

July 13, 2018

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

**Re: Decision by the Ministry of Finance to Suspension of Special Entitlements  
Granted Under JGB Market Special Participants Scheme**

In regard to an act by our Company that was the subject of a recommendation publicly notified on June 29, 2018, by the Securities and Exchange Surveillance Commission to the Prime Minister and Commissioner of the Financial Services Agency for an order to pay an administrative monetary penalty, we hereby notify you that, today, a public notice of the Ministry of Finance was issued to the effect that suspension of special entitlements granted by the Ministry of Finance under JGB market special participants scheme had been decided.

Although our Company has been striving to perfect its internal control and compliance system, we take sincerely the fact that this case has occurred, and from now will further strengthen our internal control and compliance system throughout the whole company and work to ensure that this case will never occur again.

We sincerely apologize to our customers and other stakeholders for the inconvenience and concern that we may have caused.