



Mitsubishi UFJ Securities Holdings

FY2015

Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

April, 2016

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Annual Performance Trends

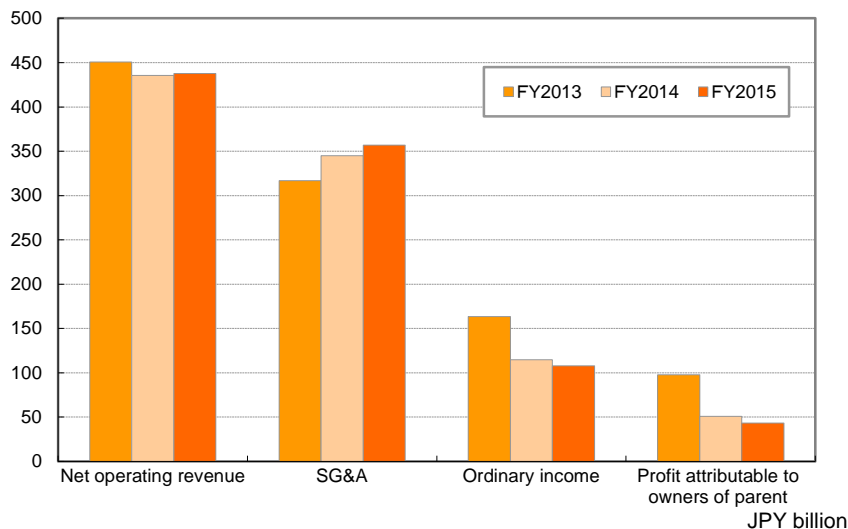
- Profit decreased year on year as net operating revenue JPY 437.7 billion (+0% YoY), ordinary income JPY 107.8 billion (-6% YoY) and profit attributable to owners of parent JPY 43.2 billion (-15% YoY), however, ordinary income kept JPY100.0 billion level.

Quarterly Performance Trends

- Both revenue and profit increased from the previous quarter. Amid drastic environmental change, domestic subsidiaries kept revenue at nearly the same level as in 3Q, while overseas subsidiaries' performance recovered. Ordinary income and profit attributable to owners of parent increased by 26% and 25% from the previous quarter, respectively.

Annual Trends

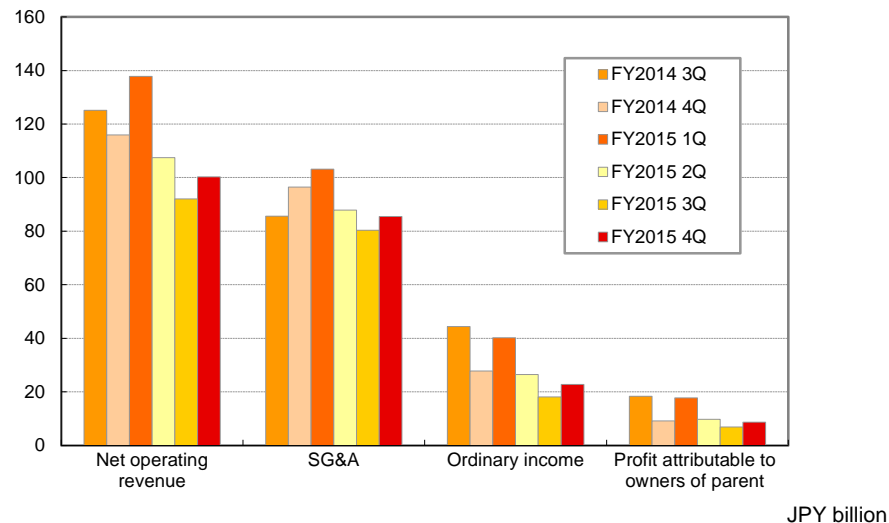
(JPY billion)



	FY2013	FY2014	FY2015
Net operating revenue	450.6	435.7	437.7
SG&A	316.7	345.0	357.0
Ordinary income	163.3	114.9	107.8
Profit attributable to owners of parent	97.7	50.9	43.2

Quarterly Trends

(JPY billion)



	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 4Q
Net operating revenue	125.1	115.9	137.8	107.5	92.0	100.3
SG&A	85.6	96.5	103.2	87.9	80.3	85.5
Ordinary income	44.4	27.8	40.2	26.5	18.1	22.8
Profit attributable to owners of parent	18.3	9.1	17.7	9.7	6.9	8.7

Net Operating Revenue

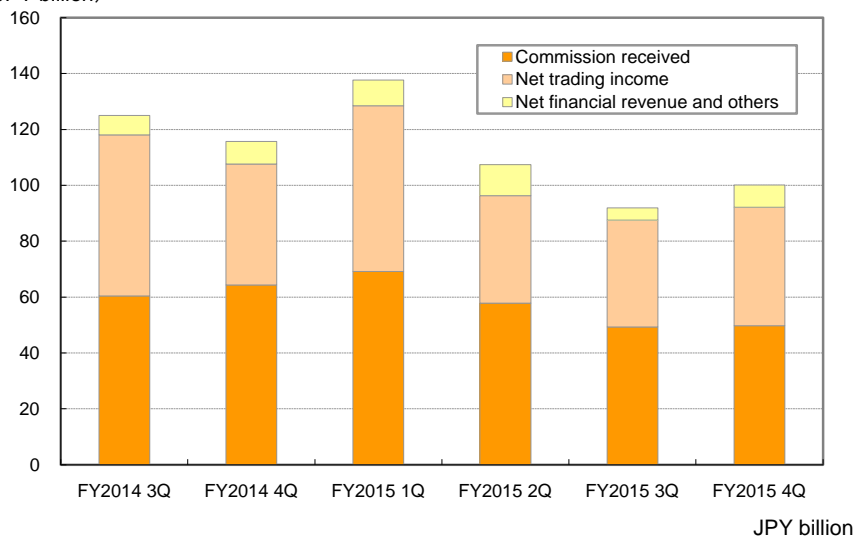
- Amid drastic environmental change, trading with customers made a good performance so that both commission received and net trading income increased from the previous quarter, and net operating revenue recovered to JPY 100.0 billion level.

SG & A

- SG&A increased overall by approximately 6% from the previous quarter, due to an increase of revenue-linked expenses accompanying recovery of performance as well as an increase of depreciation accompanying renewal of core computer system and one-off real estate expenses.

Quarterly Trends

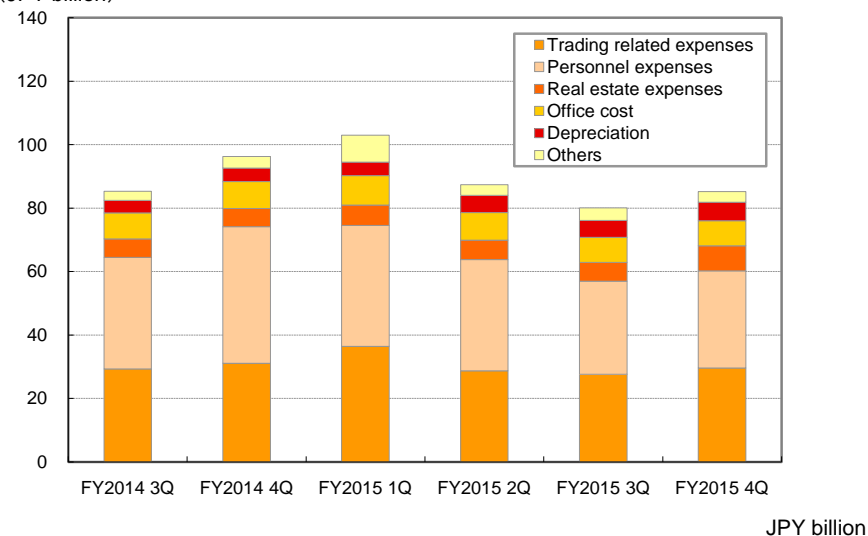
(JPY billion)



	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 4Q
Commission received	60.4	64.3	69.1	57.8	49.3	49.8
Net trading income	57.7	43.3	59.4	38.5	38.2	42.4
Net financial revenue and others	6.9	8.1	9.2	11.1	4.4	7.9
Total	125.1	115.9	137.8	107.5	92.0	100.3

Quarterly Trends

(JPY billion)

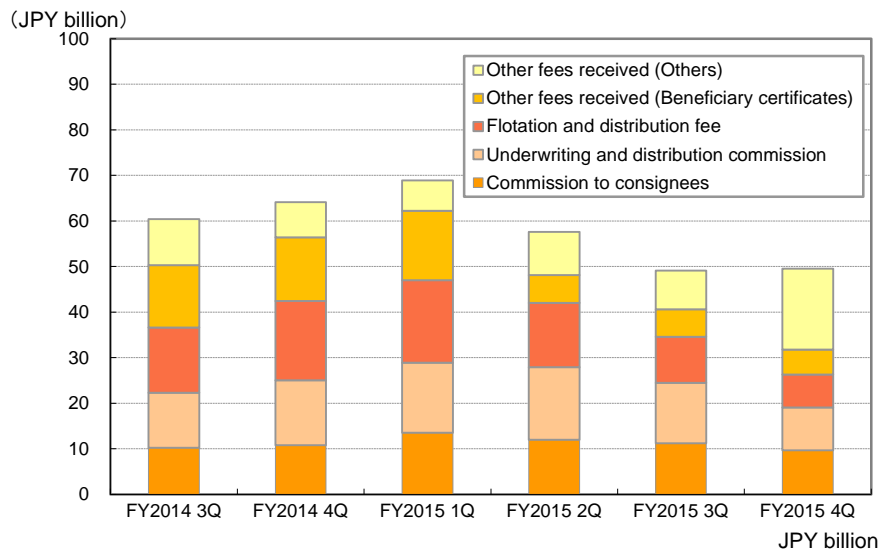


	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 4Q
Trading related expenses	29.3	31.1	36.4	28.7	27.6	29.6
Personnel expenses	35.2	43.0	38.1	35.1	29.4	30.6
Real estate expenses	5.8	5.8	6.5	6.1	5.9	7.9
Office cost	8.2	8.5	9.2	8.7	7.9	7.9
Depreciation	3.9	4.2	4.3	5.4	5.3	5.8
Others	2.9	3.7	8.5	3.4	4.0	3.4
Total	85.6	96.5	103.2	87.9	80.3	85.5

Commission Received

- Commission to consignees: Decreased from the previous quarter due to weak stock market.
- Underwriting and distribution commission: Decreased from 3Q when big deals generated profit, primarily due to a slowdown in the equity underwriting business in Japan.
- Flotation and distribution fee: Continued decreasing from the previous quarter due to a slowdown in sales of investment trusts.
- Other fees received: Significantly increased due to a strong performance in M&A, securitization, arranging finance deals, etc.

Quarterly Trends

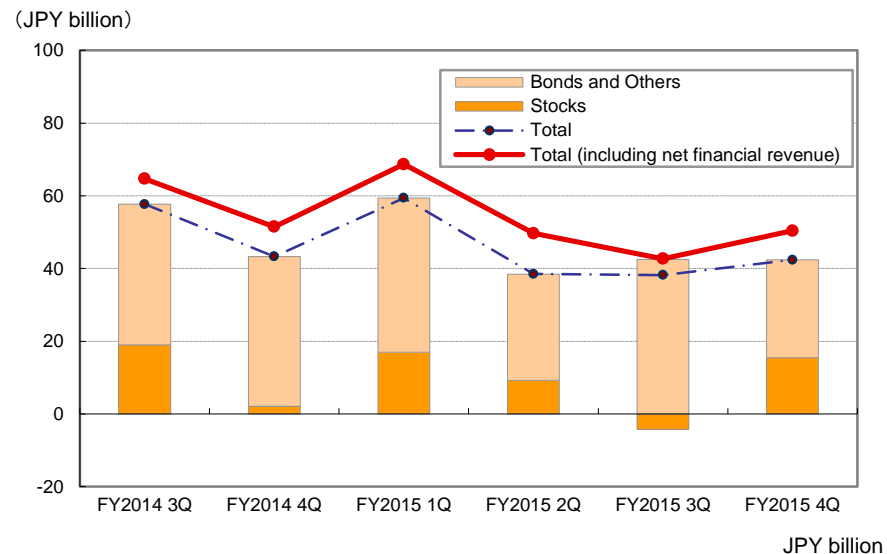


	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 4Q
Commission to consignees	10.2	10.8	13.5	12.0	11.2	9.7
Underwriting and distribution commission	12.1	14.2	15.4	15.9	13.3	9.4
Flotation and distribution fee	14.3	17.4	18.1	14.1	10.1	7.2
Other fees received (Beneficiary certificates)	13.7	14.0	15.2	6.1	6.0	5.5
Other fees received (Others)	10.1	7.7	6.7	9.5	8.5	17.7
Total	60.4	64.3	69.1	57.8	49.3	49.8

Net Trading Income

- Despite relatively weak bond trading, net trading income as a whole increased by approximately 11% from the previous quarter, benefiting from a significant recovery in stock trading. Total net trading income (including net financial revenue) also kept a stable level.

Quarterly Trends



	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 4Q
Stocks	19.0	2.1	17.0	9.2	(4.2)	15.5
Bonds and Others	38.7	41.2	42.4	29.2	42.5	26.9
Total	57.7	43.3	59.4	38.5	38.2	42.4
Net financial revenue	6.9	8.1	9.2	11.1	4.4	7.9
Total (including net financial revenue)	64.7	51.5	68.7	49.7	42.7	50.4

Maintained high presence in the investment banking business

- Captured the top position in the underwriting league table
 - Ranked first in Japanese bonds, as well as overall M&A deals and cross-border M&A deals related to Japanese companies, while ranking second in the total stocks ranking
- Demonstrating JV synergies to engage in large-scale deals
 - Appointed as a global coordinator serving concurrently as a lead manager for both Japanese and overseas offerings of shares for the simultaneous listing of three companies of the Japan Post Group
 - Alongside Nomura Securities Co., Ltd., we won the largest underwriting share (Japan 24.9%, Overseas 23.6%).
 - Appointed as a global coordinator serving concurrently as a lead manager for both Japanese and overseas offerings of shares in JR Kyushu by Japan Railway Construction, Transport and Technology Agency.
 - Engaged with large-scale business restructuring projects, including the deal by a consortium of ORIX CORPORATION and VINCI Airports to obtain the operating right of Kansai International Airport and Osaka International Airport (in the transaction value of JPY 2.2 trillion)
- Highly evaluated by leading media
 - Awarded the Best M&A House in Japan by *Euromoney* (*)
 - Awarded the BEST FOREIGN INVESTMENT BANK and BEST M&A HOUSE by *FinanceAsia* (*)
 - (*) Awarded as Japanese Securities Joint Venture between MUFG and Morgan Stanley (comprising Mitsubishi UFJ Morgan Stanley Securities and Morgan Stanley MUFG Securities)
 - Awarded the Yen Bond House by *IFR*
 - Won *Nikkei Veritas* Deal of the Year 2015 in all six sections

Maintained high presence in the secondary market as well

- Top JGB Market Special Participants: Second in both 1H and 2H of FY2015

Restructuring of subsidiaries

- kabu.com Securities Co., Ltd. becoming a subsidiary of MUSHD (April 1, 2015)
- A merger of Mitsubishi UFJ Asset Management Co., Ltd. and KOKUSAI Asset Management Co., Ltd. to establish Mitsubishi UFJ Kokusai Asset Management Co., Ltd. (an associated company accounted for by using the equity-method) (July 1, 2015)
- Transfer of the Ownership of Mitsubishi UFJ Securities (USA), Inc. into MUFG Americas Holdings Corporation (MUAH): Compliance with U.S. Enhanced Prudential Standards(Effective as of July 1, 2016)
 - Mitsubishi UFJ Financial Group, Inc. (MUFG) hereby announces that it has decided to designate MUAH, a U.S. subsidiary of MUFG's direct subsidiary, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (BTMU), as its U.S. intermediate holding company which is required to be established under the U.S. Enhanced Prudential Standards (the EPS Rules). Subject to all required regulatory approvals and necessary decisions by MUFG's subsidiaries in Japan and the U.S., BTMU, Mitsubishi UFJ Trust and Banking Corporation (MUTB), and MUSHD will transfer the ownership of their U.S. subsidiaries and affiliate to MUAH.

Consolidated Statement of Income (Full year, Quarter)

JPY million

	Full year		Quarter					
	FY2014	FY2015	FY2014		FY2015			
			3Q	4Q	1Q	2Q	3Q	4Q
Operating revenue	482,541	474,449	139,365	127,021	146,899	118,416	99,914	109,218
Commission received	231,825	226,105	60,481	64,347	69,108	57,828	49,323	49,844
Net trading income	177,948	178,770	57,789	43,392	59,455	38,543	38,272	42,498
Net gain on private equity and other securities	(18)	0	0	(3)	1	0	(1)	-
Other net gain on goods trading	1	-	-	0	-	-	-	-
Financial revenue	72,785	69,573	21,093	19,285	18,333	22,043	12,319	16,876
Financial expenses	46,784	36,706	14,171	11,090	9,066	10,872	7,879	8,888
Net operating revenue	435,757	437,742	125,193	115,930	137,833	107,544	92,035	100,329
SG & A	345,074	357,055	85,634	96,576	103,298	87,920	80,329	85,507
Operating income	90,683	80,687	39,559	19,354	34,535	19,623	11,705	14,822
Non-operating income	26,840	27,885	5,655	8,833	6,308	6,882	6,534	8,160
Non-operating expenses	2,593	715	801	377	548	(8)	72	102
Ordinary income	114,930	107,857	44,413	27,810	40,294	26,514	18,168	22,880
Extraordinary income	9,406	275	808	595	120	154	-	-
Extraordinary losses	2,444	3,513	130	1,982	638	2,195	134	545
Income taxes	37,748	33,971	14,181	6,787	14,130	7,905	5,707	6,226
Profit attributable to non-controlling interests	33,149	27,384	12,523	10,496	7,908	6,779	5,332	7,364
Profit attributable to owners of parent	50,995	43,262	18,387	9,139	17,737	9,789	6,992	8,743

Consolidated Balance Sheet

	As of Mar. 31, 2015	As of Mar. 31, 2016	Change
ASSETS			
Current assets	29,399	30,357	+957
Cash and deposits	1,157	1,202	+44
Trading products	15,525	14,549	(975)
Loans secured by securities	11,270	12,304	+1,033
Others	1,447	2,301	+854
Non-current assets	593	665	+72
PP & E	33	37	+3
Intangible assets	55	100	+44
Investments and other assets	504	528	+23
Total assets	29,993	31,023	+1,029

JPY billion

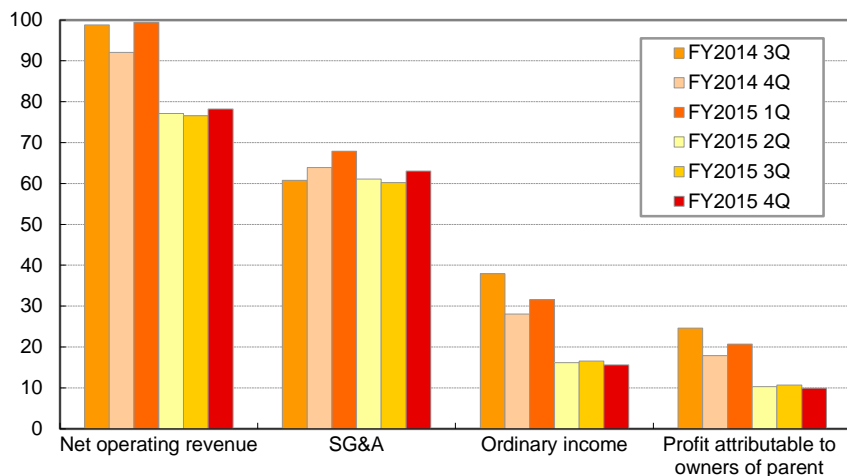
	As of Mar. 31, 2015	As of Mar. 31, 2016	Change
LIABILITIES			
Current liabilities	27,582	28,569	+986
Trading products	11,921	12,932	+1,010
Loans payable secured by securities	10,739	11,172	+432
Short-term loans payable	1,308	1,147	(160)
Others	3,612	3,316	(296)
Non-current liabilities	1,382	1,416	+33
Bonds payable	949	918	(31)
Long-term loans payable	416	488	+71
Others	15	9	(6)
Total liabilities	28,967	29,990	+1,022
NET ASSETS			
Shareholders' equity	735	755	+19
Accumulated other comprehensive income	40	21	(19)
Non-controlling interests	249	256	+6
Total net assets	1,025	1,033	+7
Total liabilities and net assets	29,993	31,023	+1,029

Quarterly Performance Trends

- The primary business continued to be steady due to M&A business, etc., and the secondary business also marked stable revenue. Due to factors such as the year-end cost, ordinary income and profit attributable to owners of parent decreased from the previous quarter to JPY 15.6 billion and JPY 9.9 billion, respectively.
- Mitsubishi UFJ Morgan Stanley PB Securities (MUMSPB) continued its steady contribution to MUMSS's performance, despite a decrease in revenue from the previous quarter.

Quarterly Trends

(JPY billion)



JPY billion

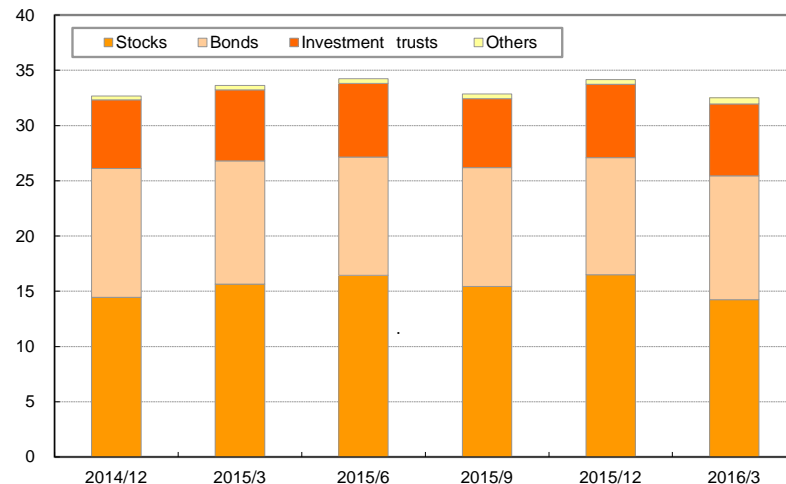
	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 4Q
Net operating revenue	98.8	92.1	99.4	77.1	76.6	78.2
SG&A	60.8	63.9	67.9	61.1	60.2	63.0
Ordinary income	37.9	28.1	31.6	16.2	16.6	15.6
Profit attributable to owners of parent	24.6	17.9	20.7	10.3	10.7	9.9

Trends of AUM

- AUM recorded approximately JPY 32.5 trillion at the end of March, 2016, which had been decreased from the previous quarter due to a decrease in stocks and investment trusts mainly due to the decline in market prices, despite of an increase in bonds.
- Of the above, AUM for the domestic Retail and Middle Market Sales Division recorded JPY 25.6 trillion (JPY 27.2 trillion at the end of December, 2015).

Quarterly Trends

(JPY trillion)



JPY trillion

	2014/12	2015/3	2015/6	2015/9	2015/12	2016/3
Stocks	14.4	15.6	16.5	15.4	16.5	14.2
Bonds	11.7	11.2	10.7	10.8	10.6	11.2
Investment trusts	6.2	6.4	6.7	6.2	6.6	6.5
Others	0.3	0.4	0.4	0.4	0.4	0.6
Total	32.7	33.6	34.2	32.9	34.1	32.5

MUMSS (non-consolidated)

JPY million

■ Statement of Income

	Full year	
	FY2014	FY2015
Operating revenue	309,252	302,534
Commission received	142,156	149,536
Net trading income	138,038	132,248
Others	1	0
Financial revenue	29,056	20,748
Financial expenses	10,797	9,636
Net operating revenue	298,455	292,897
SG & A	207,225	225,938
Operating income	91,229	66,958
Net non-operating income(expenses)	4,923	10,885
Ordinary income	96,153	77,844
Net extraordinary income (losses)	5,012	0
Income taxes	29,128	22,095
Profit	72,036	55,749

■ Balance Sheet

	As of	As of	Change
	Mar. 31, 2015	Mar. 31, 2016	
Current assets	14,425	13,930	(495)
Cash and deposits	973	1,033	+60
Trading products	9,493	9,038	(454)
Loans secured by securities	3,220	2,972	(247)
Others	738	885	+146
Non-current assets	116	134	+18
PP& E	19	19	+0
Intangible assets	27	46	+19
Investments and other assets	69	68	(1)
Total assets	14,542	14,064	(477)

	Quarter					
	FY2014		FY2015			
	3Q	4Q	1Q	2Q	3Q	4Q
	90,548	81,316	88,938	69,743	70,754	73,098
	37,194	38,166	38,821	37,703	36,372	36,640
	48,399	32,932	44,013	26,305	31,318	30,610
	0	(3)	1	0	(1)	-
	4,954	10,220	6,102	5,733	3,065	5,847
	2,558	2,787	2,367	2,405	2,513	2,349
	87,990	78,528	86,571	67,337	68,240	70,748
	54,113	55,736	60,157	54,131	54,169	57,480
	33,876	22,792	26,413	13,206	14,071	13,267
	3,432	186	4,986	660	4,579	658
	37,308	22,979	31,399	13,867	18,650	13,926
	(24)	(1,348)	730	(113)	(116)	(498)
	11,092	5,853	8,897	4,399	4,521	4,277
	26,192	15,777	23,232	9,354	14,013	9,150

JPY billion

	As of	As of	Change
	Mar. 31, 2015	Mar. 31, 2016	
Current liabilities	13,783	13,310	(472)
Trading products	6,908	8,036	+1,128
Loans payable secured by securities	3,309	2,575	(734)
Short-term loans payable	1,608	1,430	(178)
Others	1,956	1,268	(688)
Non-current liabilities	371	363	(7)
Long-term loans payable	360	356	(4)
Others	10	7	(3)
Total liabilities	14,156	13,676	(480)
Net assets	385	388	+2
Total liabilities and net assets	14,542	14,064	(477)

JPY million

MUMSPB (non-consolidated)

■ Statement of Income

	Full year	
	FY2014	FY2015
Net operating revenue	43,827	38,642
Ordinary income	16,189	12,703
Profit	10,192	8,582

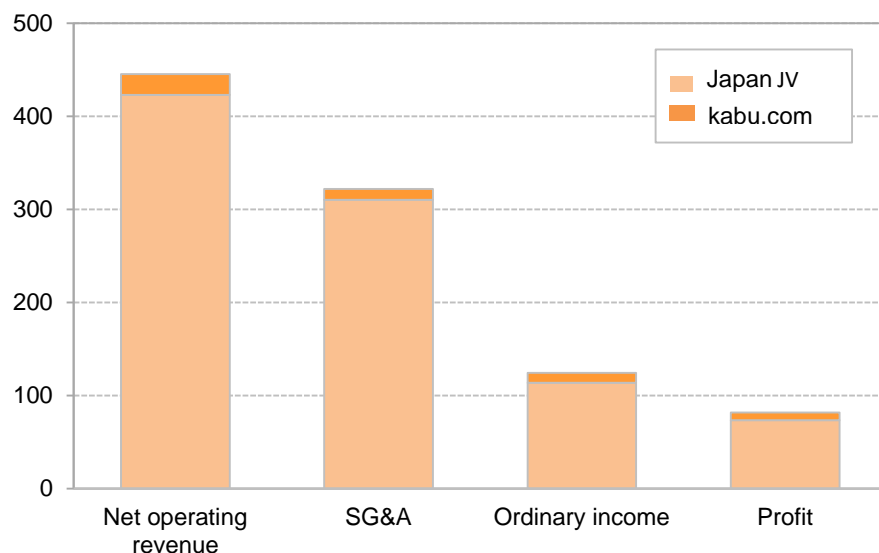
	Quarter					
	FY2014		FY2015			
	3Q	4Q	1Q	2Q	3Q	4Q
	10,856	13,643	12,894	9,790	8,417	7,538
	4,284	5,585	5,259	2,840	2,439	2,163
	2,749	3,410	3,494	1,863	1,615	1,608

Securities Companies' Performance

- Net operating revenue of Domestic Securities Companies is over JPY 440 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 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
Net Operating Revenue	445.6
Japan JV	423.2
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Consolidated base ("MUMSS" + "MUMSPB") * 1	331.4
Morgan Stanley MUFG Securities Co., Ltd. ("MSMS") * 2	91.8
kabu.com Securities Co., Ltd. ("kabu.com")	22.3
SG & A	322.3
Japan JV	310.5
MUMSS Consolidated base	252.4
MSMS	58.1
kabu.com	11.7
Ordinary income	124.6
Japan JV	113.8
MUMSS Consolidated base	80.1
MSMS	33.7
kabu.com	10.7
Profit	81.8
Japan JV	73.7
MUMSS Consolidated base (Profit attributable to owners of parent)	51.8
MSMS	21.9
kabu.com	8.0

* 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

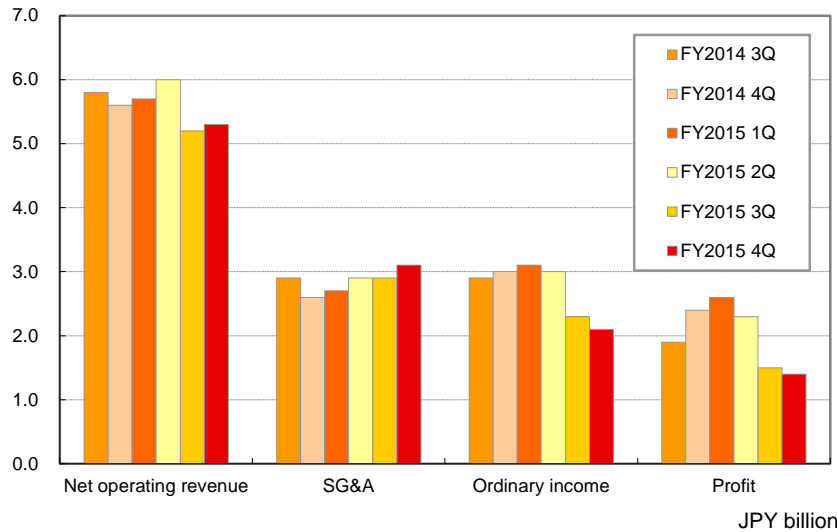
- Kabu.com Securities Co., Ltd., despite slowdown in the second half of the fiscal year reflecting the unstable market environment, continued to contribute to consolidated revenue by posting stable revenue, with ordinary income of JPY 2.1 billion and profit of JPY 1.4 billion.

Overseas Subsidiaries Quarterly Trends

- Business in North America recovered to secure profit in 4Q due to an increase in revenue from 3Q mainly in debt capital markets and bond trading businesses.
- Business in Europe showed a slight improvement as it also virtually returned to surplus mainly due to an improvement in the secondary business, although accounting cost increased temporarily due to enhancement of risk measurement method, etc.
- Overseas subsidiaries as a whole kept approximately JPY 2.2 billion of ordinary income on a full-year basis.

Quarterly Trends

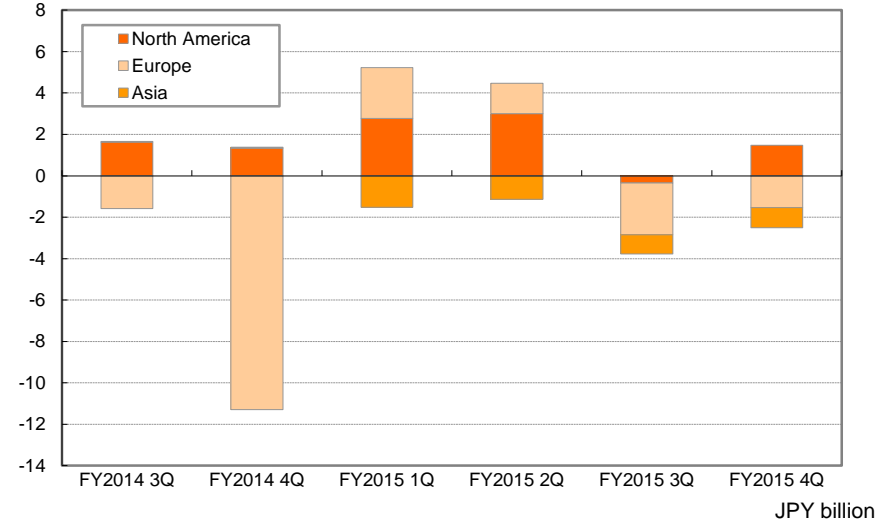
(JPY billion)



	FY2014 3Q	FY2014 4Q	FY2015 1Q * 1	FY2015 2Q	FY2015 3Q	FY2015 4Q
Net operating revenue	5.8	5.6	5.7	6.0	5.2	5.3
SG&A	2.9	2.6	2.7	2.9	2.9	3.1
Ordinary income	2.9	3.0	3.1	3.0	2.3	2.1
Profit	1.9	2.4	2.6	2.3	1.5	1.4

Ordinary income (loss): Quarterly Trends

(JPY billion)



	FY2014 3Q	FY2014 4Q	FY2015 1Q	FY2015 2Q	FY2015 3Q	FY2015 4Q
North America	1.63	1.34	2.78	3.01	(0.35)	1.48
Europe	(1.58)	(11.29)	2.44	1.46	(2.49)	(1.53)
Asia	0.03	0.05	(1.52)	(1.14)	(0.93)	(0.97)
Total	0.09	(9.88)	3.69	3.34	(3.78)	(1.03)

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

Financial Soundness Indicators (Credit Rating, Capital Adequacy Ratio, etc.)

Credit Rating

- Credit ratings remained unchanged. The credit rating outlooks were also stable. (as of March 31, 2016)

Capital Adequacy

- Capital adequacy ratio at the end of March, 2016 stood at 278%, 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

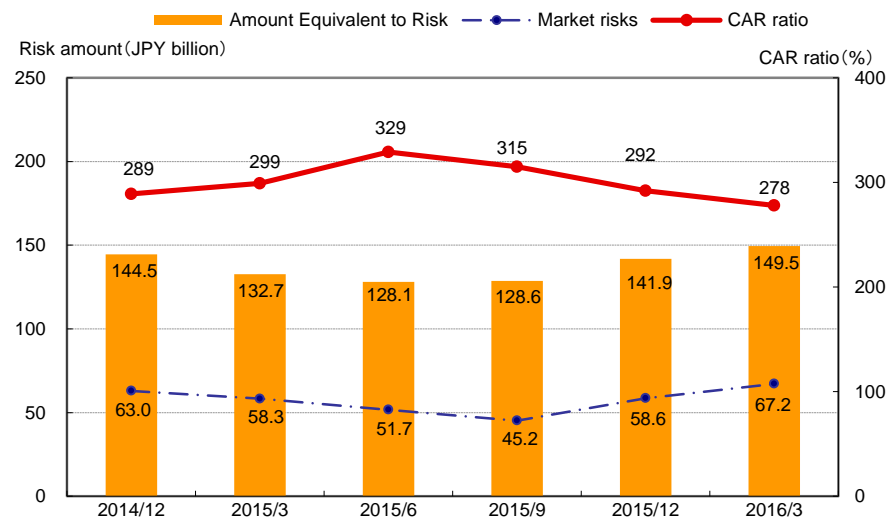
*CP rating

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)	2014/12	2015/3	2015/6	2015/9	2015/12	2016/3
Capital stock	75.5	75.5	75.5	75.5	75.5	75.5
Net assets (Total)	995.9	1,025.7	1,022.6	1,046.0	1,025.6	1,033.0

MUMSS	2014/12	2015/3	2015/6	2015/9	2015/12	2016/3
Capital stock	40.5	40.5	40.5	40.5	40.5	40.5
Net assets (Total)	377.7	398.1	381.6	391.9	385.4	392.9
Non-consolidated	369.6	385.7	372.5	381.6	379.4	388.3

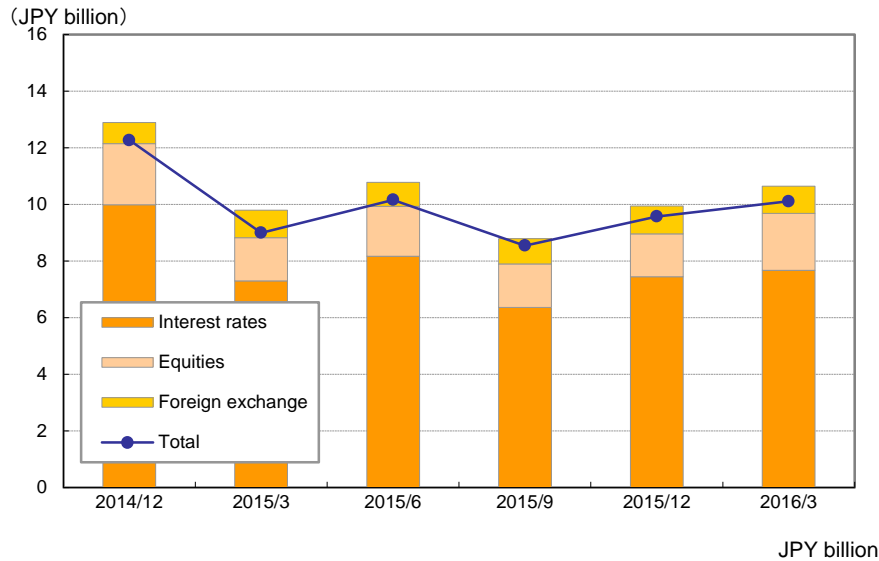
Value at Risk (VaR) associated with the trading activities

- Amount of risks as a whole slightly increased due to an increase of equities risks accompanying customer trading in domestic subsidiary.

Methodology of VaR

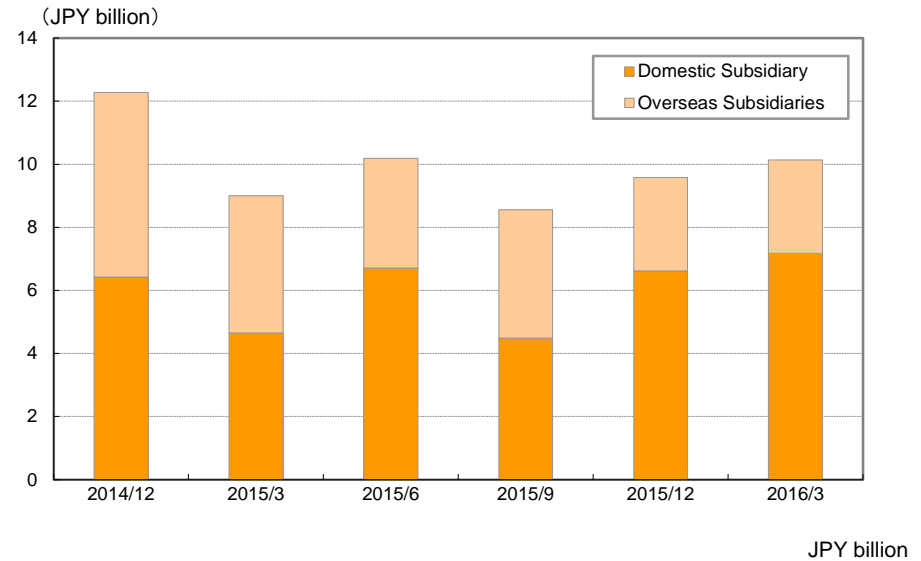
Historical simulation method (10-day holding period, 99% of confidence interval and 701-business day observation period)

Quarterly trends of VaR by risk category



	2014/12	2015/3	2015/6	2015/9	2015/12	2016/3
Interest rates	10.0	7.3	8.2	6.4	7.4	7.7
Equities	2.2	1.5	1.8	1.5	1.5	2.0
Foreign exchange	0.7	1.0	0.8	0.9	1.0	1.0
Total	12.3	9.0	10.2	8.5	9.6	10.1

Quarterly trends of VaR by type of subsidiary



	2014/12	2015/3	2015/6	2015/9	2015/12	2016/3
Domestic Subsidiary	6.4	4.7	6.7	4.5	6.6	7.2
Overseas Subsidiaries	5.9	4.4	3.5	4.1	3.0	3.0
Total	12.3	9.0	10.2	8.5	9.6	10.1

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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