



Mitsubishi UFJ Securities Holdings

1QFY2018

Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

July, 2018

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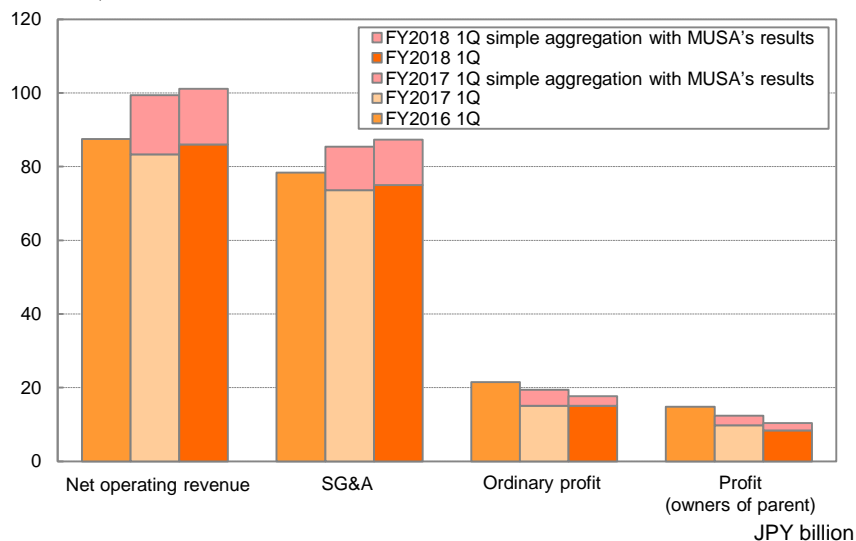
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1Q Performance Trends

- Net operating revenue of JPY 86.0 billion (+3% YoY), ordinary profit of JPY 15.1 billion (+0% YoY) and profit attributable to owners of parent of JPY 8.4 billion (-13% YoY).
- Net operating revenue for 1Q18 in a simple aggregation with the results of MUFG Securities Americas Inc. (hereinafter "MUSA"), which was deconsolidated from 3Q16, was JPY 101.1 billion, was increased from that of 1Q17. Profit attributable to owners of parent was JPY 10.4 billion, and secured a level exceeding JPY 10.0 billion.
- Mitsubishi UFJ Kokusai Asset Management Co., Ltd. was excluded from the scope of equity-method affiliates due to the functional realignment of MUFG.

1Q Trends

(JPY billion)



	FY2016 1Q	FY2017 1Q	FY2018 1Q
Net operating revenue	87.5	83.3	86.0
SG&A	78.4	73.6	75.0
Ordinary profit	21.5	15.1	15.1
Profit (owners of parent)	14.8	9.8	8.4

[Substantial basis] * Simple aggregation with MUSA's results which was deconsolidated from FY2016 3Q

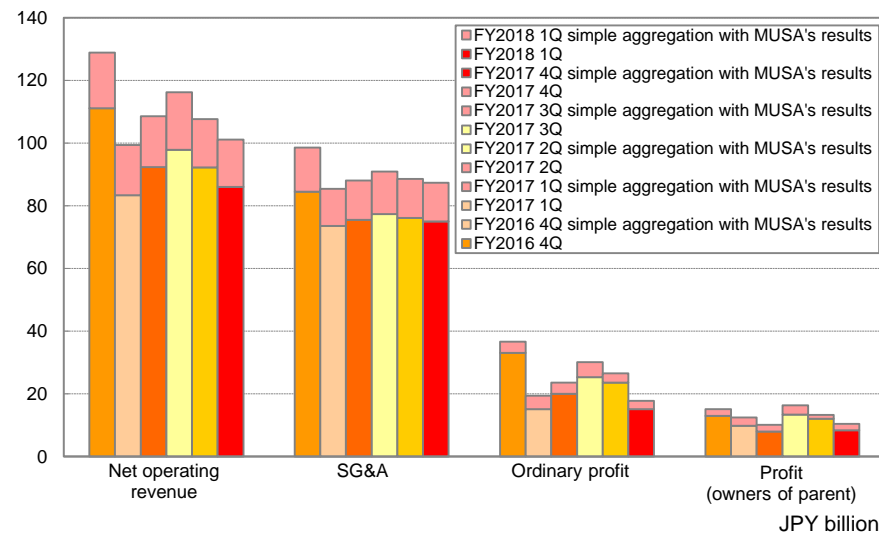
Net operating revenue	—	99.5	101.1
SG&A	—	85.4	87.4
Ordinary profit	—	19.5	17.8
Profit (owners of parent)	—	12.4	10.4

Quarterly Performance Trends

- While domestic subsidiaries slowed down due to lower customer flow impacted by increasing US-China trade friction, rising geopolitical risks and decreasing volatilities etc., offset by overseas subsidiaries' recovery driven by favorable market condition for rates business and structured bonds business. Therefore, both revenue and profit decreased from the previous quarter on a consolidated basis.
- Also, both revenue and profit decreased from the previous quarter in a simple aggregation with the results of MUSA.

Quarterly Trends

(JPY billion)



	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Net operating revenue	111.1	83.3	92.3	97.8	92.2	86.0
SG&A	84.5	73.6	75.5	77.3	76.1	75.0
Ordinary profit	33.0	15.1	20.0	25.3	23.6	15.1
Profit (owners of parent)	12.9	9.8	7.9	13.4	12.0	8.4

[Substantial basis] * Figures represent the aggregation with MUSA's results

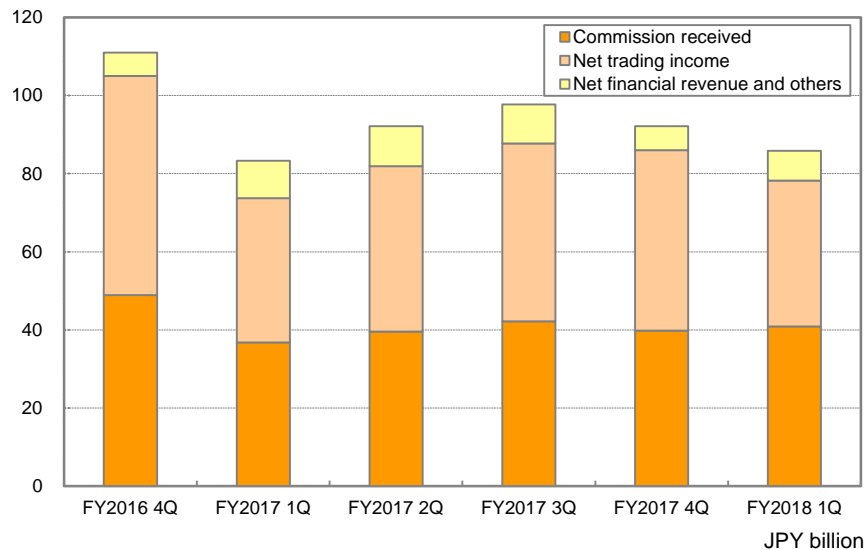
Net operating revenue	128.9	99.5	108.6	116.3	107.6	101.1
SG&A	98.6	85.4	88.0	90.9	88.5	87.4
Ordinary profit	36.7	19.5	23.6	30.1	26.6	17.8
Profit (owners of parent)	15.1	12.4	10.1	16.3	13.3	10.4

Net Operating Revenue

- Lower net operating income from the previous quarter due to decreasing trading income in domestic subsidiaries offset by strong performance of investment banking business.

Quarterly Trends

(JPY billion)



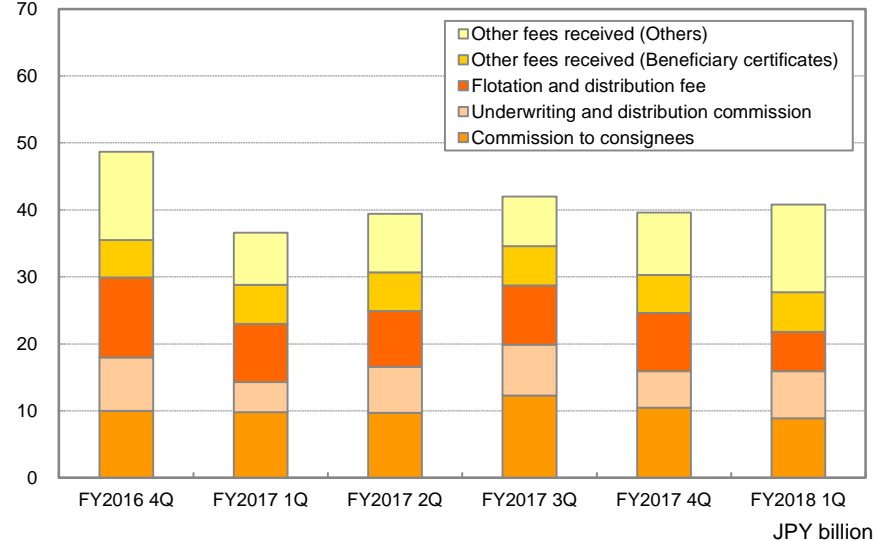
	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Commission received	48.9	36.8	39.6	42.2	39.8	40.9
Net trading income	56.1	36.9	42.3	45.5	46.2	37.3
Net financial revenue and others	6.0	9.6	10.2	10.0	6.1	7.6
Total	111.1	83.3	92.3	97.8	92.2	86.0

Commission Received

- Commission to consignees: Decreased from the previous quarter due to decreased stock trading volume.
- Underwriting and distribution commission: Increased from the previous quarter due to large-scale deals in both debt and equity in domestic subsidiaries.
- Flotation and distribution fee: Decreased from the previous quarter due to lower sales volume of stock investment trusts impacted by inactive investor activities.
- Other fees received: Increased from the previous quarter mainly driven by strong performance in M&A business.

Quarterly Trends

(JPY billion)



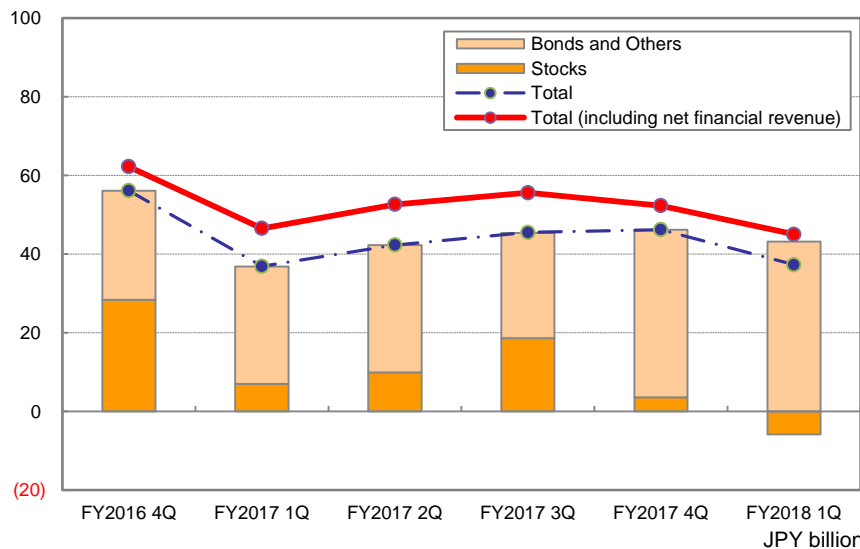
	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Commission to consignees	10.0	9.8	9.7	12.3	10.5	8.9
Underwriting and distribution commission	8.0	4.5	6.9	7.6	5.4	7.0
Flotation and distribution fee	11.9	8.7	8.3	8.8	8.7	5.9
Other fees received (Beneficiary certificates)	5.6	5.8	5.8	5.9	5.7	5.9
Other fees received (Others)	13.2	7.8	8.7	7.4	9.3	13.1
Total	48.9	36.8	39.6	42.2	39.8	40.9

Net Trading Income

- Total net trading income including net financial revenue decreased from the previous quarter.
- While overseas subsidiaries increased revenue from the previous quarter, domestic subsidiaries struggled due to decreased revenue opportunities caused by low customer flow amid unclear market environment and low volatility in both bonds and stocks.

Quarterly Trends

(JPY billion)



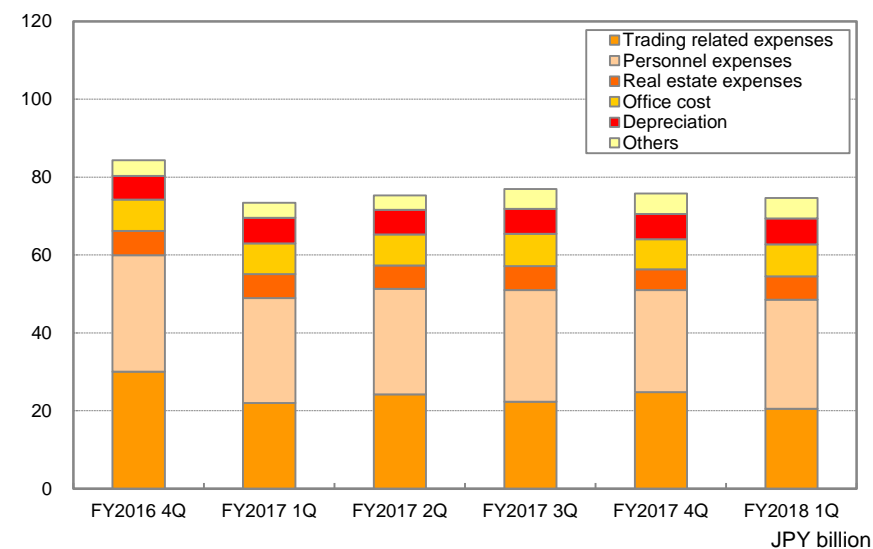
	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Stocks	28.4	7.0	9.9	18.6	3.6	(5.8)
Bonds and Others	27.7	29.8	32.4	26.8	42.6	43.2
Total	56.1	36.9	42.3	45.5	46.2	37.3
Net financial revenue	6.0	9.6	10.2	10.0	6.1	7.6
Total (including net financial revenue)	62.2	46.5	52.6	55.6	52.3	45.0

SG & A

- Decreased from the previous quarter due mainly to lower trading related expenses, which are highly correlated to revenues.

Quarterly Trends

(JPY billion)



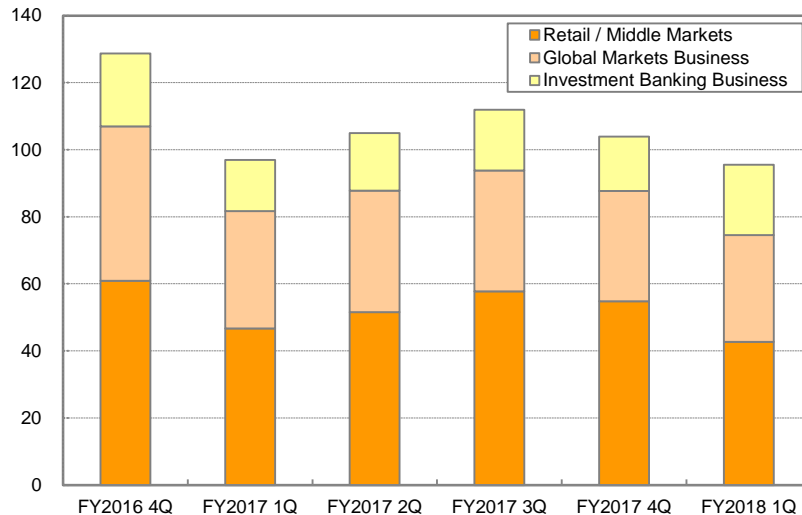
	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Trading related expenses	30.0	22.0	24.2	22.3	24.8	20.5
Personnel expenses	29.9	26.9	27.1	28.7	26.2	28.0
Real estate expenses	6.3	6.2	6.0	6.1	5.3	6.0
Office cost	8.0	7.9	8.0	8.3	7.7	8.2
Depreciation	6.1	6.5	6.3	6.4	6.5	6.7
Others	4.0	3.9	3.7	5.1	5.3	5.2
Total	84.5	73.6	75.5	77.3	76.1	75.0

Overview by Business Segments

- Retail / Middle Markets decreased revenue from the previous quarter, but Investment Banking increased revenue and Global Markets secured the same level of revenue as 4Q17.
- Retail / Middle Markets: Decreased revenue from the previous quarter due to shrinking individual stock trading volume impacted by inactive investors activities for investment in the uncertain market.
- Global Markets: For domestic revenue, fixed income and equity business struggled due to low volatility and continuous lower customer flow. However, revenue from overseas subsidiaries increased from the previous quarter driven by a recovery of rates business and solid performance of structured products business.
- Investment Banking: Increased domestic revenue from the previous quarter driven by taking deals in both debt and equity underwriting business and M&A, while revenue from overseas subsidiaries slightly decreased due to contraction of the issuance market.

Quarterly Trends

(JPY billion)



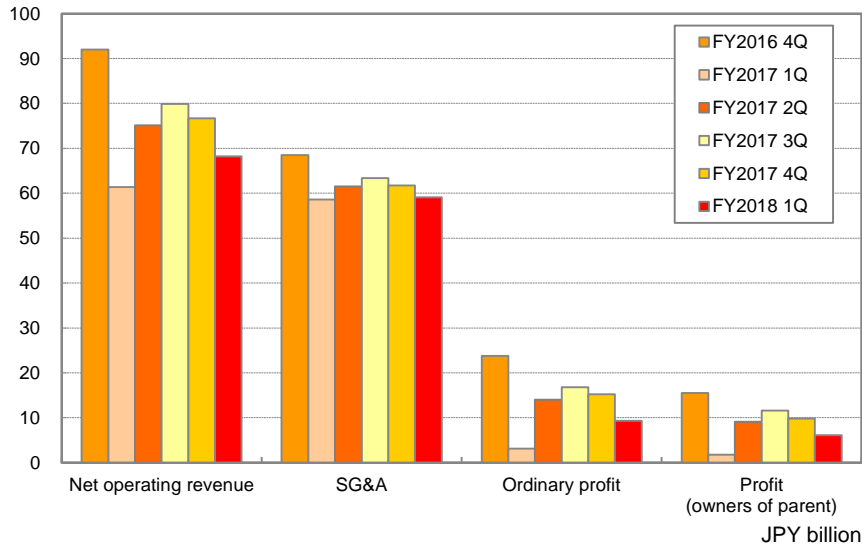
* Figures are based on management accounting basis (before internal transaction elimination) including MUSA.

Quarterly Performance Trends

- Ordinary profit of JPY 9.3 billion, profit attributable to owners of parent of JPY 6.1 billion, were decreased from the previous quarter affected by lower customer flow impacted by increasing US-China trade friction, rising geopolitical risks and decreasing volatilities etc.. However, both revenue and profit increased from that of Q117.
- Although Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (MUMSPB) steadily contributed to the consolidated performance results, both revenue and profit decreased from the previous quarter due mainly to inactive investor activities.

Quarterly Trends

(JPY billion)



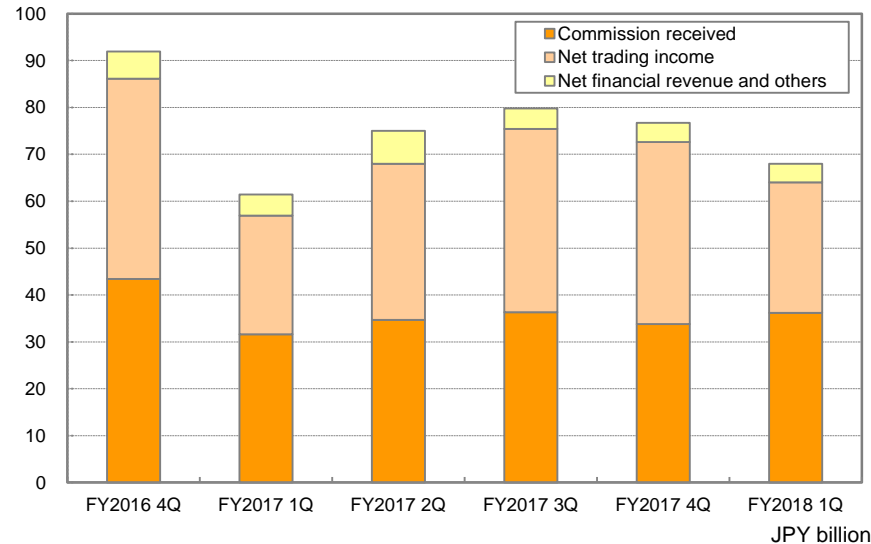
	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Net operating revenue	92.0	61.4	75.1	79.9	76.7	68.2
SG&A	68.5	58.6	61.5	63.4	61.7	59.1
Ordinary profit	23.8	3.1	14.0	16.8	15.2	9.3
Profit (owners of parent)	15.5	1.8	9.1	11.6	9.8	6.1

Net Operating Revenue

- Commission income increased from the previous quarter due to strong performance of both underwriting business which seized an opportunity of an expansion of primary market and M&A business involved in large-scale deals. However, total amount of operating revenue decreased from the previous quarter due to slowdown of net trading income under inactive market environment.

Quarterly Trends

(JPY billion)



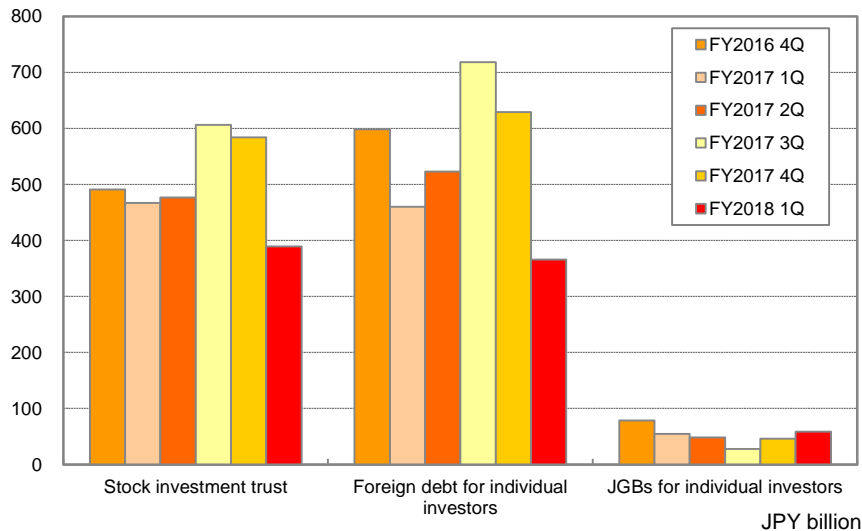
	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Commission received	43.4	31.6	34.7	36.3	33.8	36.2
Net trading income	42.7	25.3	33.3	39.1	38.8	27.8
Net financial revenue and others	5.8	4.5	7.0	4.4	4.1	4.0
Total	92.0	61.4	75.1	79.9	76.7	68.2

Sales of Retail / Middle Market Division

- Revenue from sales of stock investment trusts decreased due to inactive investor activities under unfavorable market condition, despite of favorable sales of investment trusts targeting companies with potential for growth through innovation.
- Revenue from sales of foreign bonds for individual investors decreased due to redemptions of structured notes which had performed well until the previous quarter have slowed down. However, sales of issued bonds showed stable performance.

Quarterly Trends

(JPY billion)



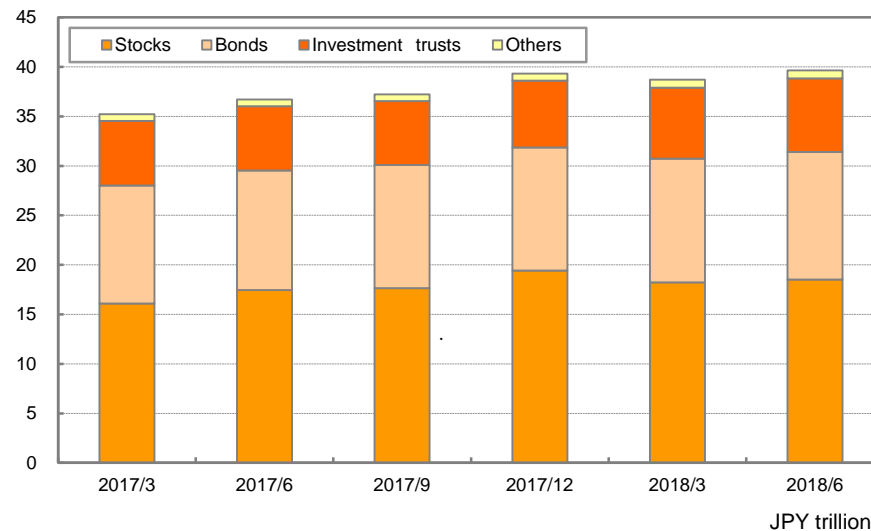
	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Stock investment trusts	490.7	466.9	476.7	606.3	583.8	389.4
Foreign bonds for individual investors	598.3	460.0	522.7	718.2	628.8	365.5
JGBs for individual investors	78.3	54.7	48.5	27.7	46.1	58.4

Trends of AUM

- AUM recorded approximately JPY 39.6 trillion at the end of June, 2018, increasing from the previous quarter.
- Of the above, AUM for the Retail / Middle Market Division recorded JPY 32.0 trillion (JPY 31.4 trillion at the end of March, 2018).

Quarterly Trends

(JPY trillion)



	2017/3	2017/6	2017/9	2017/12	2018/3	2018/6
Stocks	16.1	17.5	17.6	19.4	18.2	18.5
Bonds	11.9	12.1	12.5	12.5	12.5	12.9
Investment trusts	6.5	6.5	6.4	6.7	7.2	7.4
Others	0.7	0.7	0.7	0.7	0.8	0.8
Total	35.2	36.7	37.2	39.3	38.7	39.6

Investment banking business ~ League Table (from April, 2018 to June, 2018)
Japan Domestic Debt*1

Rank	Securities Firm	Share (%)
1	Mitsubishi UFJ Morgan Stanley	21.0
2	Mizuho Securities	20.4
3	Daiwa Securities	18.6
4	Nomura Securities	18.2
5	SMBC Nikko Securities	17.0
6	Tokai Tokyo Securities	1.3
7	Shinkin Securities	1.1
8	SBI Securities	1.0
9	Goldman Sachs Japan	0.8
10	Okasan Securities	0.2

Japan Equity and Equity-linked*2

Rank	Securities Firm	Share (%)
1	Mitsubishi UFJ Morgan Stanley	22.2
2	Daiwa Securities Group	19.4
3	Nomura	16.0
4	Sumitomo Mitsui Financial Group	13.8
5	Mizuho Financial Group	8.2
6	JP Morgan	7.0
7	Bank of America Merrill Lynch	6.7
8	SBI Holdings	2.5
9	Credit Suisse	1.4
10	Citi	0.6

M&A Advisory / Based on Rank Value*3

Rank	Financial Advisor	JPY billion
1	Goldman Sachs & Co	15,676
2	Mitsubishi UFJ Morgan Stanley	15,576
3	JP Morgan	14,902
4	Evercore Partners	14,785
5	Nomura	9,030
6	Citi	8,583
7	Sumitomo Mitsui Financial Group	6,632
8	Mizuho Financial Group	6,576
9	Deutsche Bank Group	6,419
10	Credit Suisse	6,399
10	Centerview Partners LLC	6,399
10	PJT Partners Inc	6,399
10	The Raine Group LLC	6,399

*1 Source: Thomson Reuters, Thomson Reuters DealWatch (data compiled by Mitsubishi UFJ Morgan Stanley)
Includes Japanese Straight Bonds, Ex-FILP Agency Bonds (incl. Expressway company's Bonds) and Municipal Bonds Related. Based on lead manager's credit.

*2 Source: Thomson Reuters (data compiled by Mitsubishi UFJ Morgan Stanley)
Mitsubishi UFJ Morgan Stanley includes domestic offerings of Japanese issuers underwritten by Morgan Stanley MUFG Securities as well as global offerings of Japanese issuers underwritten by Morgan Stanley. Based on underwriting amount.

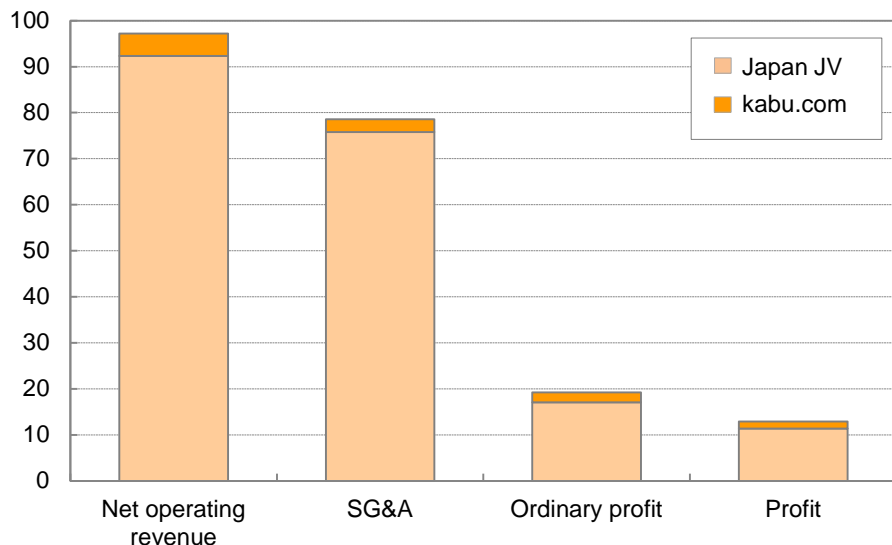
*3 Source: Thomson Reuters (data compiled by Mitsubishi UFJ Morgan Stanley)
Any Japanese involvement announced including property acquisitions. Mitsubishi UFJ Morgan Stanley includes deals advised by Morgan Stanley.

Domestic Securities Companies' Performance

- Net operating revenue of the Domestic Securities Companies is over JPY 90 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” consists of four companies including three joint venture companies with Morgan Stanley (“Japan JV”) and kabu.com Securities Co., Ltd.

Performance of FY 1Q 2018

(JPY billion)



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

(JPY billion)

(Simple sum of the figures for the Domestic Securities Companies)	FY 2018 1Q
Net operating revenue	97.3
Japan JV	92.3
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Consolidated base (“MUMSS” + “MUMSPB”) *1	68.2
Morgan Stanley MUFG Securities Co., Ltd. (“MSMS”) *2	24.1
kabu.com Securities Co., Ltd.(“kabu.com”)	4.9
SG & A	78.7
Japan JV	75.8
MUMSS Consolidated base	59.1
MSMS	16.7
kabu.com	2.8
Ordinary profit	19.2
Japan JV	17.1
MUMSS Consolidated base	9.3
MSMS	7.7
kabu.com	2.1
Profit	13.0
Japan JV	11.4
MUMSS Consolidated base (Profit attributable to owners of parent)	6.1
MSMS	5.2
kabu.com	1.5

*1 MUMSS Consolidated base 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

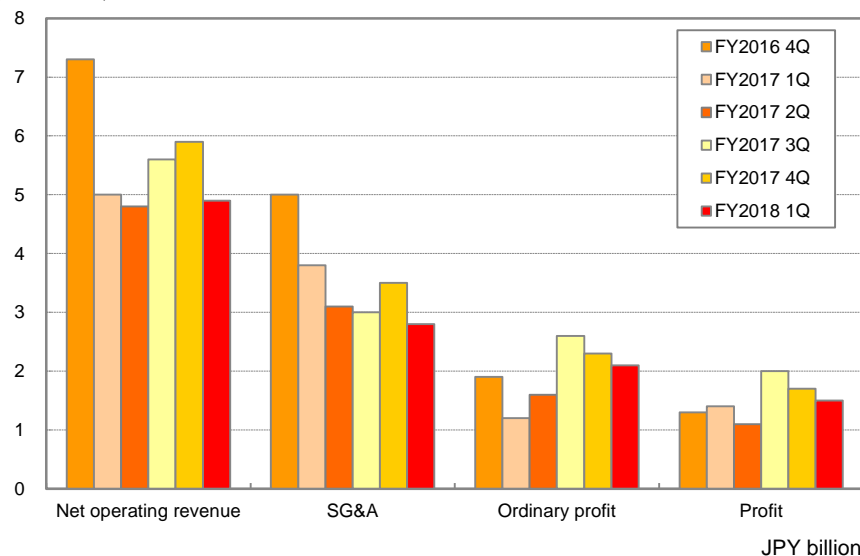
- Commission income decreased due to decline in individual trading volume, resulting in JPY 4.9 billion of net operating revenue, a decrease from the previous quarter. Ordinary profit remained almost the same level as in the previous quarter by striving for reduction of SG&A expenses.

Overseas Business Quarterly Trends

- Business in Europe recorded an increase in profit from the previous quarter due to a recovery in flow in rates business and structured bonds business.
- Business in Asia recorded a loss as it did in the previous quarter due to lack of revenue opportunities.
- Business in North America slightly decreased in profit from the previous quarter due to increase in personnel expense along with business expansion offset by strong performance in structured business such as ABS.
- Overseas business as a whole recorded an increase in profit from the previous quarter primarily driven by the recovery of business in Europe, with JPY 4.6 billion of ordinary profit.

Quarterly Trends

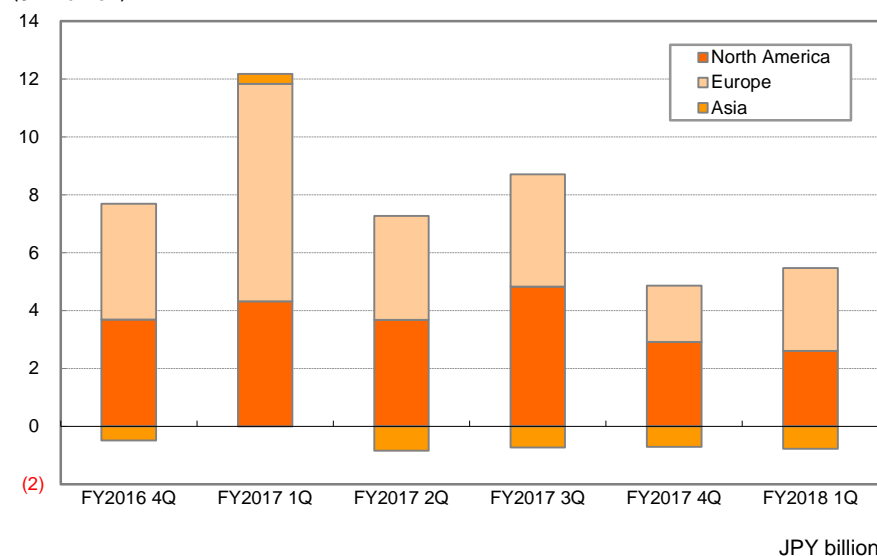
(JPY billion)



	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
Net operating revenue	7.3	5.0	4.8	5.6	5.9	4.9
SG&A	5.0	3.8	3.1	3.0	3.5	2.8
Ordinary profit	1.9	1.2	1.6	2.6	2.3	2.1
Profit	1.3	1.4	1.1	2.0	1.7	1.5

Ordinary profit (loss): Quarterly Trends

(JPY billion)



	FY2016 4Q	FY2017 1Q	FY2017 2Q	FY2017 3Q	FY2017 4Q	FY2018 1Q
North America	3.69	4.32	3.68	4.83	2.91	2.60
Europe	4.00	7.52	3.59	3.88	1.95	2.87
Asia	(0.49)	0.34	(0.84)	(0.73)	(0.71)	(0.78)
Total	7.20	12.19	6.43	7.98	4.14	4.69

* Figures represent the aggregation with MUSA's results.

JPY million

	Full year		Quarter					
	FY2016	FY2017	FY2016	FY2017				FY2018
			4Q	1Q	2Q	3Q	4Q	1Q
Operating revenue	404,497	376,901	116,879	86,684	94,947	100,449	94,820	92,611
Commission received	173,279	158,576	48,983	36,821	39,692	42,234	39,828	40,974
Net trading income	179,112	171,147	56,141	36,943	42,389	45,551	46,262	37,354
Other operating revenue	0	0	—	0	0	—	0	3
Financial revenue	52,105	47,176	11,755	12,918	12,865	12,663	8,728	14,279
Financial expenses	25,260	11,075	5,687	3,305	2,568	2,584	2,616	6,608
Net operating revenue	379,237	365,825	111,191	83,378	92,379	97,864	92,203	86,003
SG & A	315,125	302,603	84,542	73,660	75,528	77,305	76,109	75,042
Operating profit	64,111	63,222	26,648	9,718	16,850	20,559	16,094	10,960
Non-operating income	37,075	22,482	7,210	6,195	3,185	5,291	7,810	5,616
Non-operating expenses	1,591	1,498	833	733	25	523	216	1,380
Ordinary profit	99,595	84,206	33,026	15,181	20,010	25,326	23,688	15,196
Extraordinary income	180	179	(34)	83	11	—	84	53
Extraordinary losses	3,465	827	775	7	9	304	505	218
Income taxes	21,695	20,946	10,150	2,793	6,667	5,357	6,127	3,468
Profit attributable to non-controlling interests	25,529	19,419	9,099	2,646	5,413	6,229	5,129	3,091
Profit attributable to owners of parent	49,085	43,192	12,964	9,816	7,930	13,435	12,009	8,471

Appendix

Consolidated Balance Sheet

	As of Mar. 31, 2018	As of Jun. 30, 2018	Change
ASSETS			
Current assets	21,761	20,851	(910)
Cash and deposits	2,148	1,972	(175)
Trading products	9,665	9,867	+201
Loans secured by securities	7,266	6,609	(656)
Others	2,681	2,401	(279)
Non-current assets	582	519	(63)
PP & E	37	36	(0)
Intangible assets	109	108	(0)
Investments and other assets	436	374	(61)
Total assets	22,344	21,370	(973)

JPY billion

	As of Mar. 31, 2018	As of Jun. 30, 2018	Change
LIABILITIES			
Current liabilities	19,712	18,713	(999)
Trading products	8,608	8,334	(273)
Loans payable secured by securities	5,040	4,542	(497)
Short-term loans payable	2,155	2,029	(126)
Others	3,909	3,807	(101)
Non-current liabilities	1,630	1,689	+59
Bonds payable	1,013	1,091	+78
Long-term loans payable	604	585	(19)
Others	12	12	+0
Total liabilities	21,347	20,407	(940)
NET ASSETS			
Shareholders' equity	725	703	(22)
Accumulated other comprehensive income	(13)	(18)	(4)
Share acquisition rights	0	0	+0
Non-controlling interests	284	278	(5)
Total net assets	996	963	(33)
Total liabilities and net assets	22,344	21,370	(973)

Appendix

Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

MUMSS (non-consolidated)

JPY million

Statement of Income

	Full year	
	FY2016	FY2017
Operating revenue	270,069	261,997
Commission received	122,569	117,905
Net trading income	126,070	116,744
Others	0	0
Financial revenue	21,428	27,345
Financial expenses	8,284	7,130
Net operating revenue	261,784	254,866
SG & A	218,219	218,732
Operating profit	43,564	36,134
Net non-operating income (expenses)	6,918	7,830
Ordinary profit	50,482	43,964
Net extraordinary income (losses)	(1,945)	(160)
Income taxes	12,817	10,744
Profit	35,720	33,060

Balance Sheet

	As of	As of	Change
	Mar. 31, 2018	Jun. 30, 2018	
Current assets	12,699	11,942	(756)
Cash and deposits	1,775	1,652	(122)
Trading products	6,561	6,690	+129
Loans secured by securities	3,250	2,707	(542)
Others	1,111	891	(220)
Non-current assets	169	168	(1)
PP& E	24	23	+0
Intangible assets	59	59	+0
Investments and other assets	85	84	(1)
Total assets	12,868	12,110	(758)

	Quarter					
	FY2016		FY2017			FY2018
	4Q	1Q	2Q	3Q	4Q	1Q
	84,672	53,133	66,746	72,335	69,781	61,911
	38,047	26,862	29,716	31,683	29,642	32,398
	37,922	19,927	28,589	34,441	33,786	23,717
	—	0	0	—	0	3
	8,702	6,342	8,439	6,211	6,351	5,792
	2,879	1,794	1,394	1,716	2,224	1,769
	81,792	51,338	65,351	70,619	67,557	60,142
	61,560	51,888	54,722	56,883	55,238	53,084
	20,232	(549)	10,629	13,736	12,318	7,058
	582	3,462	721	3,057	588	4,606
	20,815	2,912	11,350	16,794	12,907	11,665
	(730)	(7)	(9)	—	(143)	(218)
	5,881	(442)	3,351	3,877	3,958	1,944
	14,203	3,347	7,989	12,917	8,805	9,502

JPY billion

	As of	As of	Change
	Mar. 31, 2018	Jun. 30, 2018	
Current liabilities	12,007	11,255	(752)
Trading products	6,243	5,851	(391)
Loans payable secured by securities	2,012	1,878	(133)
Short-term loans payable	2,324	2,229	(95)
Others	1,427	1,295	(132)
Non-current liabilities	456	452	(4)
Long-term loans payable	445	441	(4)
Others	11	11	+0
Total liabilities	12,466	11,709	(756)
Net assets	402	401	(1)
Total liabilities and net assets	12,868	12,110	(758)

JPY million

MUMSPB (non-consolidated)

Statement of Income

	Full year	
	FY2016	FY2017
Net operating revenue	33,375	38,519
Ordinary profit	9,493	12,312
Profit	6,510	8,447

	Quarter					
	FY2016		FY2017			FY2018
	4Q	1Q	2Q	3Q	4Q	1Q
	10,241	10,170	9,816	9,348	9,184	8,107
	3,426	3,535	3,109	2,853	2,814	2,161
	2,354	2,435	2,127	1,954	1,929	1,487

Credit Rating

- Stable credit rating levels were maintained in light of the fact that the Company is the core general securities company of the MUFG Group.

Capital Adequacy

- Capital adequacy ratio at the end of June, 2018 maintained 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	A1	A-
Short-term	a-1+ *	-	P-1	A-2

*CP rating

Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

	R&I	JCR	Moody's	S&P	Fitch
Long-term	AA-	AA	A1	A	A
Short-term	a-1+ *	-	P-1	A-1	F1

*CP rating

MUFG Securities EMEA plc (MUS(EMEA))

	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 Ratio MUMSS (non-consolidated)

Capital adequacy ratio of MUMSS at 1Q FY2018 can be found on the following URL.

http://www.sc.mufig.jp/company/finance/cp_ratio.html

Net Assets MUSHD (Consolidated) / MUMSS

JPY billion

MUSHD (Consolidated)		2017/3	2017/6	2017/9	2017/12	2018/3	2018/6
Capital stock		75.5	75.5	75.5	75.5	75.5	75.5
Net assets (Total)		959.4	957.9	976.9	989.1	996.6	963.1
MUMSS		2017/3	2017/6	2017/9	2017/12	2018/3	2018/6
Capital stock		40.5	40.5	40.5	40.5	40.5	40.5
Net assets (Total)	Consolidated	427.5	428.9	438.4	424.3	406.6	400.8
	Non-consolidated	424.2	427.6	435.5	423.1	402.4	401.0

Value at Risk (VaR) associated with the trading activities

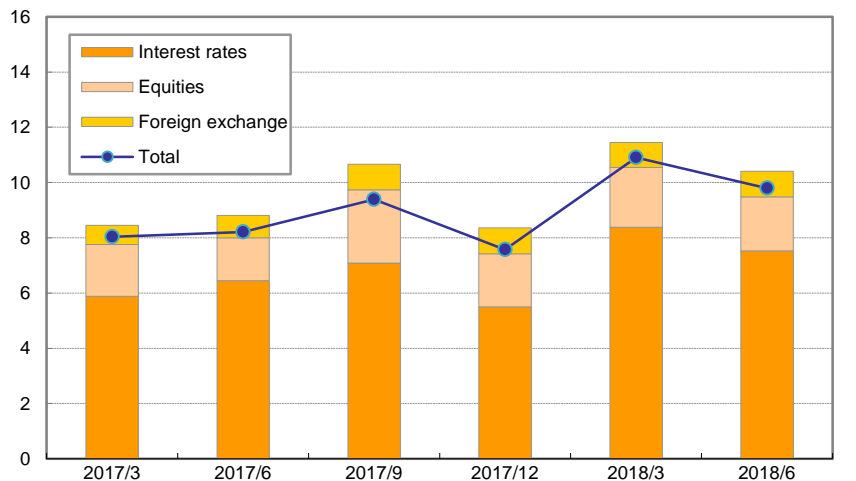
- Amount of risks for both domestic and overseas subsidiaries decreased due to a decline in interest rate risks.

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)

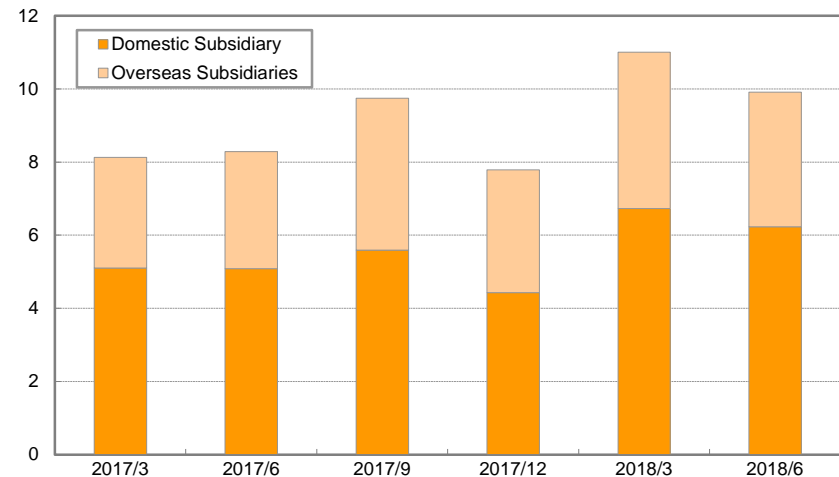


JPY billion

	2017/3	2017/6	2017/9	2017/12	2018/3	2018/6
Interest rates	5.9	6.5	7.1	5.5	8.4	7.5
Equities	1.9	1.5	2.7	1.9	2.2	2.0
Foreign exchange	0.7	0.8	0.9	0.9	0.9	0.9
Total	8.0	8.2	9.4	7.6	10.9	9.8

Quarterly trends of VaR by type of subsidiary

(JPY billion)



JPY billion

	2017/3	2017/6	2017/9	2017/12	2018/3	2018/6
Domestic Subsidiary	5.1	5.1	5.6	4.4	6.7	6.2
Overseas Subsidiaries	3.0	3.2	4.1	3.4	4.3	3.7
Total	8.0	8.2	9.4	7.6	10.9	9.8

Domestic Subsidiary: Mitsubishi UFJ Morgan Stanley Securities
 Overseas Subsidiaries: MUFG Securities EMEA plc, MUFG Securities Asia Limited, MUFG Securities (Canada), Ltd.



Mitsubishi UFJ Securities Holdings

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