

Mitsubishi UFJ Financial Group, Inc. (MUFG)
MUFG Bank, Ltd.
Liquidity Capital M.C. Ltd.

MUFG Bank and Liquidity Capital Establish Joint Venture Debt Fund in Singapore

Tokyo/Singapore, August 7, 2020 --- Mitsubishi UFJ Financial Group, Inc.'s core banking subsidiary MUFG Bank, Ltd. (MUFG Bank) and Liquidity Capital M.C. Ltd. (Liquidity Capital), an Israeli fintech company, announced today the entry of both parties into a Joint Venture Agreement (the "Agreement") to launch a debt financing business for startup companies mainly in Asia-Pacific.

Based on the Agreement, MUFG Bank and Liquidity Capital will establish a joint venture named Mars Growth Capital Pte. Ltd. (Mars Growth Capital) in Singapore. Mars Growth Capital will establish a debt fund (the "Fund") based on a Limited Partnership Agreement entered between Mars Growth Capital, as a general partner, and MUFG Bank, as a limited partner. The Fund has an initial capital commitment of USD 80 million that will be used to provide financing to startups.

The establishment of Mars Growth Capital and the Fund and launch of the financing business are expected to take place in 2020.

1. Background and objectives of the joint venture

In Asia Pacific, the advancement of digitalization and smart technologies in the corporate arena has not only contributed to the rapid growth of startups but also the emergence of a business model within the financial services sector that is increasingly reliant on data analysis and AI technology.

Liquidity Capital, a startup established in 2018, uses a unique credit scoring model based on AI technology and real-time financial and accounting data from client bank accounts, accounting systems and CRM information captured through its API^[1] technology to forecast future earnings and cash flow. Liquidity Capital is leveraging these strengths to develop financial solutions for up-and-coming startups which are in the growth stage but may not have ready access to debt financing from financial institutions.

MUFG has earlier invested in Liquidity Capital's digital technology and future growth potential in 2019 through its corporate venture capital Mitsubishi UFJ Innovation Partners Co., Ltd.^[2] With MUFG's core strategies being digital transformation and growth in its Asia Pacific franchise, it was keen to partner Liquidity Capital again in its business development to provide advanced financial solutions to support the startups in

this region. This Agreement therefore brings to fruition these positive discussions and realizes the complementary strategic goals of both parties: the expansion of Liquidity Capital's business and market value, and MUFG's commitment to growth in Asia Pacific through leveraging the latest digital technology in the provision of advanced financial services.

2. Strategic significance

Combining MUFG's superior network in Asia Pacific and market leading financial expertise with Liquidity Capital's advanced technology enables the Fund to provide promising startups with easy access to funding and unique financing solutions.

In addition to acquiring new client base, MUFG Bank will deepen its understanding of Liquidity Capital's advanced technology and seek opportunities for further collaboration to enhance the transformation of its business model in Japan and elsewhere.

Liquidity Capital will use this joint venture to expand its business and maximize its market value by making MUFG Bank its exclusive partner for business development in the Asia Pacific region.

With the changes in individuals' preference to remote communications accelerated by COVID-19, it is expected that the market for the tech industry will grow, with even more new startups arising. With this joint venture, Liquidity Capital and MUFG Bank will not only promote financial inclusion and innovation in Asia Pacific, but also contribute to the sustainable development of society by helping businesses and communities adapt to and overcome the current crisis.

3. Outline of companies to be incorporated

Joint venture company

Name	Mars Growth Capital Pte. Ltd.
Expected date of establishment	In 2020
Location	Republic of Singapore
Planned capital	Up to USD 6 million
Main business	Operation and management of debt fund established under the Joint Venture Agreement
CEO	Ron Daniel (CEO of Liquidity Capital)
Shareholders	MUFG Bank, Ltd.: 50% Liquidity Capital M.C. Ltd.: 50%

The Fund

Name	To be determined
Expected date of establishment	In 2020
General partner (GP)	Mars Growth Capital Pte. Ltd.
Limited partner (LP)	MUFG Bank, Ltd.
Capital commitment by LP	USD 80 million

4. About Liquidity Capital

Liquidity Capital M.C.Ltd (Liquidity) is a fintech company and leading provider of revenue based trajectory funding. Liquidity has developed and operates the Liquidity Dynamics AI platform for continual underwriting, scoring and forecasting of companies. Headquartered in Tel Aviv, Israel with offices in both New York and Miami, USA. The company was founded in 2018. Liquidity is backed by the Israeli leading institution Meitav Dash^[3]. The company aims to be the leader in the sector and has experienced unparalleled growth through both technological advancement, partnerships and close collaborations with “worlds best” institutions. Liquidity always strives to offer its customers the best service, flexibility and speed of service. For more information please visit www.liquidity-capital.com

[1] Application Programming Interface, a mechanism for sharing software functions.

[2] “MUFG Innovation Partners invested in Liquidity Capital”

[3] Meitav Dash Investments Ltd. is a public company listed on the Tel-Aviv Stock Exchange (TASE) (Symbol: MTDS)
<http://www.ip.mufg.jp/post/mufg-innovation-partners-invested-in-liquidity-capital-the-israeli-fintech-and-fund-management-com?lang=en>

Cautionary Statement Regarding Forward-Looking Statements by MUFG

This report contains forward-looking statements. Forward-looking statements include forward-looking statements that are based on plans, estimates, or similar statements. Actual results may differ materially from those projected in the forward-looking statements. MUFG assumes no obligation to change or correct any forward-looking statements except as required by law. Therefore, please note that the forward-looking statements contained in this document are current statements and are not overly dependent on them.

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About MUFG

Mitsubishi UFJ Financial Group, Inc. (MUFG) is one of the world's leading financial groups. Headquartered in Tokyo and with over 360 years of history, MUFG has a global network with over 2,700 locations in more than 50 countries. The Group has over 180,000 employees and offers services including commercial banking, trust banking, securities, credit cards, consumer finance, asset management, and leasing. The Group aims to “be the world’s most trusted financial group” through close collaboration among our operating companies and flexibly respond to all of the financial needs of our

customers, serving society, and fostering shared and sustainable growth for a better world. MUFG's shares trade on the Tokyo, Nagoya, and New York stock exchanges. For more information, visit <https://www.mufg.jp/english>.