

25 June 2009

Mitsubishi UFJ Securities Co., Ltd.

To whom it may concern:

Administrative Disciplinary Actions by the Financial Services Agency

Regarding our recently reported incident of misconduct involving a former employee who fraudulently leaked our customer information, we have today received a business improvement order based on Section 51 of the Financial Instruments and Exchange Act, and a recommendation based on Section 34 of the Act on the Protection of Personal Information from the Financial Services Agencies (“FSA”), the details of which are set out below.

We take this matter very seriously and deeply apologize to our clients and all affected parties. We will strive to further improve and strengthen our internal control system in order to prevent similar occurrences in the future, and to regain the confidence and trust of all concerned.

1. Contents of the Business Improvement Order

- 1) To continue with all necessary measures essential for the provision of ongoing protection of customers whose information was leaked, and to prevent damages from expanding further.
- 2) To highlight the significance of this incident, and the fact that it has caused immense harm to our customers, to relevant staff including senior management and clarify the responsibility they have for safeguarding the integrity of information security controls.
- 3) Based on this event, to improve the governance framework with the apportionment of direct responsibility for the oversight of secure effective risk management.
- 4) To further improve and strengthen the information security control system, such as;
 - a) Ensuring a proper check-and-balance function between sections responsible for the handling of client information is maintained,
 - b) Verifying and ensuring the effectiveness of the actual operations relating to security control procedures including outsourced operations,
 - c) Reviewing procedures for the management of access authorities of relevant employees and identifying weaknesses which could allow fraudulent use of sensitive information, and then to de-concentrate and segregate such authorities thus strengthening the control-and-check system for those employees, and

- d) Taking any other measures necessary for the prevention of fraudulent cover-up activity.
 - 5) To improve the human resources involvement in the introduction of preventative measures for fraudulent activity. Especially to re-examine the contents of learning and development programs from the perspective of strengthening the code of professional ethics, and to ensure staff awareness and proper implementation.
 - 6) To review the implementation progress of information security control including actions (3) to (5) above, through internal and/or external audits.
 - 7) To report the progress of actions (1) to (6) in writing to the FSA by 3rd July 2009 (and as needed). In addition, to disclose an outline of our progress in order to keep customers and affected parties posted.
2. Contents of the Recommendation based on the Act of the Protection of Personal Information
- (1) To secure the effectiveness of personal data protection measures.
 - (2) To provide thorough oversight for all the employees in terms of personal data security.
 - (3) To report the progress of the measures taken to achieve (1) above by 3rd July 2009.
3. Next actions
- We intend to promptly implement the business improvement measures intended to prevent similar future occurrences, and to make a report to the FSA. We will announce the content of the report to the FSA accordingly.

Contact: Public & Investor Relations Office at 03-6213-6584