

Dissolution of Mobit Co., Ltd. Joint Venture

Tokyo, September 27, 2012---The Bank of Tokyo-Mitsubishi UFJ, Ltd. (“BTMU”) today entered into a basic agreement with SMBC Consumer Finance Co., Ltd. (“SMBC Consumer Finance”) to dissolve the Mobit Co., Ltd. (“Mobit”) joint venture between the two companies in the second half of fiscal 2013, subject to the approval of the relevant authorities.

At the same time, BTMU and ACOM CO., LTD. (“ACOM”) entered into a basic agreement to commence considering the establishment of a joint venture, with the approval of the relevant authorities, to operate Mobit’s loan guarantee business which will be transferred to BTMU upon the dissolution of the above-mentioned joint venture.

1. Reason for dissolution of joint venture

Mobit is a consumer credit company established primarily by the former Sanwa Bank, Ltd. and Promise Co., Ltd. (now SMBC Consumer Finance Co., Ltd.) in May 2000. It currently operates a loan business for individual customers (“loan business”) and a loan guarantee business for financial institutions (“loan guarantee business”).

Since establishment, Mobit has endeavored to develop new loan offerings based on product designs that differ from conventional product categories and has actively made use of the internet and other information technology to create new markets in the loan and loan guarantee businesses. As a result, in fiscal 2012, outstanding loans totaled ¥168.3 billion and loan guarantees totaled ¥68.4 billion.

However, developments such as the revision of the Money Lending Business Act and active entry into the consumer credit business by financial institutions have significantly changed the business environment surrounding the consumer credit industry.

Under these circumstances and as the result of discussions between BTMU and SMBC Consumer Finance on the future growth strategy for Mobit, it was decided to dissolve the joint venture, with the loan guarantee business being transferred to BTMU and the loan business to SMBC Consumer Finance.

BTMU and SMBC Consumer Finance reached the conclusion that the best approach for maximizing the corporate value of both companies was to reorganize the businesses, customer bases and expertise developed through the Mobit joint venture in this way and aim to grow them independently.

2. Overview of the dissolution

(1) Dissolution method

Mobit's loan guarantee business will be transferred to BTMU and its loan business will be transferred to SMBC Consumer Finance, thereby dissolving the joint venture relationship.

BTMU and ACOM will jointly establish a new company to take over the loan guarantee business ("the new loan guarantee company"). The transfer of the loan guarantee business will be conducted by means of an absorption-type company split.

(2) Schedule

Date of basic agreement	September 27, 2012
Establishment of new loan guarantee company	April, 2013 (provisional)
Date of absorption-type company split agreement	July, 2013 (provisional)
Date of dissolution of joint venture (effective date of absorption-type company split)	Second half of Fiscal 2013 (provisional)

(3) The overview etc. of new loan guarantee company will be announced as soon as agreements with ACOM are in place.

3. Summary of company subject to absorption-type company split

(1)	Name	Mobit Co.,Ltd.		
(2)	Location	2-4-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo		
(3)	Name and title of representative	Masaaki Yasuoka, President & CEO		
(4)	Type of business	Loan business for individual customers and loan guarantee business for financial institutions		
(5)	Capital	¥20 billion (as of end March 2012)		
(6)	Number of employees	190 (as of end March 2012)		
(7)	Date of establishment	May 17, 2000		
(8)	Shareholder composition	The Bank of Tokyo-Mitsubishi UFJ, Ltd.		50%
		SMBC Consumer Finance Co., Ltd.(including indirect holdings)		50%
(9)	Fiscal year-end	March 31		
(10)	Operating results and financial position for previous three fiscal years (billion yen)			
		Fiscal year ended March 31, 2010	Fiscal year ended March 31, 2011	Fiscal year ended March 31, 2012
	Net assets	19.1	23.7	29.0
	Total assets	211.7	186.5	175.1
	Operating income	38.0	34.4	30.6
	Ordinary income	3.3	6.6	9.7
	Net income	1.2	4.5	5.4
	Outstanding loans	209.9	180.9	168.3
	Outstanding Loan guarantees	70.4	68.3	68.4

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