



Mitsubishi UFJ Securities Holdings

2Q FY2013 Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

October, 2013

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Information Relating to Financial Stability

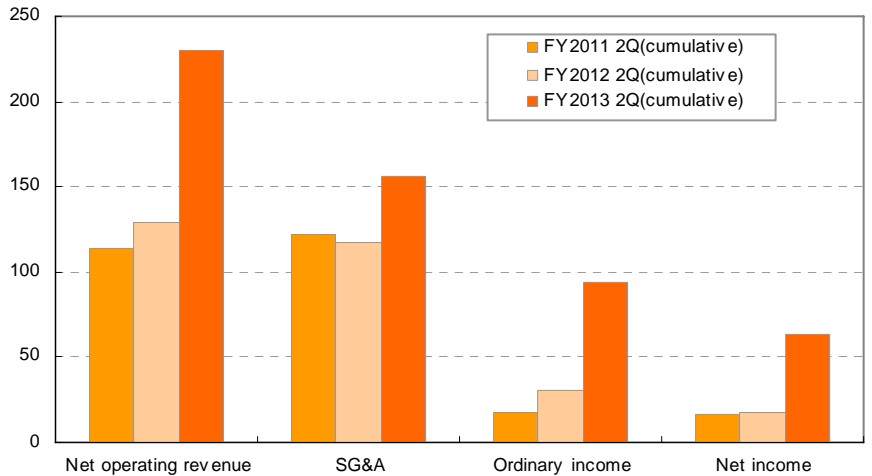
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2Q (cumulative) Performance Trends

- Marked a substantial increase both in revenue and profit, with net operating revenue, ordinary income and net income standing at JPY 229.8 billion (+78% YoY), JPY 93.9 billion (+208% YoY) and JPY 63.1 billion (+250% YoY) respectively.
- Due to the deepening BTMU collaboration and the alliance with Morgan Stanley, in parallel with the upturn of Japanese market environment since the latter part of the previous fiscal year, income rose to a record high on a half-year basis since the management integration in 2005.

2Q (cumulative) Trends

(JPY billion)



JPY billion

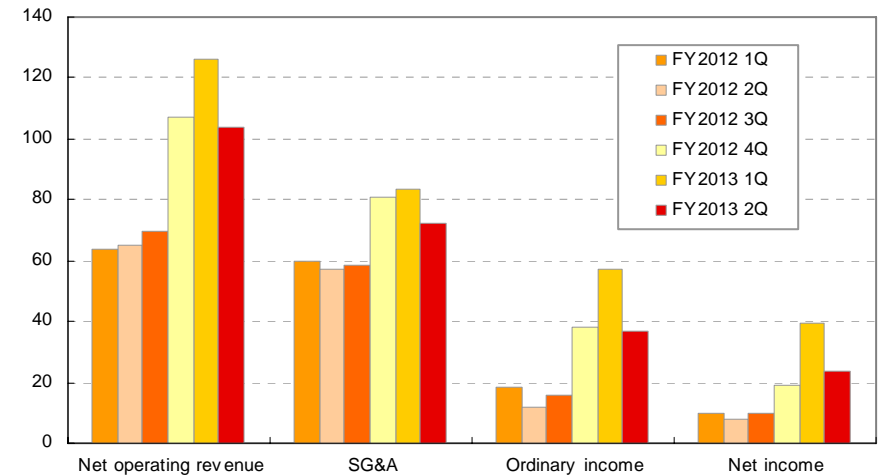
	FY2011 2Q(cumulative)	FY2012 2Q(cumulative)	FY2013 2Q(cumulative)
Net operating revenue	114.0	129.1	229.8
SG&A	121.9	117.5	156.1
Ordinary income	17.7	30.5	93.9
Net income	16.3	18.0	63.1

Quarterly Performance Trends

- Ordinary income JPY36.8 billion and net income JPY 23.6 billion decreased by 35% and 40% respectively, however maintained a high level of income.
- Steady developments of the customer flow-oriented business model and consulting-based sales approaches, along with the ongoing cost reduction initiative, led to sustain profitability.

Quarterly Trends

(JPY billion)



JPY billion

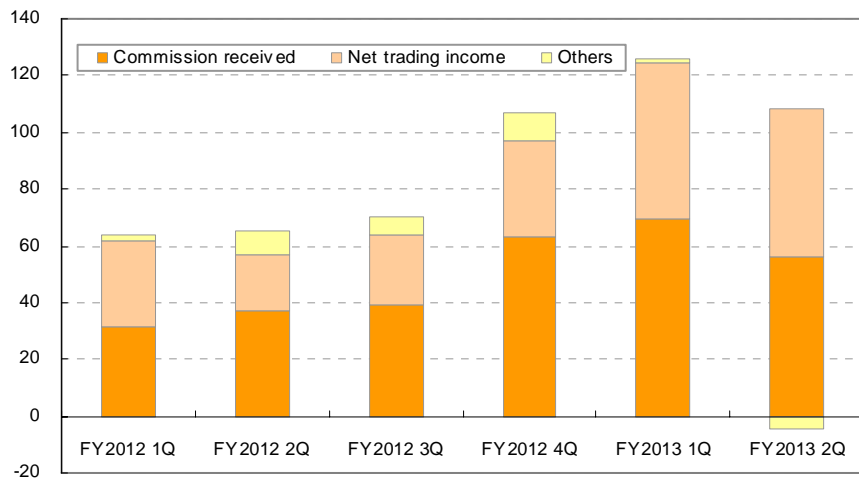
	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q	FY2013 2Q
Net operating revenue	63.9	65.1	70.0	106.9	126.1	103.7
SG&A	59.9	57.5	58.4	80.8	83.6	72.5
Ordinary income	18.6	11.8	15.8	37.8	57.0	36.8
Net income	10.0	8.0	10.0	18.8	39.5	23.6

Net Operating Revenue

- Commission received continued its upbeat performance at JPY 56.3 billion, however decreased by 19% (QoQ) as the Japanese market calmed down.
- Net trading income slightly decreased to JPY 52.1 billion (by 5% QoQ).

Quarterly Trends

(JPY billion)



JPY billion

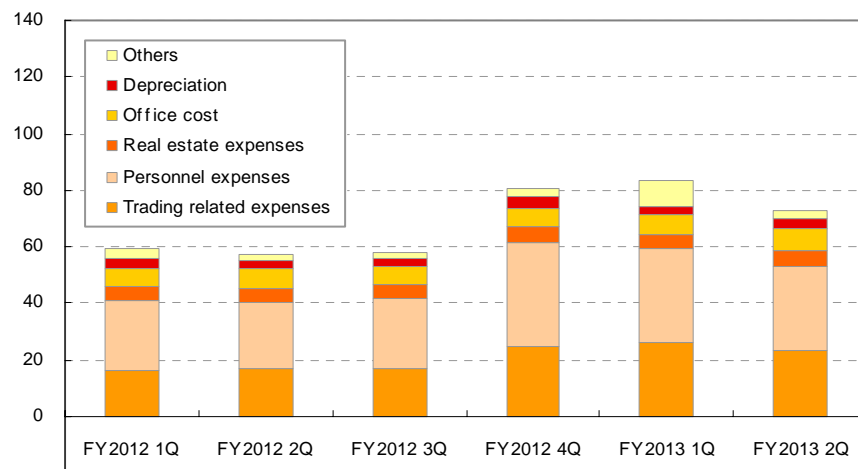
	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q	FY2013 2Q
Commission received	31.6	37.4	39.4	63.3	69.8	56.3
Net trading income	29.9	19.4	24.3	33.6	55.0	52.1
Others	2.3	8.2	6.2	9.9	1.2	(4.7)
Total	63.9	65.1	70.0	106.9	126.1	103.7

SG & A

- Decreased (QoQ) due to a drop in trading related and personnel expenses which interrelate with revenue.
- Fixed costs such as real estate expenses and depreciation were still controlled at low levels.

Quarterly Trends

(JPY billion)



JPY billion

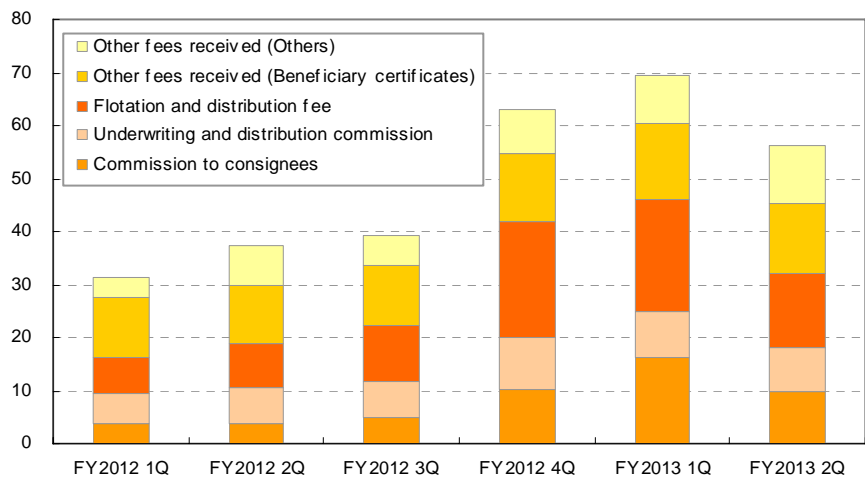
	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q	FY2013 2Q
Trading related expenses	16.1	16.6	16.5	24.9	25.8	23.0
Personnel expenses	24.5	23.6	25.3	36.8	33.5	29.9
Real estate expenses	5.5	5.1	4.7	5.3	5.1	5.7
Office cost	6.1	6.6	6.3	6.8	6.9	7.7
Depreciation	3.5	3.4	3.3	3.9	3.2	3.3
Others	3.8	2.0	2.0	2.9	9.0	2.8
Total	59.9	57.5	58.4	80.8	83.6	72.5

Commission Received

- Commission to consignees: Decreased by 40% (QoQ) as the markets stopped overheating.
- Underwriting and distribution commission: Lead-manager mandate in large PO transactions in Japan and overseas contributed.
- Flotation and distribution fee: Surpassed JPY 10 billion while sales of investment trusts declined.
- Other fees received: M&A revenue increased and investment trust commissions showed a steady performance.

Quarterly Trends

(JPY billion)



JPY billion

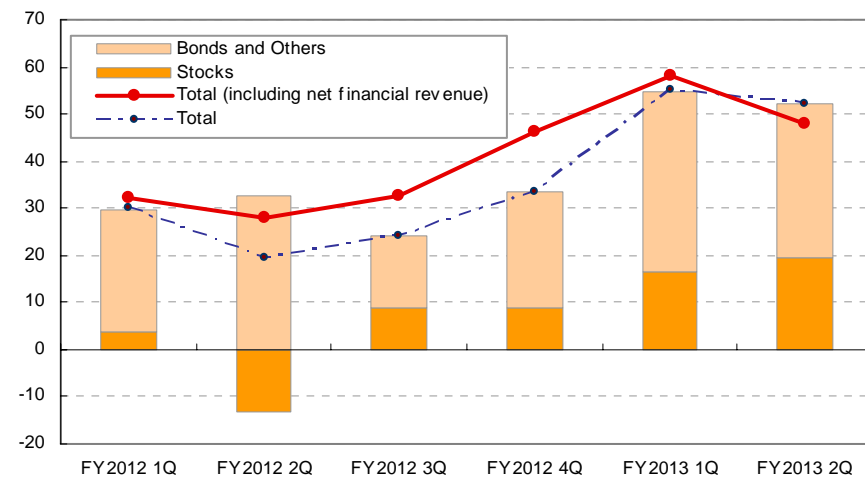
	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q	FY2013 2Q
Commission to consignees	3.6	3.7	5.0	10.3	16.2	9.7
Underwriting and distribution commission	5.7	7.0	6.7	9.7	8.8	8.5
Flotation and distribution fee	6.9	8.0	10.7	21.7	21.2	13.7
Other fees received (Beneficiary certificates)	11.4	11.0	11.1	13.2	14.2	13.4
Other fees received (Others)	3.9	7.5	5.8	8.3	9.1	10.8
Total	31.6	37.4	39.4	63.3	69.8	56.3

Net Trading Income

- Equity / equity-product trading continued steady performance due to the successful capture of customer flows despite a rest of the overheated Japanese market and recorded profits for four consecutive quarters.
- Fixed Income trading posted a high level of revenue with proper management of inventory and strong sales of foreign bonds despite the volatile interest rates.

Quarterly Trends

(JPY billion)



JPY billion

	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q	FY2013 2Q
Stocks	3.6	(13.0)	9.0	8.8	16.6	19.3
Bonds and Others	26.2	32.5	15.2	24.7	38.3	32.8
Total	29.9	19.4	24.3	33.6	55.0	52.1
Net financial revenue	2.2	8.3	8.2	12.5	3.1	(4.2)
Total (including net financial revenue)	32.2	27.8	32.5	46.1	58.2	47.9

Consolidated Statement of Income (Full year, Quarter)

JPY million

	Full year		Quarter					
	FY2011	FY2012	FY2012				FY2013	
			1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	306,926	350,524	76,379	78,906	76,074	119,164	134,808	111,276
Commission received	143,016	171,957	31,659	37,432	39,472	63,393	69,814	56,340
Net trading income	86,031	107,329	29,939	19,468	24,304	33,617	55,031	52,153
Net gain on private equity and other securities	(2,173)	(4,735)	49	(88)	(2,036)	(2,659)	(2,000)	(572)
Other net gain on goods trading	(486)	125	12	31	51	30	105	3
Financial revenue	80,538	75,846	14,718	22,063	14,282	24,782	11,856	3,350
Financial expenses	68,341	44,441	12,452	13,714	6,062	12,212	8,662	7,554
Net operating revenue	238,585	306,082	63,926	65,192	70,011	106,951	126,145	103,722
SG & A	240,124	256,881	59,949	57,597	58,436	80,896	83,623	72,558
Operating income (loss)	(1,539)	49,201	3,977	7,594	11,574	26,054	42,521	31,163
Non-operating income	42,473	36,717	15,351	4,445	4,065	12,855	15,032	5,775
Non-operating expenses	2,756	1,690	654	211	(193)	1,018	487	51
Ordinary income	38,177	84,228	18,674	11,828	15,834	37,891	57,066	36,887
Extraordinary income	18,238	5,154	609	2,001	1,273	1,270	8,043	118
Extraordinary loss	31,859	3,531	851	638	110	1,930	136	402
Income taxes	1,782	2,916	1,189	(1,379)	722	2,384	5,395	(4,376)
Minority interests in income	6,190	35,988	7,237	6,558	6,192	15,999	20,010	17,377
Net income	16,583	46,946	10,005	8,012	10,082	18,846	39,567	23,602

Consolidated Balance Sheet

JPY billion

	As of Mar. 31, 2013	As of Sep. 30, 2013	Change
ASSETS			
Current assets	25,754	24,010	(1,743)
Cash and deposits	719	875	156
Trading products	15,530	12,242	(3,287)
Loans secured by securities	8,194	9,695	1,501
Others	1,309	1,195	(113)
Noncurrent assets	752	764	12
PP & E	27	29	2
Intangible assets	43	45	2
Investments and other assets	680	689	8
Total assets	26,506	24,775	(1,730)

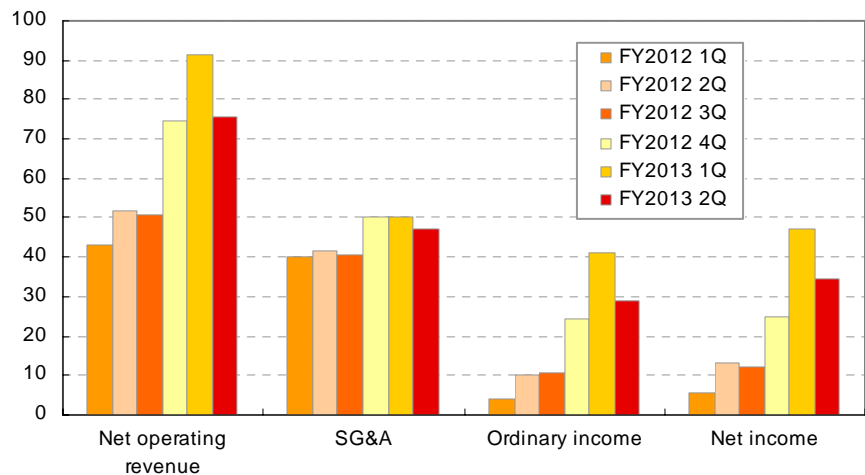
	As of Mar. 31, 2013	As of Sep. 30, 2013	Change
LIABILITIES			
Current liabilities	24,372	22,480	(1,891)
Trading products	12,471	10,322	(2,148)
Loans payable secured by securities	9,142	9,217	75
Short-term loans payable	996	900	(96)
Others	1,761	2,039	278
Noncurrent liabilities	1,208	1,293	84
Bonds payable	803	899	96
Long-term loans payable	379	370	(9)
Others	26	23	(2)
Total liabilities	25,582	23,774	(1,807)
NET ASSETS			
Shareholders' equity	688	744	56
Accumulated other comprehensive income	(21)	-9	11
Minority interests	257	266	8
Total net assets	924	1,000	76
Total liabilities and net assets	26,506	24,775	(1,730)

Quarterly Performance Trends

- Decreased in ordinary income and net income coming to JPY 28.8 billion (by 29% QoQ) and JPY 34.5 billion (by 27% QoQ) respectively due to the cool down of the once heated-market, however continued to show solid income.

Quarterly Trends

(JPY billion)



JPY billion

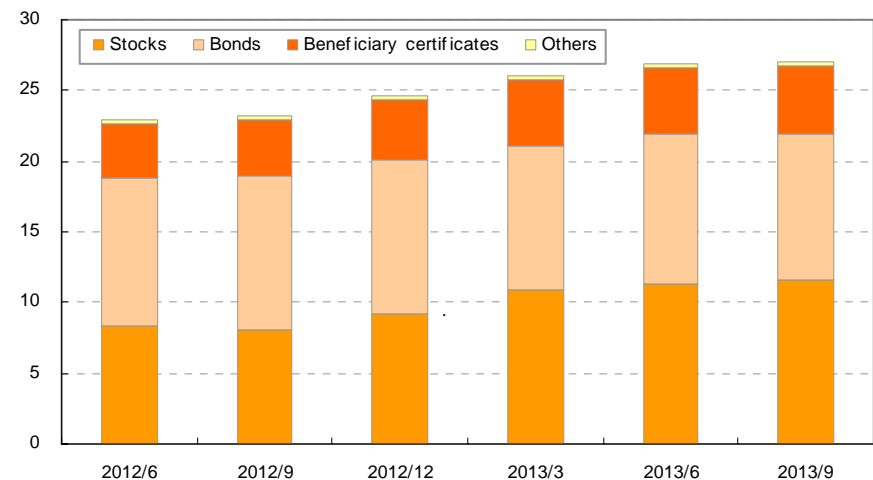
	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q	FY2013 2Q
Net operating revenue	43.1	51.6	51.0	74.4	91.3	75.6
SG&A	40.0	41.5	40.6	50.1	50.5	47.1
Ordinary income	3.9	10.4	10.8	24.3	41.1	28.8
Net income	5.7	13.1	12.2	24.9	47.4	34.5

Trends of AUM

- AUM at the end of September 2013 stood at approximately JPY 27 trillion, maintaining its upward trend.
- Of the above, AUM for the domestic Retail Middle Market Sales Division was JPY 24.1 trillion (JPY 23.8 trillion as of the end of June 2013).

Quarterly Trends

(JPY trillion)



JPY trillion

	2012/6	2012/9	2012/12	2013/3	2013/6	2013/9
Stocks	8.3	8.1	9.3	10.9	11.3	11.7
Bonds	10.5	10.9	10.8	10.1	10.6	10.2
Beneficiary certificates	3.9	3.9	4.2	4.7	4.8	4.8
Others	0.3	0.3	0.3	0.3	0.3	0.3
Total	22.9	23.2	24.6	26.0	26.9	27.0

JPY million

Statement of Income
Full year

	FY2011	FY2012
Operating revenue	181,157	230,427
Commission received	90,022	110,137
Net trading income	69,664	97,254
Others	(479)	125
Financial revenue	21,949	22,909
Financial expenses	11,027	10,158
Net operating revenue	170,130	220,268
SG & A	169,631	172,418
Operating income	498	47,849
Non-operating income	2,277	1,622
Ordinary income	2,776	49,472
Extraordinary income (loss)	(21,977)	1,177
Income taxes	(2,405)	(5,448)
Net income (loss)	(16,794)	56,098

Quarter

	FY2012				FY2013	
	1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	46,043	54,273	53,338	76,771	93,591	77,608
Commission received	18,357	25,285	26,315	40,179	48,946	38,739
Net trading income	23,554	21,786	23,090	28,823	41,547	32,619
Others	15	32	53	24	107	6
Financial revenue	4,116	7,169	3,879	7,744	2,989	6,242
Financial expenses	2,886	2,629	2,288	2,353	2,223	1,930
Net operating revenue	43,156	51,644	51,049	74,417	91,367	75,678
SG & A	40,043	41,564	40,621	50,189	50,569	47,134
Operating income	3,113	10,079	10,427	24,228	40,798	28,543
Non-operating income	834	322	390	74	327	334
Ordinary income	3,948	10,402	10,818	24,303	41,126	28,878
Extraordinary income (loss)	(585)	1,522	91	149	7,800	(286)
Income taxes	(2,407)	(1,241)	(1,312)	(487)	1,473	(5,987)
Net income (loss)	5,769	13,166	12,222	24,939	47,453	34,579

Balance Sheet

JPY billion

	As of Mar. 31, 2013	As of Sep. 30, 2013	Change
Current assets	14,071	11,259	(2,812)
Cash and deposits	621	704	83
Trading products	9,772	7,253	(2,518)
Loans secured by securities	3,076	2,688	(387)
Others	600	612	11
Noncurrent assets	68	65	(2)
PP & E	15	16	1
Intangible assets	19	20	1
Investments and other assets	33	28	(4)
Total assets	14,139	11,325	(2,814)

	As of Mar. 31, 2013	As of Sep. 30, 2013	Change
Current liabilities	13,606	10,683	(2,922)
Trading products	7,354	5,886	(1,468)
Loans payable secured by securities	4,066	2,457	(1,609)
Short-term loans payable	1,234	1,186	(48)
Others	950	1,153	202
Noncurrent liabilities	243	300	56
Long-term loans payable	226	285	59
Others	17	15	(2)
Total liabilities	13,851	10,985	(2,865)
Net assets	288	339	51
Total liabilities and net assets	14,139	11,325	(2,814)

Overseas Subsidiaries Quarterly Trends

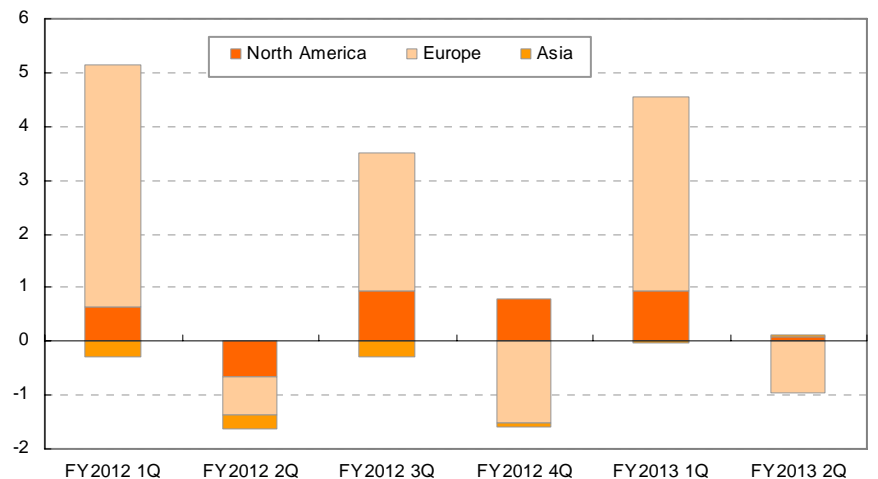
- Sustained a strong performance in primary business as BTMU collaboration has progressed, while secondary business slowed down due to the fluctuation of European and US market triggered by the rise of US interest rates.
- Marked profit level of JPY 3.6 billion over the full six months.

KAM Quarterly Trends

- Revenues continued to show a stable level due to the expansion of its product lineups.

Ordinary income (loss): Quarterly Trends

(JPY billion)

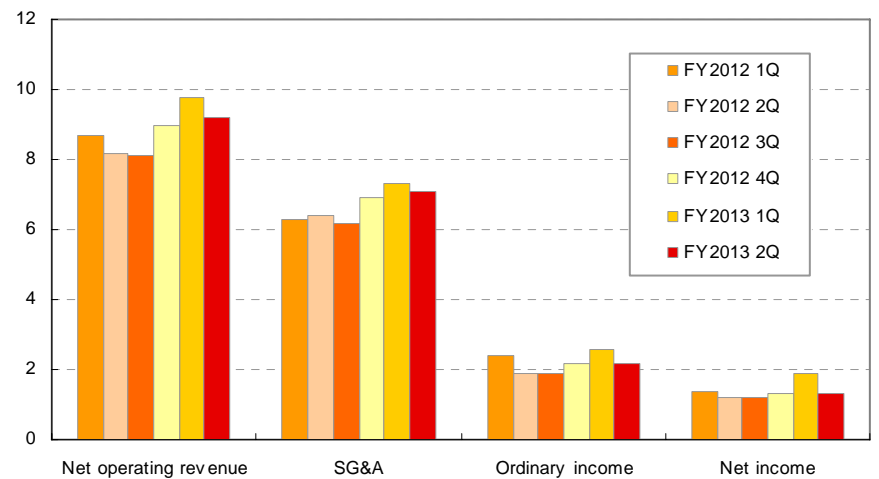


JPY billion

	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q	FY2013 2Q
North America	0.65	(0.66)	0.94	0.78	0.94	0.09
Europe	4.49	(0.71)	2.57	(1.51)	3.60	(0.97)
Asia	(0.28)	(0.25)	(0.28)	(0.09)	(0.03)	0.03
Total	4.86	(1.63)	3.23	(0.82)	4.50	(0.84)

Quarterly Trends

(JPY billion)



JPY billion

	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q	FY2013 2Q
Net operating revenue	8.7	8.2	8.1	9.0	9.8	9.2
SG&A	6.3	6.4	6.2	6.9	7.3	7.1
Ordinary income	2.4	1.9	1.9	2.2	2.6	2.2
Net income	1.4	1.2	1.2	1.3	1.9	1.3

Financial Soundness Indicators (Credit Rating, Capital Adequacy Ratio, etc.)

Credit Rating

- MUMSS and MUSHD have maintained stable credit rating levels as the core securities company of the MUFG Group. The credit rating outlooks are also stable.

Capital Adequacy

- Capital adequacy ratio at the end of September 2013 stood at 389%, maintaining a sufficient level of capital base.
- A recent accumulation of profits has contributed to a steady increase in net assets of both MUSHD (consolidated) and MUMSS.

Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

As of Sep. 13, 2013

Rating Agency	Long-term	Short-term
R&I	AA-	a-1+ *
JCR	AA	-
Moody's	A1	P-1
S&P	A+	A-1

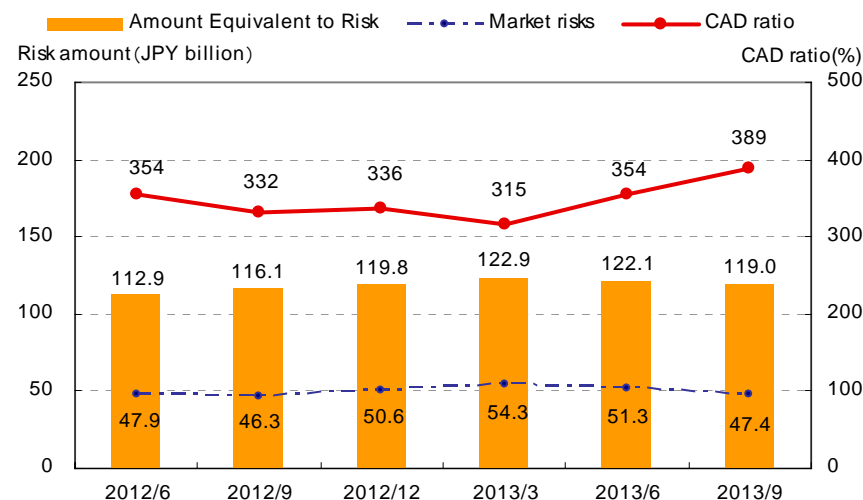
*CP rating

Mitsubishi UFJ Securities Holdings (MUSHD)

As of Sep. 13, 2013

Rating Agency	Long-term	Short-term
R&I	AA-	-
JCR	AA	-
Moody's	A2	P-1
S&P	A	A-1

Capital Adequacy Ratio MUMSS



Net Assets MUSHD (Consolidated) / MUMSS

JPY billion

MUSHD (Consolidated)	2012/6	2012/9	2012/12	2013/3	2013/6	2013/9
Capital stock	75.5	75.5	75.5	75.5	75.5	75.5
Net assets (Total)	838.3	843.4	865.3	924.4	950.5	1,000.6

MUMSS	2012/6	2012/9	2012/12	2013/3	2013/6	2013/9
Capital stock	40.5	40.5	40.5	40.5	40.5	40.5
Net assets (Total)	231.8	243.9	256.7	288.5	304.5	339.9

Value at Risk (VaR) associated with the trading activities

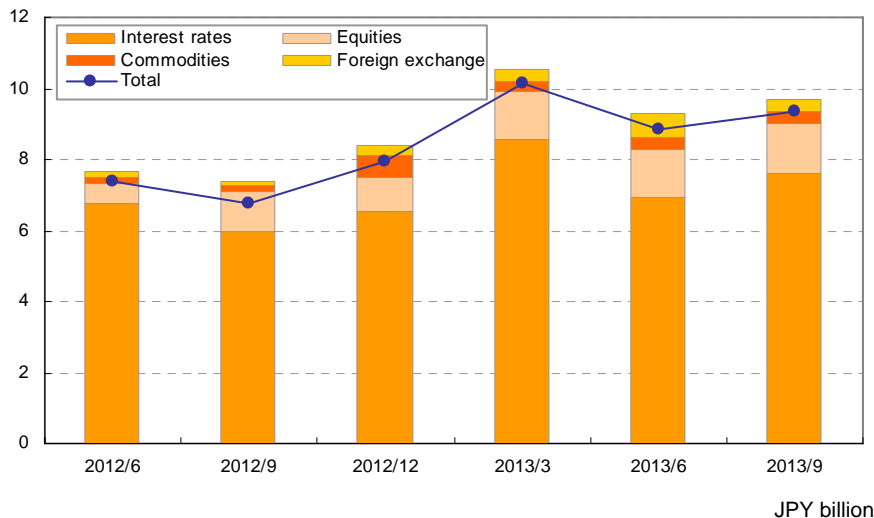
- Sustained the equal level as the previous quarter with well-controlled risk volumes.

Methodology of VaR

Historical simulation method (10-day holding period, 99% of confidence interval and 701-business day observation period)

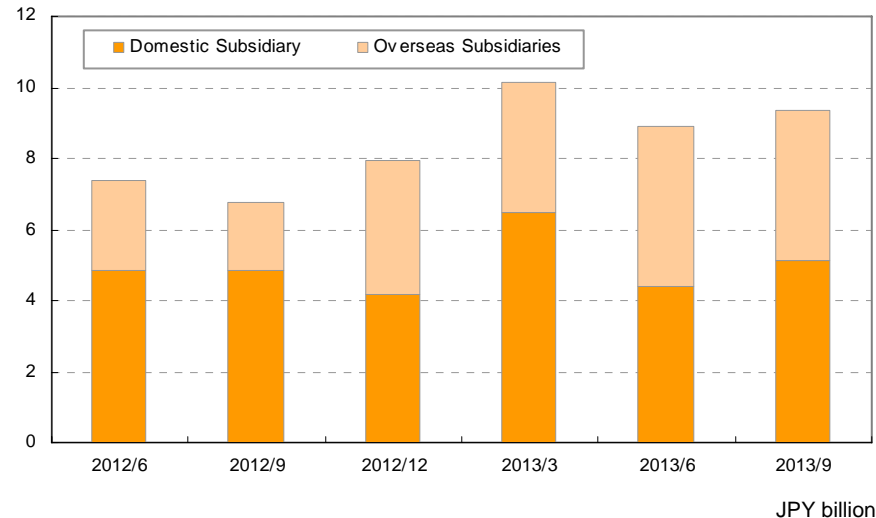
Quarterly trends of VaR by risk category

(JPY billion)



Quarterly trends of VaR by type of subsidiary

(JPY billion)



	2012/6	2012/9	2012/12	2013/3	2013/6	2013/9
Interest rates	6.8	6.0	6.5	8.5	6.9	7.6
Equities	0.6	1.1	0.9	1.3	1.4	1.4
Commodities	0.1	0.2	0.6	0.3	0.3	0.3
Foreign exchange	0.2	0.1	0.3	0.3	0.7	0.3
Total	7.4	6.8	7.9	10.1	8.9	9.3

	2012/6	2012/9	2012/12	2013/3	2013/6	2013/9
Domestic Subsidiary	4.8	4.8	4.2	6.5	4.4	5.1
Overseas Subsidiaries	2.5	1.9	3.8	3.7	4.5	4.2
Total	7.4	6.8	7.9	10.1	8.9	9.3

Domestic Subsidiary: Mitsubishi UFJ Morgan Stanley Securities
 Overseas Subsidiaries: Mitsubishi UFJ Securities International, Mitsubishi UFJ Securities (USA), Mitsubishi UFJ Securities (HK), Mitsubishi UFJ Securities (Singapore)



Mitsubishi UFJ Securities Holdings

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