



Mitsubishi UFJ Securities Holdings

1Q FY2013 Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

July, 2013

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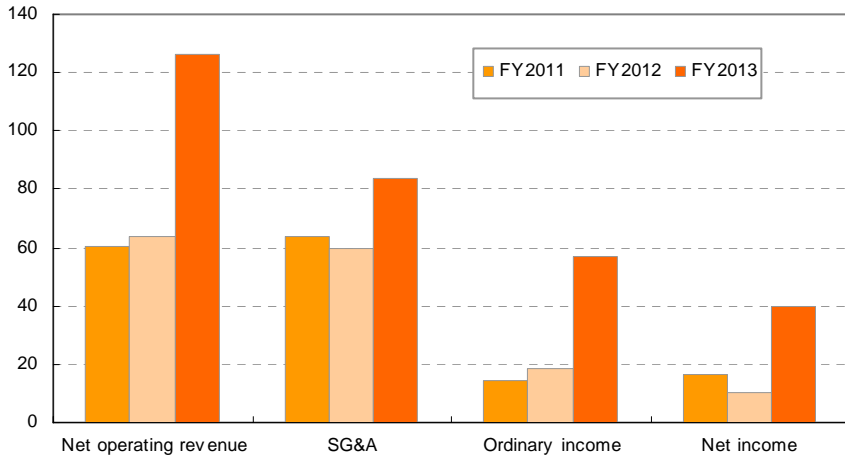
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1Q Performance Trends

- 1Q marked a substantial increase both in revenue and profit, with net operating revenue, ordinary income and net income standing at JPY 126.1 billion (+97% YoY), JPY 57.0 billion (+206% YoY) and JPY 39.5 billion (+295% YoY) respectively.
- Due to the profound BTMU collaboration and the alliance with Morgan Stanley, in parallel with the booming Japanese market condition since the latter part of the previous fiscal year, 1Q income rose to a record high on a quarterly basis since the management integration in 2005.

1Q Trends

(JPY billion)



JPY billion

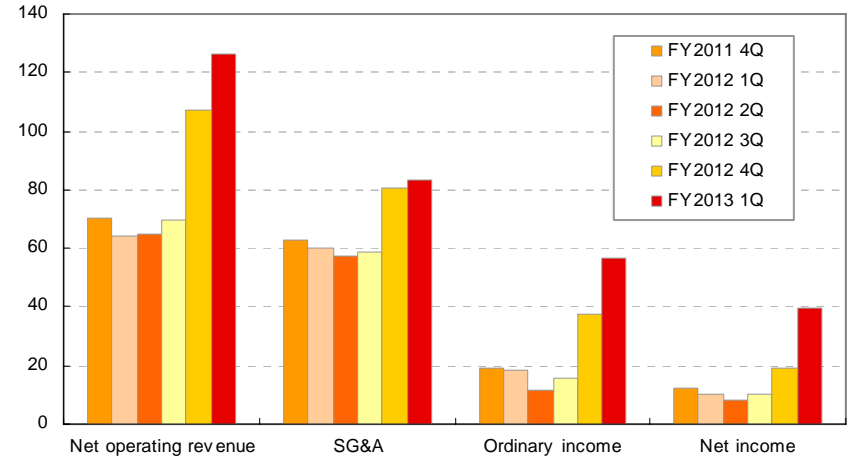
	FY2011 1Q	FY2012 1Q	FY2013 1Q
Net operating revenue	60.2	63.9	126.1
SG&A	63.5	59.9	83.6
Ordinary income	14.4	18.6	57.0
Net income	16.8	10.0	39.5

Quarterly Performance Trends

- Ordinary income and net income grew by 51% and 110% respectively from the previous quarter, further surpassing the strong growth pace recorded in the previous quarter.
- Steady developments of the customer flow-oriented business model and consulting-based sales approaches, along with the ongoing cost reduction effort, led to improved performance.

Quarterly Trends

(JPY billion)



JPY billion

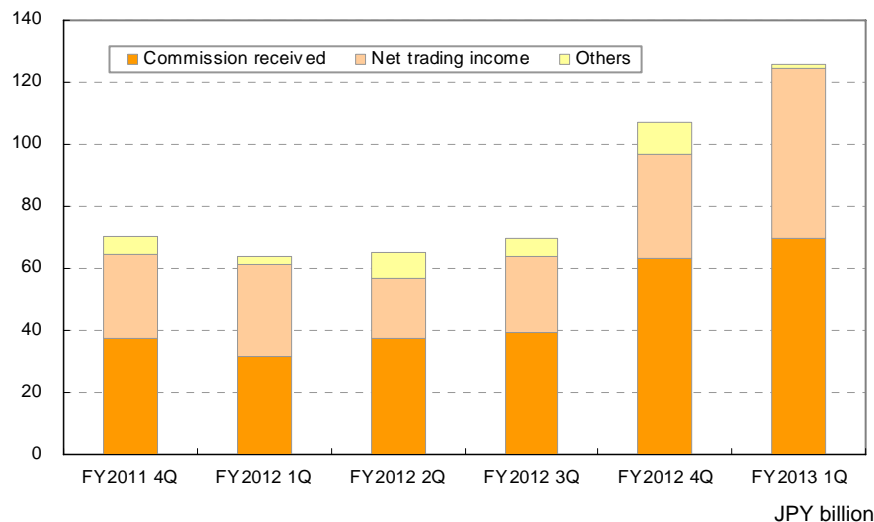
	FY2011 4Q	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q
Net operating revenue	70.6	63.9	65.1	70.0	106.9	126.1
SG&A	62.5	59.9	57.5	58.4	80.8	83.6
Ordinary income	18.9	18.6	11.8	15.8	37.8	57.0
Net income	12.5	10.0	8.0	10.0	18.8	39.5

Net Operating Revenue

- In the booming Japanese market environment, commission received for 1Q continued its upbeat performance at JPY 69.8 billion (+10% QoQ), while net trading income soared to JPY 55.0 billion (+64% QoQ).
- The quarter also posted the highest levels of commission received and net trading income over the last six quarters.

Quarterly Trends

(JPY billion)



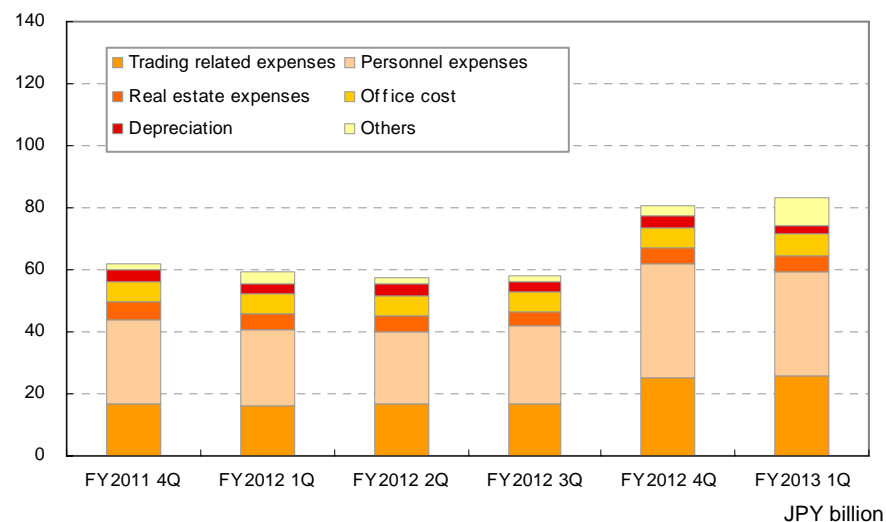
	FY2011 4Q	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q
Commission received	37.5	31.6	37.4	39.4	63.3	69.8
Net trading income	27.3	29.9	19.4	24.3	33.6	55.0
Others	5.7	2.3	8.2	6.2	9.9	1.2
Total	70.6	63.9	65.1	70.0	106.9	126.1

SG & A

- Trading related and personnel expenses rose along with an increase in revenue since the previous quarter, yet fixed costs such as real estate expenses and depreciation were still controlled at low levels.

Quarterly Trends

(JPY billion)



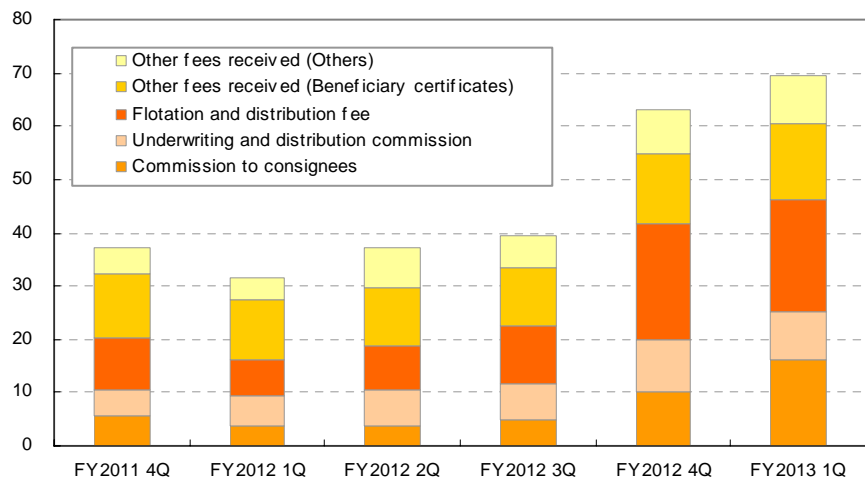
	FY2011 4Q	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q
Trading related expenses	16.7	16.1	16.6	16.5	24.9	25.8
Personnel expenses	27.4	24.5	23.6	25.3	36.8	33.5
Real estate expenses	5.9	5.5	5.1	4.7	5.3	5.1
Office cost	6.2	6.1	6.6	6.3	6.8	6.9
Depreciation	3.8	3.5	3.4	3.3	3.9	3.2
Others	2.2	3.8	2.0	2.0	2.9	9.0
Total	62.5	59.9	57.5	58.4	80.8	83.6

Commission Received

- Commission to consignees: Rose significantly (+57% QoQ), supported by the booming Japanese market condition.
- Underwriting and distribution commission: Large IPOs in Japan and progress in the BTMU collaboration overseas contributed.
- Flotation and distribution fee: Strong sales of investment trusts in Japanese stock and U.S. high-yield bond
- Other fees received: Investment trust-related commissions showed a steady performance.

Quarterly Trends

(JPY billion)



JPY billion

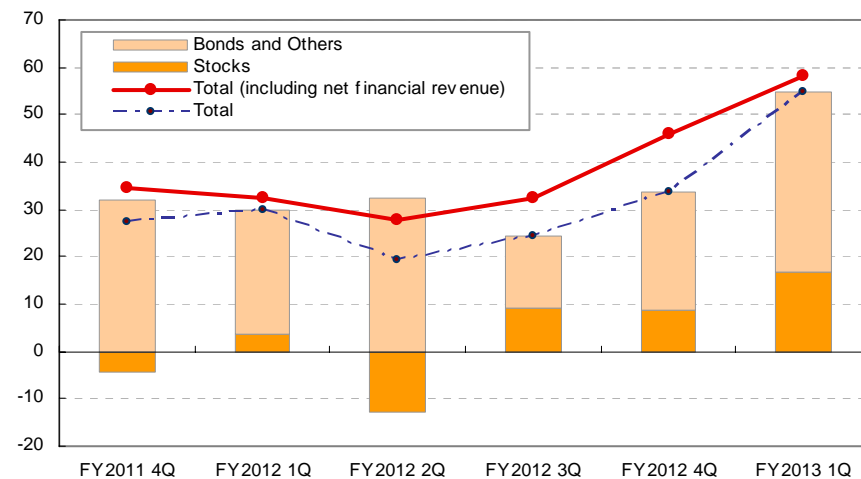
	FY2011 4Q	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q
Commission to consignees	5.8	3.6	3.7	5.0	10.3	16.2
Underwriting and distribution commission	4.9	5.7	7.0	6.7	9.7	8.8
Flotation and distribution fee	9.5	6.9	8.0	10.7	21.7	21.2
Other fees received (Beneficiary certificates)	12.0	11.4	11.0	11.1	13.2	14.2
Other fees received (Others)	5.0	3.9	7.5	5.8	8.3	9.1
Total	37.5	31.6	37.4	39.4	63.3	69.8

Net Trading Income

- Equity / equity-product trading continued steady performance and recorded profits for three consecutive quarters amid the booming domestic market condition.
- Fixed Income trading posted a high level of revenue, after the successful capture of customer flows amid the drastic changes in the market conditions.

Quarterly Trends

(JPY billion)



JPY billion

	FY2011 4Q	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q
Stocks	(4.5)	3.6	(13.0)	9.0	8.8	16.6
Bonds and Others	31.9	26.2	32.5	15.2	24.7	38.3
Total	27.3	29.9	19.4	24.3	33.6	55.0
Net financial revenue	7.1	2.2	8.3	8.2	12.5	3.1
Dividend income *	4.9	0.5	11.6	2.7	6.6	0.6
Total (including net financial revenue)	34.4	32.2	27.8	32.5	46.1	58.2

*Dividend income from trading products (in financial revenue)

Consolidated Statement of Income (Full year, Quarter)

JPY million

	Full year		Quarter					
	FY2011	FY2012	FY2011	FY2012				FY2013
			4Q	1Q	2Q	3Q	4Q	1Q
Operating revenue	306,926	350,524	86,287	76,379	78,906	76,074	119,164	134,808
Commission received	143,016	171,957	37,583	31,659	37,432	39,472	63,393	69,814
Net trading income	86,031	107,329	27,319	29,939	19,468	24,304	33,617	55,031
Net gain on private equity and other securities	(2,173)	(4,735)	(942)	49	(88)	(2,036)	(2,659)	(2,000)
Other net gain on goods trading	(486)	125	(495)	12	31	51	30	105
Financial revenue	80,538	75,846	22,822	14,718	22,063	14,282	24,782	11,856
Financial expenses	68,341	44,441	15,680	12,452	13,714	6,062	12,212	8,662
Net operating revenue	238,585	306,082	70,607	63,926	65,192	70,011	106,951	126,145
SG & A	240,124	256,881	62,571	59,949	57,597	58,436	80,896	83,623
Operating income (loss)	(1,539)	49,201	8,035	3,977	7,594	11,574	26,054	42,521
Non-operating income	42,473	36,717	10,917	15,351	4,445	4,065	12,855	15,032
Non-operating expenses	2,756	1,690	(38)	654	211	(193)	1,018	487
Ordinary income	38,177	84,228	18,992	18,674	11,828	15,834	37,891	57,066
Extraordinary income	18,238	5,154	1,375	609	2,001	1,273	1,270	8,043
Extraordinary loss	31,859	3,531	884	851	638	110	1,930	136
Income taxes	1,782	2,916	(207)	1,189	(1,379)	722	2,384	5,395
Minority interests in income	6,190	35,988	7,190	7,237	6,558	6,192	15,999	20,010
Net income	16,583	46,946	12,501	10,005	8,012	10,082	18,846	39,567

Consolidated Balance Sheet

JPY billion

	As of Mar. 31, 2013	As of Jun. 30, 2013	Change
ASSETS			
Current assets	25,754	23,341	(2,412)
Cash and deposits	719	792	72
Trading products	15,530	13,238	(2,291)
Loans secured by securities	8,194	7,992	(201)
Others	1,309	1,317	7
Noncurrent assets	752	734	(17)
PP & E	27	27	0
Intangible assets	43	44	1
Investments and other assets	680	661	(18)
Total assets	26,506	24,075	(2,430)

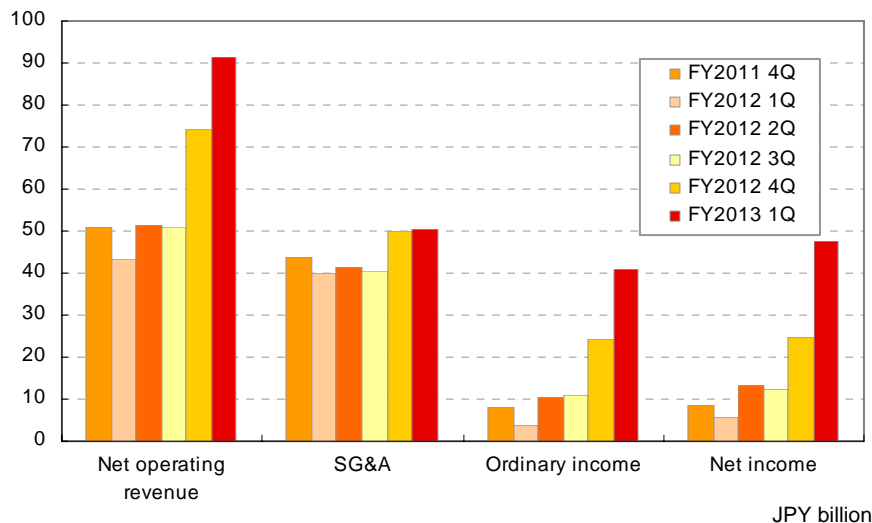
	As of Mar. 31, 2013	As of Jun. 30, 2013	Change
LIABILITIES			
Current liabilities	24,372	21,942	(2,429)
Trading products	12,471	10,725	(1,745)
Loans payable secured by securities	9,142	8,539	(602)
Short-term loans payable	996	774	(221)
Others	1,761	1,902	141
Noncurrent liabilities	1,208	1,181	(27)
Bonds payable	803	805	1
Long-term loans payable	379	352	(26)
Others	26	23	(2)
Total liabilities	25,582	23,125	(2,456)
NET ASSETS			
Shareholders' equity	688	720	32
Accumulated other comprehensive income	(21)	(18)	3
Minority interests	257	248	(9)
Total net assets	924	950	26
Total liabilities and net assets	26,506	24,075	(2,430)

Quarterly Performance Trends

- With its effort to precisely meet the wide variety of customer needs, MUMSS saw significant increases in commission received for various fees and net trading income. As a result, it achieved a substantial rise in profit, with ordinary income and net income coming to JPY 41.1 billion (+69% QoQ) and JPY 47.4 billion (+90% QoQ) respectively.

Quarterly Trends

(JPY billion)



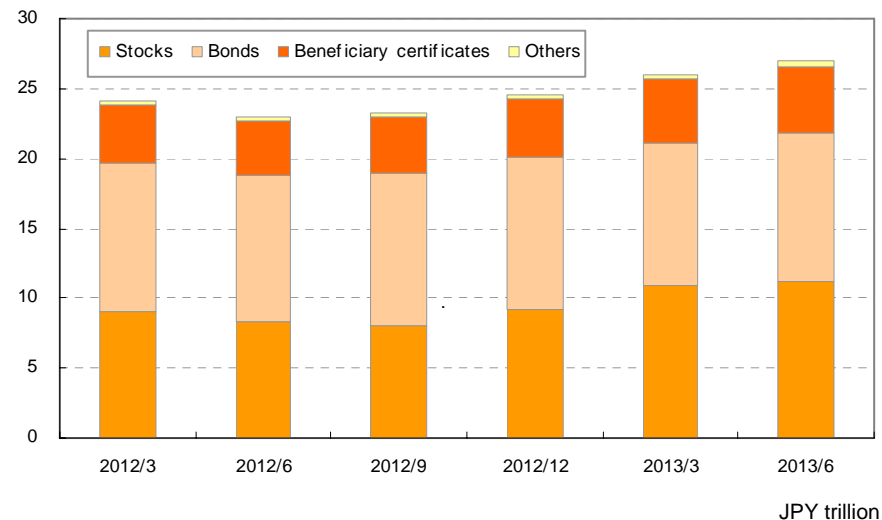
	FY2011 4Q	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q
Net operating revenue	51.0	43.1	51.6	51.0	74.4	91.3
SG&A	43.7	40.0	41.5	40.6	50.1	50.5
Ordinary income	8.3	3.9	10.4	10.8	24.3	41.1
Net income	8.4	5.7	13.1	12.2	24.9	47.4

Trends of AUM

- AUM at the end of June 2013 stood at approximately JPY 27 trillion, maintaining its upward trend largely on the back of a rise in the Japanese stock market.
- Of the above, AUM for the domestic Retail Middle Market Sales Division at the end of June 2013 was JPY 23.8 trillion. (JPY 22.8 trillion as of the end of March 2013)

Quarterly Trends

(JPY trillion)



	2012/3	2012/6	2012/9	2012/12	2013/3	2013/6
Stocks	9.0	8.3	8.1	9.3	10.9	11.3
Bonds	10.7	10.5	10.9	10.8	10.1	10.6
Beneficiary certificates	4.1	3.9	3.9	4.2	4.7	4.8
Others	0.3	0.3	0.3	0.3	0.3	0.3
Total	24.1	22.9	23.2	24.6	26.0	26.9

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					FY2013 1Q
	FY2011	FY2012				
	4Q	1Q	2Q	3Q	4Q	
Operating revenue	53,768	46,043	54,273	53,338	76,771	93,591
Commission received	26,291	18,357	25,285	26,315	40,179	48,946
Net trading income	19,907	23,554	21,786	23,090	28,823	41,547
Others	(493)	15	32	53	24	107
Financial revenue	8,062	4,116	7,169	3,879	7,744	2,989
Financial expenses	2,681	2,886	2,629	2,288	2,353	2,223
Net operating revenue	51,086	43,156	51,644	51,049	74,417	91,367
SG & A	43,705	40,043	41,564	40,621	50,189	50,569
Operating income	7,380	3,113	10,079	10,427	24,228	40,798
Non-operating income	939	834	322	390	74	327
Ordinary income	8,319	3,948	10,402	10,818	24,303	41,126
Extraordinary income (loss)	(1,570)	(585)	1,522	91	149	7,800
Income taxes	(1,720)	(2,407)	(1,241)	(1,312)	(487)	1,473
Net income (loss)	8,469	5,769	13,166	12,222	24,939	47,453

Balance Sheet

	As of	As of	Change
	Mar. 31, 2013	Jun. 30, 2013	
Current assets	14,071	11,020	(3,050)
Cash and deposits	621	694	73
Trading products	9,772	7,421	(2,351)
Loans secured by securities	3,076	2,177	(899)
Others	600	727	127
Noncurrent assets	68	62	(5)
PP & E	15	15	0
Intangible assets	19	20	0
Investments and other assets	33	27	(6)
Total assets	14,139	11,083	(3,055)

JPY billion

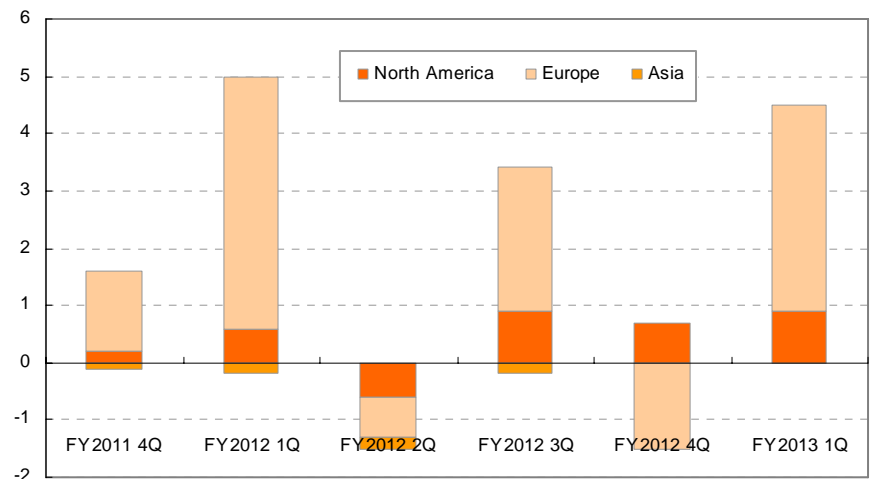
	As of	As of	Change
	Mar. 31, 2013	Jun. 30, 2013	
Current liabilities	13,606	10,526	(3,079)
Trading products	7,354	5,659	(1,695)
Loans payable secured by securities	4,066	2,779	(1,286)
Short-term loans payable	1,234	1,051	(183)
Others	950	1,036	85
Noncurrent liabilities	243	251	7
Long-term loans payable	226	235	9
Others	17	15	(1)
Total liabilities	13,851	10,779	(3,071)
Net assets	288	304	16
Total liabilities and net assets	14,139	11,083	(3,055)

Overseas Subsidiaries Quarterly Trends

- Overseas subsidiaries secured an ordinary income of JPY 4.5 billion, as they benefitted from steady progress in BTMU collaboration.
- European business moved back into profit, driven by the strong performance in the trading business, while business in North America secured profits for three consecutive quarters supported by the ongoing robust performance in the bond underwriting business.

Ordinary income (loss): Quarterly Trends

(JPY billion)



JPY billion

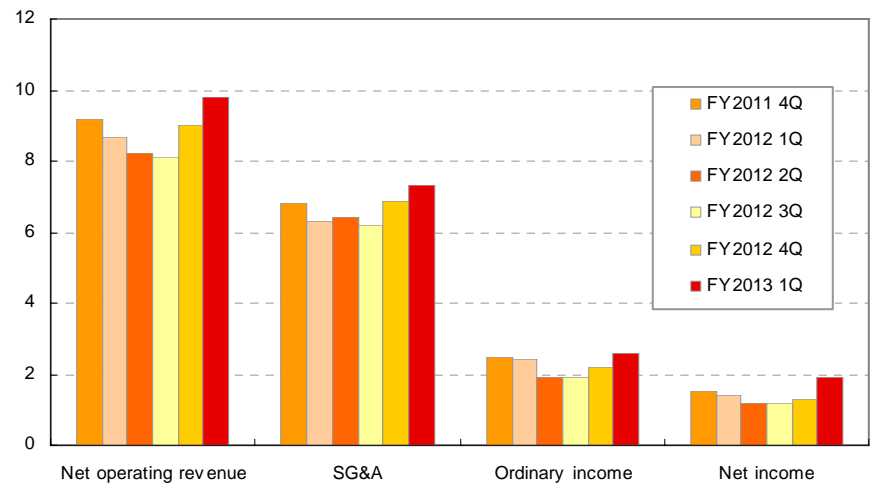
	FY2011 4Q	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q
North America	0.2	0.6	(0.6)	0.9	0.7	0.9
Europe	1.4	4.4	(0.7)	2.5	(1.5)	3.6
Asia	(0.1)	(0.2)	(0.2)	(0.2)	(0.0)	(0.0)
Total	1.5	4.8	(1.6)	3.2	(0.8)	4.5

KAM Quarterly Trends

- Ordinary income and net income grew from the previous quarter due to the expansion of its product lineups.

Quarterly Trends

(JPY billion)



JPY billion

	FY2011 4Q	FY2012 1Q	FY2012 2Q	FY2012 3Q	FY2012 4Q	FY2013 1Q
Net operating revenue	9.2	8.7	8.2	8.1	9.0	9.8
SG&A	6.8	6.3	6.4	6.2	6.9	7.3
Ordinary income	2.5	2.4	1.9	1.9	2.2	2.6
Net income	1.5	1.4	1.2	1.2	1.3	1.9

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 June 2013 stood at 354%, 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 Jun. 19, 2013

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

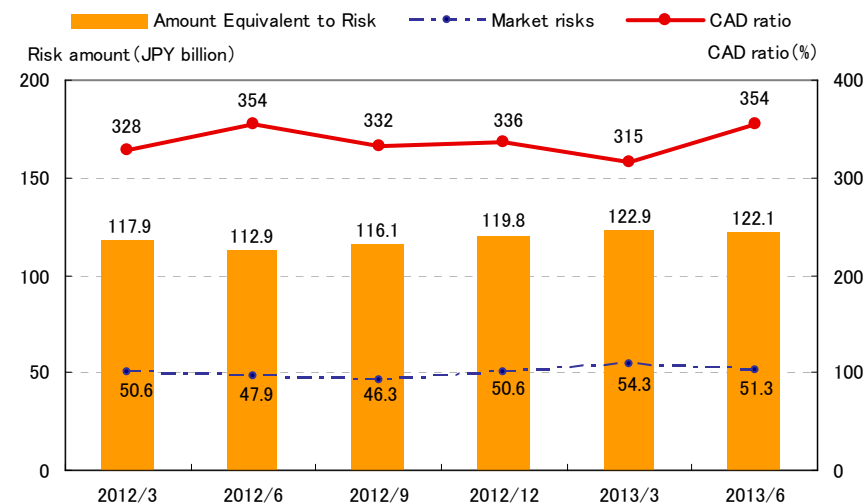
*CP rating

Mitsubishi UFJ Securities Holdings (MUSHD)

As of Jun. 19, 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)	2012/3	2012/6	2012/9	2012/12	2013/3	2013/6
Capital stock	75.5	75.5	75.5	75.5	75.5	75.5
Net assets (Total)	819.6	838.3	843.4	865.3	924.4	950.5

MUMSS	2012/3	2012/6	2012/9	2012/12	2013/3	2013/6
Capital stock	40.5	40.5	40.5	40.5	40.5	40.5
Net assets (Total)	226.4	231.8	243.9	256.7	288.5	304.5

Value at Risk (VaR) associated with the trading activities

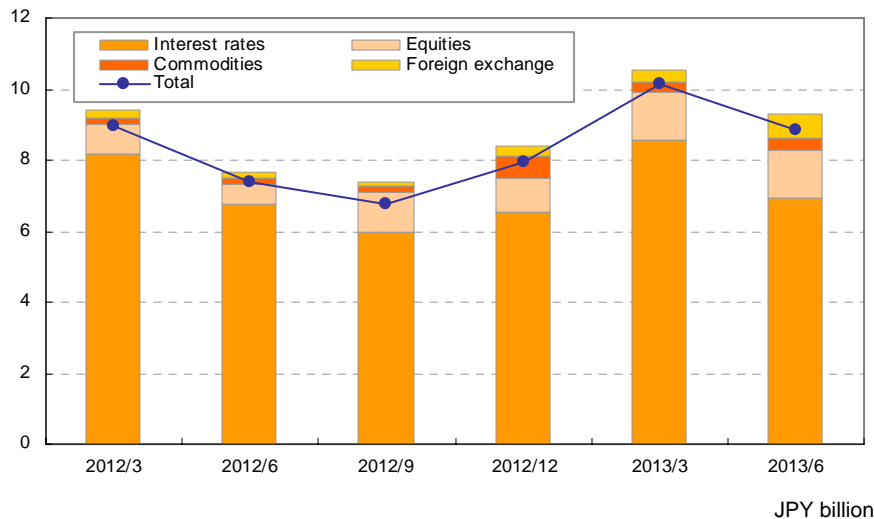
- Decreased from the previous quarter due to a reduction in the inventory of bonds at MUMSS.

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

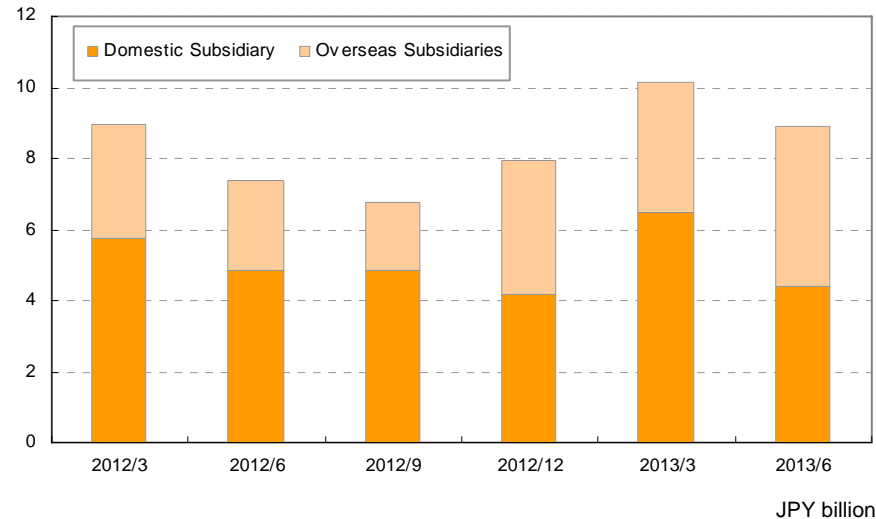
(JPY billion)



	2012/3	2012/6	2012/9	2012/12	2013/3	2013/6
Interest rates	8.2	6.8	6.0	6.5	8.5	6.9
Equities	0.8	0.6	1.1	0.9	1.3	1.4
Commodities	0.2	0.1	0.2	0.6	0.3	0.3
Foreign exchange	0.2	0.2	0.1	0.3	0.3	0.7
Total	9.0	7.4	6.8	7.9	10.1	8.9

Quarterly trends of VaR by type of subsidiary

(JPY billion)



	2012/3	2012/6	2012/9	2012/12	2013/3	2013/6
Domestic Subsidiary	5.7	4.8	4.8	4.2	6.5	4.4
Overseas Subsidiaries	3.3	2.5	1.9	3.8	3.7	4.5
Total	9.0	7.4	6.8	7.9	10.1	8.9

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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