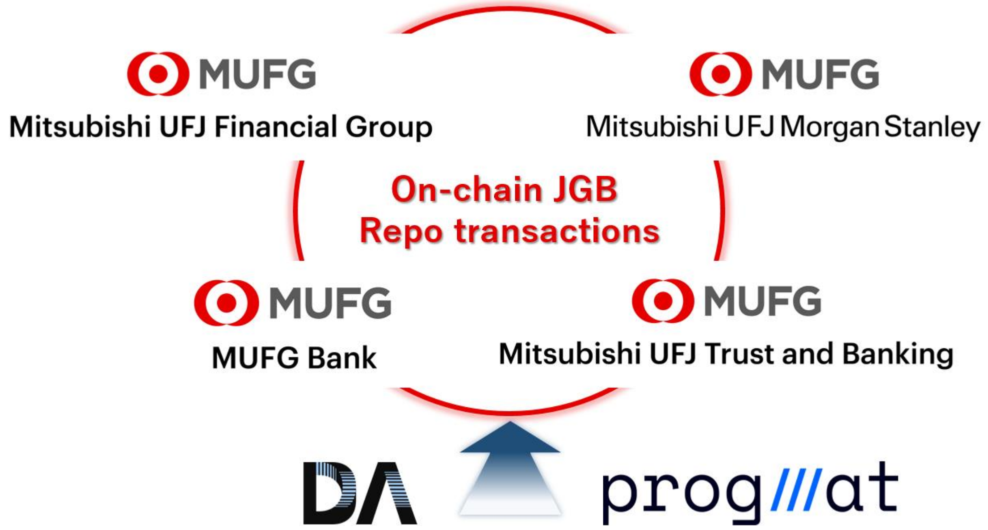
Mitsubishi UFJ Financial Group, Inc.
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
Mitsubishi UFJ Trust and Banking Corporation
MUFG Bank, Ltd.

Announcement of the Launch of a Proof-of-Concept for On-Chain Japanese Government Bond Repo Transactions

Tokyo, August 13, 2026 --- Mitsubishi UFJ Financial Group, Inc. (President & Group CEO: Junichi Hanzawa; “MUFG”), Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (President & CEO: Hiroyuki Seki; “Mitsubishi UFJ Morgan Stanley Securities”), Mitsubishi UFJ Trust and Banking Corporation (President: Hiroshi Kubota; “Mitsubishi UFJ Trust and Banking”), and MUFG Bank, Ltd. (President & CEO: Masakazu Osawa; “MUFG Bank”) (together, the “four MUFG companies”) announce that, together with Digital Asset Holdings, LLC (CEO: Yuval Rooz; “DA”) and Progmat, Inc. (CEO: Tatsuya Saito; “Progmat”), they are launching a collaboration on a proof-of-concept (“PoC”) for bringing on-chain Japanese Government Bond (“JGB”) repo transactions using Canton Network, a blockchain purpose-built for institutional finance.



1. Background and Objectives of the PoC

As an application of blockchain technology in financial markets, the domestic primary market has seen growing issuance of security tokens backed by bonds, real estate, and other assets. More recently, overseas markets have advanced PoC projects and practical implementations that bring secondary-market financial transactions on-chain, aiming to improve operational efficiency through automation of the transaction lifecycle and to enhance funding and capital efficiency through real-time 24/7 settlement. In Europe and the United States in particular, PoC projects for intraday (starting and ending on the trading day) government bond repo transactions have rapidly expanded, and commercial services for intraday U.S. Treasury repo are already in operation.

Given their high creditworthiness and liquidity, JGBs are widely used as collateral for repo transactions by market participants in Japan and overseas, and momentum and expectations for bringing them on-chain are growing. MUFG has to date pursued a range of on-chain finance initiatives and, as Japan's largest financial group active in the JGB market, provides JGB liquidity and settlement-related services. We believe that continuing to offer similar functions and services on-chain is essential to the development of financial markets and to maintaining and enhancing convenience for investors. Against this backdrop, MUFG is launching the collaboration described below on a PoC for bringing JGB repo transactions on-chain. Toward the PoC and its subsequent implementation in society, we intend to engage in appropriate, in-depth communication with the relevant authorities, and to work together not only within MUFG but with a wide range of market participants, including financial institutions in Japan and overseas. We also aim to further develop the projects in close collaboration with Morgan Stanley, our global strategic alliance partner.

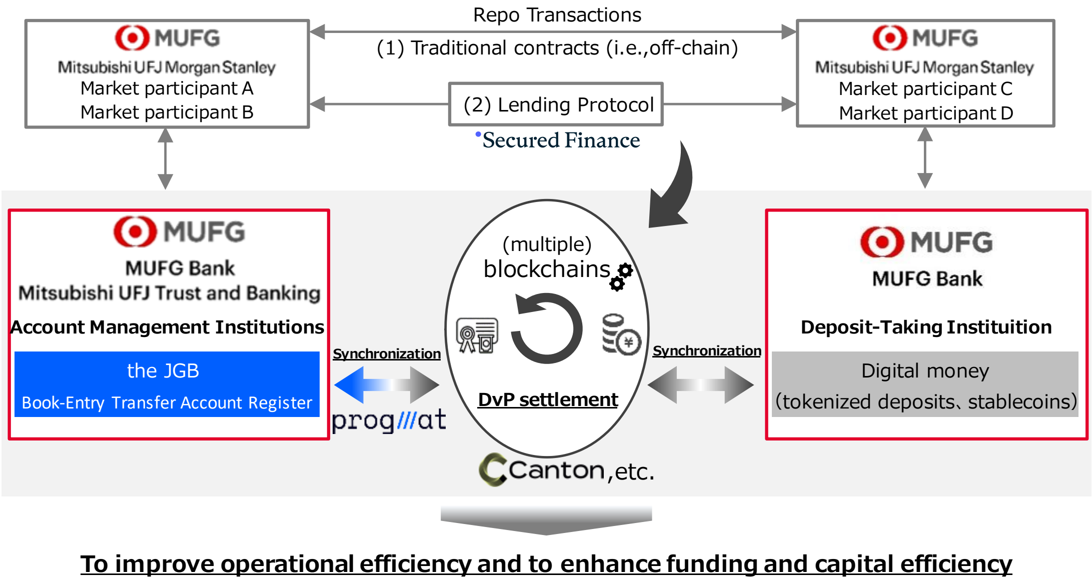
This PoC will be conducted as part of a series of pilot projects selected in February 2026 under the “Payment Innovation Project” led by the Financial Services Agency (FSA) of Japan.

2. Overview of the PoC (On-Chain Repo Transactions)

<table>
<tr><td colspan="2">Item</td><td>1. On-Chain Simultaneous Settlement (DvP) of JGBs and Digital Money*1</td><td>2. On-Chain Implementation of the Full Repo Transaction Lifecycle</td></tr>
<tr><td colspan="2">Scope</td><td>Drawing on precedents, and while preserving the legal nature of JGBs as book-entry transfer bonds, the Book-Entry Transfer Account Register held by the account management institution would be updated in conjunction with the blockchain; use of tokenized deposits or stablecoins as digital money is also being considered</td><td>Through a mechanism similar to that described in 1, the lending protocol*2 provided by Secured Finance AG (Founder & CEO: Masakazu Kikuchi; “SF”) would be used to automate the full sequence of processes</td></tr>
<tr><td colspan="2">Expected Benefits</td><td colspan="2">Operational efficiency through automation of the full repo transaction lifecycle, among other benefits
Improved funding and capital efficiency through real-time intraday repo transactions and expanded settlement windows</td></tr>
<tr><td rowspan="3">Roles of Participating Companies</td><td>DA</td><td colspan="2">Provides the tokenization framework built on the “Canton Network” blockchain and supports token issuance and management</td></tr>
<tr><td>Progmat</td><td colspan="2">Analyzes existing practices and provides support, including productization, for applying blockchain technology to JGB book-entry transfers and their use in repo transactions</td></tr>
<tr><td>SF</td><td>–</td><td>Implements the repo transaction lifecycle within the lending protocol</td></tr>
</table>

*1 In (1), while the use of blockchain is limited to settlement, operational efficiency through digitalization of the broader repo transaction lifecycle will also be considered. *2 A lending protocol is a mechanism that automates collateralized funding transactions through smart contracts (programs that run on a blockchain and automatically execute transactions and state updates according to predefined rules).

<Illustration of the PoC >



<Roles of MUFG Group Companies>
Market Participants: Mitsubishi UFJ Morgan Stanley Securities, MUFG Bank
Account Management Institutions: MUFG Bank, Mitsubishi UFJ Trust and Banking
Deposit-Taking Institution: MUFG Bank

3. About MUFG

MUFG has defined its corporate purpose as "Committed to empowering a brighter future." Guided by this purpose, the entire Group is working together with our customers and society to take on challenges and drive transformation, so that we can be a force that helps every stakeholder move forward. In line with this purpose, and in step with the broader trend toward on-chain finance, we have to date advanced initiatives spanning security tokens, tokenization of financial assets, and PoC for digital money. Through this PoC, we aim to explore new possibilities for digital business in the on-chain finance domain and to deliver new value and experiences that meet our customers' increasingly sophisticated and diverse needs.

Key On-Chain Finance Initiatives to Date

Date	Overview
June 10, 2026	On the Launch of Live Transactions of a Three-Bank Jointly Issued Stablecoin in FY 2026 and the Establishment of a Council for Jointly Examining Related Matters https://www.bk.mufg.jp/global/newsroom/news2026/pdf/newse0610.pdf
March 4, 2026	Completion of Public Offering and Issuance of "MUFG Realty Token

	Osaka Dojimahama Tower (Transfer-Restricted)" Managed and Administered by Mitsubishi UFJ Financial Group https://www.sc.mufg.jp/company/news/000022880.pdf (Japanese version)
February 13, 2026	Proof-of-Concept for Trading and Rights Transfer of Traditional Assets Using Blockchain and Digital Money Selected for Support under the Financial Services Agency's FinTech PoC Hub https://www.mufg.jp/dam/pressrelease/2026/pdf/news-20260213-002_ja.pdf (Japanese version)
December 4, 2025	Launch of Collaboration to Build Infrastructure for Japan's First Tokenized Investment Trust Product https://www.sc.mufg.jp/company/news/000022758.pdf (Japanese version)
November 7, 2025	Joint Stablecoin Issuance and Advanced Cross-border Payments Proof-of-Concept Approved for Support by the Financial Agency of Japan for FinTech PoC Hub https://www.bk.mufg.jp/global/newsroom/news2025/pdf/newse1107.pdf
October 9, 2025	MUFG to Issue Public Offering Digital Unsecured Subordinated Bond as a Security Token Via Progmat https://www.mufg.jp/dam/pressrelease/2025/pdf/news-20251009-001_en.pdf
October 9, 2025	Launch of Digital Asset Business https://www.mufg.jp/dam/pressrelease/2025/pdf/news-20251009-002_ja.pdf (Japanese version)

4. About DA

Digital Asset (DA) is a leading innovator in blockchain technology and the creator of the Canton Network, a blockchain purpose-built for regulated financial markets, enabling privacy through selective disclosure and institutional-grade controls. Canton is governed by the Canton Foundation, an independent non-profit organization responsible for stewarding the network's governance, of which DA is a founding member.

5. About Progmat

Progmat, Inc. provides "Progmat," a digital asset issuance and management platform, and holds the leading domestic market share (by AuM of publicly offered security tokens under management, approximately ¥452.0 billion). It issued Japan's first real estate security token in August 2021, became an independent company in October 2023, announced multi-chain support including migration of existing deals to Avalanche in February 2026, and announced a cross-industry study on JGB tokenization in May 2026.

6. About SF

Secured Finance AG is a Switzerland-based on-chain financial infrastructure company that develops protocols enabling collateralized funding transactions on blockchain. It implements market functions including fixed-rate transactions, maturity management, an order book, and collateral management. In addition to providing the collateral utilization infrastructure for UBS's tokenized MMF "uMINT," it has participated, in the lending protocol area, in the Progmat/DCC "Tokenized JGB / On-Chain Repo Working Group" since May 2026.