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July 27, 2018

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2019 [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 2018 (from April 1, 2018 to June 30, 2018)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of FY2018	92,611	6.8	86,003	3.1	10,960	12.8	15,196	0.1
First three months of FY2017	86,684	(12.3)	83,378	(4.8)	9,718	6.8	15,181	(29.5)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First three months of FY2018	8,471	(13.7)	11.49	11.49
First three months of FY2017	9,816	—	13.32	13.32

(Note) Comprehensive income First three months of FY2018: 6,119 million yen (29.9)%
First three months of FY2017: 8,730 million yen —%

(Note) The year-on-year change of first three months of FY2017 is not presented because results have been retrospectively adjusted in accordance with changes in accounting policies.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2018	21,370,711	963,175	3.2
As of March 31, 2018	22,344,541	996,688	3.2

(Reference) Equity As of June 30, 2018: 684,262 million yen As of March 31, 2018: 711,978 million yen

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

(Total net assets – Share acquisition rights – Non-controlling interests) / Total assets

(Note) Figures as of March 31, 2018 have been retrospectively adjusted in accordance with changes in accounting policies.

***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, 2018	736,985,496 shares
As of March 31, 2018	736,985,496 shares

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

As of June 30, 2018	– shares
As of March 31, 2017	– 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, 2019	736,985,496 shares
First three months of the fiscal year ended March 31, 2018	736,985,496 shares

< * >

This quarterly financial results report is not subject to quarterly review.

< * **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)

The Group has applied the “Guidance on Accounting Standard for Tax Effect Accounting” (The Accounting Standards Board of Japan (ASBJ) Guidance No. 28, revised on February 16, 2018) effective from the beginning of the first quarter of the fiscal year ending March 31, 2019. Accordingly, the treatment of taxable temporary differences related to shares and investments in subsidiaries in the non-consolidated financial statements were reviewed. The changes in accounting policies in line with this revision of the Guidance were retrospectively applied, and the quarterly consolidated financial statements as of and for the three months ended June 30, 2017, and the consolidated financial statements as of and for the fiscal year ended March 31, 2018, reflect the effects of the retrospective application.

As a result of the reflection of the cumulative effects on the net assets balance at the beginning of the previous fiscal year, the retained earnings balance at the beginning of the previous fiscal year increased by 2,916 million yen.

1. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
ASSETS		
Current assets		
Cash and deposits	2,148,003	1,972,351
Cash segregated as deposits	795,610	834,294
Trading products	9,665,903	9,867,432
Trading securities and other	2,812,701	3,157,059
Derivatives	6,853,202	6,710,372
Trade date accrual	230,932	—
Margin transaction assets	364,858	314,234
Loans secured by securities	7,266,553	6,609,776
Short-term guarantee deposits	1,013,202	952,738
Short-term investment securities	35,250	33,904
Income taxes receivable	—	2,888
Other current assets	241,254	263,472
Total current assets	<u>21,761,569</u>	<u>20,851,093</u>
Non-current assets		
Property, plant and equipment	37,756	36,837
Intangible assets	109,172	108,483
Investments and other assets	436,042	374,296
Total non-current assets	<u>582,971</u>	<u>519,618</u>
Total assets	<u>22,344,541</u>	<u>21,370,711</u>

(Millions of yen)

	As of March 31, 2018	As of June 30, 2018
LIABILITIES		
Current liabilities		
Trading products	8,608,126	8,334,372
Trading securities and other	2,078,853	1,983,440
Derivatives	6,529,273	6,350,932
Trade date accrual	—	28,944
Margin transaction liabilities	244,266	171,477
Loans payable secured by securities	5,040,012	4,542,254
Short-term loans payable	2,155,366	2,029,128
Current portion of bonds	241,499	244,655
Current portion of long-term loans payable	69,238	133,389
Commercial papers	811,926	584,955
Income taxes payable	11,058	2,850
Provision for contingent loss	27	29
Asset retirement obligations	177	178
Other current liabilities	2,530,994	2,641,099
Total current liabilities	19,712,696	18,713,337
Non-current liabilities		
Bonds payable	1,013,449	1,091,828
Long-term loans payable	604,849	585,519
Net defined benefit liability	2,301	2,306
Provision for directors' retirement benefits	33	28
Asset retirement obligations	7,704	7,718
Other non-current liabilities	2,497	2,530
Total non-current liabilities	1,630,836	1,689,931
Reserves under the special laws		
Reserve for financial products transaction liabilities	4,319	4,266
Total reserves under the special laws	4,319	4,266
Total liabilities	21,347,852	20,407,536
NET ASSETS		
Shareholders' equity		
Capital stock	75,518	75,518
Capital surplus	438,808	438,808
Retained earnings	211,478	188,678
Total shareholders' equity	725,806	703,005
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,703	1,632
Deferred gains or losses on hedges	85	120
Foreign currency translation adjustment	(17,179)	(22,208)
Remeasurements of defined benefit plans	1,562	1,711
Total accumulated other comprehensive income	(13,827)	(18,743)
Share acquisition rights	19	27
Non-controlling interests	284,690	278,885
Total net assets	996,688	963,175
Total liabilities and net assets	22,344,541	21,370,711

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

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)
Operating revenue		
Commission received	36,821	40,974
Net trading income	36,943	37,354
Financial revenue	12,918	14,279
Other operating revenue	0	3
Total operating revenue	86,684	92,611
Financial expenses	3,305	6,608
Net operating revenue	83,378	86,003
Selling, general and administrative expenses	73,660	75,042
Operating profit	9,718	10,960
Non-operating income		
Share of profit of entities accounted for using equity method	3,912	3,419
Other	2,283	2,197
Total non-operating income	6,195	5,616
Non-operating expenses		
Loss on sales of investment securities	556	834
Loss on money held in trust	89	290
Other	86	255
Total non-operating expenses	733	1,380
Ordinary profit	15,181	15,196
Extraordinary income		
Gain on sales of investment securities	24	—
Reversal of reserve for financial products transaction liabilities	59	53
Total extraordinary income	83	53
Extraordinary losses		
Loss on valuation of investment securities	0	—
Impairment loss	7	—
Other	—	218
Total extraordinary losses	7	218
Profit before income taxes	15,257	15,031
Income taxes-current	2,890	1,220
Income taxes-deferred	(96)	2,247
Total income taxes	2,793	3,468
Profit	12,463	11,563
Profit attributable to non-controlling interests	2,646	3,091
Profit attributable to owners of parent	9,816	8,471

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)
Profit	12,463	11,563
Other comprehensive income		
Valuation difference on available-for-sale securities	216	(301)
Deferred gains or losses on hedges	54	35
Foreign currency translation adjustment	(3,993)	(5,148)
Remeasurements of defined benefit plans, net of tax	(130)	(28)
Share of other comprehensive income of entities accounted for using equity method	120	—
Total other comprehensive income	<u>(3,733)</u>	<u>(5,443)</u>
Comprehensive income	<u>8,730</u>	<u>6,119</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	6,180	3,217
Comprehensive income attributable to non-controlling interests	2,549	2,901

(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, 2019

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Commission to consignees	9,848	8,926	(922)	42,501
Stocks	9,502	8,702	(800)	41,150
Bonds	7	2	(5)	20
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,553	7,013	2,460	24,619
Stocks	1,499	2,742	1,242	9,912
Bonds	3,053	4,271	1,217	14,707
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	8,716	5,929	(2,787)	34,713
Beneficiary certificates	7,875	5,124	(2,751)	31,359
Other fees received	13,702	19,105	5,402	56,741
Beneficiary certificates	5,810	5,964	153	23,379
Total	36,821	40,974	4,152	158,576

(2) Breakdown by product

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	11,624	13,526	1,901	52,974
Bonds	3,871	5,722	1,851	20,548
Beneficiary certificates	13,980	11,299	(2,681)	55,921
Other	7,344	10,425	3,080	29,132
Total	36,821	40,974	4,152	158,576

2. Net trading income

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	7,096	(5,878)	(12,975)	39,297
Bonds and other	29,847	43,233	13,386	131,849
Total	36,943	37,354	411	171,147

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	1Q of FY2017 (April 1 to June 30, 2017)	2Q of FY2017 (July 1 to September 30, 2017)	3Q of FY2017 (October 1 to December 31, 2017)	4Q of FY2017 (January 1 to March 31, 2018)	1Q of FY2018 (April 1 to June 30, 2018)
Operating revenue	86,684	94,947	100,449	94,820	92,611
Commission received	36,821	39,692	42,234	39,828	40,974
Commission to consignees	9,848	9,718	12,360	10,573	8,926
Stocks	9,502	9,467	12,025	10,154	8,702
Bonds	7	6	4	1	2
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,553	6,968	7,661	5,435	7,013
Stocks	1,499	2,225	3,995	2,191	2,742
Bonds	3,053	4,742	3,666	3,244	4,271
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	8,716	8,383	8,874	8,740	5,929
Beneficiary certificates	7,875	7,601	8,050	7,832	5,124
Other fees received	13,702	14,621	13,338	15,079	19,105
Beneficiary certificates	5,810	5,859	5,937	5,772	5,964
Net trading income	36,943	42,389	45,551	46,262	37,354
Net trading income from securities (stocks)	7,096	9,934	18,653	3,612	(5,878)
Net trading income from bonds and other	29,847	32,455	26,897	42,650	43,233
Financial revenue	12,918	12,865	12,663	8,728	14,279
Other operating revenue	0	0	—	0	3
Financial expenses	3,305	2,568	2,584	2,616	6,608
Net operating revenue	83,378	92,379	97,864	92,203	86,003
Selling, general and administrative expenses	73,660	75,528	77,305	76,109	75,042
Trading related expenses	22,013	24,275	22,325	24,835	20,591
Personnel expenses	26,920	27,176	28,790	26,282	28,063
Real estate expenses	6,205	6,001	6,166	5,322	6,078
Office cost	7,960	8,007	8,364	7,778	8,259
Depreciation	6,565	6,342	6,464	6,528	6,768
Taxes and dues	2,246	1,403	3,155	3,755	3,466
Other	1,748	2,321	2,037	1,606	1,815
Operating profit	9,718	16,850	20,559	16,094	10,960
Non-operating income	6,195	3,185	5,291	7,810	5,616
Non-operating expenses	733	25	523	216	1,380
Ordinary profit	15,181	20,010	25,326	23,688	15,196
Extraordinary income	83	11	—	84	53
Extraordinary losses	7	9	304	505	218
Profit before income taxes	15,257	20,012	25,022	23,266	15,031
Income taxes-current	2,890	3,686	7,794	5,552	1,220
Income taxes-deferred	(96)	2,981	(2,437)	574	2,247
Total income taxes	2,793	6,667	5,357	6,127	3,468
Profit	12,463	13,344	19,664	17,138	11,563
Profit attributable to non-controlling interests	2,646	5,413	6,229	5,129	3,091
Profit attributable to owners of parent	9,816	7,930	13,435	12,009	8,471

<Reference>

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.
for the First Quarter of the Fiscal Year Ending March 31, 2019

(1) Consolidated operating results

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Operating revenue	63,353	69,664	6,310	300,043
Commission received	31,616	36,290	4,673	136,559
Net trading income	25,352	27,884	2,532	136,620
Net operating revenue	61,494	68,222	6,727	293,290
Operating profit	2,849	9,081	6,231	47,894
Ordinary profit	3,152	9,386	6,234	49,352
Profit attributable to owners of parent	1,879	6,177	4,298	32,470

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Commission to consignees	7,731	7,059	(672)	33,322
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	2,544	4,922	2,377	14,934
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	8,684	5,892	(2,792)	34,513
Other fees received	12,655	18,416	5,760	53,788
Total	31,616	36,290	4,673	136,559

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	9,447	11,578	2,130	43,588
Bonds	1,912	3,884	1,972	11,328
Beneficiary certificates	13,786	11,088	(2,698)	55,068
Other	6,470	9,739	3,268	26,572
Total	31,616	36,290	4,673	136,559

<Net trading income>

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	7,850	6,605	(1,245)	38,084
Bonds and other	17,501	21,279	3,777	98,536
Total	25,352	27,884	2,532	136,620

(2) Consolidated financial position

(Millions of yen)

	As of June 30, 2017	As of June 30, 2018	Increase (Decrease)	As of March 31, 2018
Total assets	13,982,985	12,218,302	(759,256)	12,977,558
Net assets	428,948	400,876	(5,731)	406,608

<Reference>

(3) Non-consolidated operating results

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Operating revenue	53,133	61,911	8,778	261,997
Commission received	26,862	32,398	5,535	117,905
Net trading income	19,927	23,717	3,790	116,744
Net operating revenue	51,338	60,142	8,803	254,866
Operating profit (loss)	(549)	7,058	7,608	36,134
Ordinary profit	2,912	11,665	8,752	43,964
Profit	3,347	9,502	6,154	33,060

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Commission to consignees	7,581	6,891	(690)	32,583
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	2,544	4,922	2,377	14,934
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	5,701	3,958	(1,743)	23,354
Other fees received	11,034	16,626	5,591	47,033
Total	26,862	32,398	5,535	117,905

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	9,338	11,431	2,093	43,002
Bonds	1,470	3,426	1,956	9,657
Beneficiary certificates	9,675	7,943	(1,732)	39,092
Other	6,378	9,596	3,218	26,153
Total	26,862	32,398	5,535	117,905

<Net trading income>

(Millions of yen)

	First three months of FY2017 (From April 1, 2017 to June 30, 2017)	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	7,123	6,272	(851)	36,431
Bonds and other	12,804	17,445	4,641	80,313
Total	19,927	23,717	3,790	116,744

(4) Non-consolidated financial position

(Millions of yen)

	As of June 30, 2017	As of June 30, 2018	Increase (Decrease)	As of March 31, 2018
Total assets	13,918,442	12,110,652	(758,256)	12,868,908
Net assets	427,641	401,003	(1,414)	402,418