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July 27, 2016

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2017 [under Japanese GAAP]

Company name: **Mitsubishi UFJ Securities Holdings Co., Ltd.**

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Supplementary material on quarterly financial results: Yes

Quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts disregarded)

1. Consolidated performance for the first quarter of fiscal year 2016 (from April 1, 2016 to June 30, 2016)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of FY2016	98,805	(32.7)	87,592	(36.5)	9,103	(73.6)	21,536	(46.6)
First three months of FY2015	146,899	42.4	137,833	50.5	34,535	284.1	40,294	239.7

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First three months of FY2016	14,872	(16.2)	20.18	20.18
First three months of FY2015	17,737	94.7	24.07	—

(Note) Comprehensive income First three months of FY2016: (7,102) million yen —%
First three months of FY2015: 9,541 million yen 76.8%

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2016	34,387,706	1,012,931	2.2
As of March 31, 2016	31,023,040	1,033,030	2.5

(Reference) Equity As of June 30, 2016: 754,883million yen As of March 31, 2016: 776,325 million yen

(Note) “Equity ratio” is computed under the formula shown below:

(Total net assets – Subscription rights to shares – Non-controlling interests) / Total assets

***Notes**

- (1) **Changes in significant subsidiaries during the current period (changes in specified subsidiaries resulting in the change in scope of consolidation):** None
- (2) **Application of particular accounting for preparing quarterly consolidated financial statements:** None
- (3) **Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections**
- a. Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None
- (Note) For details, please refer to “1. Summary Information (Notes) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections” on page 1 of the “Attached Material.”

(4) **Number of issued shares (common stock)**

- a. Total number of issued shares at the end of the period (including treasury stock)

As of June 30, 2016	736,985,496 shares
As of March 31, 2016	736,985,496 shares

- b. Number of shares of treasury stock at the end of the period

As of June 30, 2016	– shares
As of March 31, 2016	– shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

First three months of the fiscal year ending March 31, 2017	736,985,496 shares
First three months of the fiscal year ended March 31, 2016	736,985,496 shares

<* Indication regarding execution of quarterly review procedures >

This quarterly financial results report is exempt from the review procedures for Quarterly Securities Report pursuant to the Financial Instruments and Exchange Act.

<* Other special matters>

None

Attached Material

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1. Summary Information (Notes)

Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections

(Changes in accounting policies)

Following the revision to the Corporation Tax Act, some domestic consolidated subsidiaries have applied the “Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016” (ASBJ PITF No. 32, June 17, 2016) from the first quarter of the fiscal year ending March 31, 2017, and changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016 from the declining balance method to the straight-line method.

In addition, the effect of this change on operating income, ordinary income, and profit before income taxes for the first three months of the fiscal year ending March 31, 2017 is immaterial.

2. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
ASSETS		
Current assets		
Cash and deposits	1,202,126	1,455,433
Cash segregated as deposits	609,108	670,824
Trading products	14,549,323	18,393,506
Trading securities and other	3,082,614	3,184,185
Derivatives	11,466,709	15,209,321
Trade date accrual	159,535	—
Margin transaction assets	260,890	208,106
Loans secured by securities	12,304,282	11,663,466
Short-term guarantee deposits	944,504	1,009,535
Short-term investment securities	180,930	133,314
Income taxes receivable	1,862	4,612
Other current assets	144,548	120,390
Allowance for doubtful accounts	(0)	(0)
Total current assets	30,357,113	33,659,191
Non-current assets		
Property, plant and equipment	37,508	43,166
Intangible assets	100,035	103,229
Investments and other assets	528,383	582,119
Total non-current assets	665,927	728,515
Total assets	31,023,040	34,387,706

(Millions of yen)

	As of March 31, 2016	As of June 30, 2016
LIABILITIES		
Current liabilities		
Trading products	12,932,406	17,182,024
Trading securities and other	1,730,053	2,244,173
Derivatives	11,202,353	14,937,851
Trade date accrual	—	204,151
Margin transaction liabilities	162,002	84,139
Loans payable secured by securities	11,172,507	10,315,349
Short-term loans payable	1,147,689	1,329,790
Current portion of bonds	169,048	176,193
Current portion of long-term loans payable	71,548	87,655
Commercial papers	735,924	289,488
Income taxes payable	12,084	1,537
Asset retirement obligations	1,055	1,056
Other current liabilities	2,165,014	2,320,693
Total current liabilities	28,569,280	31,992,080
Non-current liabilities		
Bonds payable	918,311	915,247
Long-term loans payable	488,815	451,195
Net defined benefit liability	1,826	1,901
Provision for directors' retirement benefits	19	22
Asset retirement obligations	5,629	7,664
Other non-current liabilities	1,894	2,625
Total non-current liabilities	1,416,497	1,378,656
Reserves under the special laws		
Reserve for financial products transaction liabilities	4,232	4,037
Total reserves under the special laws	4,232	4,037
Total liabilities	29,990,010	33,374,774
NET ASSETS		
Shareholders' equity		
Capital stock	75,518	75,518
Capital surplus	451,480	451,481
Retained earnings	228,089	232,695
Total shareholders' equity	755,089	759,695
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	690	(855)
Deferred gains or losses on hedges	(37)	33
Foreign currency translation adjustment	19,508	(4,987)
Remeasurements of defined benefit plans	1,074	997
Total accumulated other comprehensive income	21,236	(4,811)
Subscription rights to shares	—	16
Non-controlling interests	256,704	258,031
Total net assets	1,033,030	1,012,931
Total liabilities and net assets	31,023,040	34,387,706

(2) Consolidated statements of income and Consolidated statements of comprehensive income
Consolidated statements of income (cumulative)

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)
Operating revenue		
Commission received	69,108	39,633
Net trading income	59,455	42,557
Financial revenue	18,333	16,613
Other operating revenue	1	0
Total operating revenue	146,899	98,805
Financial expenses	9,066	11,213
Net operating revenue	137,833	87,592
Selling, general and administrative expenses	103,298	78,489
Operating income	34,535	9,103
Non-operating income		
Share of profit of entities accounted for using equity method	3,625	9,838
Other	2,682	2,702
Total non-operating income	6,308	12,541
Non-operating expenses		
Loss on valuation of derivatives	195	—
Other	352	107
Total non-operating expenses	548	107
Ordinary income	40,294	21,536
Extraordinary income		
Gain on sales of investment securities	120	2
Reversal of reserve for financial products transaction liabilities	—	194
Total extraordinary income	120	196
Extraordinary losses		
Loss on sales of investment securities	26	5
Loss on valuation of investment securities	23	—
Impairment loss	20	—
Provision of reserve for financial products transaction liabilities	183	—
Head office transfer cost	—	449
Other	384	—
Total extraordinary losses	638	455
Profit before income taxes	39,776	21,278
Income taxes-current	9,574	137
Income taxes-deferred	4,556	1,671
Total income taxes	14,130	1,808
Profit	25,645	19,469
Profit attributable to non-controlling interests	7,908	4,597
Profit attributable to owners of parent	17,737	14,872

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)
Profit	25,645	19,469
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,950)	(1,556)
Deferred gains or losses on hedges	(94)	53
Foreign currency translation adjustment	(9,874)	(24,652)
Remeasurements of defined benefit plans, net of tax	(199)	(134)
Share of other comprehensive income of entities accounted for using equity method	13	(282)
Total other comprehensive income	(16,104)	(26,572)
Comprehensive income	9,541	(7,102)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,693	(11,176)
Comprehensive income attributable to non-controlling interests	7,847	4,073

(3) Notes to consolidated financial statements

(Notes on premise of going concern)

None

(Notes on significant changes in the amount of shareholders' equity)

None

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2017

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	13,530	8,836	(4,694)	46,662
Stocks	13,053	8,274	(4,778)	43,931
Bonds	45	23	(22)	310
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	15,447	10,130	(5,316)	54,157
Stocks	5,420	2,548	(2,872)	17,407
Bonds	10,026	7,581	(2,444)	36,750
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	18,138	7,657	(10,480)	49,702
Beneficiary certificates	17,675	6,789	(10,886)	47,506
Other fees received	21,992	13,009	(8,983)	75,582
Beneficiary certificates	15,256	5,408	(9,847)	33,022
Total	69,108	39,633	(29,475)	226,105

(2) Breakdown by product

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	19,922	11,172	(8,750)	66,474
Bonds	10,664	8,721	(1,943)	41,540
Beneficiary certificates	33,259	12,663	(20,596)	82,530
Other	5,260	7,075	1,814	35,559
Total	69,108	39,633	(29,475)	226,105

2. Net trading income

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	17,015	(14,133)	(31,148)	37,574
Bonds and other *	42,440	56,690	14,250	141,196
Total	59,455	42,557	(16,898)	178,770

* "Net trading income from bonds" and "Net trading income from other" are reclassified as "Net trading income from bonds and other" from the first quarter of the fiscal year ending March 31, 2017.

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	1Q of FY2015 (April 1 to June 30, 2015)	2Q of FY2015 (July 1 to September 30, 2015)	3Q of FY2015 (October 1 to December 31, 2015)	4Q of FY2015 (January 1 to March 31, 2016)	1Q of FY2016 (April 1 to June 30, 2016)
Operating revenue	146,899	118,416	99,914	109,218	98,805
Commission received	69,108	57,828	49,323	49,844	39,633
Commission to consignees	13,530	12,087	11,246	9,798	8,836
Stocks	13,053	11,210	10,525	9,142	8,274
Bonds	45	95	123	45	23
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	15,447	15,930	13,326	9,453	10,130
Stocks	5,420	3,755	6,542	1,688	2,548
Bonds	10,026	12,174	6,784	7,765	7,581
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	18,138	14,132	10,147	7,283	7,657
Beneficiary certificates	17,675	13,892	9,253	6,684	6,789
Other fees received	21,992	15,678	14,602	23,309	13,009
Beneficiary certificates	15,256	6,165	6,076	5,524	5,408
Net trading income	59,455	38,543	38,272	42,498	42,557
Net trading income from securities (stocks)	17,015	9,279	(4,275)	15,555	(14,133)
Net trading income from bonds and other *	42,440	29,264	42,548	26,942	56,690
Financial revenue	18,333	22,043	12,319	16,876	16,613
Other operating revenue	1	0	(1)	—	0
Financial expenses	9,066	10,872	7,879	8,888	11,213
Net operating revenue	137,833	107,544	92,035	100,329	87,592
Selling, general and administrative expenses	103,298	87,920	80,329	85,507	78,489
Trading related expenses	36,416	28,795	27,655	29,651	23,190
Personnel expenses	38,166	35,198	29,412	30,685	30,535
Real estate expenses	6,580	6,199	5,941	7,974	6,800
Office cost	9,206	8,760	7,929	7,947	7,764
Depreciation	4,382	5,493	5,354	5,846	5,957
Taxes and dues	6,094	344	2,614	1,036	2,118
Other	2,449	3,129	1,420	2,365	2,122
Operating income	34,535	19,623	11,705	14,822	9,103
Non-operating income	6,308	6,882	6,534	8,160	12,541
Non-operating expenses	548	(8)	72	102	107
Ordinary income	40,294	26,514	18,168	22,880	21,536
Extraordinary income	120	154	—	—	196
Extraordinary losses	638	2,195	134	545	455
Profit before income taxes	39,776	24,474	18,033	22,335	21,278
Income taxes-current	9,574	13,497	4,657	7,826	137
Income taxes-deferred	4,556	(5,591)	1,050	(1,599)	1,671
Total income taxes	14,130	7,905	5,707	6,226	1,808
Profit	25,645	16,568	12,325	16,108	19,469
Profit attributable to non-controlling interests	7,908	6,779	5,332	7,364	4,597
Profit attributable to owners of parent	17,737	9,789	6,992	8,743	14,872

* "Net trading income from bonds" and "Net trading income from other" are reclassified as "Net trading income from bonds and other" from the first quarter of the fiscal year ending March 31, 2017.

<Reference>

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.
for the First Quarter of the Fiscal Year Ending March 31, 2017

(1) Consolidated operating results

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Operating revenue	101,866	63,876	(37,989)	341,375
Commission received	45,119	27,860	(17,258)	167,551
Net trading income	50,613	32,261	(18,351)	152,745
Net operating revenue	99,444	61,815	(37,629)	331,470
Operating income	31,535	5,606	(25,929)	79,059
Ordinary income	31,605	5,887	(25,718)	80,175
Profit attributable to owners of parent	20,799	3,550	(17,249)	51,813

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	10,624	6,497	(4,127)	35,060
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,326	2,518	(1,807)	18,993
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	18,066	7,618	(10,448)	49,417
Other fees received	12,102	11,226	(875)	64,080
Total	45,119	27,860	(17,258)	167,551

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	14,868	7,936	(6,932)	51,142
Bonds	1,748	2,079	331	10,518
Beneficiary certificates	23,881	12,473	(11,407)	72,453
Other	4,620	5,371	750	33,438
Total	45,119	27,860	(17,258)	167,551

<Net trading income>

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	17,852	5,452	(12,399)	38,259
Bonds and other *	32,760	26,808	(5,951)	114,486
Total	50,613	32,261	(18,351)	152,745

* "Net trading income from bonds" and "Net trading income from other" are reclassified as "Net trading income from bonds and other" from the first quarter of the fiscal year ending March 31, 2017.

(2) Consolidated financial position

(Millions of yen)

	As of June 30, 2015	As of June 30, 2016	Increase (Decrease)	As of March 31, 2016
Total assets	13,855,638	16,389,187	2,270,500	14,118,686
Net assets	381,657	395,706	2,746	392,960

<Reference>

(3) Non-consolidated operating results

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Operating revenue	88,938	57,005	(31,932)	302,534
Commission received	38,821	24,383	(14,437)	149,536
Net trading income	44,013	28,898	(15,114)	132,248
Net operating revenue	86,571	55,016	(31,554)	292,897
Operating income	26,413	4,287	(22,125)	66,958
Ordinary income	31,399	7,271	(24,128)	77,844
Profit	23,232	5,645	(17,586)	55,749

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	10,467	6,365	(4,102)	34,429
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,326	2,518	(1,807)	18,993
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	13,459	5,668	(7,790)	38,216
Other fees received	10,567	9,829	(737)	57,896
Total	38,821	24,383	(14,437)	149,536

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	14,739	7,856	(6,883)	50,719
Bonds	1,380	1,733	352	8,908
Beneficiary certificates	18,134	9,487	(8,647)	56,702
Other	4,566	5,306	740	33,205
Total	38,821	24,383	(14,437)	149,536

<Net trading income>

(Millions of yen)

	First three months of FY2015 (From April 1, 2015 to June 30, 2015)	First three months of FY2016 (From April 1, 2016 to June 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	16,110	4,351	(11,759)	33,132
Bonds and other *	27,902	24,546	(3,355)	99,115
Total	44,013	28,898	(15,114)	132,248

* "Net trading income from bonds" and "Net trading income from other" are reclassified as "Net trading income from bonds and other" from the first quarter of the fiscal year ending March 31, 2017.

(4) Non-consolidated financial position

(Millions of yen)

	As of June 30, 2015	As of June 30, 2016	Increase (Decrease)	As of March 31, 2016
Total assets	13,800,037	16,330,461	2,265,859	14,064,602
Net assets	372,553	393,921	5,529	388,391