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January 31, 2018

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2018 [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 2017 (from April 1, 2017 to December 31, 2017)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months of FY2017	282,080	(1.9)	273,622	(2.1)	47,128	25.8	60,518	(9.1)
First nine months of FY2016	287,618	(21.3)	268,045	(20.6)	37,462	(43.1)	66,569	(21.7)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First nine months of FY2017	31,184	(13.7)	42.31	42.31
First nine months of FY2016	36,121	4.6	49.01	49.01

(Note) Comprehensive income First nine months of FY2017: 55,961 million yen —%
First nine months of FY2016: (14,986) million yen —%

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2017	26,151,479	986,240	2.7
As of March 31, 2017	30,493,167	959,450	2.2

(Reference) Equity As of December 31, 2017: 695,789million yen As of March 31, 2017: 674,860 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):** 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: None
 - 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

(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, 2017	736,985,496 shares
As of March 31, 2017	736,985,496 shares

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

As of December 31, 2017	– shares
As of March 31, 2017	– 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, 2018	736,985,496 shares
First nine months of the fiscal year ended March 31, 2017	736,985,496 shares

< * >

This quarterly financial results report is not subject to quarterly review.

< * **Other special matters** >

None

Attached Material

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Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2018

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1. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
ASSETS		
Current assets		
Cash and deposits	1,620,266	1,865,860
Cash segregated as deposits	768,679	896,750
Trading products	14,756,676	13,080,739
Trading securities and other	3,381,146	4,157,324
Derivatives	11,375,529	8,923,414
Trade date accrual	238,148	—
Margin transaction assets	287,718	288,691
Loans secured by securities	10,826,770	8,202,472
Short-term guarantee deposits	1,026,110	889,680
Short-term investment securities	56,697	72,395
Income taxes receivable	629	1,234
Other current assets	226,292	278,568
Allowance for doubtful accounts	(0)	—
Total current assets	29,807,989	25,576,392
Non-current assets		
Property, plant and equipment	39,954	38,036
Intangible assets	109,110	108,151
Investments and other assets	536,113	428,898
Total non-current assets	685,178	575,086
Total assets	30,493,167	26,151,479

(Millions of yen)

	As of March 31, 2017	As of December 31, 2017
LIABILITIES		
Current liabilities		
Trading products	14,156,731	10,667,205
Trading securities and other	2,925,489	1,982,189
Derivatives	11,231,241	8,685,015
Trade date accrual	—	162,416
Margin transaction liabilities	229,484	185,886
Loans payable secured by securities	8,462,325	6,498,725
Short-term loans payable	1,855,938	1,847,369
Current portion of bonds	137,573	316,778
Current portion of long-term loans payable	122,820	87,222
Commercial papers	592,078	1,020,947
Income taxes payable	11,192	8,008
Provision for contingent loss	1,336	28
Asset retirement obligations	6	65
Other current liabilities	2,416,904	2,914,242
Total current liabilities	27,986,392	23,708,895
Non-current liabilities		
Bonds payable	1,022,165	852,654
Long-term loans payable	505,000	585,015
Net defined benefit liability	3,249	2,255
Provision for directors' retirement benefits	30	30
Asset retirement obligations	7,634	7,621
Other non-current liabilities	5,170	4,748
Total non-current liabilities	1,543,249	1,452,326
Reserves under the special laws		
Reserve for financial products transaction liabilities	4,075	4,016
Total reserves under the special laws	4,075	4,016
Total liabilities	29,533,717	25,165,238
NET ASSETS		
Shareholders' equity		
Capital stock	75,518	75,518
Capital surplus	438,916	438,808
Retained earnings	185,688	196,554
Total shareholders' equity	700,123	710,881
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	840	2,070
Deferred gains or losses on hedges	43	54
Foreign currency translation adjustment	(26,992)	(17,850)
Remeasurements of defined benefit plans	846	633
Total accumulated other comprehensive income	(25,262)	(15,091)
Subscription rights to shares	16	19
Non-controlling interests	284,574	290,431
Total net assets	959,450	986,240
Total liabilities and net assets	30,493,167	26,151,479

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

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)
Operating revenue		
Commission received	124,296	118,747
Net trading income	122,971	124,884
Financial revenue	40,350	38,447
Other operating revenue	0	0
Total operating revenue	287,618	282,080
Financial expenses	19,573	8,458
Net operating revenue	268,045	273,622
Selling, general and administrative expenses	230,582	226,494
Operating profit	37,462	47,128
Non-operating income		
Share of profit of entities accounted for using equity method	23,544	10,478
Other	6,320	4,193
Total non-operating income	29,864	14,672
Non-operating expenses		
Loss on sales of investment securities	39	633
Foreign exchange losses	—	323
Other	718	325
Total non-operating expenses	758	1,282
Ordinary profit	66,569	60,518
Extraordinary income		
Gain on sales of investment securities	20	35
Reversal of reserve for financial products transaction liabilities	194	59
Total extraordinary income	215	94
Extraordinary losses		
Loss on sales of investment securities	46	304
Loss on valuation of investment securities	—	0
Impairment loss	230	16
Head office transfer cost	1,036	—
Provision for contingent loss	1,375	—
Total extraordinary losses	2,689	321
Profit before income taxes	64,095	60,291
Income taxes-current	10,843	14,371
Income taxes-deferred	700	446
Total income taxes	11,544	14,817
Profit	52,550	45,474
Profit attributable to non-controlling interests	16,429	14,289
Profit attributable to owners of parent	36,121	31,184

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)
Profit	52,550	45,474
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	1,316
Deferred gains or losses on hedges	86	11
Foreign currency translation adjustment	(67,006)	9,201
Remeasurements of defined benefit plans, net of tax	(404)	(391)
Share of other comprehensive income of entities accounted for using equity method	(205)	349
Total other comprehensive income	<u>(67,537)</u>	<u>10,487</u>
Comprehensive income	<u>(14,986)</u>	<u>55,961</u>
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(30,703)	41,355
Comprehensive income attributable to non-controlling interests	15,717	14,605

(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, 2018

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Commission to consignees	29,007	31,928	2,920	39,056
Stocks	27,518	30,995	3,476	37,253
Bonds	63	18	(44)	78
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	28,625	19,183	(9,441)	36,696
Stocks	8,316	7,720	(596)	11,537
Bonds	20,308	11,462	(8,845)	25,158
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	23,668	25,973	2,305	35,623
Beneficiary certificates	21,248	23,527	2,278	31,860
Other fees received	42,994	41,662	(1,332)	61,901
Beneficiary certificates	16,656	17,607	951	22,299
Total	124,296	118,747	(5,548)	173,279

(2) Breakdown by product

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Stocks	38,287	40,296	2,009	52,448
Bonds	24,115	15,772	(8,343)	30,997
Beneficiary certificates	39,175	41,922	2,746	55,678
Other	22,717	20,756	(1,960)	34,153
Total	124,296	118,747	(5,548)	173,279

2. Net trading income

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Stocks	782	35,684	34,901	29,210
Bonds and other	122,188	89,199	(32,988)	149,902
Total	122,971	124,884	1,913	179,112

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	3Q of FY2016 (October 1 to December 31, 2016)	4Q of FY2016 (January 1 to March 31, 2017)	1Q of FY2017 (April 1 to June 30, 2017)	2Q of FY2017 (July 1 to September 30, 2017)	3Q of FY2017 (October 1 to December 31, 2017)
Operating revenue	87,038	116,879	86,684	94,947	100,449
Commission received	38,779	48,983	36,821	39,692	42,234
Commission to consignees	11,062	10,049	9,848	9,718	12,360
Stocks	10,546	9,735	9,502	9,467	12,025
Bonds	15	14	7	6	4
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	5,299	8,071	4,553	6,968	7,661
Stocks	2,636	3,221	1,499	2,225	3,995
Bonds	2,662	4,850	3,053	4,742	3,666
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	7,953	11,955	8,716	8,383	8,874
Beneficiary certificates	7,351	10,612	7,875	7,601	8,050
Other fees received	14,463	18,906	13,702	14,621	13,338
Beneficiary certificates	5,761	5,643	5,810	5,859	5,937
Net trading income	41,524	56,141	36,943	42,389	45,551
Net trading income from securities (stocks)	12,407	28,427	7,096	9,934	18,653
Net trading income from bonds and other	29,117	27,714	29,847	32,455	26,897
Financial revenue	6,735	11,755	12,918	12,865	12,663
Other operating revenue	—	—	0	0	—
Financial expenses	4,018	5,687	3,305	2,568	2,584
Net operating revenue	83,020	111,191	83,378	92,379	97,864
Selling, general and administrative expenses	69,607	84,542	73,660	75,528	77,305
Trading related expenses	21,281	30,001	22,013	24,275	22,325
Personnel expenses	25,661	29,900	26,920	27,176	28,790
Real estate expenses	5,888	6,386	6,205	6,001	6,166
Office cost	7,795	8,076	7,960	8,007	8,364
Depreciation	5,472	6,113	6,565	6,342	6,464
Taxes and dues	2,031	1,695	2,246	1,403	3,155
Other	1,475	2,369	1,748	2,321	2,037
Operating profit	13,413	26,648	9,718	16,850	20,559
Non-operating income	5,380	7,210	6,195	3,185	5,291
Non-operating expenses	(30)	833	733	25	523
Ordinary profit	18,823	33,026	15,181	20,010	25,326
Extraordinary income	19	(34)	83	11	—
Extraordinary losses	1,806	775	7	9	304
Profit before income taxes	17,037	32,215	15,257	20,012	25,022
Income taxes-current	5,540	9,325	2,890	3,686	7,794
Income taxes-deferred	(1,266)	825	(97)	2,981	(2,437)
Total income taxes	4,274	10,150	2,792	6,667	5,357
Profit	12,763	22,064	12,464	13,344	19,664
Profit attributable to non-controlling interests	3,840	9,099	2,646	5,413	6,229
Profit attributable to owners of parent	8,922	12,964	9,817	7,930	13,435

<Reference>

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.
for the Third Quarter of the Fiscal Year Ending March 31, 2018

(1) Consolidated operating results

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Operating revenue	208,702	221,662	12,959	303,649
Commission received	95,652	102,740	7,088	139,146
Net trading income	100,227	97,817	(2,409)	142,930
Net operating revenue	203,076	216,565	13,488	295,082
Operating profit	28,946	32,921	3,974	52,440
Ordinary profit	29,994	34,063	4,069	53,802
Profit attributable to owners of parent	18,894	22,651	3,757	34,429

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Commission to consignees	22,314	25,293	2,978	29,991
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	11,297	12,218	920	16,400
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	23,562	25,871	2,309	35,479
Other fees received	38,476	39,356	879	57,275
Total	95,652	102,740	7,088	139,146

<Breakdown by product of commission received>

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Stocks	29,609	33,504	3,894	41,402
Bonds	8,840	9,182	341	12,934
Beneficiary certificates	38,612	41,317	2,704	54,918
Other	18,589	18,736	147	29,891
Total	95,652	102,740	7,088	139,146

<Net trading income>

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Stocks	26,986	26,204	(782)	36,875
Bonds and other	73,240	71,612	(1,627)	106,054
Total	100,227	97,817	(2,409)	142,930

(2) Consolidated financial position

(Millions of yen)

	As of December 31, 2016	As of December 31, 2017	Increase (Decrease)	As of March 31, 2017
Total assets	14,785,366	13,665,584	(1,298,698)	14,964,282
Net assets	411,100	424,354	(3,175)	427,529

<Reference>

(3) Non-consolidated operating results

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Operating revenue	185,397	192,215	6,818	270,069
Commission received	84,522	88,262	3,740	122,569
Net trading income	88,148	82,958	(5,189)	126,070
Net operating revenue	179,991	187,309	7,317	261,784
Operating profit	23,331	23,815	483	43,564
Ordinary profit	29,667	31,057	1,389	50,482
Profit	21,517	24,254	2,737	35,720

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Commission to consignees	21,851	24,745	2,893	29,156
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	11,297	12,218	920	16,400
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	17,329	17,005	(324)	25,695
Other fees received	34,043	34,293	250	51,317
Total	84,522	88,262	3,740	122,569

<Breakdown by product of commission received>

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Stocks	29,289	33,068	3,778	40,741
Bonds	7,547	7,880	332	10,664
Beneficiary certificates	29,299	28,878	(421)	41,560
Other	18,384	18,436	51	29,602
Total	84,522	88,262	3,740	122,569

<Net trading income>

(Millions of yen)

	First nine months of FY2016 (From April 1, 2016 to December 31, 2016)	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	Increase (Decrease)	FY2016 (From April 1, 2016 to March 31, 2017)
Stocks	23,282	24,792	1,510	32,137
Bonds and other	64,865	58,165	(6,700)	93,932
Total	88,148	82,958	(5,189)	126,070

(4) Non-consolidated financial position

(Millions of yen)

	As of December 31, 2016	As of December 31, 2017	Increase (Decrease)	As of March 31, 2017
Total assets	14,725,792	13,559,343	(1,341,473)	14,900,816
Net assets	409,999	423,198	(1,079)	424,278