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# Morgan Stanley

For Immediate Release

## **Morgan Stanley to Adopt Holding Company Structure in Japan; Key Real Estate Businesses to Be Combined into Morgan Stanley Capital K.K.**

TOKYO, October 22, 2007 – U.S. investment bank Morgan Stanley (NYSE: MS) will begin conducting its businesses in Japan under the oversight of a holding company named Morgan Stanley Japan Holdings Co., Ltd.

Under the new structure, which will take effect on December 1, 2007, all of Morgan Stanley's primary businesses in Japan will be owned by the holding company. Those companies include Morgan Stanley Japan Securities Co., Ltd., Morgan Stanley Asset & Investment Trust Management Co., Limited, Panorama Hospitality, K.K. and Jipang Mortgage Finance Co., Ltd. Also reporting to the holding company will be property asset manager Morgan Stanley Properties Japan, K.K., which will merge with the real estate investing business and change its name to Morgan Stanley Capital K.K.

“This locally incorporated holding company represents a strengthening of our Firm's commitment to Japan,” said John J. Mack, Chairman and CEO of Morgan Stanley. “It will enhance our position in a market that is increasingly important to the future of the Firm.”

This development underscores Morgan Stanley's continued growth in Japan, from two employees when it established a representative office in Tokyo in 1970, to more than 1,600 employees today. The structure will strengthen Morgan Stanley's corporate governance and oversight of its growing business operations in Japan.

“This will allow us to build upon our record as the premier financial service provider in the Japanese market,” said Jonathan Kindred, President and Representative Director of Morgan Stanley Japan Securities Co., Ltd. and CEO and Representative Director of the new holding company.

This development also sets the stage for further growth across Morgan Stanley's broad array of business in Japan. The new Morgan Stanley Capital corporate entity, for example, will align its real estate investing teams under the Firm's Investment Management umbrella, which was part of a global reorganization announcement earlier in the year. Morgan Stanley Capital will leverage combined resources, services and best practices to further develop its strong real estate client relationships and product offerings.

“We are anticipating continued growth in Japan's real estate market,” said Morgan Stanley Capital President, CEO and Representative Director Fred Schmidt. “This new structure will ensure our team will continue to provide our clients and investors with the highest quality service across all our functions.”

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**Outline of New Holding Company in Japan:**

Name: Morgan Stanley Japan Holdings Co., Ltd.

CEO and Representative Director: Jonathan Kindred

Location: Yebisu Garden Place Tower, 4-20-3, Ebisu, Shibuya-ku, Tokyo

**Outline of Morgan Stanley Capital K.K.:**

President, CEO and Representative Director: Fred Schmidt

Location: Yebisu Garden Place Tower, 4-20-3, Ebisu, Shibuya-ku, Tokyo

Morgan Stanley is a leading global financial services firm providing a wide range of investment banking, securities, investment management and wealth management. The Firm's employees serve clients worldwide including corporations, governments, institutions and individuals from more than 600 offices in 32 countries. For further information about Morgan Stanley in Japan, please visit [www.morganstanley.co.jp](http://www.morganstanley.co.jp).

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