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July 30, 2014

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2015 [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 2014 (from April 1, 2014 to June 30, 2014)

(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 FY2014	103,159	(23.5)	91,605	(27.4)	8,990	(78.9)	11,863	(79.2)
First three months of FY2013	134,808	76.5	126,145	97.3	42,521	969.1	57,066	205.6

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First three months of FY2014	9,109	(77.0)	12.36	–
First three months of FY2013	39,567	295.5	53.69	–

(Note) Comprehensive income First three months of FY2014: 5,395 million yen (91.2)%
First three months of FY2013: 61,340 million yen 118.9 %

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2014	28,399,096	972,739	2.6
As of March 31, 2014	30,418,476	1,068,092	2.6

(Reference) Equity As of June 30, 2014: 726,472 million yen As of March 31, 2014: 785,437 million yen

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

(Total net assets – Subscription rights to shares – Minority 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: Yes
 - 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, 2014	736,985,496 shares
As of March 31, 2014	736,985,496 shares

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

As of June 30, 2014	– shares
As of March 31, 2014	– 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, 2015	736,985,496 shares
First three months of the fiscal year ended March 31, 2014	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

(Application of the Accounting Standard for Retirement Benefits, etc.)

Regarding the “Accounting Standard for Retirement Benefits” (ASBJ Statement No. 26, May 17, 2012) and “Guidance on Accounting Standard for Retirement Benefits” (ASBJ Guidance No. 25, May 17, 2012), effective from the first quarter of the fiscal year ending March 31, 2015, the Company has applied the provisions of the main clauses of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of Guidance on Accounting Standard for Retirement Benefits, reviewed its calculation method for retirement benefit obligations and current service costs, and changed its method of attributing expected benefits to periods from mainly the straight-line basis to the benefit formula basis. In addition, the Company has changed the method for determining the discount rate from one that uses a discount rate based on a period approximate to the expected average remaining working lives of employees, to one that uses a single weighted average discount rate reflecting the estimated timing and amount of benefit payment.

Application of the Accounting Standard for Retirement Benefits and Guidance on Accounting Standard for Retirement Benefits is in line with the transitional measures provided in Paragraph 37 of the Accounting Standard for Retirement Benefits, and the effect of the revision to the calculation method for retirement benefit obligations and current service costs has been added to or deducted from retained earnings as of April 1, 2014.

As a result, as of April 1, 2014, net defined benefit asset (investments and other assets) and net defined benefit liability increased by 47 million yen and 1,104 million yen respectively, and retained earnings decreased by 650 million yen. In addition, the effect of this application on operating income, ordinary income and income before income taxes and minority interests for the first three months of the fiscal year ending March 31, 2015 is immaterial.

(Application of the Accounting Standard for Business Combinations, etc.)

It has become possible to apply the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, September 13, 2013), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, September 13, 2013), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, September 13, 2013), etc. effective from the start of the fiscal year starting on or after April 1, 2014. Accordingly, the Company has applied these accounting standards effective from the first quarter of the fiscal year ending March 31, 2015 (except for the provisions of Paragraph 39 of the Accounting Standard for Consolidated Financial Statements). As a result, the method of recording the amount of difference caused by changes in the Company’s ownership interests in subsidiaries in the case of subsidiaries under ongoing control of the Company was changed to one in which it is recorded as capital surplus, and the method of recording acquisition-related costs was changed to one in which they are recognized as expenses for the fiscal year in which they are incurred. Furthermore, for business combinations carried out on or after April 1, 2014, the accounting method was changed to one in which the reviewed acquisition cost allocation resulting from the finalization of the tentative accounting treatment is reflected in the quarterly consolidated financial statements for the quarterly period in which the date of the business combination occurs.

Application of the Accounting Standard for Business Combinations, etc. is in line with the transitional measures provided in Paragraph 58-2 (3) of the Accounting Standard for Business Combinations, Paragraph 44-5 (3) of the Accounting Standard for Consolidated Financial Statements and Paragraph 57-4 (3) of the Accounting Standard for Business Divestitures. Accordingly, the cumulative amount of impact as of April 1, 2014, in the case of retrospective application of the new accounting policies to all prior periods has been added to or deducted from capital surplus and retained earnings.

As a result, as of April 1, 2014, goodwill (intangible assets) decreased by 11,446 million yen, retained earnings decreased by 30,457 million yen, and capital surplus increased by 25,209 million yen. Meanwhile, operating income, ordinary income and income before income taxes and minority interests for the first three months of the fiscal year ending March 31, 2015 have each increased by 143 million yen.

2. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
ASSETS		
Current assets		
Cash and deposits	1,133,772	889,798
Cash segregated as deposits	157,946	150,872
Trading products	14,867,140	14,012,149
Trading securities and other	7,245,497	6,577,683
Derivatives	7,621,642	7,434,465
Trade date accrual	151,952	—
Margin transaction assets	71,272	52,544
Loans secured by securities	12,176,027	11,418,882
Short-term guarantee deposits	751,608	623,642
Short-term investment securities	277,088	275,857
Income taxes receivable	10,690	12,576
Other current assets	155,652	226,836
Allowance for doubtful accounts	(11)	(11)
Total current assets	29,753,141	27,663,149
Noncurrent assets		
Property, plant and equipment	31,372	31,395
Intangible assets	60,208	50,865
Investments and other assets	573,754	653,685
Total noncurrent assets	665,335	735,946
Total assets	30,418,476	28,399,096

(Millions of yen)

	As of March 31, 2014	As of June 30, 2014
LIABILITIES		
Current liabilities		
Trading products	11,501,377	10,719,490
Trading securities and other	3,993,318	3,459,733
Derivatives	7,508,058	7,259,756
Trade date accrual	—	1,906,787
Margin transaction liabilities	26,519	34,581
Loans payable secured by securities	13,148,960	10,006,478
Short-term loans payable	1,047,667	977,014
Current portion of long-term loans payable	70,139	41,798
Commercial papers	553,800	631,320
Current portion of bonds	109,812	142,647
Income taxes payable	13,289	2,231
Asset retirement obligations	276	—
Other current liabilities	1,307,447	1,392,645
Total current liabilities	27,779,290	25,854,995
Noncurrent liabilities		
Bonds payable	1,124,031	1,100,194
Long-term loans payable	428,566	452,437
Net defined benefit liability	2,539	4,022
Provision for directors' retirement benefits	212	161
Asset retirement obligations	4,765	4,782
Other noncurrent liabilities	9,646	8,339
Total noncurrent liabilities	1,569,761	1,569,938
Reserves under the special laws		
Reserve for financial products transaction liabilities	1,332	1,422
Total reserves under the special laws	1,332	1,422
Total liabilities	29,350,384	27,426,356
NET ASSETS		
Shareholders' equity		
Capital stock	75,518	75,518
Capital surplus	426,948	452,158
Retained earnings	266,850	184,882
Total shareholders' equity	769,317	712,559
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,893	5,748
Deferred gains or losses on hedges	(38)	(55)
Foreign currency translation adjustment	8,872	5,890
Remeasurements of defined benefit plans	2,391	2,329
Total accumulated other comprehensive income	16,119	13,912
Minority interests	282,654	246,267
Total net assets	1,068,092	972,739
Total liabilities and net assets	30,418,476	28,399,096

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

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)
Operating revenue		
Commission received	69,814	51,654
Net trading income	55,031	39,652
Net gain on private equity and other securities	(2,000)	1
Other net gain on goods trading	105	—
Financial revenue	11,856	11,850
Total operating revenue	134,808	103,159
Financial expenses	8,662	11,553
Net operating revenue	126,145	91,605
Selling, general and administrative expenses	83,623	82,615
Operating income	42,521	8,990
Non-operating income		
Interest income	303	930
Equity in earnings of affiliates	12,574	274
Gain on bad debts recovered	—	1,077
Other	2,155	883
Total non-operating income	15,032	3,165
Non-operating expenses		
Loss on valuation of investment securities	—	169
Other	487	122
Total non-operating expenses	487	292
Ordinary income	57,066	11,863
Extraordinary income		
Gain on sales of investment securities	7,801	4,025
Gain on sales of subsidiaries and affiliates' stocks	14	—
Gain on redemption of investment securities	226	—
Reversal of reserve for financial products transaction liabilities	0	—
Total extraordinary income	8,043	4,025
Extraordinary loss		
Loss on sales of investment securities	4	—
Loss on valuation of investment securities	132	0
Provision of reserve for financial products transaction liabilities	—	89
Total extraordinary losses	136	90
Income before income taxes and minority interests	64,972	15,798
Income taxes-current	6,726	1,424
Income taxes-deferred	(1,331)	5,698
Total income taxes	5,395	7,123
Income before minority interests	59,577	8,675
Minority interests in income (loss)	20,010	(433)
Net income	39,567	9,109

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)
Income before minority interests	59,577	8,675
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,619)	(107)
Deferred gains or losses on hedges	(15)	(17)
Foreign currency translation adjustment	5,396	(3,050)
Remeasurements of defined benefit plans, net of tax	—	(104)
Share of other comprehensive income of associates accounted for using equity method	2	0
Total other comprehensive income	1,763	(3,279)
Comprehensive income	61,340	5,395
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	42,711	6,901
Comprehensive income attributable to minority interests	18,628	(1,506)

(3) Notes to consolidated financial statements

(Notes on premise of going concern)

None

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

a Dividend payments

Resolution	Type of shares	Total dividends (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
The ordinary general meeting of shareholders on June 26, 2014	Common stock	59,968	81.37	March 31, 2014	June 26, 2014

b Significant changes in the amount of shareholders' equity

The Company has applied the Accounting Standard for Retirement Benefits, etc. and the Accounting Standard for Business Combinations, etc. effective from the first quarter of fiscal year 2014. For the amount of financial impact, 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".

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2015

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	Increase (Decrease)	FY2013 (From April 1, 2013 to March 31, 2014)
Commission to consignees	16,254	7,195	(9,058)	44,950
Stocks	16,035	6,801	(9,234)	44,006
Bonds	35	220	184	242
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,867	9,462	594	43,207
Stocks	3,469	2,971	(497)	18,856
Bonds	5,398	6,490	1,092	24,350
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	21,294	13,503	(7,790)	62,948
Beneficiary certificates	21,124	13,007	(8,117)	61,864
Other fees received	23,398	21,493	(1,904)	91,472
Beneficiary certificates	14,265	12,758	(1,507)	53,724
Total	69,814	51,654	(18,159)	242,578

(2) Breakdown by product

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	Increase (Decrease)	FY2013 (From April 1, 2013 to March 31, 2014)
Stocks	20,865	9,858	(11,006)	68,757
Bonds	5,797	7,304	1,507	26,925
Beneficiary certificates	35,562	25,931	(9,631)	116,225
Other	7,589	8,559	969	30,669
Total	69,814	51,654	(18,159)	242,578

2. Net trading income

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	Increase (Decrease)	FY2013 (From April 1, 2013 to March 31, 2014)
Stocks	16,645	5,421	(11,223)	64,676
Bonds	42,911	37,392	(5,519)	151,234
Other	(4,525)	(3,161)	1,364	(5,463)
Total	55,031	39,652	(15,378)	210,448

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	1Q of FY2013 (April 1 to June 30, 2013)	2Q of FY2013 (July 1 to September 30, 2013)	3Q of FY2013 (October 1 to December 31, 2013)	4Q of FY2013 (January 1 to March 31, 2014)	1Q of FY2014 (April 1 to June 30, 2014)
Operating revenue	134,808	111,276	120,817	120,894	103,159
Commission received	69,814	56,340	56,072	60,350	51,654
Commission to consignees	16,254	9,734	11,312	7,648	7,195
Stocks	16,035	9,482	11,087	7,401	6,801
Bonds	35	98	53	54	220
Commission for underwriting secondary distribution and solicitation for selling and others for professional investors	8,867	8,543	10,521	15,273	9,462
Stocks	3,469	3,527	4,311	7,548	2,971
Bonds	5,398	5,016	6,210	7,725	6,490
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	21,294	13,783	13,581	14,288	13,503
Beneficiary certificates	21,124	13,552	13,483	13,703	13,007
Other fees received	23,398	24,278	20,656	23,139	21,493
Beneficiary certificates	14,265	13,415	13,377	12,666	12,758
Net trading income	55,031	52,153	53,915	49,347	39,652
Net trading income from securities (stocks)	16,645	19,340	19,604	9,085	5,421
Net trading income from bonds	42,911	38,808	39,063	30,450	37,392
Other net trading income	(4,525)	(5,995)	(4,752)	9,810	(3,161)
Net gain on private equity and other securities	(2,000)	(572)	1,661	(134)	1
Other net gain on goods trading	105	3	14	—	—
Financial revenue	11,856	3,350	9,153	11,332	11,850
Financial expenses	8,662	7,554	8,565	12,380	11,553
Net operating revenue	126,145	103,722	112,251	108,514	91,605
Selling, general and administrative expenses	83,623	72,558	75,681	84,846	82,615
Trading related expenses	25,833	23,041	22,557	27,361	23,148
Personnel expenses	33,525	29,913	33,758	36,176	32,564
Real estate expenses	5,102	5,705	5,443	5,975	5,319
Office cost	6,902	7,708	7,649	8,650	7,991
Depreciation	3,249	3,363	3,385	3,728	3,396
Taxes and dues	7,308	849	863	488	8,156
Other	1,701	1,975	2,023	2,466	2,038
Operating income	42,521	31,163	36,570	23,667	8,990
Non-operating income	15,032	5,775	7,373	3,940	3,165
Non-operating expenses	487	51	1,054	1,146	292
Ordinary income	57,066	36,887	42,888	26,461	11,863
Extraordinary income	8,043	118	387	257	4,025
Extraordinary loss	136	402	444	2,279	90
Income before income taxes and minority interests	64,972	36,603	42,831	24,439	15,798
Income taxes-current	6,726	4,815	5,723	4,524	1,424
Income taxes-deferred	(1,331)	(9,191)	(1,731)	2,851	5,698
Total income taxes	5,395	(4,376)	3,992	7,375	7,123
Income before minority interests	59,577	40,979	38,839	17,064	8,675
Minority interests in income (loss)	20,010	17,377	15,034	6,258	(433)
Net income	39,567	23,602	23,805	10,806	9,109

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.
for the First Quarter of the Fiscal Year Ending March 31, 2015

(1) Consolidated operating results

(Millions of yen)

	First three months of FY2014 (From April 1, 2014 to June 30, 2014)
Operating revenue	73,658
Commission received	37,504
Net trading income	31,039
Net operating revenue	70,931
Operating income	16,460
Ordinary income	16,915
Net income	14,103

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2014 (From April 1, 2014 to June 30, 2014)
Commission to consignees	6,515
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,347
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	13,503
Other fees received	13,138
Total	37,504

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2014 (From April 1, 2014 to June 30, 2014)
Stocks	9,283
Bonds	2,081
Beneficiary certificates	18,232
Other	7,906
Total	37,504

<Net trading income>

(Millions of yen)

	First three months of FY2014 (From April 1, 2014 to June 30, 2014)
Stocks	6,687
Bonds	23,822
Other	529
Total	31,039

(2) Consolidated financial position

(Millions of yen)

	As of June 30, 2014
Total assets	14,804,491
Net assets	336,326

Note: Consolidated capital adequacy ratio as of June 30, 2014 is 277%.

※Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. included Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. in the scope of consolidation on March 20, 2014 and the Company discloses consolidated operating results and consolidated financial position from the first quarter of the fiscal year ending March 31, 2015.

<Reference>

(3) Non-consolidated operating results

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	Increase (Decrease)	FY2013 (From April 1, 2013 to March 31, 2014)
Operating revenue	93,591	64,515	(29,075)	321,842
Commission received	48,946	32,719	(16,227)	165,465
Net trading income	41,547	26,702	(14,844)	136,984
Net operating revenue	91,367	61,846	(29,521)	312,984
Operating income	40,798	13,787	(27,011)	116,340
Ordinary income	41,126	14,452	(26,673)	117,808
Net income	47,453	13,129	(34,324)	121,123

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	Increase (Decrease)	FY2013 (From April 1, 2013 to March 31, 2014)
Commission to consignees	15,157	6,430	(8,727)	42,606
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,761	4,347	(414)	20,777
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	16,624	9,905	(6,719)	51,206
Other fees received	12,402	12,035	(366)	50,875
Total	48,946	32,719	(16,227)	165,465

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	Increase (Decrease)	FY2013 (From April 1, 2013 to March 31, 2014)
Stocks	19,670	9,219	(10,450)	64,745
Bonds	1,714	1,731	17	5,764
Beneficiary certificates	21,111	13,887	(7,224)	68,000
Other	6,450	7,880	1,430	26,954
Total	48,946	32,719	(16,227)	165,465

<Net trading income>

(Millions of yen)

	First three months of FY2013 (From April 1, 2013 to June 30, 2013)	First three months of FY2014 (From April 1, 2014 to June 30, 2014)	Increase (Decrease)	FY2013 (From April 1, 2013 to March 31, 2014)
Stocks	16,097	6,544	(9,552)	48,288
Bonds	32,671	19,785	(12,886)	96,180
Other	(7,220)	373	7,593	(7,484)
Total	41,547	26,702	(14,844)	136,984

(4) Non-consolidated financial position

(Millions of yen)

	As of June 30, 2013	As of June 30, 2014	Increase (Decrease)	As of March 31, 2014
Total assets	11,083,975	14,762,532	(1,497,684)	16,260,217
Net assets	304,590	327,853	(51,085)	378,939

Note: The net capital adequacy ratio as of June 30, 2014 is 273%.