

Announcement Regarding Issuance of New Shares by Third-party Allotment

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. ("MUMSS") announces that at the meeting of the Board of Directors held on November 14, 2011 it resolved to issue new shares by third-party allotment.

1. Outline of offer of shares to be issued by third-party allotment

(1) Method of offer	Third-party allotment
(2) Allotted party	Mitsubishi UFJ Securities Holdings Co., Ltd. MM Partnership (Note)
(3) Total amount issued	¥ 45 billion
(4) Total amount capitalized and capital reserves	Capital stock ¥22.5 billion Capital reserves ¥22.5 billion
(5) Payment date	November 24, 2011

2. Reason for the capital increase

In view of the announcement of the "Draft Partial Revision of Notices on Capital Adequacy Ratios of Financial Instruments Business Operators, etc." by the Financial Services Agency in July 2011, the importance of the capital adequacy of financial institutions is significantly increasing. The above capital increase aims to establish a robust MUMSS financial base in anticipation of the implementation of future capital regulations.

This capital increase is also a measure in response to MUMSS' anticipated posting of an extraordinary loss of approximately ¥20 billion for its Early Retirement Program implemented as part of its initiatives to strengthen business profitability and promote thorough expenditures cutting.

3. Other

As a result of the above capital increase, MUMSS' capital adequacy ratio after the allotment is expected to be around 300%.

* The above capital adequacy ratio after the allotment is calculated on the basis of information available as of the date of this announcement. Therefore, actual results may differ from projections indicated in this announcement.

Note: About MM Partnership

MM Partnership is a voluntary partnership created under the Civil Code of Japan in which Mitsubishi UFJ Securities Holdings Co., Ltd. holds a 60% interest and Morgan Stanley Japan Holdings Co., Ltd. a 40% interest.

End of document