



Mitsubishi UFJ Securities Holdings

# FY2016 Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

April, 2017

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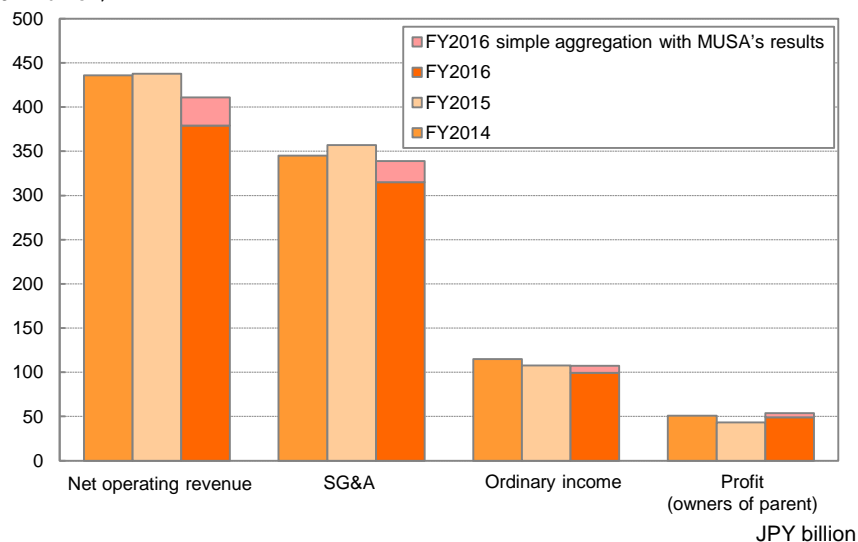
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## Annual Performance Trends

- Profit attributable to owners of parent increased thanks to an increase in contribution income in overseas subsidiaries while revenue decreased from those in FY2015, with net operating revenue of JPY 379.2 billion (-13% YoY), ordinary income of JPY 99.5 billion (-7% YoY) and profit attributable to owners of parent of JPY 49.0 billion (+13% YoY).
- Profit attributable to owners of parent for FY2016 in a simple aggregation with the results of MUFG Securities Americas Inc. (MUSA) further increased on an actual basis to JPY 53.8 billion (+24% YoY).

## Annual Trends

(JPY billion)



	FY2014	FY2015	FY2016
Net operating revenue	435.7	437.7	379.2
SG&A	345.0	357.0	315.1
Ordinary income	114.9	107.8	99.5
Profit (owners of parent)	50.9	43.2	49.0

### Simple aggregation with MUSA's results

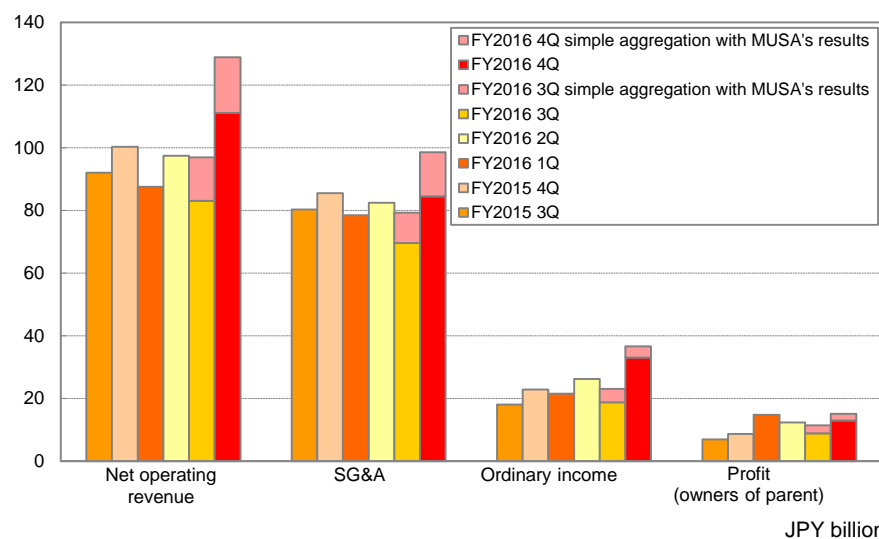
Net operating revenue	—	—	411.0
SG&A	—	—	338.9
Ordinary income	—	—	107.5
Profit (owners of parent)	—	—	53.8

## Quarterly Performance Trends

- The performance of domestic subsidiaries grew mainly in the secondary business while overseas subsidiaries also maintained strong performance and reported significant increases in both revenues and profit in 4Q from the previous quarter. Both net operating revenue and ordinary income recorded the highest levels in the past six quarters.
- Ordinary income in a simple aggregation with the results of MUSA was JPY 36.7 billion and profit attributable to owners of parent was JPY 15.1 billion.

## Quarterly Trends

(JPY billion)



	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Net operating revenue	92.0	100.3	87.5	97.4	83.0	111.1
SG&A	80.3	85.5	78.4	82.4	69.6	84.5
Ordinary income	18.1	22.8	21.5	26.2	18.8	33.0
Profit (owners of parent)	6.9	8.7	14.8	12.3	8.9	12.9

### Simple aggregation with MUSA's results

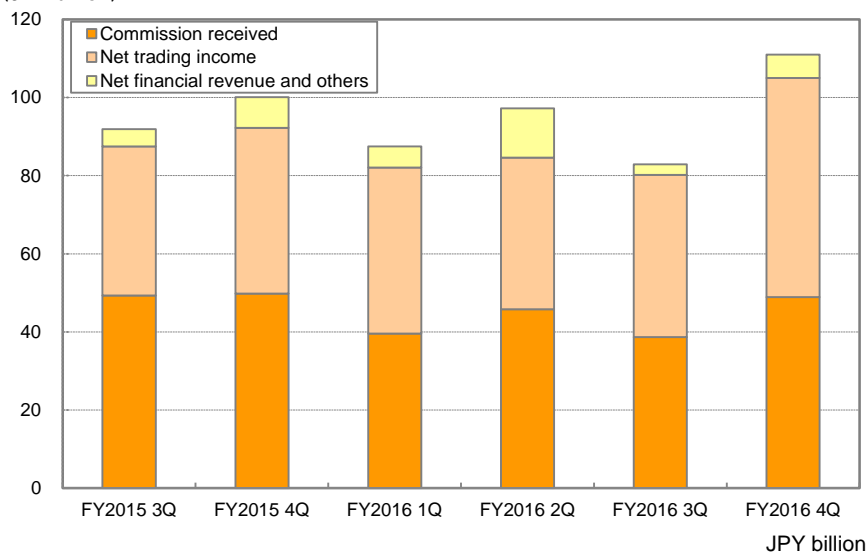
Net operating revenue	—	—	—	—	97.0	128.9
SG&A	—	—	—	—	79.3	98.6
Ordinary income	—	—	—	—	23.0	36.7
Profit (owners of parent)	—	—	—	—	11.4	15.1

## Net Operating Revenue

- Both commission received and net trading income increased significantly from the previous quarter. Net operating revenue increased by 33% from the previous quarter to JPY 111.1 billion.

### Quarterly Trends

(JPY billion)



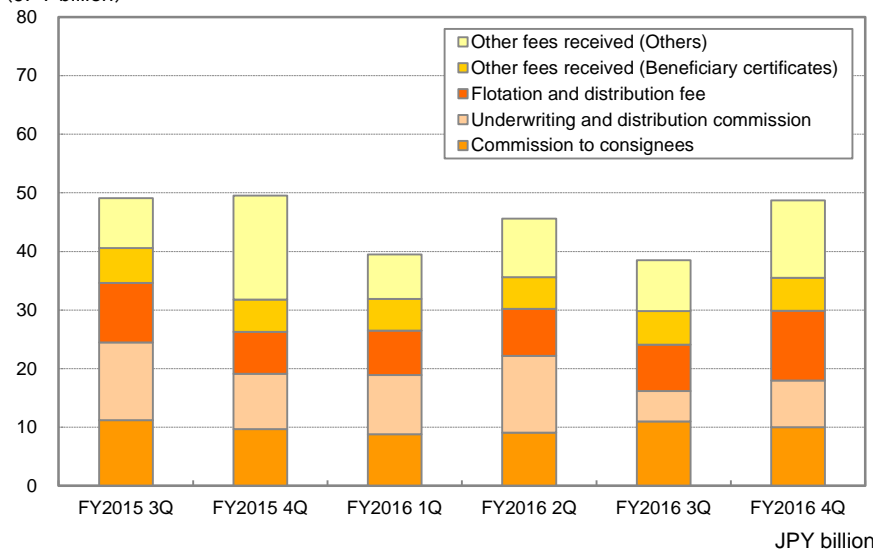
	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Commission received	49.3	49.8	39.6	45.8	38.7	48.9
Net trading income	38.2	42.4	42.5	38.8	41.5	56.1
Net financial revenue and others	4.4	7.9	5.4	12.6	2.7	6.0
Total	92.0	100.3	87.5	97.4	83.0	111.1

## Commission Received

- Commission to consignees: Decreased from the previous quarter due to a decrease in trading value, but managed to maintain the level of JPY 10.0 billion.
- Underwriting and distribution commission: Increased from the previous quarter mainly due to strong performance in the debt capital markets business.
- Flotation and distribution fee: Increased significantly from the previous quarter due to a strong performance in sales of investment trusts.
- Other fees received: Increased significantly from the previous quarter due to strong performances in securitization, arranging finance deals, M&A businesses, etc.

### Quarterly Trends

(JPY billion)



	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Commission to consignees	11.2	9.7	8.8	9.1	11.0	10.0
Underwriting and distribution commission	13.3	9.4	10.1	13.1	5.2	8.0
Flotation and distribution fee	10.1	7.2	7.6	8.0	7.9	11.9
Other fees received (Beneficiary certificates)	6.0	5.5	5.4	5.4	5.7	5.6
Other fees received (Others)	8.5	17.7	7.6	10.0	8.7	13.2
Total	49.3	49.8	39.6	45.8	38.7	48.9

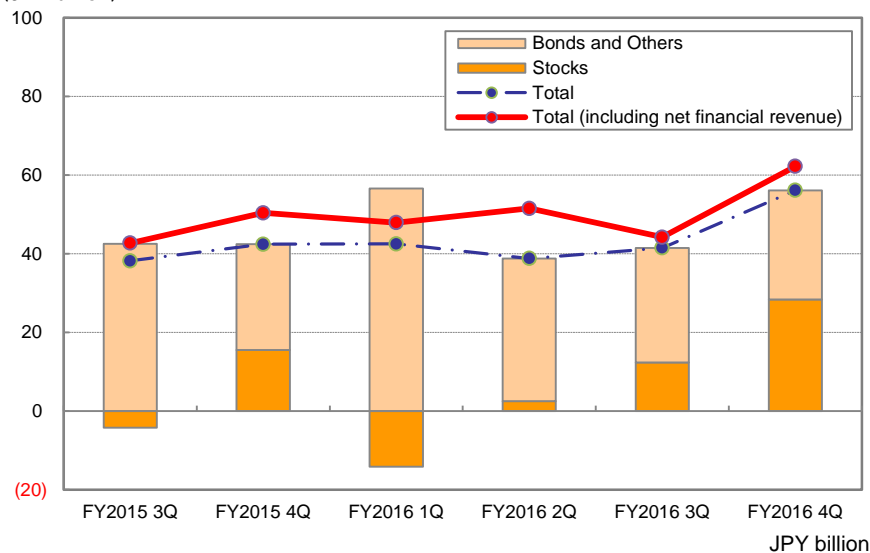
# Net Operating Revenue and SG & A (2)

## Net Trading Income

- Due to increased sales volume of structured bonds in domestic subsidiaries and strong performance of Repo business in overseas subsidiaries, total trading income including net financial revenue exceeded JPY 60.0 billion, which was a significant increase in revenue from the previous quarter.

### Quarterly Trends

(JPY billion)



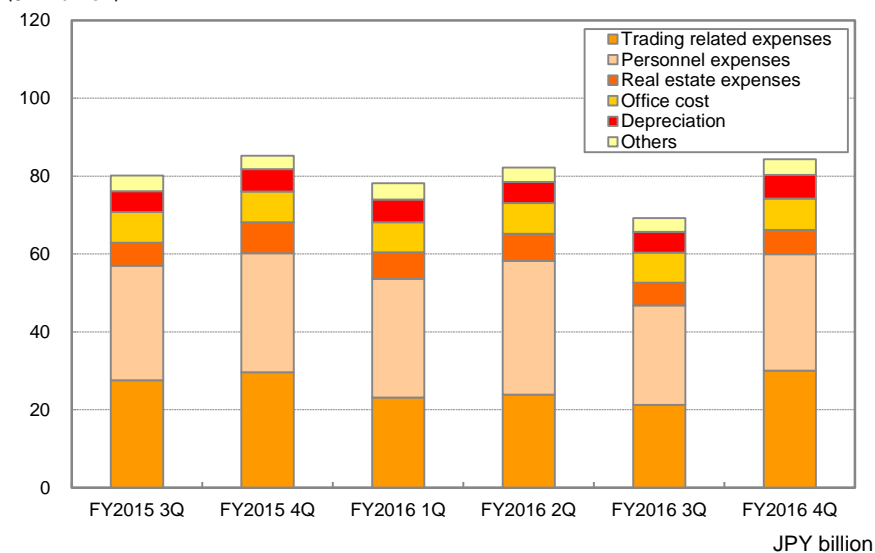
	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Stocks	(4.2)	15.5	(14.1)	2.5	12.4	28.4
Bonds and Others	42.5	26.9	56.6	36.3	29.1	27.7
Total	38.2	42.4	42.5	38.8	41.5	56.1
Net financial revenue	4.4	7.9	5.4	12.6	2.7	6.0
Total (including net financial revenue)	42.7	50.4	47.9	51.5	44.2	62.2

## SG & A

- Revenue-linked expenses increased accompanying recovery of performance. While fixed costs continued to be curbed in overseas and domestic subsidiaries, SG&A saw a slight increase overall due to the reinforcement of infrastructure including system investments.

### Quarterly Trends

(JPY billion)



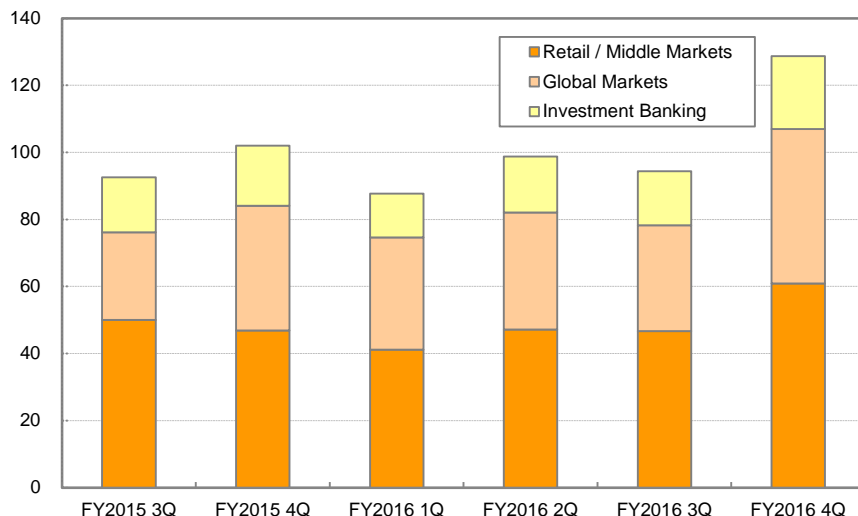
	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Trading related expenses	27.6	29.6	23.1	23.9	21.2	30.0
Personnel expenses	29.4	30.6	30.5	34.3	25.6	29.9
Real estate expenses	5.9	7.9	6.8	7.0	5.8	6.3
Office cost	7.9	7.9	7.7	7.9	7.7	8.0
Depreciation	5.3	5.8	5.9	5.4	5.4	6.1
Others	4.0	3.4	4.2	3.7	3.5	4.0
Total	80.3	85.5	78.4	82.4	69.6	84.5

## Overview by Business Segments

- Retail / Middle Markets, Global Markets and Investment Banking increased revenue from the previous quarter.
- Retail / Middle Markets: MUMSS, MUMSPB and kabu.com increased revenue from the previous quarter. Sales of structured bonds including through financial instrument intermediary channel showed strong performance. Sales of investment trust also expanded.
- Global Markets: Increased both domestic and overseas revenue from the previous quarter, mainly due to increase of rates related revenue and flow revenue from integrated S&T business of BTMU and MUS.
- Investment Banking: Increased both domestic and overseas revenue from the previous quarter. Underwriting business showed good performance and M&A also remained solid.

## Quarterly Trends

(JPY billion)



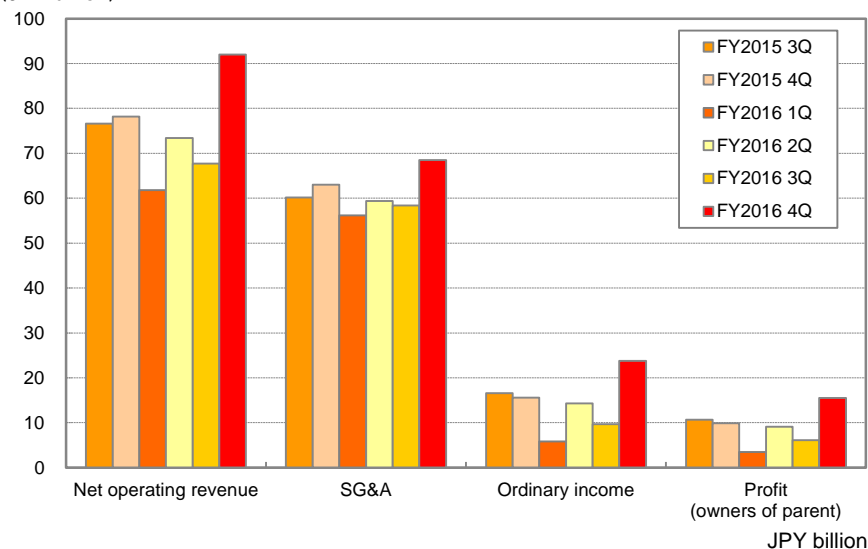
\* Figures are based on management accounting basis (before internal transaction elimination) including MUSA which was deconsolidated since FY2016/3Q.

### Quarterly Performance Trends

- Performance increased significantly from the previous quarter supported by the recovery of investor trade flow. While SG&A increased mainly due to an increase in revenue-linked expenses, ordinary income and profit attributable to owners of parent recorded the highest levels in the past six quarters at JPY 23.8 billion and JPY 15.5 billion, respectively.
- Strong revenues by MUMSPB also contributed to the performance results.

### Quarterly Trends

(JPY billion)



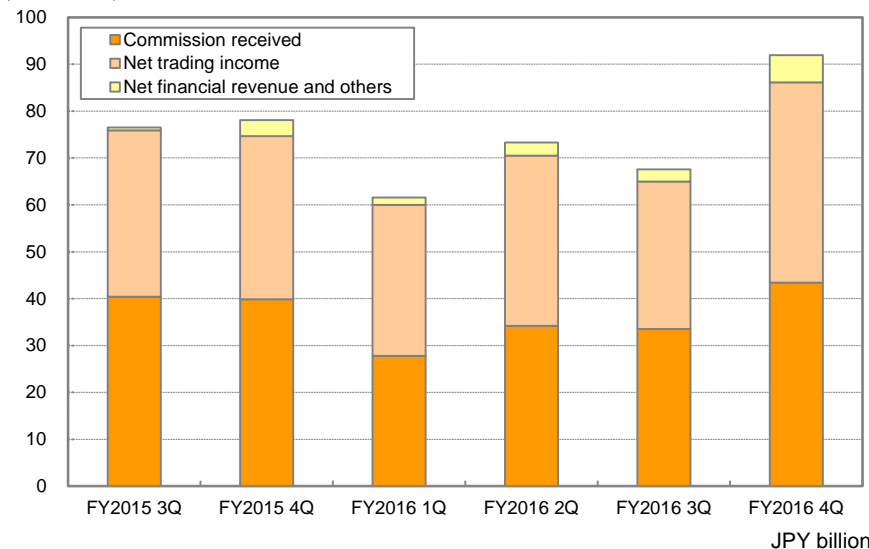
	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Net operating revenue	76.6	78.2	61.8	73.4	67.7	92.0
SG&A	60.2	63.0	56.2	59.4	58.4	68.5
Ordinary income	16.6	15.6	5.8	14.3	9.7	23.8
Profit (owners of parent)	10.7	9.9	3.5	9.1	6.1	15.5

### Net Operating Revenue

- Commission received increased from the previous quarter mainly due to increases in flotation and distribution fee reflecting the strong sales of investment trusts. Net trading income (both bonds and stocks) was also strong by steadily facilitating client trade flow. Net operating revenue increased significantly to JPY 92.0 billion.

### Quarterly Trends

(JPY billion)



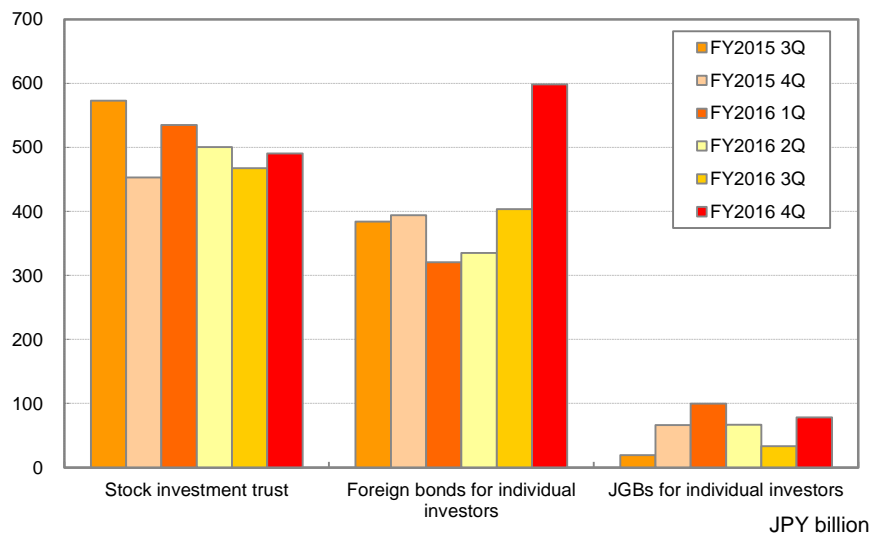
	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Commission received	40.4	39.9	27.8	34.2	33.5	43.4
Net Trading income	35.5	34.8	32.2	36.3	31.5	42.7
Net financial revenue and others	0.6	3.4	1.6	2.8	2.6	5.8
Total	76.6	78.2	61.8	73.4	67.7	92.0

### Sales of Retail / Middle Market Division

- Investment trusts, mainly Australian and U.S. stock related ones, recovered from the previous quarter. Launch of AI related investment trust also contributed to the recovery.
- Foreign bonds for individual investors marked high, significantly exceeding past five quarters, mainly due to strong performance in structured bonds.

### Quarterly Trends

(JPY billion)



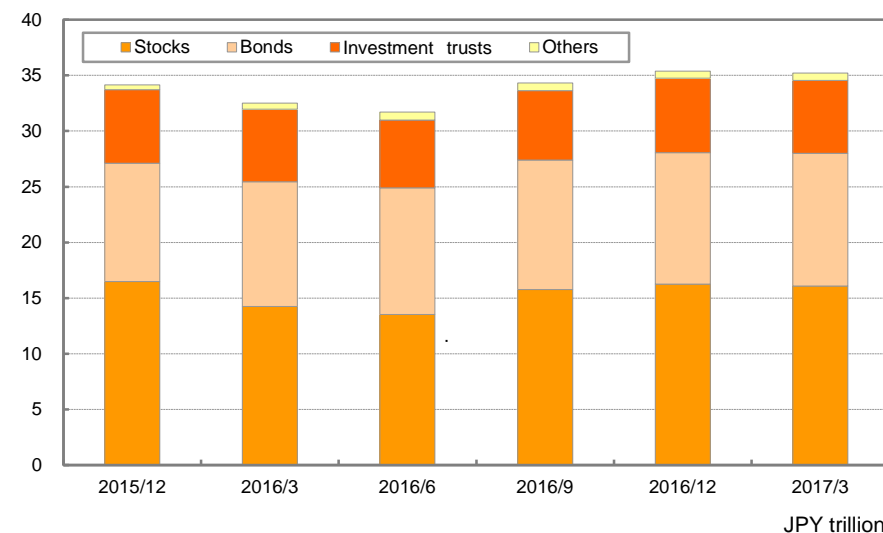
	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Stock investment trusts	572.9	453.1	535.1	500.4	467.4	490.7
Foreign bonds for individual investors	384.0	394.1	320.7	335.1	403.4	598.3
JGBs for individual investors	19.5	66.3	99.6	66.7	33.4	78.3

### Trends of AUM

- AUM recorded approximately JPY 35.2 trillion at the end of March, 2017, unchanged from the previous quarter.
- Of the above, AUM for the Retail / Middle Market Division recorded JPY 27.5 trillion (JPY 27.6 trillion at the end of December, 2016).

### Quarterly Trends

(JPY trillion)



	2015/12	2016/3	2016/6	2016/9	2016/12	2017/3
Stocks	16.5	14.2	13.5	15.8	16.3	16.1
Bonds	10.6	11.2	11.4	11.6	11.8	11.9
Investment trusts	6.6	6.5	6.1	6.2	6.7	6.5
Others	0.4	0.6	0.7	0.7	0.7	0.7
Total	34.1	32.5	31.7	34.3	35.4	35.2



### Investment banking business ~ League Table (from April, 2016 to March, 2017)

- Maintained higher rankings in Debt, Equities and M&A. Ensured high presence in investment banking business such as JR Kyushu and LINE IPOs. Appointed as a global coordinator serving concurrently as a lead manager for both Japanese and overseas offerings of shares for LINE listed in both Japan and the U.S..
  - Highly evaluated by leading media
    - Awarded the Best Investment Bank in Japan by *Euromoney* (\*)
    - Awarded the Best Investment Bank, Best Foreign Investment Bank and Best M&A House by *FinanceAsia* (\*)
    - Awarded the Triple A Country Awards 2016 – Japan Best Follow-on and Best Corporate Bond by *The Asset*
- (\*) Awarded as Japanese Securities Joint Venture between MUFG and Morgan Stanley (comprising Mitsubishi UFJ Morgan Stanley Securities and Morgan Stanley MUFG Securities)

#### Japanese Domestic Debt\*<sup>1</sup>

Rank	Securities Firm	Share (%)
1	Mizuho Securities	23.7
2	Mitsubishi UFJ Morgan Stanley	20.9
3	SMBC Nikko Securities	17.6
4	Nomura Securities	17.5
5	Daiwa Securities	15.0
6	Goldman Sachs Japan	1.3
7	Tokai Tokyo Securities	1.3
8	Shinkin Securities	0.9
9	Merrill Lynch Japan Securities	0.5
10	SBI Securities	0.3

#### Domestic and overseas Equity\*<sup>2</sup>

Rank	Securities Firm	Share (%)
1	Nomura	24.0
2	Sumitomo Mitsui Financial Group	20.9
3	Mitsubishi UFJ Morgan Stanley	15.3
4	Mizuho Financial Group	13.4
5	Daiwa Securities Group	11.2
6	JP Morgan	4.8
7	Bank of America Merrill Lynch	2.7
8	Goldman Sachs & Co	1.9
9	Citi	1.7
10	UBS	1.0

#### M&A Advisory based on Rank Value\*<sup>3</sup>

Rank	Financial Advisor	JPY billion
1	Mizuho Financial Group	6,998
2	Mitsubishi UFJ Morgan Stanley	5,349
3	Goldman Sachs & Co	5,263
4	Lazard	5,051
5	The Raine Group LLC	4,136
6	UBS	3,242
6	Robey Warshaw LLP	3,242
8	Bank of America Merrill Lynch	2,927
9	Nomura	2,853
10	Sumitomo Mitsui Financial Group	2,826

\*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)

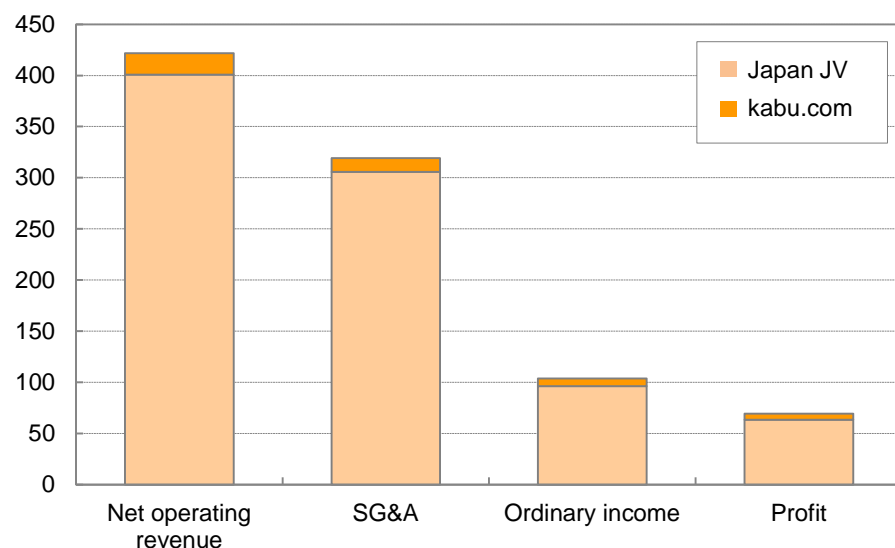
Any Japanese involvement announced including property acquisitions. Mitsubishi UFJ Morgan Stanley includes deals advised by Morgan Stanley

## Securities Companies' Performance

- Net operating revenue of Domestic Securities Companies is over JPY 420 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 2016

(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 2016
<b>Net Operating Revenue</b>	<b>421.9</b>
Japan JV	400.7
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. Consolidated base ("MUMSS" + "MUMSPB") *1	295.0
Morgan Stanley MUFG Securities Co., Ltd. ("MSMS") *2	105.7
kabu.com Securities Co., Ltd. ("kabu.com")	21.1
<b>SG &amp; A</b>	<b>319.3</b>
Japan JV	305.7
MUMSS Consolidated base	242.6
MSMS	63.0
kabu.com	13.6
<b>Ordinary income</b>	<b>103.6</b>
Japan JV	96.3
MUMSS Consolidated base	53.8
MSMS	42.5
kabu.com	7.3
<b>Profit</b>	<b>69.4</b>
Japan JV	63.4
MUMSS Consolidated base (Profit attributable to owners of parent)	34.4
MSMS	29.0
kabu.com	6.0

\*1 MUMSS consolidated base which includes Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd. (MUMSPB).

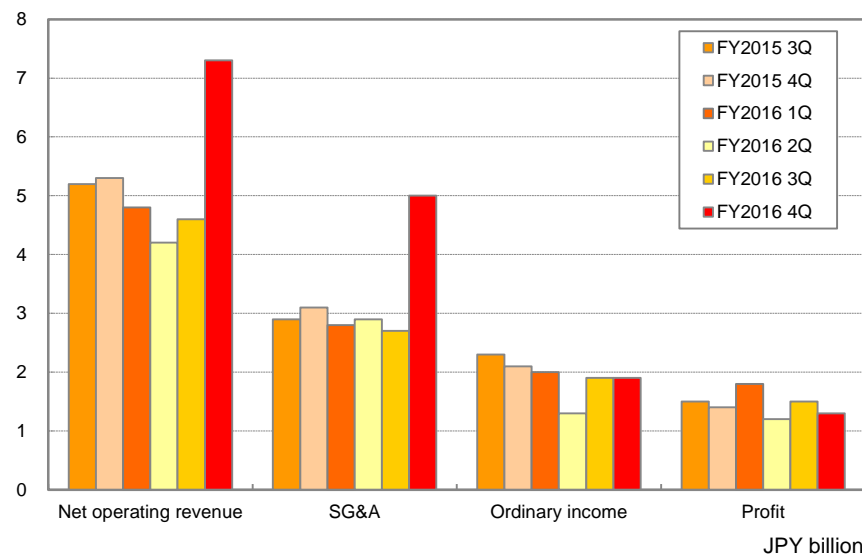
\*2 MSMS is an associated company accounted for by using the equity-method.

## kabu.com Quarterly Trends

- Although stock trading volume of individuals slightly decreased from 3Q to 4Q, income of system related sale kept ordinary income unchanged from the previous quarter at JPY 1.9 billion.

## Quarterly Trends

(JPY billion)



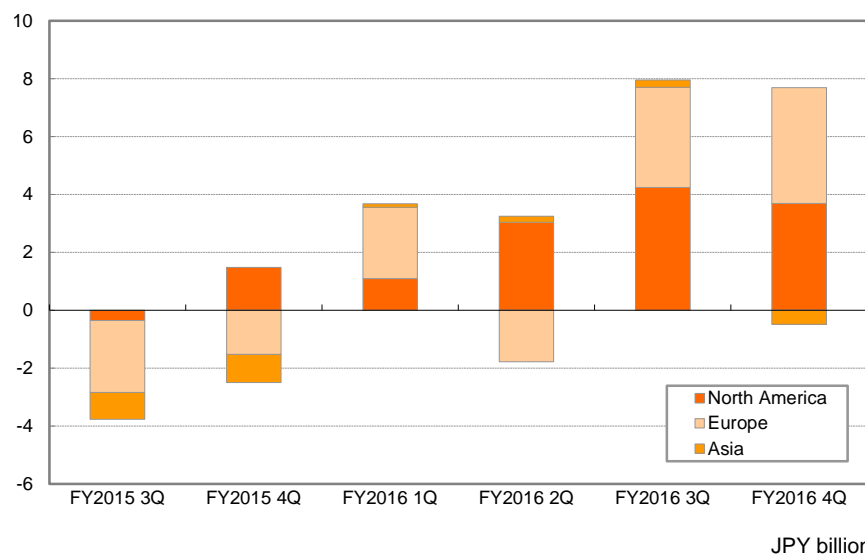
	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q	FY2016 4Q
Net operating revenue	5.2	5.3	4.8	4.2	4.6	7.3
SG&A	2.9	3.1	2.8	2.9	2.7	5.0
Ordinary income	2.3	2.1	2.0	1.3	1.9	1.9
Profit	1.5	1.4	1.8	1.2	1.5	1.3

## Overseas Business Quarterly Trends

- Business in Europe continued strong performance due to an expansion of customer flow and appropriate risk control, and recorded an ordinary income of JPY 4.0 billion, the highest level in the past six quarters.
- Business in Asia recorded a loss for the quarter for the first time in a year, but remained profitable for the full year.
- Business in North America continued to be strong, despite slowing down from the previous quarter. Overseas business as a whole including business in North America recorded ordinary income of JPY 7.2 billion.

## Ordinary income (loss): Quarterly Trends

(JPY billion)



	FY2015 3Q	FY2015 4Q	FY2016 1Q	FY2016 2Q	FY2016 3Q *	FY2016 4Q *
North America	(0.35)	1.48	1.09	3.04	4.24	3.69
Europe	(2.49)	(1.53)	2.47	(1.78)	3.46	4.00
Asia	(0.93)	(0.97)	0.12	0.21	0.26	(0.49)
<b>Total</b>	<b>(3.78)</b>	<b>(1.03)</b>	<b>3.70</b>	<b>1.48</b>	<b>7.97</b>	<b>7.20</b>

\* Figures represent the aggregation with MUSA's results.

# Appendix

## Consolidated Statement of Income (Full year, Quarter)

JPY million

	Full year		Quarter					
	FY2015	FY2016	FY2015		FY2016			
			3Q	4Q	1Q	2Q	3Q	4Q
<b>Operating revenue</b>	474,449	404,497	99,914	109,218	98,805	101,774	87,038	116,879
Commission received	226,105	173,279	49,323	49,844	39,633	45,883	38,779	48,983
Net trading income	178,770	179,112	38,272	42,498	42,557	38,889	41,524	56,141
Other operating revenue	0	0	(1)	-	0	0	-	-
Financial revenue	69,573	52,105	12,319	16,876	16,613	17,001	6,735	11,755
<b>Financial expenses</b>	36,706	25,260	7,879	8,888	11,213	4,341	4,018	5,687
<b>Net operating revenue</b>	437,742	379,237	92,035	100,329	87,592	97,432	83,020	111,191
<b>SG &amp; A</b>	357,055	315,125	80,329	85,507	78,489	82,486	69,607	84,542
<b>Operating income</b>	80,687	64,111	11,705	14,822	9,103	14,946	13,413	26,648
<b>Non-operating income</b>	27,885	37,075	6,534	8,160	12,541	11,942	5,380	7,210
<b>Non-operating expenses</b>	715	1,591	72	102	107	680	(30)	833
<b>Ordinary income</b>	107,857	99,595	18,168	22,880	21,536	26,208	18,823	33,026
<b>Extraordinary income</b>	275	180	-	-	196	(1)	19	(34)
<b>Extraordinary losses</b>	3,513	3,465	134	545	455	427	1,806	775
<b>Income taxes</b>	33,971	21,695	5,707	6,226	1,808	5,461	4,274	10,150
<b>Profit attributable to non-controlling interests</b>	27,384	25,529	5,332	7,364	4,597	7,990	3,840	9,099
<b>Profit attributable to owners of parent</b>	43,262	49,085	6,992	8,743	14,872	12,327	8,922	12,964

# Appendix

## Consolidated Balance Sheet

JPY billion

	As of Mar. 31, 2016	As of Mar. 31, 2017	Change
<b>ASSETS</b>			
<b>Current assets</b>	30,357	29,807	(549)
Cash and deposits	1,202	1,620	+418
Trading products	14,549	14,756	+207
Loans secured by securities	12,304	10,826	(1,477)
Others	2,301	2,604	+302
<b>Non-current assets</b>	665	685	+19
PP & E	37	39	+2
Intangible assets	100	109	+9
Investments and other assets	528	536	+7
<b>Total assets</b>	31,023	30,493	(529)

	As of Mar. 31, 2016	As of Mar. 31, 2017	Change
<b>LIABILITIES</b>			
<b>Current liabilities</b>	28,569	27,986	(582)
Trading products	12,932	14,156	+1,224
Loans payable secured by securities	11,172	8,462	(2,710)
Short-term loans payable	1,147	1,855	+708
Others	3,316	3,511	+194
<b>Non-current liabilities</b>	1,416	1,543	+126
Bonds payable	918	1,022	+103
Long-term loans payable	488	505	+16
Others	9	16	+6
<b>Total liabilities</b>	29,990	29,533	(456)
<b>NET ASSETS</b>			
Shareholders' equity	755	700	(54)
Accumulated other comprehensive income	21	(25)	(46)
Subscription rights to shares	—	0	+0
Non-controlling interests	256	284	+27
<b>Total net assets</b>	1,033	959	(73)
<b>Total liabilities and net assets</b>	31,023	30,493	(529)

# Appendix

## Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

MUMSS (non-consolidated)

JPY million

### ■ Statement of Income

	Full year	
	FY2015	FY2016
<b>Operating revenue</b>	302,534	270,069
Commission received	149,536	122,569
Net trading income	132,248	126,070
Others	0	0
Financial revenue	20,748	21,428
<b>Financial expenses</b>	9,636	8,284
<b>Net operating revenue</b>	292,897	261,784
<b>SG &amp; A</b>	225,938	218,219
<b>Operating income</b>	66,958	43,564
<b>Net non-operating income(expenses)</b>	10,885	6,918
<b>Ordinary income</b>	77,844	50,482
<b>Net extraordinary income (losses)</b>	0	(1,945)
<b>Income taxes</b>	22,095	12,817
<b>Profit</b>	55,749	35,720

### ■ Balance Sheet

	As of Mar. 31, 2016	As of Mar. 31, 2017	Change
<b>Current assets</b>	13,930	14,742	+811
Cash and deposits	1,033	1,254	+220
Trading products	9,038	8,254	(783)
Loans secured by securities	2,972	4,051	+1,079
Others	885	1,180	+295
<b>Non-current assets</b>	134	158	+24
PP& E	19	27	+7
Intangible assets	46	61	+14
Investments and other assets	68	70	+2
<b>Total assets</b>	14,064	14,900	+836

MUMSPB (non-consolidated)

### ■ Statement of Income

	Full year	
	FY2015	FY2016
<b>Net operating revenue</b>	38,642	33,375
<b>Ordinary income</b>	12,703	9,493
<b>Profit</b>	8,582	6,510

### Quarter

FY2015		FY2016			
3Q	4Q	1Q	2Q	3Q	4Q
70,754	73,098	57,005	66,641	61,750	84,672
36,372	36,640	24,383	30,373	29,765	38,047
31,318	30,610	28,898	31,581	27,668	37,922
(1)	—	0	0	—	—
3,065	5,847	3,723	4,686	4,316	8,702
2,513	2,349	1,989	1,748	1,667	2,879
68,240	70,748	55,016	64,892	60,082	81,792
54,169	57,480	50,728	53,138	52,792	61,560
14,071	13,267	4,287	11,753	7,290	20,232
4,579	658	2,983	579	2,772	582
18,650	13,926	7,271	12,333	10,062	20,815
(116)	(498)	(449)	(385)	(379)	(730)
4,521	4,277	1,176	3,617	2,142	5,881
14,013	9,150	5,645	8,331	7,540	14,203

JPY billion

	As of Mar. 31, 2016	As of Mar. 31, 2017	Change
<b>Current liabilities</b>	13,310	14,108	+797
Trading products	8,036	7,819	(217)
Loans payable secured by securities	2,575	2,795	+219
Short-term loans payable	1,430	2,174	+744
Others	1,268	1,319	+50
<b>Non-current liabilities</b>	363	366	+2
Long-term loans payable	356	355	(1)
Others	7	10	+3
<b>Total liabilities</b>	13,676	14,476	+800
<b>Net assets</b>	388	424	+35
<b>Total liabilities and net assets</b>	14,064	14,900	+836

JPY million

### Quarter

FY2015		FY2016			
3Q	4Q	1Q	2Q	3Q	4Q
8,417	7,538	6,812	8,595	7,725	10,241
2,439	2,163	1,468	2,463	2,135	3,426
1,615	1,608	1,008	1,685	1,461	2,354

### Credit Rating

- Credit ratings remained unchanged. 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 March, 2017 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-1

\*CP rating

### Mitsubishi UFJ Morgan Stanley Securities (MUMSS)

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

\*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 FY2016 can be found on the following URL.

[http://www.sc.mufig.jp/company/finance/cp\\_ratio.html](http://www.sc.mufig.jp/company/finance/cp_ratio.html)

### Net Assets MUSHD (Consolidated) / MUMSS

JPY billion

MUSHD (Consolidated)		2015/12	2016/3	2016/6	2016/9	2016/12	2017/3
Capital stock		75.5	75.5	75.5	75.5	75.5	75.5
Net assets (Total)		1,025.6	1,033.0	1,012.9	932.3	924.1	959.4
MUMSS		2015/12	2016/3	2016/6	2016/9	2016/12	2017/3
Capital stock		40.5	40.5	40.5	40.5	40.5	40.5
Net assets	Consolidated	385.4	392.9	395.7	405.0	411.1	427.5
(Total)	Non-consolidated	379.4	388.3	393.9	402.1	409.9	424.2

### Value at Risk (VaR) associated with the trading activities

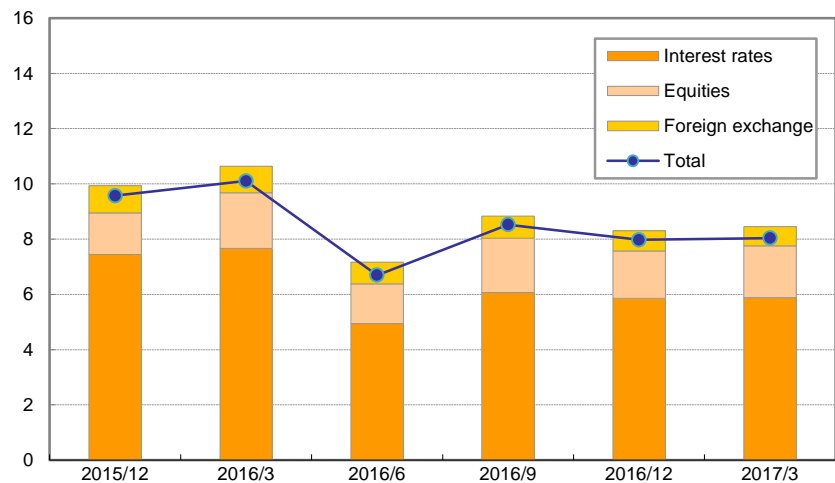
- Amount of risks for both domestic and overseas subsidiaries remained almost unchanged.

#### 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)

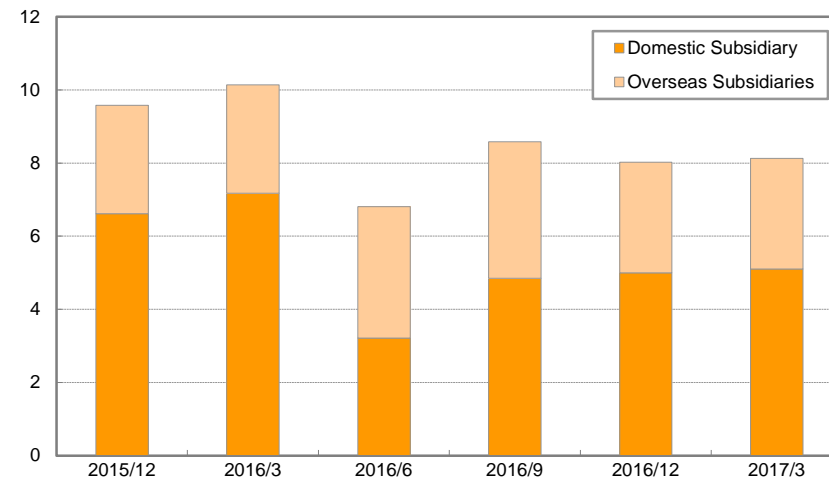


JPY billion

	2015/12	2016/3	2016/6	2016/9	2016/12	2017/3
Interest rates	7.4	7.7	4.9	6.1	5.9	5.9
Equities	1.5	2.0	1.4	2.0	1.7	1.9
Foreign exchange	1.0	1.0	0.8	0.8	0.7	0.7
<b>Total</b>	<b>9.6</b>	<b>10.1</b>	<b>6.7</b>	<b>8.5</b>	<b>8.0</b>	<b>8.0</b>

#### Quarterly trends of VaR by type of subsidiary

(JPY billion)



JPY billion

	2015/12	2016/3	2016/6	2016/9	2016/12	2017/3
Domestic Subsidiary	6.6	7.2	3.2	4.9	5.0	5.1
Overseas Subsidiaries	3.0	3.0	3.6	3.7	3.0	3.0
<b>Total</b>	<b>9.6</b>	<b>10.1</b>	<b>6.7</b>	<b>8.5</b>	<b>8.0</b>	<b>8.0</b>

Domestic Subsidiary: Mitsubishi UFJ Morgan Stanley Securities

Overseas Subsidiaries: MUFG Securities EMEA plc, MUFG Securities Asia Limited





# Mitsubishi UFJ Securities Holdings

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