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October 28, 2016

## Consolidated Financial Results for the Second 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 second quarter of fiscal year 2016 (from April 1, 2016 to September 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 six months of FY2016	200,579	(24.4)	185,024	(24.6)	24,049	(55.6)	47,745	(28.5)
First six months of FY2015	265,316	22.7	245,377	26.1	54,159	70.5	66,809	56.4

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First six months of FY2016	27,199	(1.2)	36.91	36.91
First six months of FY2015	27,527	17.3	37.35	—

(Note) Comprehensive income First six months of FY2016: (20,466) million yen —%  
First six months of FY2015: 41,947 million yen 42.6%

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2016	30,358,612	932,329	2.2
As of March 31, 2016	31,023,040	1,033,030	2.5

(Reference) Equity As of September 30, 2016: 667,575 million 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): Yes**  
Excluded: 1 company (MUFG Securities Americas Inc.)
- (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 September 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 September 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 six months of the fiscal year ending March 31, 2017	736,985,496 shares
First six 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 six 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 September 30, 2016
<b>ASSETS</b>		
Current assets		
Cash and deposits	1,202,126	1,152,989
Cash segregated as deposits	609,108	677,436
Trading products	14,549,323	17,989,944
Trading securities and other	3,082,614	2,594,069
Derivatives	11,466,709	15,395,875
Trade date accrual	159,535	—
Margin transaction assets	260,890	229,031
Loans secured by securities	12,304,282	8,376,133
Short-term guarantee deposits	944,504	955,711
Short-term investment securities	180,930	52,608
Income taxes receivable	1,862	—
Other current assets	144,548	187,071
Allowance for doubtful accounts	(0)	(0)
Total current assets	30,357,113	29,620,925
Non-current assets		
Property, plant and equipment	37,508	39,962
Intangible assets	100,035	102,335
Investments and other assets	528,383	595,388
Total non-current assets	665,927	737,686
Total assets	31,023,040	30,358,612

(Millions of yen)

	As of March 31, 2016	As of September 30, 2016
<b>LIABILITIES</b>		
Current liabilities		
Trading products	12,932,406	16,843,450
Trading securities and other	1,730,053	1,715,648
Derivatives	11,202,353	15,127,801
Trade date accrual	—	130,013
Margin transaction liabilities	162,002	175,744
Loans payable secured by securities	11,172,507	6,816,155
Short-term loans payable	1,147,689	1,079,958
Current portion of bonds	169,048	196,990
Current portion of long-term loans payable	71,548	78,086
Commercial papers	735,924	396,121
Income taxes payable	12,084	5,789
Asset retirement obligations	1,055	887
Other current liabilities	2,165,014	2,318,885
<b>Total current liabilities</b>	<b>28,569,280</b>	<b>28,042,082</b>
Non-current liabilities		
Bonds payable	918,311	889,193
Long-term loans payable	488,815	476,453
Net defined benefit liability	1,826	4,561
Provision for directors' retirement benefits	19	25
Asset retirement obligations	5,629	7,650
Other non-current liabilities	1,894	2,276
<b>Total non-current liabilities</b>	<b>1,416,497</b>	<b>1,380,162</b>
Reserves under the special laws		
Reserve for financial products transaction liabilities	4,232	4,037
<b>Total reserves under the special laws</b>	<b>4,232</b>	<b>4,037</b>
<b>Total liabilities</b>	<b>29,990,010</b>	<b>29,426,282</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	75,518	75,518
Capital surplus	451,480	451,481
Retained earnings	228,089	173,817
<b>Total shareholders' equity</b>	<b>755,089</b>	<b>700,817</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	690	(438)
Deferred gains or losses on hedges	(37)	50
Foreign currency translation adjustment	19,508	(33,619)
Remeasurements of defined benefit plans	1,074	766
<b>Total accumulated other comprehensive income</b>	<b>21,236</b>	<b>(33,241)</b>
Subscription rights to shares	—	16
Non-controlling interests	256,704	264,737
<b>Total net assets</b>	<b>1,033,030</b>	<b>932,329</b>
<b>Total liabilities and net assets</b>	<b>31,023,040</b>	<b>30,358,612</b>

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

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)
Operating revenue		
Commission received	126,937	85,517
Net trading income	97,999	81,446
Financial revenue	40,377	33,615
Other operating revenue	2	0
Total operating revenue	265,316	200,579
Financial expenses	19,938	15,554
Net operating revenue	245,377	185,024
Selling, general and administrative expenses	191,218	160,975
Operating income	54,159	24,049
Non-operating income		
Share of profit of entities accounted for using equity method	8,143	19,511
Other	5,046	4,972
Total non-operating income	13,190	24,484
Non-operating expenses		
Loss on valuation of derivatives	195	—
Loss on retirement of non-current assets	164	620
Other	179	167
Total non-operating expenses	540	788
Ordinary income	66,809	47,745
Extraordinary income		
Gain on sales of investment securities	275	0
Reversal of reserve for financial products transaction liabilities	—	194
Total extraordinary income	275	195
Extraordinary losses		
Loss on sales of investment securities	26	34
Loss on valuation of investment securities	23	—
Impairment loss	195	110
Loss on change in equity	1,884	—
Provision of reserve for financial products transaction liabilities	328	—
Head office transfer cost	—	738
Other	376	—
Total extraordinary losses	2,833	883
Profit before income taxes	64,250	47,057
Income taxes-current	23,072	5,302
Income taxes-deferred	(1,035)	1,967
Total income taxes	22,036	7,269
Profit	42,214	39,787
Profit attributable to non-controlling interests	14,687	12,588
Profit attributable to owners of parent	27,527	27,199

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)
Profit	42,214	39,787
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,349)	(1,086)
Deferred gains or losses on hedges	(75)	84
Foreign currency translation adjustment	7,946	(58,606)
Remeasurements of defined benefit plans, net of tax	(372)	(269)
Share of other comprehensive income of entities accounted for using equity method	(416)	(376)
Total other comprehensive income	(267)	(60,254)
Comprehensive income	41,947	(20,466)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	27,421	(32,216)
Comprehensive income attributable to non-controlling interests	14,525	11,749



(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 Second Quarter of the Fiscal Year Ending March 31, 2017**

## 1. Commission received

## (1) Breakdown by item

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	25,617	17,944	(7,673)	46,662
Stocks	24,263	16,972	(7,291)	43,931
Bonds	141	47	(93)	310
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	31,377	23,325	(8,052)	54,157
Stocks	9,176	5,679	(3,496)	17,407
Bonds	22,201	17,645	(4,555)	36,750
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	32,270	15,715	(16,555)	49,702
Beneficiary certificates	31,568	13,897	(17,671)	47,506
Other fees received	37,671	28,531	(9,139)	75,582
Beneficiary certificates	21,421	10,895	(10,526)	33,022
Total	126,937	85,517	(41,420)	226,105

## (2) Breakdown by product

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	37,207	24,673	(12,533)	66,474
Bonds	23,767	20,678	(3,088)	41,540
Beneficiary certificates	53,985	25,607	(28,377)	82,530
Other	11,977	14,557	2,580	35,559
Total	126,937	85,517	(41,420)	226,105

## 2. Net trading income

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	26,294	(11,624)	(37,919)	37,574
Bonds and other *	71,704	93,071	21,366	141,196
Total	97,999	81,446	(16,552)	178,770

\* "Net trading income from bonds" and "Net trading income from other" are reclassified as "Net trading income from bonds and other" from this fiscal year.

## Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	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)	2Q of FY2016 (July 1 to September 30, 2016)
Operating revenue	118,416	99,914	109,218	98,805	101,774
Commission received	57,828	49,323	49,844	39,633	45,883
Commission to consignees	12,087	11,246	9,798	8,836	9,108
Stocks	11,210	10,525	9,142	8,274	8,697
Bonds	95	123	45	23	24
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	15,930	13,326	9,453	10,130	13,195
Stocks	3,755	6,542	1,688	2,548	3,131
Bonds	12,174	6,784	7,765	7,581	10,063
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	14,132	10,147	7,283	7,657	8,058
Beneficiary certificates	13,892	9,253	6,684	6,789	7,107
Other fees received	15,678	14,602	23,309	13,009	15,521
Beneficiary certificates	6,165	6,076	5,524	5,408	5,486
Net trading income	38,543	38,272	42,498	42,557	38,889
Net trading income from securities (stocks)	9,279	(4,275)	15,555	(14,133)	2,508
Net trading income from bonds and other *	29,264	42,548	26,942	56,690	36,380
Financial revenue	22,043	12,319	16,876	16,613	17,001
Other operating revenue	0	(1)	—	0	0
Financial expenses	10,872	7,879	8,888	11,213	4,341
Net operating revenue	107,544	92,035	100,329	87,592	97,432
Selling, general and administrative expenses	87,920	80,329	85,507	78,489	82,486
Trading related expenses	28,795	27,655	29,651	23,190	23,962
Personnel expenses	35,198	29,412	30,685	30,535	34,317
Real estate expenses	6,199	5,941	7,974	6,800	7,015
Office cost	8,760	7,929	7,947	7,764	7,971
Depreciation	5,493	5,354	5,846	5,957	5,475
Taxes and dues	344	2,614	1,036	2,118	1,333
Other	3,129	1,420	2,365	2,122	2,410
Operating income	19,623	11,705	14,822	9,103	14,946
Non-operating income	6,882	6,534	8,160	12,541	11,942
Non-operating expenses	(8)	72	102	107	680
Ordinary income	26,514	18,168	22,880	21,536	26,208
Extraordinary income	154	—	—	196	(1)
Extraordinary losses	2,195	134	545	455	427
Profit before income taxes	24,474	18,033	22,335	21,278	25,779
Income taxes-current	13,497	4,657	7,826	137	5,165
Income taxes-deferred	(5,591)	1,050	(1,599)	1,671	296
Total income taxes	7,905	5,707	6,226	1,808	5,461
Profit	16,568	12,325	16,108	19,469	20,318
Profit attributable to non-controlling interests	6,779	5,332	7,364	4,597	7,990
Profit attributable to owners of parent	9,789	6,992	8,743	14,872	12,327

\* "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 Second Quarter of the Fiscal Year Ending March 31, 2017

(1) Consolidated operating results

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Operating revenue	181,426	139,183	(42,243)	341,375
Commission received	87,143	62,063	(25,079)	167,551
Net trading income	82,392	68,632	(13,759)	152,745
Net operating revenue	176,546	135,288	(41,258)	331,470
Operating income	47,450	19,646	(27,803)	79,059
Ordinary income	47,880	20,250	(27,629)	80,175
Profit attributable to owners of parent	31,117	12,711	(18,405)	51,813

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	19,272	13,421	(5,850)	35,060
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,565	7,657	(907)	18,993
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	32,099	15,642	(16,457)	49,417
Other fees received	27,206	25,341	(1,865)	64,080
Total	87,143	62,063	(25,079)	167,551

<Breakdown by product of commission received>

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	27,892	18,222	(9,670)	51,142
Bonds	4,069	7,032	2,963	10,518
Beneficiary certificates	44,337	25,230	(19,106)	72,453
Other	10,843	11,577	733	33,438
Total	87,143	62,063	(25,079)	167,551

<Net trading income>

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	24,089	15,581	(8,507)	38,259
Bonds and other *	58,303	53,051	(5,252)	114,486
Total	82,392	68,632	(13,759)	152,745

\* "Net trading income from bonds" and "Net trading income from other" are reclassified as "Net trading income from bonds and other" from this fiscal year.

(2) Consolidated financial position

(Millions of yen)

	As of September 30, 2015	As of September 30, 2016	Increase (Decrease)	As of March 31, 2016
Total assets	15,940,736	15,320,538	1,201,851	14,118,686
Net assets	391,992	405,020	12,059	392,960

<Reference>

(3) Non-consolidated operating results

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Operating revenue	158,681	123,646	(35,034)	302,534
Commission received	76,524	54,756	(21,767)	149,536
Net trading income	70,319	60,479	(9,839)	132,248
Net operating revenue	153,908	119,908	(33,999)	292,897
Operating income	39,619	16,041	(23,578)	66,958
Ordinary income	45,267	19,604	(25,662)	77,844
Profit	32,586	13,976	(18,609)	55,749

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	18,946	13,170	(5,775)	34,429
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,565	7,657	(907)	18,993
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	24,957	11,431	(13,526)	38,216
Other fees received	24,055	22,496	(1,558)	57,896
Total	76,524	54,756	(21,767)	149,536

<Breakdown by product of commission received>

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	27,655	18,065	(9,590)	50,719
Bonds	3,519	6,126	2,606	8,908
Beneficiary certificates	34,620	19,115	(15,505)	56,702
Other	10,728	11,449	720	33,205
Total	76,524	54,756	(21,767)	149,536

<Net trading income>

(Millions of yen)

	First six months of FY2015 (From April 1, 2015 to September 30, 2015)	First six months of FY2016 (From April 1, 2016 to September 30, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	21,161	12,859	(8,302)	33,132
Bonds and other *	49,157	47,620	(1,536)	99,115
Total	70,319	60,479	(9,839)	132,248

\* "Net trading income from bonds" and "Net trading income from other" are reclassified as "Net trading income from bonds and other" from this fiscal year.

(4) Non-consolidated financial position

(Millions of yen)

	As of September 30, 2015	As of September 30, 2016	Increase (Decrease)	As of March 31, 2016
Total assets	15,877,843	15,259,586	1,194,984	14,064,602
Net assets	381,657	402,118	13,726	388,391