

2QFY2015 Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

October, 2015

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2Q(cumulative) Performance Trends

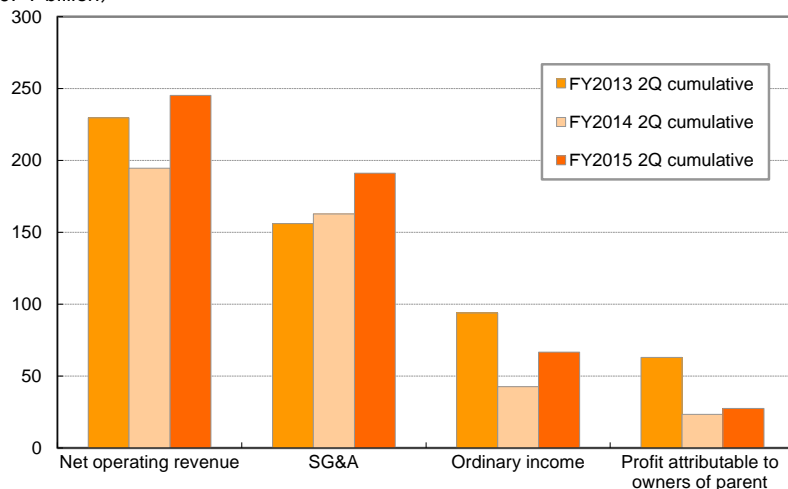
- Both revenue and profit increased from those in FY2014 2Q, with net operating revenue JPY 245.3 billion (+26% YoY), ordinary income JPY 66.8 billion (+56% YoY) and profit attributable to owners of parent JPY 27.5 billion (+17% YoY).

Quarterly Performance Trends

- Compared with the strong performance in 1Q, 2Q showed a slowdown, with ordinary income and profit decreasing by 34% and 44% respectively.
- By focusing on the customer-flow-oriented business and controlling downside risks, stable income was secured despite the effects of the volatile market.
- Overseas subsidiaries contributed to consolidated revenue continuously from 1Q.

2Q (cumulative) Trends

(JPY billion)

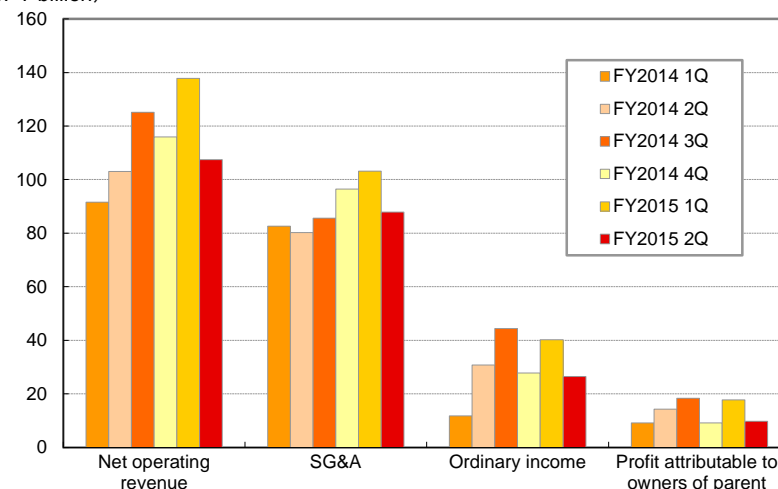


JPY billion

	FY2013 2Q (cumulative)	FY2014 2Q (cumulative)	FY2015 2Q (cumulative)
Net operating revenue	229.8	194.6	245.3
SG&A	156.1	162.8	191.2
Ordinary income	93.9	42.7	66.8
Profit attributable to owners of parent	63.1	23.4	27.5

Quarterly Trends

(JPY billion)



JPY billion

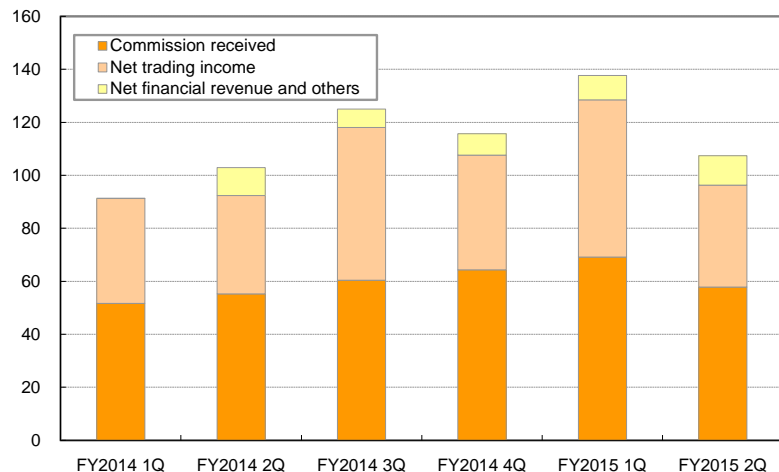
	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q
Net operating revenue	91.6	103.0	125.1	115.9	137.8	107.5
SG&A	82.6	80.2	85.6	96.5	103.2	87.9
Ordinary income	11.8	30.8	44.4	27.8	40.2	26.5
Profit attributable to owners of parent	9.1	14.3	18.3	9.1	17.7	9.7

Net Operating Revenue

- Net trading income decreased due to deteriorating conditions in the domestic stock market, and commission received also declined due to the exclusion of KOKUSAI Asset Management (KAM) from the scope of consolidation following its merger with Mitsubishi UFJ Asset Management Co., Ltd. (MUAM).
- However, net operating revenue maintained the JPY 100.0 billion level for five consecutive quarters. Net operating revenue in both 1Q and 2Q stood at a higher level YoY.

Quarterly Trends

(JPY billion)



JPY billion

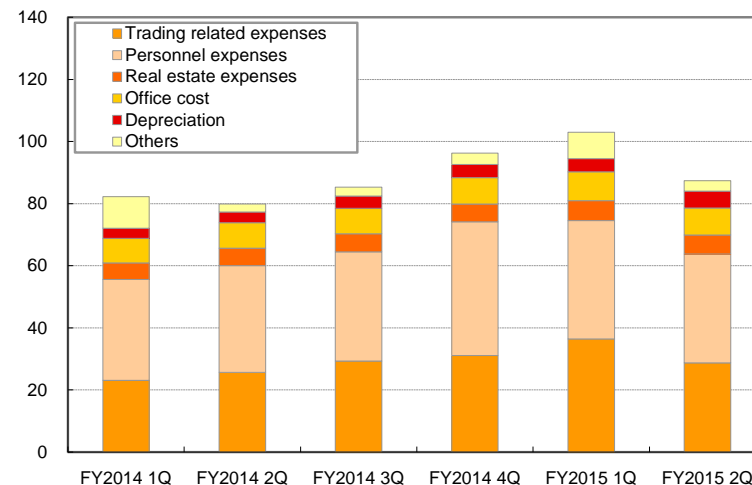
	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q
Commission received	51.6	55.3	60.4	64.3	69.1	57.8
Net trading income	39.6	37.1	57.7	43.3	59.4	38.5
Net financial revenue and others	0.2	10.5	6.9	8.1	9.2	11.1
Total	91.6	103.0	125.1	115.9	137.8	107.5

SG & A

SG & A decreased overall by approximately 15% from the previous quarter due to a decrease in trading related expenses as a result of the decrease in revenue and the exclusion of KAM from the scope of consolidation, as well as efforts to restrain costs at domestic and overseas subsidiaries.

Quarterly Trends

(JPY billion)



JPY billion

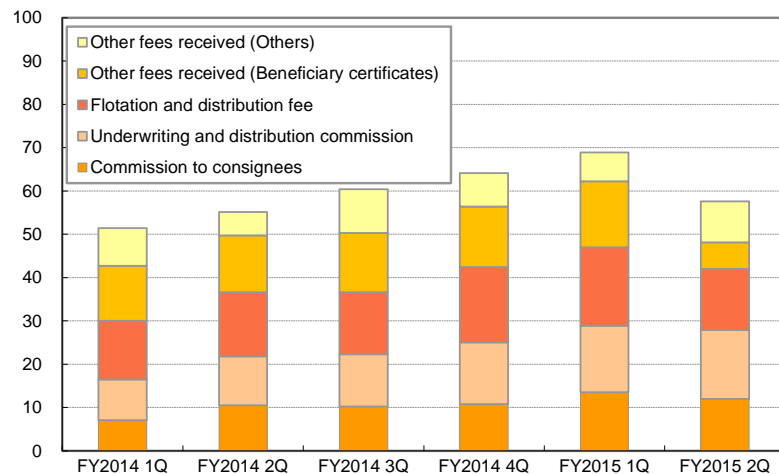
	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q
Trading related expenses	23.1	25.6	29.3	31.1	36.4	28.7
Personnel expenses	32.5	34.4	35.2	43.0	38.1	35.1
Real estate expenses	5.3	5.6	5.8	5.8	6.5	6.1
Office cost	7.9	8.2	8.2	8.5	9.2	8.7
Depreciation	3.3	3.5	3.9	4.2	4.3	5.4
Others	10.1	2.6	2.9	3.7	8.5	3.4
Total	82.6	80.2	85.6	96.5	103.2	87.9

Commission Received

- Commission to consignees: Continued to maintain a high level, despite a decrease in revenue from the previous quarter.
- Underwriting and distribution commission: Continued to increase due to robust performance in the equity underwriting business in Japan and the debt capital markets business in U.S.
- Floatation and distribution fee: Decreased from the previous quarter due to a slowdown in sales of investment trusts.
- Other fees received: Fees received related to beneficiary certificates decreased due to the exclusion of KAM from the scope of consolidation.

Quarterly Trends

(JPY billion)



JPY billion

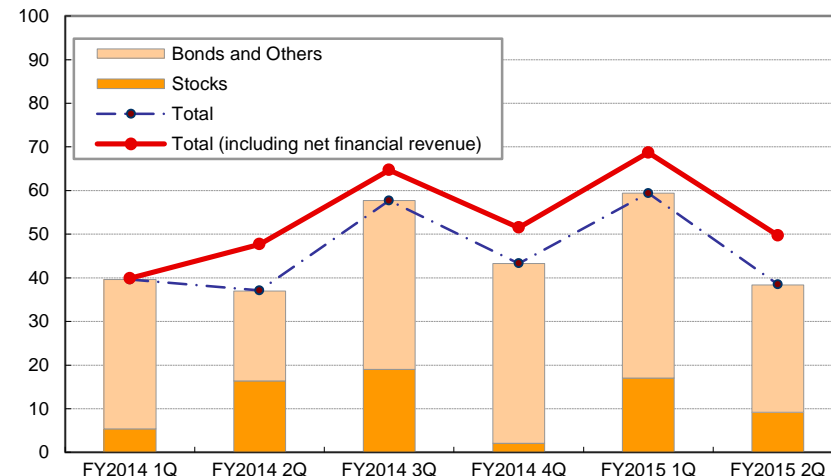
	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q
Commission to consignees	7.1	10.5	10.2	10.8	13.5	12.0
Underwriting and distribution commission	9.4	11.3	12.1	14.2	15.4	15.9
Floatation and distribution fee	13.5	14.8	14.3	17.4	18.1	14.1
Other fees received (Beneficiary certificates)	12.7	13.1	13.7	14.0	15.2	6.1
Other fees received (Others)	8.7	5.4	10.1	7.7	6.7	9.5
Total	51.6	55.3	60.4	64.3	69.1	57.8

Net Trading Income

- Total income including net financial revenue continued to maintain a solid level, despite a decrease compared with the strong performance in the previous quarter due to the unstable market conditions.

Quarterly Trends

(JPY billion)



JPY billion

	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q
Stocks	5.4	16.4	19.0	2.1	17.0	9.2
Bonds and Others	34.2	20.6	38.7	41.2	42.4	29.2
Total	39.6	37.1	57.7	43.3	59.4	38.5
Net financial revenue	0.2	10.5	6.9	8.1	9.2	11.1
Total (including net financial revenue)	39.9	47.7	64.7	51.5	68.7	49.7

Consolidated Statement of Income (Full year, Quarter)

JPY million

	Full year		Quarter					
	FY2013	FY2014	FY2014				FY2015	
			1Q	2Q	3Q	4Q	1Q	2Q
Operating revenue	487,796	482,541	103,159	112,996	139,365	127,021	146,899	118,416
Commission received	242,578	231,825	51,654	55,341	60,481	64,347	69,108	57,828
Net trading income	210,448	177,948	39,652	37,114	57,789	43,392	59,455	38,543
Net gain on private equity and other securities	(1,045)	(18)	1	(17)	0	(3)	1	0
Other net gain on goods trading	123	1	-	1	-	0	-	-
Financial revenue	35,692	72,785	11,850	20,556	21,093	19,285	18,333	22,043
Financial expenses	37,163	46,784	11,553	9,969	14,171	11,090	9,066	10,872
Net operating revenue	450,633	435,757	91,605	103,027	125,193	115,930	137,833	107,544
SG & A	316,710	345,074	82,615	80,248	85,634	96,576	103,298	87,920
Operating income	133,923	90,683	8,990	22,778	39,559	19,354	34,535	19,623
Non-operating income	32,121	26,840	3,165	9,186	5,655	8,833	6,308	6,882
Non-operating expenses	2,740	2,593	292	1,121	801	377	548	(8)
Ordinary income	163,304	114,930	11,863	30,842	44,413	27,810	40,294	26,514
Extraordinary income	8,807	9,406	4,025	3,976	808	595	120	154
Extraordinary losses	3,263	2,444	90	240	130	1,982	638	2,195
Income taxes	12,386	37,748	7,123	9,656	14,181	6,787	14,130	7,905
Profit (loss) attributable to non-controlling interests	58,679	33,149	(433)	10,563	12,523	10,496	7,908	6,779
Profit attributable to owners of parent	97,781	50,995	9,109	14,359	18,387	9,139	17,737	9,789

Consolidated Balance Sheet

	As of Mar. 31, 2015	As of Sept. 30, 2015	Change
ASSETS			
Current assets	29,399	31,456	+2,057
Cash and deposits	1,157	1,302	+144
Trading products	15,525	14,616	(908)
Loans secured by securities	11,270	13,457	+2,186
Others	1,447	2,080	+633
Non-current assets	593	651	+58
PP & E	33	36	+2
Intangible assets	55	92	+37
Investments and other assets	504	523	+18
Total assets	29,993	32,108	+2,115

JPY billion

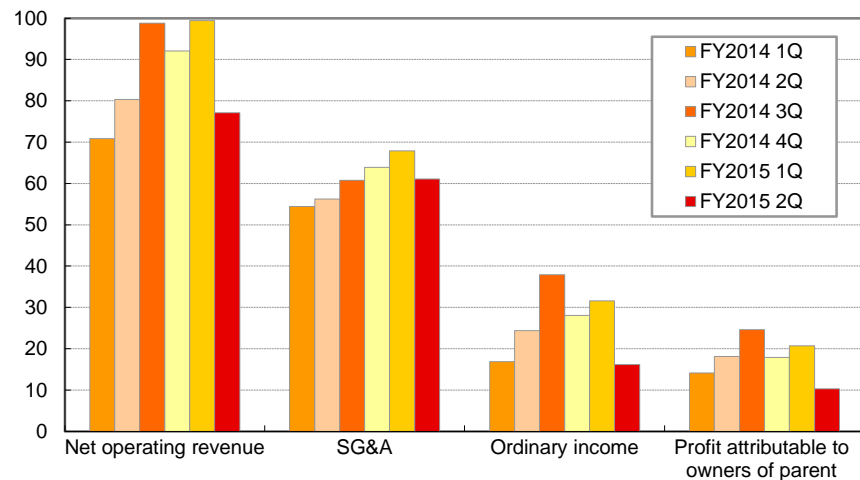
	As of Mar. 31, 2015	As of Sept. 30, 2015	Change
LIABILITIES			
Current liabilities	27,582	29,579	+1,996
Trading products	11,921	11,865	(56)
Loans payable secured by securities	10,739	12,208	+1,468
Short-term loans payable	1,308	1,373	+65
Others	3,612	4,131	+518
Non-current liabilities	1,382	1,478	+96
Bonds payable	949	971	+21
Long-term loans payable	416	496	+79
Others	15	11	(4)
Total liabilities	28,967	31,062	+2,095
NET ASSETS			
Shareholders' equity	735	750	+14
Accumulated other comprehensive income	40	40	(0)
Non-controlling interests	249	255	+5
Total net assets	1,025	1,046	+20
Total liabilities and net assets	29,993	32,108	+2,115

Quarterly Performance Trends

- While the secondary business declined mainly in equities, the primary business continued to perform strongly. Ordinary income and profit attributable to owners of parent marked JPY 16.2 billion and JPY 10.3 billion, respectively, despite the unstable market conditions.
- Mitsubishi UFJ Morgan Stanley PB Securities continued its steady contribution to MUMSS's performance.

Quarterly Trends

(JPY billion)



JPY billion

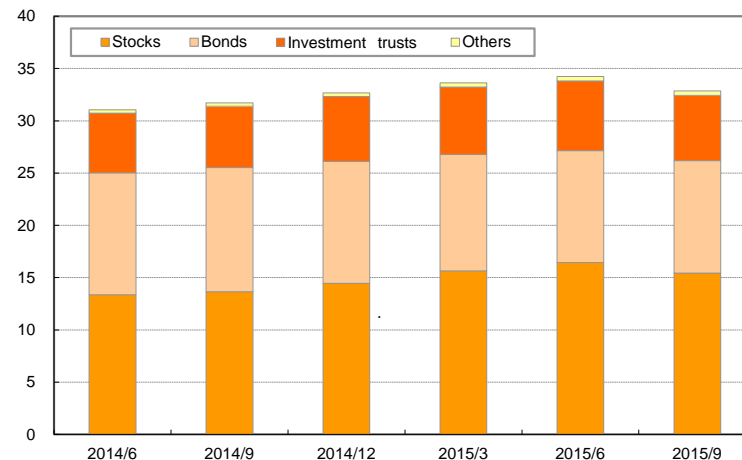
	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q
Net operating revenue	70.9	80.3	98.8	92.1	99.4	77.1
SG&A	54.4	56.2	60.8	63.9	67.9	61.1
Ordinary income	16.9	24.4	37.9	28.1	31.6	16.2
Profit attributable to owners of parent	14.1	18.1	24.6	17.9	20.7	10.3

Trends of AUM

- AUM recorded approximately JPY 32.9 trillion at the end of September 2015, which had been decreased QoQ due to a decrease in stocks and investment trusts mainly due to the decline in market prices, despite an increase in bonds.
- Of the above, AUM for the domestic Retail and Middle Market Sales Division was JPY 26.2 trillion. (JPY 27.6 trillion at the end of June 2015)

Quarterly Trends

(JPY trillion)



JPY trillion

	2014/6	2014/9	2014/12	2015/3	2015/6	2015/9
Stocks	13.3	13.6	14.4	15.6	16.5	15.4
Bonds	11.7	11.9	11.7	11.2	10.7	10.8
Investment trusts	5.7	5.9	6.2	6.4	6.7	6.2
Others	0.3	0.3	0.3	0.4	0.4	0.4
Total	31.1	31.7	32.7	33.6	34.2	32.9

* Figures are on a consolidated basis, which include those of MUMS-PB.

* Simple aggregation of MUMSS and MUMS-PB.

MUMSS (non-consolidated)

JPY million

Statement of Income

	Full year	
	FY2013	FY2014
Operating revenue	321,842	309,252
Commission received	165,465	142,156
Net trading income	136,984	138,038
Others	124	1
Financial revenue	19,268	29,056
Financial expenses	8,857	10,797
Net operating revenue	312,984	298,455
SG & A	196,644	207,225
Operating income	116,340	91,229
Net non-operating income(expenses)	1,468	4,923
Ordinary income	117,808	96,153
Net extraordinary income (losses)	5,386	5,012
Income taxes	2,071	29,128
Profit	121,123	72,036

Balance Sheet

	As of	As of	Change
	Mar. 31, 2015	Sept. 30, 2015	
Current assets	14,425	15,752	+1,326
Cash and deposits	973	1,066	+92
Trading products	9,493	9,182	(311)
Loans secured by securities	3,220	4,790	+1,570
Others	738	713	(25)
Non-current assets	116	125	+9
PP& E	19	18	(0)
Intangible assets	27	39	+12
Investments and other assets	69	66	(2)
Total assets	14,542	15,877	+1,335

MUMSPB (non-consolidated)
Statement of Income

	Full year	
	FY2013	FY2014
Net operating revenue	36,944	43,827
Ordinary income	13,093	16,189
Profit	7,999	10,192

Quarter

	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
	64,515	72,872	90,548	81,316	88,938	69,743
	32,719	34,076	37,194	38,166	38,821	37,703
	26,702	30,003	48,399	32,932	44,013	26,305
	1	2	0	(3)	1	0
	5,092	8,789	4,954	10,220	6,102	5,733
	2,668	2,781	2,558	2,787	2,367	2,405
	61,846	70,090	87,990	78,528	86,571	67,337
	48,059	49,316	54,113	55,736	60,157	54,131
	13,787	20,773	33,876	22,792	26,413	13,206
	665	639	3,432	186	4,986	660
	14,452	21,412	37,308	22,979	31,399	13,867
	3,682	2,702	(24)	(1,348)	730	(113)
	5,005	7,177	11,092	5,853	8,897	4,399
	13,129	16,937	26,192	15,777	23,232	9,354

JPY billion

	As of	As of	Change
	Mar. 31, 2015	Sept. 30, 2015	
Current liabilities	13,783	15,125	+1,341
Trading products	6,908	7,117	+208
Loans payable secured by securities	3,309	4,366	+1,057
Short-term loans payable	1,608	1,547	(60)
Others	1,956	2,093	+136
Non-current liabilities	371	369	(1)
Long-term loans payable	360	360	-
Others	10	8	(1)
Total liabilities	14,156	15,496	+1,339
Net assets	385	381	(4)
Total liabilities and net assets	14,542	15,877	+1,335

JPY million

Quarter

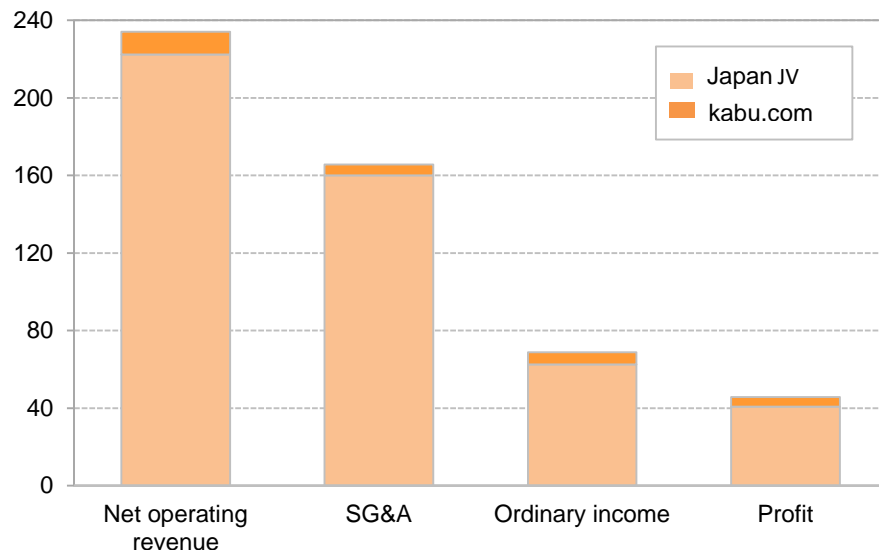
	FY2014				FY2015	
	1Q	2Q	3Q	4Q	1Q	2Q
	9,106	10,221	10,856	13,643	12,894	9,790
	2,852	3,467	4,284	5,585	5,259	2,840
	1,818	2,213	2,749	3,410	3,494	1,863

Securities Companies' Performance

- Net operating revenue of Domestic Securities Companies is over JPY 230 billion on a simple sum basis. It includes the full net operating revenue from Morgan Stanley MUFG Securities Co., Ltd. ("MSMS"); this is one of the joint venture securities companies with Morgan Stanley in Japan and an associated company accounted for by using the equity-method.
- Domestic Securities Companies consist of four companies including three joint venture companies with Morgan Stanley ("Japan JV") and kabu.com Securities Co., Ltd.

Performance of FY 2Q (cumulative) 2015

(JPY billion)



※ The figures above the graph represent the simple sum of the Domestic Securities Companies.

(JPY billion)

(Simple sum of the figures for Domestic Securities Companies)	FY 2015 2Q(cumulative)
Net Operating Revenue	234.1
Japan JV	222.3
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Consolidated base ("MUMSS" + "MUMSPB") * 1	176.5
Morgan Stanley MUFG Securities Co., Ltd. ("MSMS") * 2	45.8
kabu.com Securities Co., Ltd. ("kabu.com")	11.8
SG & A	165.8
Japan JV	160.1
MUMSS Consolidated base	129.0
MSMS	31.0
kabu.com	5.6
Ordinary income	68.8
Japan JV	62.6
MUMSS Consolidated base	47.8
MSMS	14.7
kabu.com	6.2
Profit	45.9
Japan JV	40.8
MUMSS Consolidated base (Profit attributable to owners of parent)	31.1
MSMS	9.7
kabu.com	5.0

* 1 MUMSS consolidated base which includes Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (MUMSPB).

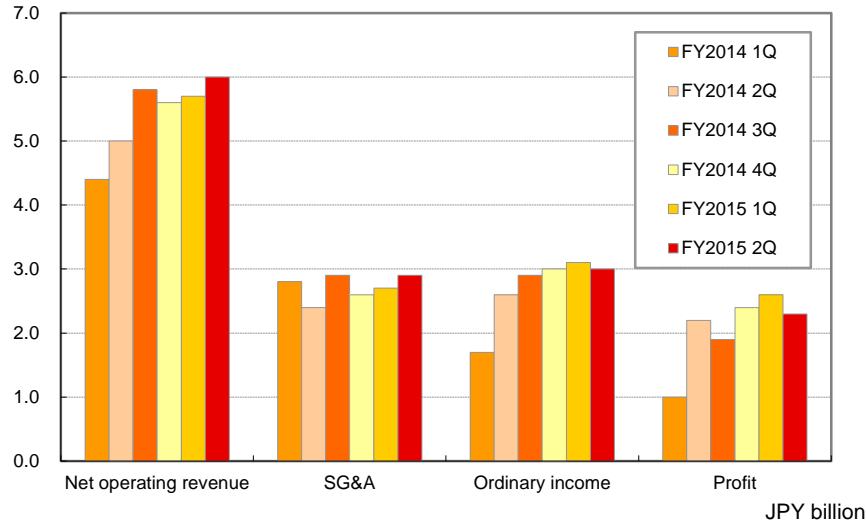
* 2 MSMS is an associated company accounted for by using the equity-method.

kabu.com Quarterly Trends

- kabu.com Securities Co., Ltd. contributed to consolidated revenue by posting stable revenue, with ordinary income of JPY 3.0 billion and profit of JPY 2.3 billion.

Quarterly Trends

(JPY billion)



	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q *1	FY2015 2Q
Net operating revenue	4.4	5.0	5.8	5.6	5.7	6.0
SG&A	2.8	2.4	2.9	2.6	2.7	2.9
Ordinary income	1.7	2.6	2.9	3.0	3.1	3.0
Profit	1.0	2.2	1.9	2.4	2.6	2.3

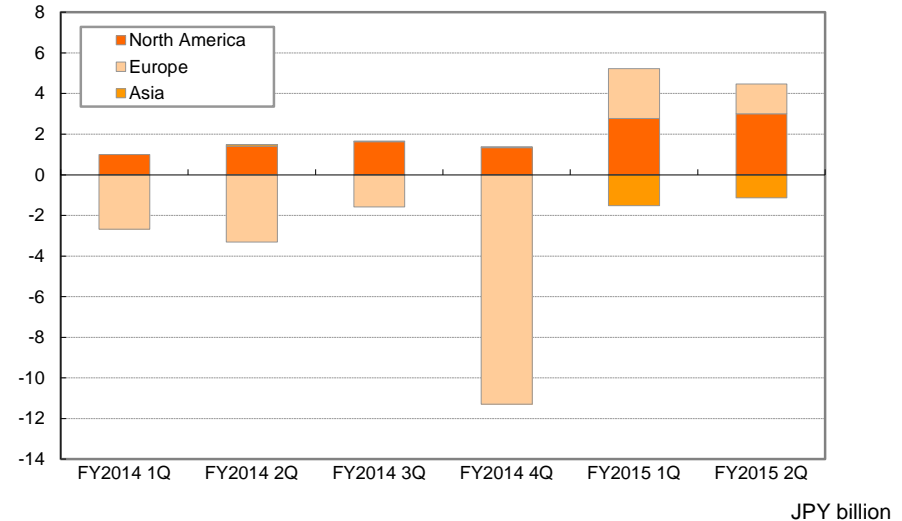
*1 kabu.com Securities Co., Ltd. has become a subsidiary of the MUSHD Group from FY2015 1Q.

Overseas Subsidiaries Quarterly Trends

- Business in North America secured profits for twelve consecutive quarters led by the ongoing robust performance in the primary business.
- Business in Europe secured profits continuously from 1Q due to efforts including the appropriate control of inventory, the promotion of the customer-flow-oriented business model and cost reduction.
- Business in Asia reduced losses to some extent.

Ordinary income (loss): Quarterly Trends

(JPY billion)



	FY2014 1Q	FY2014 2Q	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q
North America	1.00	1.41	1.63	1.34	2.78	3.01
Europe	(2.67)	(3.31)	(1.58)	(11.29)	2.44	1.46
Asia	0.00	0.08	0.03	0.05	(1.52)	(1.14)
Total	(1.67)	(1.81)	0.09	(9.88)	3.69	3.34

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, 2015)

Capital Adequacy

- Capital adequacy ratio at the end of September, 2015 stood at 315%, maintaining a sufficient level of capital base.
- Capital base of MUSHD (consolidated) marked no major change.

Mitsubishi UFJ Securities Holdings (MUSHD)

	R&I	JCR	Moody's	S&P
Long-term	AA-	AA	A3	A
Short-term	a-1+ *	-	P-2	A-1

*CP rating

Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

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

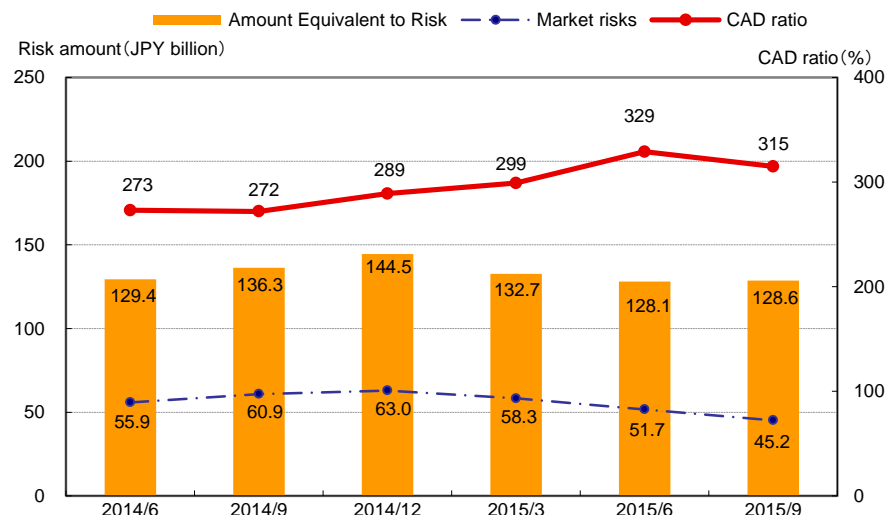
*CP rating

Mitsubishi UFJ Securities International plc (MUSI)

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

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

Capital Adequacy Ratio MUMSS (non-consolidated)



Net Assets MUSHD (Consolidated) / MUMSS

JPY billion

MUSHD (Consolidated)	2014/6	2014/9	2014/12	2015/3	2015/6	2015/9
Capital stock	75.5	75.5	75.5	75.5	75.5	75.5
Net assets (Total)	972.7	968.7	995.9	1,025.7	1,022.6	1,046.0

MUMSS	2014/6	2014/9	2014/12	2015/3	2015/6	2015/9
Capital stock	40.5	40.5	40.5	40.5	40.5	40.5
Net assets						
Consolidated	336.3	353.4	377.7	398.1	381.6	391.9
Non-consolidated	327.8	343.2	369.6	385.7	372.5	381.6

Value at Risk (VaR) associated with the trading activities

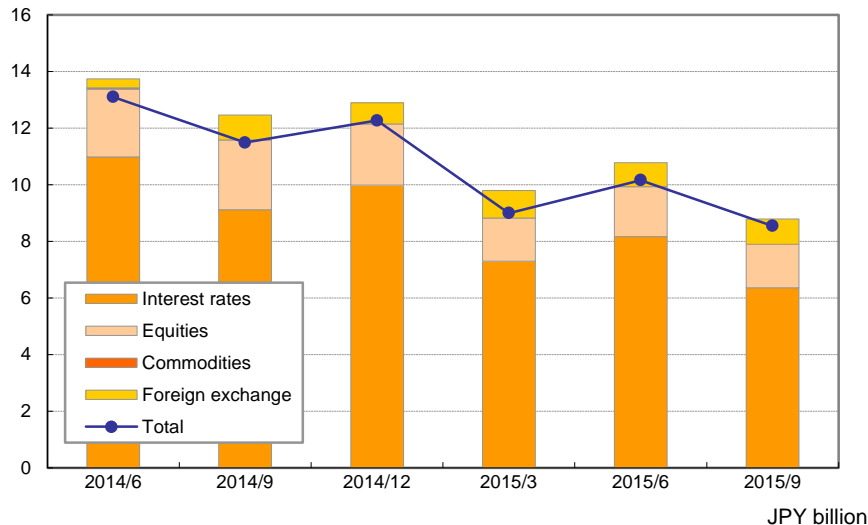
- Interest rate risks for domestic subsidiary decreased, reflecting the reduction in the long-term interest rate positions. Amount of risks for overseas subsidiaries remained almost unchanged.

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

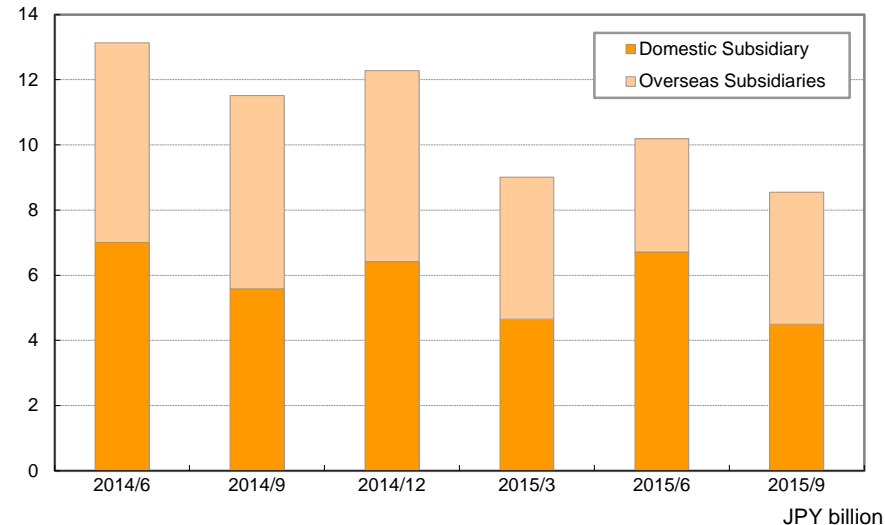
(JPY billion)



	2014/6	2014/9	2014/12	2015/3	2015/6	2015/9
Interest rates	11.0	9.1	10.0	7.3	8.2	6.4
Equities	2.4	2.5	2.2	1.5	1.8	1.5
Commodities	0.0	0.0	—	—	—	—
Foreign exchange	0.3	0.9	0.7	1.0	0.8	0.9
Total	13.1	11.5	12.3	9.0	10.2	8.5

Quarterly trends of VaR by type of subsidiary

(JPY billion)



	2014/6	2014/9	2014/12	2015/3	2015/6	2015/9
Domestic Subsidiary	7.0	5.6	6.4	4.7	6.7	4.5
Overseas Subsidiaries	6.1	5.9	5.9	4.4	3.5	4.1
Total	13.1	11.5	12.3	9.0	10.2	8.5

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



Mitsubishi UFJ Securities Holdings

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