

July 31, 2018

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

**Re: Decision by Financial Services Agency to Order Payment of Administrative  
Monetary Penalty**

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 Financial Services Agency was issued to the effect that an order for payment of an administrative monetary penalty had been decided.

Based on the order, today our Company paid a penalty of JPY218,370,000.

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.