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January 31, 2017

Consolidated Financial Results for the Third 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 third quarter of fiscal year 2016 (from April 1, 2016 to December 31, 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 nine months of FY2016	287,618	(21.3)	268,045	(20.6)	37,462	(43.1)	66,569	(21.7)
First nine months of FY2015	365,230	2.7	337,412	5.5	65,864	(7.7)	84,977	(2.5)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First nine months of FY2016	36,121	4.6	49.01	49.01
First nine months of FY2015	34,519	(17.5)	46.84	—

(Note) Comprehensive income First nine months of FY2016: (14,986) million yen —%
First nine months of FY2015: 40,133 million yen (42.2)%

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2016	30,495,187	924,186	2.2
As of March 31, 2016	31,023,040	1,033,030	2.5

(Reference) Equity As of December 31, 2016: 659,073 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 December 31, 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 December 31, 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 nine months of the fiscal year ending March 31, 2017	736,985,496 shares
First nine 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 nine 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 December 31, 2016
ASSETS		
Current assets		
Cash and deposits	1,202,126	1,421,267
Cash segregated as deposits	609,108	763,391
Trading products	14,549,323	15,957,054
Trading securities and other	3,082,614	2,816,805
Derivatives	11,466,709	13,140,249
Trade date accrual	159,535	—
Margin transaction assets	260,890	212,625
Loans secured by securities	12,304,282	10,171,973
Short-term guarantee deposits	944,504	961,854
Short-term investment securities	180,930	58,929
Income taxes receivable	1,862	2,399
Other current assets	144,548	244,732
Allowance for doubtful accounts	(0)	(0)
Total current assets	30,357,113	29,794,228
Non-current assets		
Property, plant and equipment	37,508	39,363
Intangible assets	100,035	107,474
Investments and other assets	528,383	554,122
Total non-current assets	665,927	700,959
Total assets	31,023,040	30,495,187

(Millions of yen)

	As of March 31, 2016	As of December 31, 2016
LIABILITIES		
Current liabilities		
Trading products	12,932,406	15,492,212
Trading securities and other	1,730,053	2,495,451
Derivatives	11,202,353	12,996,761
Trade date accrual	—	304,583
Margin transaction liabilities	162,002	146,394
Loans payable secured by securities	11,172,507	7,848,702
Short-term loans payable	1,147,689	1,201,485
Current portion of bonds	169,048	170,118
Current portion of long-term loans payable	71,548	83,205
Commercial papers	735,924	458,507
Income taxes payable	12,084	3,737
Asset retirement obligations	1,055	300
Provision for contingent loss	275	1,542
Other current liabilities	2,164,739	2,417,237
Total current liabilities	28,569,280	28,128,029
Non-current liabilities		
Bonds payable	918,311	905,290
Long-term loans payable	488,815	518,350
Net defined benefit liability	1,826	4,245
Provision for directors' retirement benefits	19	27
Asset retirement obligations	5,629	7,667
Other non-current liabilities	1,894	3,352
Total non-current liabilities	1,416,497	1,438,933
Reserves under the special laws		
Reserve for financial products transaction liabilities	4,232	4,037
Total reserves under the special laws	4,232	4,037
Total liabilities	29,990,010	29,571,000
NET ASSETS		
Shareholders' equity		
Capital stock	75,518	75,518
Capital surplus	451,480	451,481
Retained earnings	228,089	172,723
Total shareholders' equity	755,089	699,723
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	690	642
Deferred gains or losses on hedges	(37)	18
Foreign currency translation adjustment	19,508	(42,005)
Remeasurements of defined benefit plans	1,074	693
Total accumulated other comprehensive income	21,236	(40,650)
Subscription rights to shares	—	16
Non-controlling interests	256,704	265,097
Total net assets	1,033,030	924,186
Total liabilities and net assets	31,023,040	30,495,187

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

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)
Operating revenue		
Commission received	176,261	124,296
Net trading income	136,272	122,971
Financial revenue	52,696	40,350
Other operating revenue	0	0
Total operating revenue	365,230	287,618
Financial expenses	27,817	19,573
Net operating revenue	337,412	268,045
Selling, general and administrative expenses	271,547	230,582
Operating income	65,864	37,462
Non-operating income		
Share of profit of entities accounted for using equity method	13,046	23,544
Other	6,678	6,320
Total non-operating income	19,724	29,864
Non-operating expenses		
Loss on valuation of derivatives	195	—
Loss on retirement of non-current assets	197	613
Other	219	144
Total non-operating expenses	612	758
Ordinary income	84,977	66,569
Extraordinary income		
Gain on sales of investment securities	275	20
Reversal of reserve for financial products transaction liabilities	—	194
Total extraordinary income	275	215
Extraordinary losses		
Loss on sales of investment securities	26	46
Loss on valuation of investment securities	23	—
Impairment loss	301	230
Loss on change in equity	1,884	—
Provision of reserve for financial products transaction liabilities	349	—
Head office transfer cost	1	1,036
Provision for contingent loss	—	1,375
Other	381	—
Total extraordinary losses	2,967	2,689
Profit before income taxes	82,284	64,095
Income taxes-current	27,730	10,843
Income taxes-deferred	14	700
Total income taxes	27,744	11,544
Profit	54,539	52,550
Profit attributable to non-controlling interests	20,020	16,429
Profit attributable to owners of parent	34,519	36,121

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)
Profit	54,539	52,550
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,198)	(7)
Deferred gains or losses on hedges	56	86
Foreign currency translation adjustment	(6,258)	(67,006)
Remeasurements of defined benefit plans, net of tax	(576)	(404)
Share of other comprehensive income of entities accounted for using equity method	(429)	(205)
Total other comprehensive income	(14,406)	(67,537)
Comprehensive income	40,133	(14,986)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	20,473	(30,703)
Comprehensive income attributable to non-controlling interests	19,659	15,717

(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 Third Quarter of the Fiscal Year Ending March 31, 2017

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	36,864	29,007	(7,856)	46,662
Stocks	34,788	27,518	(7,270)	43,931
Bonds	264	63	(201)	310
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	44,704	28,625	(16,079)	54,157
Stocks	15,719	8,316	(7,402)	17,407
Bonds	28,985	20,308	(8,676)	36,750
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	42,418	23,668	(18,749)	49,702
Beneficiary certificates	40,821	21,248	(19,573)	47,506
Other fees received	52,273	42,994	(9,278)	75,582
Beneficiary certificates	27,497	16,656	(10,841)	33,022
Total	176,261	124,296	(51,964)	226,105

(2) Breakdown by product

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	55,086	38,287	(16,799)	66,474
Bonds	32,272	24,115	(8,156)	41,540
Beneficiary certificates	69,825	39,175	(30,649)	82,530
Other	19,076	22,717	3,640	35,559
Total	176,261	124,296	(51,964)	226,105

2. Net trading income

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	22,018	782	(21,235)	37,574
Bonds and other *	114,253	122,188	7,935	141,196
Total	136,272	122,971	(13,300)	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)

	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)	3Q of FY2016 (October 1 to December 31, 2016)
Operating revenue	99,914	109,218	98,805	101,774	87,038
Commission received	49,323	49,844	39,633	45,883	38,779
Commission to consignees	11,246	9,798	8,836	9,108	11,062
Stocks	10,525	9,142	8,274	8,697	10,546
Bonds	123	45	23	24	15
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	13,326	9,453	10,130	13,195	5,299
Stocks	6,542	1,688	2,548	3,131	2,636
Bonds	6,784	7,765	7,581	10,063	2,662
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	10,147	7,283	7,657	8,058	7,953
Beneficiary certificates	9,253	6,684	6,789	7,107	7,351
Other fees received	14,602	23,309	13,009	15,521	14,463
Beneficiary certificates	6,076	5,524	5,408	5,486	5,761
Net trading income	38,272	42,498	42,557	38,889	41,524
Net trading income from securities (stocks)	(4,275)	15,555	(14,133)	2,508	12,407
Net trading income from bonds and other *	42,548	26,942	56,690	36,380	29,117
Financial revenue	12,319	16,876	16,613	17,001	6,735
Other operating revenue	(1)	—	0	0	—
Financial expenses	7,879	8,888	11,213	4,341	4,018
Net operating revenue	92,035	100,329	87,592	97,432	83,020
Selling, general and administrative expenses	80,329	85,507	78,489	82,486	69,607
Trading related expenses	27,655	29,651	23,190	23,962	21,281
Personnel expenses	29,412	30,685	30,535	34,317	25,661
Real estate expenses	5,941	7,974	6,800	7,015	5,888
Office cost	7,929	7,947	7,764	7,971	7,795
Depreciation	5,354	5,846	5,957	5,475	5,472
Taxes and dues	2,614	1,036	2,118	1,333	2,031
Other	1,420	2,365	2,122	2,410	1,475
Operating income	11,705	14,822	9,103	14,946	13,413
Non-operating income	6,534	8,160	12,541	11,942	5,380
Non-operating expenses	72	102	107	680	(30)
Ordinary income	18,168	22,880	21,536	26,208	18,823
Extraordinary income	—	—	196	(1)	19
Extraordinary losses	134	545	455	427	1,806
Profit before income taxes	18,033	22,335	21,278	25,779	17,037
Income taxes-current	4,657	7,826	137	5,165	5,540
Income taxes-deferred	1,050	(1,599)	1,671	296	(1,266)
Total income taxes	5,707	6,226	1,808	5,461	4,274
Profit	12,325	16,108	19,469	20,318	12,763
Profit attributable to non-controlling interests	5,332	7,364	4,597	7,990	3,840
Profit attributable to owners of parent	6,992	8,743	14,872	12,327	8,922

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

(1) Consolidated operating results

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Operating revenue	260,658	208,702	(51,955)	341,375
Commission received	127,574	95,652	(31,922)	167,551
Net trading income	117,910	100,227	(17,683)	152,745
Net operating revenue	253,191	203,076	(50,114)	331,470
Operating income	63,805	28,946	(34,858)	79,059
Ordinary income	64,519	29,994	(34,524)	80,175
Profit attributable to owners of parent	41,890	18,894	(22,996)	51,813

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	27,845	22,314	(5,530)	35,060
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	16,147	11,297	(4,849)	18,993
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	42,192	23,562	(18,630)	49,417
Other fees received	41,389	38,476	(2,912)	64,080
Total	127,574	95,652	(31,922)	167,551

<Breakdown by product of commission received>

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	42,841	29,609	(13,231)	51,142
Bonds	7,115	8,840	1,724	10,518
Beneficiary certificates	59,956	38,612	(21,344)	72,453
Other	17,660	18,589	929	33,438
Total	127,574	95,652	(31,922)	167,551

<Net trading income>

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	32,682	26,986	(5,695)	38,259
Bonds and other *	85,227	73,240	(11,987)	114,486
Total	117,910	100,227	(17,683)	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 December 31, 2015	As of December 31, 2016	Increase (Decrease)	As of March 31, 2016
Total assets	17,808,148	14,785,366	666,679	14,118,686
Net assets	385,410	411,100	18,139	392,960

<Reference>

(3) Non-consolidated operating results

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Operating revenue	229,436	185,397	(44,039)	302,534
Commission received	112,896	84,522	(28,374)	149,536
Net trading income	101,637	88,148	(13,489)	132,248
Net operating revenue	222,149	179,991	(42,157)	292,897
Operating income	53,690	23,331	(30,358)	66,958
Ordinary income	63,918	29,667	(34,250)	77,844
Profit	46,599	21,517	(25,082)	55,749

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Commission to consignees	27,375	21,851	(5,523)	34,429
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	16,147	11,297	(4,849)	18,993
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	32,748	17,329	(15,418)	38,216
Other fees received	36,626	34,043	(2,582)	57,896
Total	112,896	84,522	(28,374)	149,536

<Breakdown by product of commission received>

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	42,514	29,289	(13,225)	50,719
Bonds	5,771	7,547	1,776	8,908
Beneficiary certificates	47,128	29,299	(17,828)	56,702
Other	17,481	18,384	903	33,205
Total	112,896	84,522	(28,374)	149,536

<Net trading income>

(Millions of yen)

	First nine months of FY2015 (From April 1, 2015 to December 31, 2015)	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	Increase (Decrease)	FY2015 (From April 1, 2015 to March 31, 2016)
Stocks	28,613	23,282	(5,330)	33,132
Bonds and other *	73,024	64,865	(8,158)	99,115
Total	101,637	88,148	(13,489)	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 December 31, 2015	As of December 31, 2016	Increase (Decrease)	As of March 31, 2016
Total assets	17,742,631	14,725,792	661,190	14,064,602
Net assets	379,455	409,999	21,607	388,391