



Mitsubishi UFJ Securities Holdings

MUFG

2QFY2014 Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

October, 2014

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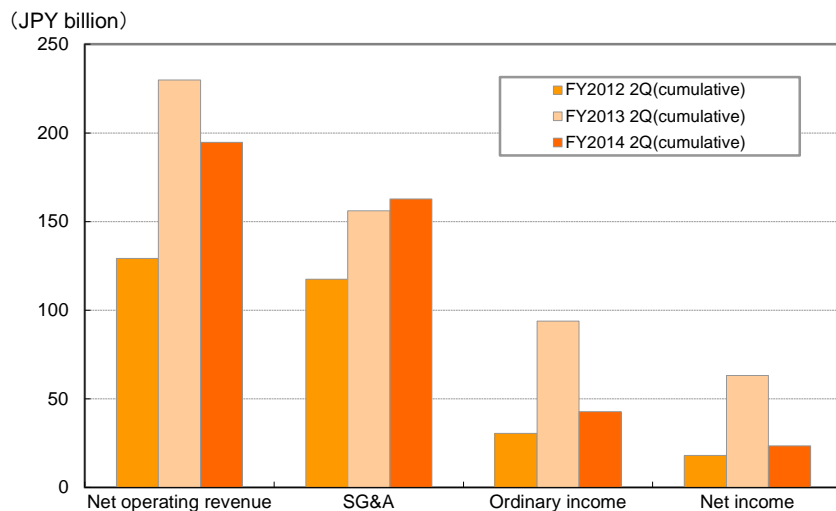
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2Q(cumulative) Performance Trends

- Net operating revenue JPY 194.6 billion (Δ 15% YoY), ordinary income JPY 42.7 billion (Δ 54% YoY) and net income JPY 23.4 billion (Δ 62% YoY)
- Revenue and profit decreased significantly from last year, which marked a record high-level of income, but ordinary income and net income were maintained at higher levels than those in FY2012 2Q.

2Q (cumulative) Trends



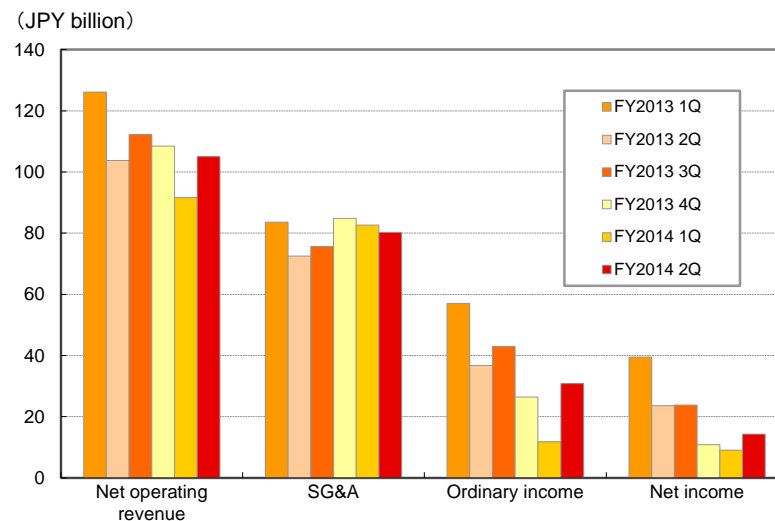
JPY billion

	FY2012 2Q (cumulative)	FY2013 2Q (cumulative)	FY2014 2Q (cumulative)
Net operating revenue	129.1	229.8	194.6
SG&A	117.5	156.1	162.8
Ordinary income	30.5	93.9	42.7
Net income	18.0	63.1	23.4

Quarterly Performance Trends

- Compared with performance in the previous quarter, commission to consignees together with underwriting and distribution commission showed notable growth, with ordinary income and net income increasing by 159% and 57% respectively.
- Stable revenues supported by customer-flow-oriented business model and cost constraint initiatives contributed to support positive income.

Quarterly Trends



JPY billion

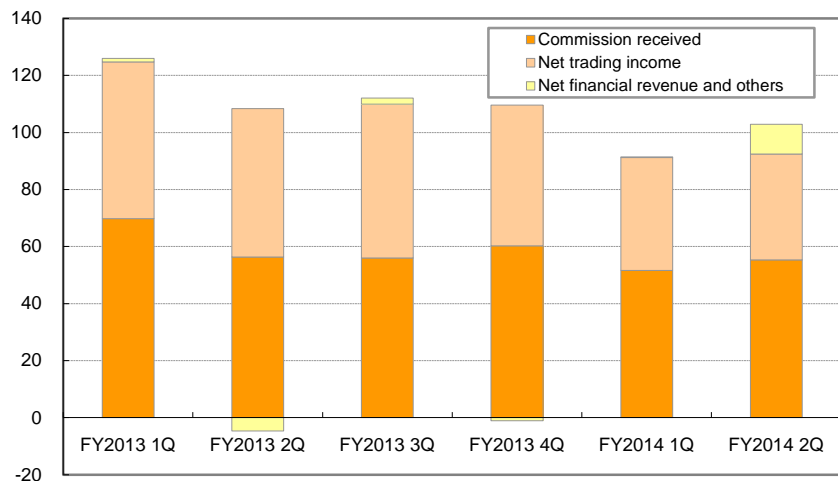
	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
Net operating revenue	126.1	103.7	112.2	108.5	91.6	103.0
SG&A	83.6	72.5	75.6	84.8	82.6	80.2
Ordinary income	57.0	36.8	42.8	26.4	11.8	30.8
Net income	39.5	23.6	23.8	10.8	9.1	14.3

Net Operating Revenue

- The recovery in the domestic stock market helped improve business performance, particularly the domestic securities business, and has net operating revenue climbing back to the JPY 100.0 billion mark.

Quarterly Trends

(JPY billion)



JPY billion

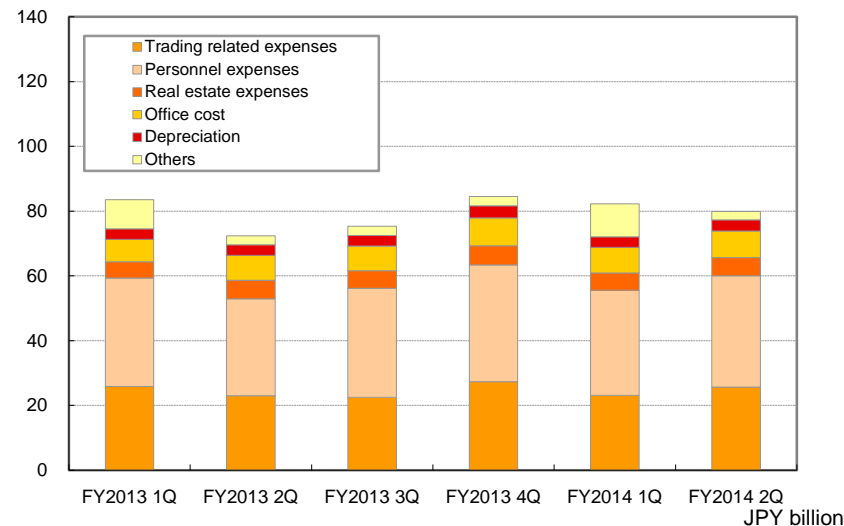
	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
Commission received	69.8	56.3	56.0	60.3	51.6	55.3
Net trading income	55.0	52.1	53.9	49.3	39.6	37.1
Net financial revenue and others	1.2	(4.7)	2.2	(1.1)	0.2	10.5
Total	126.1	103.7	112.2	108.5	91.6	103.0

SG & A

- Trading related and personnel expenses which interrelate with revenue increased from the previous quarter, but fixed costs such as real estate expenses and depreciation were kept at low levels as a whole.

Quarterly Trends

(JPY billion)



JPY billion

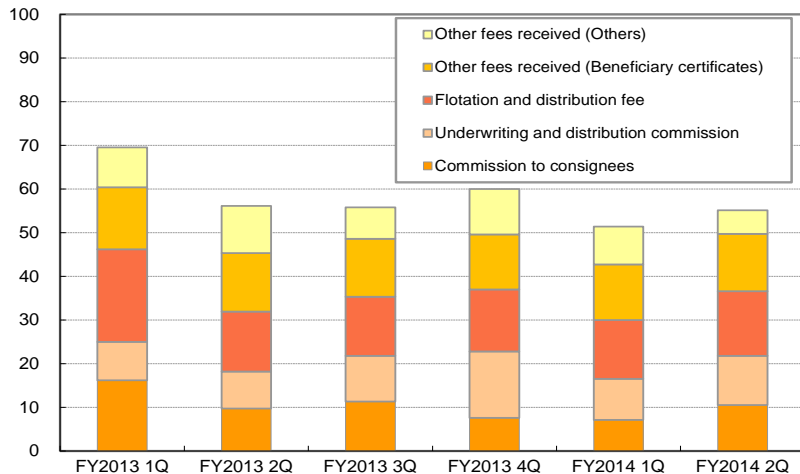
	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
Trading related expenses	25.8	23.0	22.5	27.3	23.1	25.6
Personnel expenses	33.5	29.9	33.7	36.1	32.5	34.4
Real estate expenses	5.1	5.7	5.4	5.9	5.3	5.6
Office cost	6.9	7.7	7.6	8.6	7.9	8.2
Depreciation	3.2	3.3	3.3	3.7	3.3	3.5
Others	9.0	2.8	2.8	2.9	10.1	2.6
Total	83.6	72.5	75.6	84.8	82.6	80.2

Commission Received

- Commission to consignees: Recovered to over the JPY 10.0 billion mark, reflecting the recovery of the stock market.
- Underwriting and distribution commission: Remained at high levels, principally supported by robust performance in the bond underwriting business.
- Flotation and distribution fee: Sales of investment trusts remained stable.
- Other fees received: Declined QoQ due largely to a fall in M&A revenue, etc.

Quarterly Trends

(JPY billion)



JPY billion

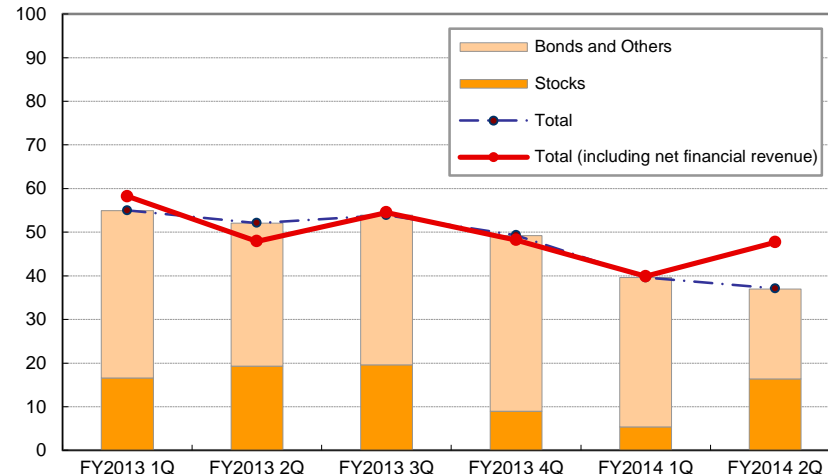
	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
Commission to consignees	16.2	9.7	11.3	7.6	7.1	10.5
Underwriting and distribution commission	8.8	8.5	10.5	15.2	9.4	11.3
Flotation and distribution fee	21.2	13.7	13.5	14.2	13.5	14.8
Other fees received (Beneficiary certificates)	14.2	13.4	13.3	12.6	12.7	13.1
Other fees received (Others)	9.1	10.8	7.2	10.4	8.7	5.4
Total	69.8	56.3	56.0	60.3	51.6	55.3

Net Trading Income

- Steady performance in foreign stocks trading secured solid level of income. Net trading income including net financial revenue stayed in good level.

Quarterly Trends

(JPY billion)



JPY billion

	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
Stocks	16.6	19.3	19.6	9.0	5.4	16.4
Bonds and Others	38.3	32.8	34.3	40.2	34.2	20.6
Total	55.0	52.1	53.9	49.3	39.6	37.1
Net financial revenue	3.1	(4.2)	0.5	(1.0)	0.2	10.5
Total (including net financial revenue)	58.2	47.9	54.5	48.2	39.9	47.7

Consolidated Statement of Income (Full year, Quarter)

JPY million

	Full year		Quarter					
	FY2012	FY2013	FY2013				FY2014	
			1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	350,524	487,796	134,808	111,276	120,817	120,894	103,159	112,996
Commission received	171,957	242,578	69,814	56,340	56,072	60,350	51,654	55,341
Net trading income	107,329	210,448	55,031	52,153	53,915	49,347	39,652	37,114
Net gain on private equity and other securities	(4,735)	(1,045)	(2,000)	(572)	1,661	(134)	1	(17)
Other net gain on goods trading	125	123	105	3	14	-	-	1
Financial revenue	75,846	35,692	11,856	3,350	9,153	11,332	11,850	20,556
Financial expenses	44,441	37,163	8,662	7,554	8,565	12,380	11,553	9,969
Net operating revenue	306,082	450,633	126,145	103,722	112,251	108,514	91,605	103,027
SG & A	256,881	316,710	83,623	72,558	75,681	84,846	82,615	80,248
Operating income	49,201	133,923	42,521	31,163	36,570	23,667	8,990	22,778
Non-operating income	36,717	32,121	15,032	5,775	7,373	3,940	3,165	9,186
Non-operating expenses	1,690	2,740	487	51	1,054	1,146	292	1,121
Ordinary income	84,228	163,304	57,066	36,887	42,888	26,461	11,863	30,842
Extraordinary income	5,154	8,807	8,043	118	387	257	4,025	3,976
Extraordinary loss	3,531	3,263	136	402	444	2,279	90	240
Income taxes	2,916	12,386	5,395	(4,376)	3,992	7,375	7,123	9,656
Minority interests in income (loss)	35,988	58,679	20,010	17,377	15,034	6,258	(433)	10,563
Net income	46,946	97,781	39,567	23,602	23,805	10,806	9,109	14,359

Consolidated Balance Sheet

JPY billion

	As of Mar. 31, 2014	As of Sep. 30, 2014	Change
ASSETS			
Current assets	29,753	27,404	(2,348)
Cash and deposits	1,133	923	(209)
Trading products	14,867	12,998	(1,868)
Loans secured by securities	12,176	11,581	(594)
Others	1,576	1,900	+324
Noncurrent assets	665	687	+22
PP & E	31	31	(0)
Intangible assets	60	52	(7)
Investments and other assets	573	603	+30
Total assets	30,418	28,092	(2,325)

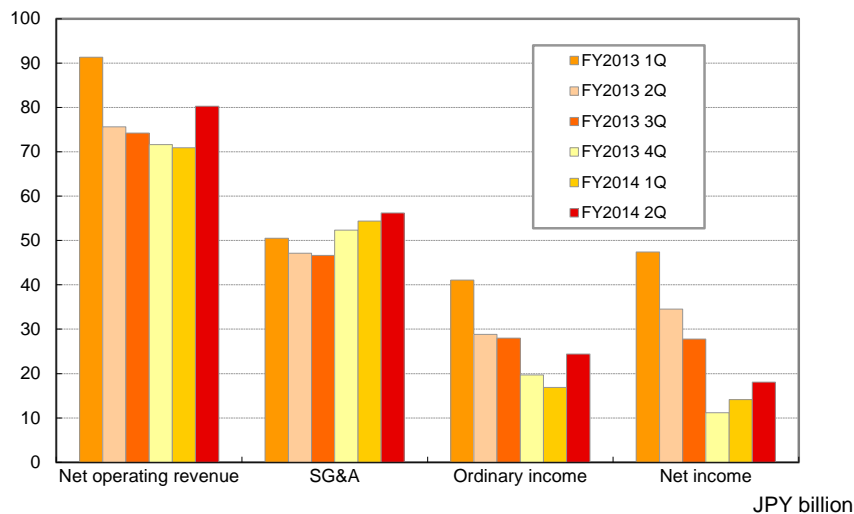
	As of Mar. 31, 2014	As of Sep. 30, 2014	Change
LIABILITIES			
Current liabilities	27,779	25,647	(2,132)
Trading products	11,501	10,933	(568)
Loans payable secured by securities	13,148	11,198	(1,950)
Short-term loans payable	1,047	1,229	+181
Others	2,081	2,285	+204
Noncurrent liabilities	1,569	1,475	(94)
Bonds payable	1,124	1,065	(58)
Long-term loans payable	428	394	(33)
Others	17	15	(1)
Total liabilities	29,350	27,123	(2,226)
NET ASSETS			
Shareholders' equity	769	727	(41)
Accumulated other comprehensive income	16	13	(2)
Minority interests	282	227	(55)
Total net assets	1,068	968	(99)
Total liabilities and net assets	30,418	28,092	(2,325)

Quarterly Performance Trends

- Strong performance in the bond-related business together with a recovery in the stock market toward the end of the quarter resulted in ordinary income of JPY 24.4 billion and net income of JPY 18.1 billion in 2Q.
- Mitsubishi UFJ Morgan Stanley PB Securities (MUMS-PB), which became a consolidated subsidiary, achieved stable revenue and contributed to MUMSS's performance.

Quarterly Trends

(JPY billion)



	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q * 1	FY2014 2Q
Net operating revenue	91.3	75.6	74.2	71.6	70.9	80.3
SG&A	50.5	47.1	46.6	52.3	54.4	56.2
Ordinary income	41.1	28.8	28.0	19.7	16.9	24.4
Net income	47.4	34.5	27.8	11.2	14.1	18.1

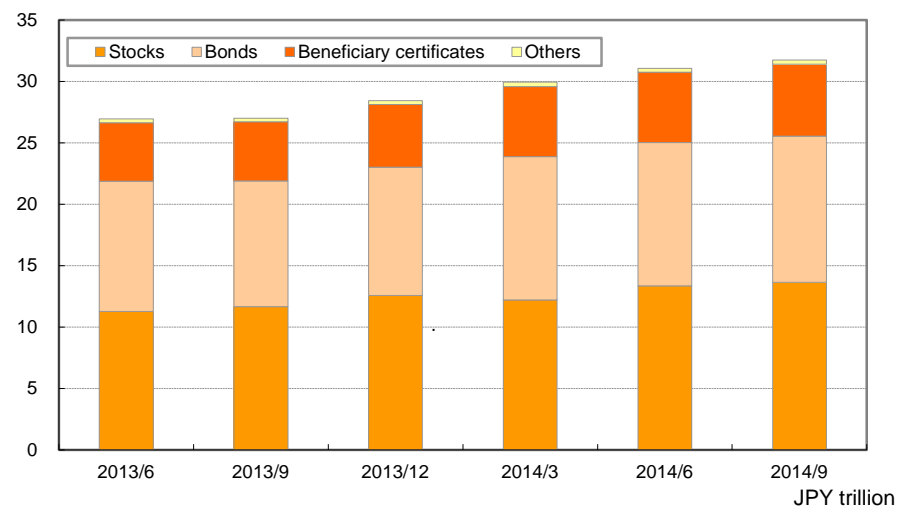
*1 Figures for 1Q FY2014 and later period are on a consolidated basis, which include those of MUMS-PB.

Trends of AUM

- Approximately JPY 31.7 trillion at the end of September 30, 2014, which is a QoQ increase due to an increase in stocks.
- Of the above, AUM for the domestic Retail Middle Market Sales Division was JPY 25.6 trillion (JPY 25.0 trillion at the end of June 2014)

Quarterly Trends

(JPY trillion)



	2013/6	2013/9	2013/12	2014/3 * 2	2014/6	2014/9
Stocks	11.3	11.7	12.6	12.2	13.3	13.6
Bonds	10.6	10.2	10.4	11.7	11.7	11.9
Beneficiary certificates	4.8	4.8	5.1	5.7	5.7	5.9
Others	0.3	0.3	0.3	0.3	0.3	0.3
Total	26.9	27.0	28.4	29.9	31.1	31.7

*2 Figures at the end of March 31, 2014 and later dates represent simple aggregation of MUMSS and MUMS-PB.

JPY million

MUMSS
Statement of Income

	Full year	
	FY2012	FY2013
Operating revenue	230,427	321,842
Commission received	110,137	165,465
Net trading income	97,254	136,984
Others	125	124
Financial revenue	22,909	19,268
Financial expenses	10,158	8,857
Net operating revenue	220,268	312,984
SG & A	172,418	196,644
Operating income	47,849	116,340
Non-operating income	1,622	1,468
Ordinary income	49,472	117,808
Extraordinary income (loss)	1,177	5,386
Income taxes	(5,448)	2,071
Net income	56,098	121,123

Balance Sheet

	As of	As of	Change
	Mar. 31, 2014	Sep. 30, 2014	
Current assets	16,144	15,457	(687)
Cash and deposits	980	688	(292)
Trading products	10,076	8,916	(1,159)
Loans secured by securities	4,339	4,552	+212
Others	747	1,300	+552
Noncurrent assets	115	111	(4)
PP & E	16	17	+0
Intangible assets	22	26	+3
Investments and other assets	75	68	(7)
Total assets	16,260	15,568	(691)

Quarter

	FY2013				FY2014	
	1Q	2Q	3Q	4Q	1Q	2Q
	93,591	77,608	76,487	74,154	64,515	72,872
	48,946	38,739	37,436	40,341	32,719	34,076
	41,547	32,619	35,372	27,443	26,702	30,003
	107	6	15	(4)	1	2
	2,989	6,242	3,662	6,373	5,092	8,789
	2,223	1,930	2,231	2,471	2,668	2,781
	91,367	75,678	74,255	71,682	61,846	70,090
	50,569	47,134	46,612	52,327	48,059	49,316
	40,798	28,543	27,643	19,354	13,787	20,773
	327	334	438	366	665	639
	41,126	28,878	28,082	19,721	14,452	21,412
	7,800	(286)	15	(2,143)	3,682	2,702
	1,473	(5,987)	291	6,294	5,005	7,177
	47,453	34,579	27,807	11,283	13,129	16,937

JPY billion

	As of	As of	Change
	Mar. 31, 2014	Sep. 30, 2014	
Current liabilities	15,521	14,835	(685)
Trading products	7,231	7,605	+373
Loans payable secured by securities	5,854	4,578	(1,276)
Short-term loans payable	1,407	1,565	+157
Others	1,026	1,086	+60
Noncurrent liabilities	358	388	+30
Long-term loans payable	345	377	+32
Others	13	11	(2)
Total liabilities	15,881	15,225	(655)
Net assets	378	343	(35)
Total liabilities and net assets	16,260	15,568	(691)

JPY million

MUMSPB
Statement of Income

	Full year	
	FY2012 *	FY2013
Net operating revenue	28,489	36,944
Ordinary income	13,396	13,093
Net income	8,240	7,999

Quarter

	FY2013				FY2014	
	1Q	2Q	3Q	4Q	1Q	2Q
	10,261	8,240	9,546	8,896	9,106	10,221
	4,086	2,679	3,460	2,866	2,852	3,467
	2,538	1,646	2,133	1,681	1,818	2,213

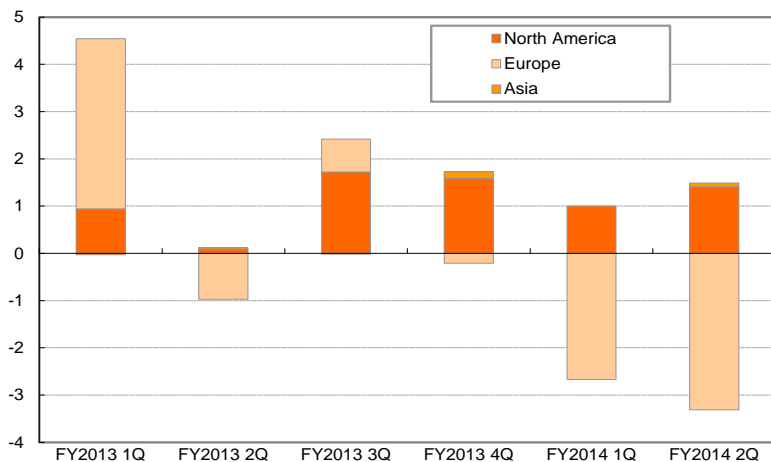
* MUMS-PB became a subsidiary of MUSHD Group in the middle of FY2012 (on December 26, 2012), but the above figures for FY2012 represent its full-year results.

Overseas Subsidiaries Quarterly Trends

- Business in North America secured profits for eight consecutive quarters led by the ongoing robust performance in primary business.
- Business in Europe posted a loss, as performance in the secondary business was dragged down by slumping market trading affected by instability of business conditions in Europe.

Ordinary income (loss): Quarterly Trends

(JPY billion)



JPY billion

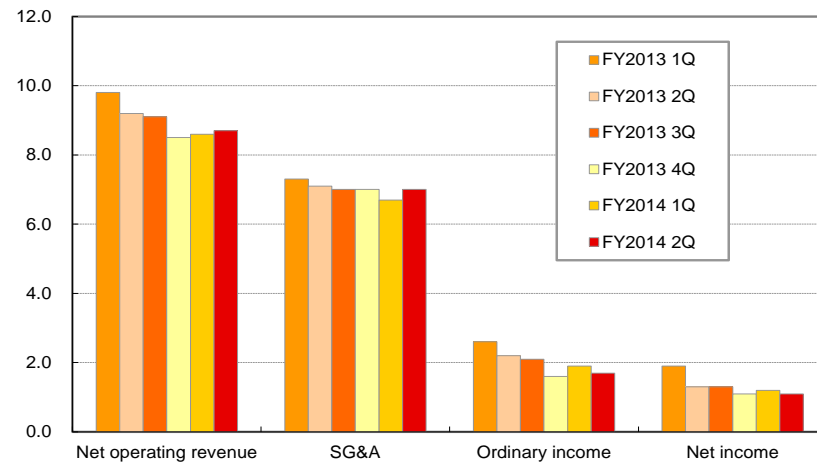
	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
North America	0.94	0.09	1.72	1.59	1.00	1.41
Europe	3.60	(0.97)	0.70	(0.21)	(2.67)	(3.31)
Asia	(0.03)	0.03	(0.02)	0.14	0.00	0.08
Total	4.50	(0.84)	2.41	1.53	(1.67)	(1.81)

KAM Quarterly Trends

- Revenues continued to show a stable level due to the expansion of its product lineups.
- Assets under management at the end of September 30, 2014 was JPY 3.5 trillion (increased JPY 0.0 trillion from the end of previous quarter).

Quarterly Trends

(JPY billion)



JPY billion

	FY2013 1Q	FY2013 2Q	FY2013 3Q	FY2013 4Q	FY2014 1Q	FY2014 2Q
Net operating revenue	9.8	9.2	9.1	8.5	8.6	8.7
SG&A	7.3	7.1	7.0	7.0	6.7	7.0
Ordinary income	2.6	2.2	2.1	1.6	1.9	1.7
Net income	1.9	1.3	1.3	1.1	1.2	1.1

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

Credit Rating

- Credit ratings remained unchanged. The credit rating outlooks were also stable. (as of September 30, 2014)

Mitsubishi UFJ Securities Holdings (MUSHD)

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

Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

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

*CP rating

Mitsubishi UFJ Securities International plc (MUSI)

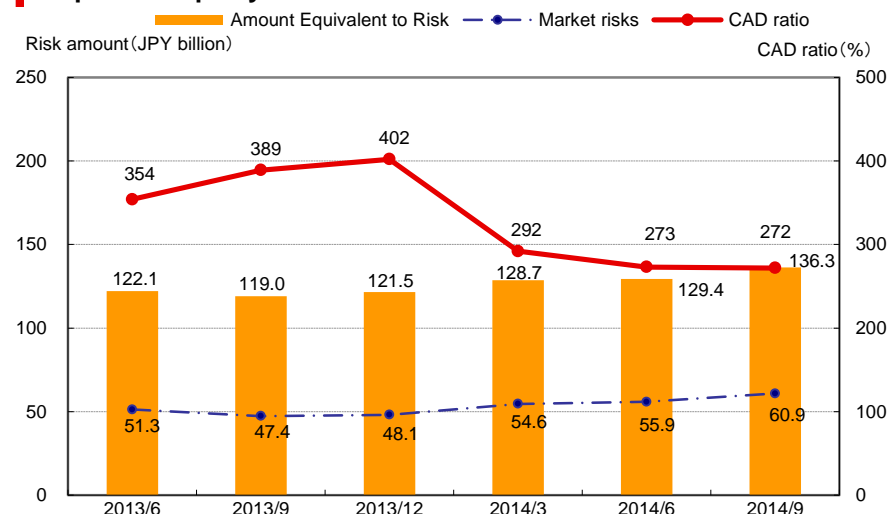
	R&I	JCR	Moody's	S&P
Long-term	AA- **	AA **	A1	A+
Short-term	-	-	P-1	A-1

**Euro Medium Term Note Programme rating (senior bonds)

Capital Adequacy

- Capital adequacy ratio at the end of September 30, 2014 stood at 272%, maintaining a sufficient level of capital base
- Capital base of MUSHD (consolidated) marked no major change.

Capital Adequacy Ratio MUMSS



Net Assets MUSHD (Consolidated) / MUMSS

	JPY billion					
	2013/6	2013/9	2013/12	2014/3	2014/6	2014/9
MUSHD (Consolidated)						
Capital stock	75.5	75.5	75.5	75.5	75.5	75.5
Net assets (Total)	950.5	1,000.6	1,037.0	1,068.0	972.7	968.7
MUMSS						
Capital stock	40.5	40.5	40.5	40.5	40.5	40.5
Net assets (Total)	304.5	339.9	367.6	378.9	327.8	343.2

Value at Risk (VaR) associated with the trading activities

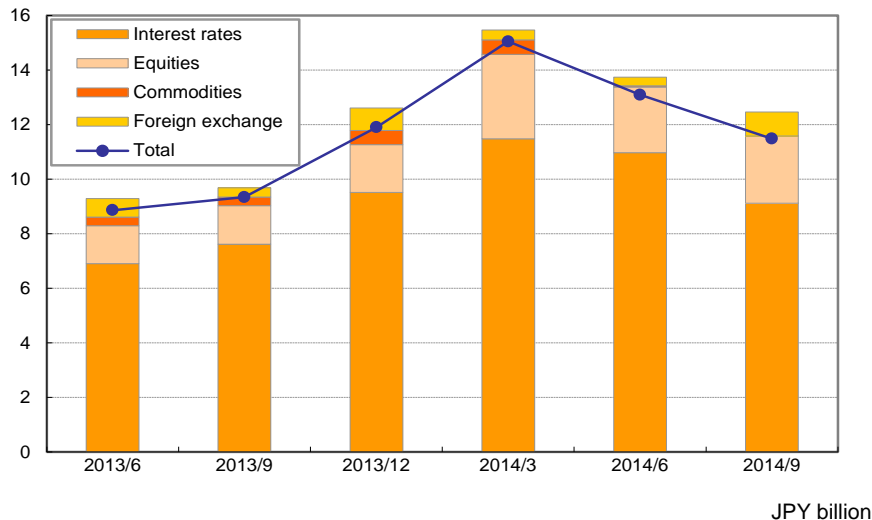
- The amount of interest rate risks for both domestic and overseas subsidiaries was reduced.
 Main factors for reduced interest rate risks: Domestic subsidiary adjusted their Japanese government bond positions, while overseas subsidiaries drew down their positions in corporate bonds and European government bonds.

Methodology of VaR

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

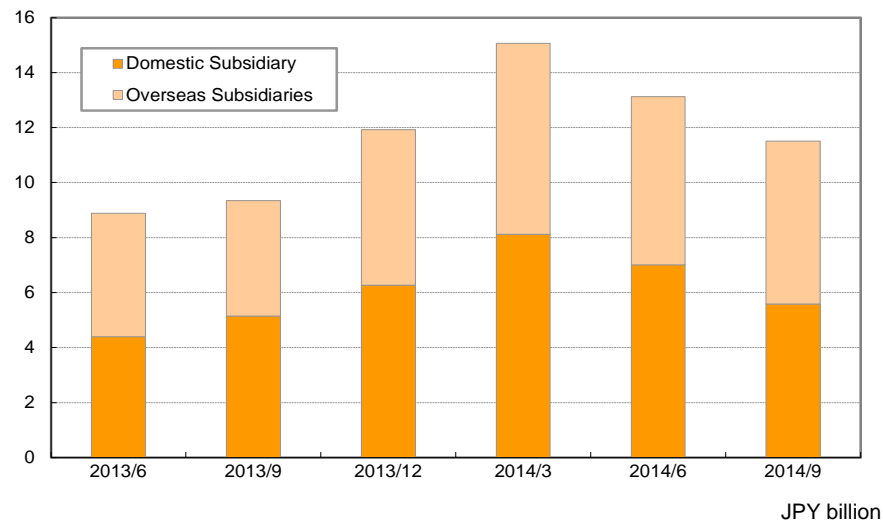
Quarterly trends of VaR by risk category

(JPY billion)



Quarterly trends of VaR by type of subsidiary

(JPY billion)



	2013/6	2013/9	2013/12	2014/3	2014/6	2014/9
Interest rates	6.9	7.6	9.5	11.5	11.0	9.1
Equities	1.4	1.4	1.8	3.1	2.4	2.5
Commodities	0.3	0.3	0.5	0.5	0.0	0.0
Foreign exchange	0.7	0.3	0.8	0.4	0.3	0.9
Total	8.9	9.3	11.9	15.0	13.1	11.5

	2013/6	2013/9	2013/12	2014/3	2014/6	2014/9
Domestic Subsidiary	4.4	5.1	6.3	8.1	7.0	5.6
Overseas Subsidiaries	4.5	4.2	5.7	6.9	6.1	5.9
Total	8.9	9.3	11.9	15.0	13.1	11.5

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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