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January 31, 2019

## Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2019 [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 2018 (from April 1, 2018 to December 31, 2018)

#### (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 FY2018	276,689	(1.9)	239,852	(12.3)	21,800	(53.7)	34,767	(42.5)
First nine months of FY2017	282,080	(1.9)	273,622	2.1	47,128	25.8	60,518	(9.1)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First nine months of FY2018	20,501	(34.3)	27.82	27.82
First nine months of FY2017	31,183	—	42.31	42.31

(Note) Comprehensive income First nine months of FY2018: 22,567 million yen (59.7)%  
First nine months of FY2017: 55,960 million yen —%

(Note) The year-on-year change of first nine months of FY2017 is not presented because results have been retrospectively adjusted in accordance with changes in accounting policies.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2018	24,219,905	960,011	2.8
As of March 31, 2018	22,344,541	996,688	3.2

(Reference) Equity As of December 31, 2018: 684,689 million yen As of March 31, 2018: 711,978 million yen

(Note) "Equity ratio" is computed under the formula shown below:

(Total net assets – Share acquisition rights – Non-controlling interests) / Total assets

(Note) Figures as of March 31, 2018 have been retrospectively adjusted in accordance with changes in accounting policies.

**\*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: 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, 2018	736,985,496 shares
As of March 31, 2018	736,985,496 shares

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

As of December 31, 2018	– shares
As of March 31, 2018	– 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, 2019	736,985,496 shares
First nine months of the fiscal year ended March 31, 2018	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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## **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)

The Group has applied the “Guidance on Accounting Standard for Tax Effect Accounting” (The Accounting Standards Board of Japan (ASBJ) Guidance No. 28, revised on February 16, 2018) effective from the beginning of the first quarter of the fiscal year ending March 31, 2019. Accordingly, the treatment of taxable temporary differences related to shares and investments in subsidiaries in the non-consolidated financial statements were reviewed. The changes in accounting policies in line with this revision of the Guidance were retrospectively applied, and the quarterly consolidated financial statements as of and for the nine months ended December 31, 2017, and the consolidated financial statements as of and for the fiscal year ended March 31, 2018, reflect the effects of the retrospective application.

As a result of the reflection of the cumulative effects on the net assets balance at the beginning of the previous fiscal year, the retained earnings balance at the beginning of the previous fiscal year increased by 2,916 million yen.

1. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>ASSETS</b>		
Current assets		
Cash and deposits	2,148,003	2,058,440
Cash segregated as deposits	795,610	717,519
Trading products	9,665,903	10,068,008
Trading securities and other	2,812,701	3,052,273
Derivatives	6,853,202	7,015,735
Trade date accrual	230,932	23,524
Margin transaction assets	364,858	270,740
Loans secured by securities	7,266,553	9,220,079
Short-term guarantee deposits	1,013,202	1,059,404
Short-term investment securities	35,250	13,571
Income taxes receivable	—	6,243
Other current assets	241,254	245,167
Total current assets	21,761,569	23,682,700
Non-current assets		
Property, plant and equipment	37,756	35,424
Intangible assets	109,172	108,084
Investments and other assets	436,042	393,696
Total non-current assets	582,971	537,205
Total assets	22,344,541	24,219,905

(Millions of yen)

	As of March 31, 2018	As of December 31, 2018
<b>LIABILITIES</b>		
Current liabilities		
Trading products	8,608,126	8,982,009
Trading securities and other	2,078,853	2,258,118
Derivatives	6,529,273	6,723,890
Margin transaction liabilities	244,266	170,831
Loans payable secured by securities	5,040,012	6,675,269
Short-term loans payable	2,155,366	2,140,941
Current portion of bonds	241,499	200,419
Current portion of long-term loans payable	69,238	184,164
Commercial papers	811,926	464,996
Income taxes payable	11,058	3,167
Provision for contingent loss	27	44
Asset retirement obligations	177	74
Other current liabilities	2,530,994	2,491,386
<b>Total current liabilities</b>	<b>19,712,696</b>	<b>21,313,305</b>
Non-current liabilities		
Bonds payable	1,013,449	1,265,249
Long-term loans payable	604,849	665,050
Net defined benefit liability	2,301	2,381
Provision for directors' retirement benefits	33	33
Asset retirement obligations	7,704	7,846
Other non-current liabilities	2,497	1,759
<b>Total non-current liabilities</b>	<b>1,630,836</b>	<b>1,942,320</b>
Reserves under the special laws		
Reserve for financial products transaction liabilities	4,319	4,267
<b>Total reserves under the special laws</b>	<b>4,319</b>	<b>4,267</b>
<b>Total liabilities</b>	<b>21,347,852</b>	<b>23,259,893</b>
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	75,518	75,518
Capital surplus	438,808	438,808
Retained earnings	211,478	189,748
<b>Total shareholders' equity</b>	<b>725,806</b>	<b>704,075</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,703	1,447
Deferred gains or losses on hedges	85	7
Foreign currency translation adjustment	(17,179)	(22,518)
Remeasurements of defined benefit plans	1,562	1,677
<b>Total accumulated other comprehensive income</b>	<b>(13,827)</b>	<b>(19,386)</b>
Share acquisition rights	19	27
Non-controlling interests	284,690	275,294
<b>Total net assets</b>	<b>996,688</b>	<b>960,011</b>
<b>Total liabilities and net assets</b>	<b>22,344,541</b>	<b>24,219,905</b>

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

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)
Operating revenue		
Commission received	118,747	111,572
Net trading income	124,884	93,536
Financial revenue	38,447	71,577
Other operating revenue	0	3
Total operating revenue	282,080	276,689
Financial expenses	8,458	36,837
Net operating revenue	273,622	239,852
Selling, general and administrative expenses	226,494	218,051
Operating profit	47,128	21,800
Non-operating income		
Share of profit of entities accounted for using equity method	10,478	10,270
Other	4,193	4,235
Total non-operating income	14,672	14,506
Non-operating expenses		
Loss on sales of investment securities	633	863
Loss on retirement of non-current assets	25	378
Foreign exchange losses	323	—
Other	300	297
Total non-operating expenses	1,282	1,538
Ordinary profit	60,518	34,767
Extraordinary income		
Gain on sales of investment securities	35	—
Reversal of reserve for financial products transaction liabilities	59	52
Gain on liquidation of subsidiaries and associates	—	1,611
Total extraordinary income	94	1,663
Extraordinary losses		
Loss on sales of investment securities	304	—
Loss on valuation of investment securities	0	—
Impairment loss	16	42
Other	—	291
Total extraordinary losses	321	333
Profit before income taxes	60,291	36,097
Income taxes-current	14,371	4,467
Income taxes-deferred	447	2,688
Total income taxes	14,818	7,155
Profit	45,472	28,941
Profit attributable to non-controlling interests	14,289	8,440
Profit attributable to owners of parent	31,183	20,501

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)
Profit	45,472	28,941
Other comprehensive income		
Valuation difference on available-for-sale securities	1,316	(741)
Deferred gains or losses on hedges	11	(77)
Foreign currency translation adjustment	9,201	(5,468)
Remeasurements of defined benefit plans, net of tax	(391)	(86)
Share of other comprehensive income of entities accounted for using equity method	349	—
Total other comprehensive income	10,487	(6,374)
Comprehensive income	55,960	22,567
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	41,354	14,604
Comprehensive income attributable to non-controlling interests	14,605	7,962



(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, 2019**

## 1. Commission received

## (1) Breakdown by item

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Commission to consignees	31,928	25,196	(6,731)	42,501
Stocks	30,995	24,287	(6,707)	41,150
Bonds	18	8	(10)	20
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	19,183	24,655	5,471	24,619
Stocks	7,720	11,276	3,556	9,912
Bonds	11,462	13,378	1,915	14,707
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	25,973	15,184	(10,789)	34,713
Beneficiary certificates	23,527	12,572	(10,954)	31,359
Other fees received	41,662	46,536	4,873	56,741
Beneficiary certificates	17,607	17,309	(297)	23,379
Total	118,747	111,572	(7,175)	158,576

## (2) Breakdown by product

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	40,296	39,044	(1,251)	52,974
Bonds	15,772	17,960	2,187	20,548
Beneficiary certificates	41,922	30,732	(11,190)	55,921
Other	20,756	23,835	3,078	29,132
Total	118,747	111,572	(7,175)	158,576

## 2. Net trading income

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	35,684	(1,669)	(37,354)	39,297
Bonds and other	89,199	95,206	6,006	131,849
Total	124,884	93,536	(31,347)	171,147

## Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	3Q of FY2017 (October 1 to December 31, 2017)	4Q of FY2017 (January 1 to March 31, 2018)	1Q of FY2018 (April 1 to June 30, 2018)	2Q of FY2018 (July 1 to September 30, 2018)	3Q of FY2018 (October 1 to December 31, 2018)
Operating revenue	100,449	94,820	92,611	92,925	91,152
Commission received	42,234	39,828	40,974	32,379	38,218
Commission to consignees	12,360	10,573	8,926	8,261	8,008
Stocks	12,025	10,154	8,702	8,001	7,584
Bonds	4	1	2	4	1
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	7,661	5,435	7,013	5,531	12,110
Stocks	3,995	2,191	2,742	1,351	7,183
Bonds	3,666	3,244	4,271	4,179	4,927
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	8,874	8,740	5,929	5,404	3,850
Beneficiary certificates	8,050	7,832	5,124	4,562	2,885
Other fees received	13,338	15,079	19,105	13,182	14,249
Beneficiary certificates	5,937	5,772	5,964	5,842	5,502
Net trading income	45,551	46,262	37,354	31,575	24,606
Net trading income from securities (stocks)	18,653	3,612	(5,878)	4,444	(235)
Net trading income from bonds and other	26,897	42,650	43,233	27,130	24,842
Financial revenue	12,663	8,728	14,279	28,970	28,327
Other operating revenue	—	0	3	—	—
Financial expenses	2,584	2,616	6,608	13,414	16,815
Net operating revenue	97,864	92,203	86,003	79,511	74,337
Selling, general and administrative expenses	77,305	76,109	75,042	69,473	73,535
Trading related expenses	22,325	24,835	20,591	20,068	20,742
Personnel expenses	28,790	26,282	28,063	25,261	26,424
Real estate expenses	6,166	5,322	6,078	6,082	6,128
Office cost	8,364	7,778	8,259	8,046	8,324
Depreciation	6,464	6,528	6,768	6,759	7,377
Taxes and dues	3,155	3,755	3,466	1,255	2,555
Other	2,037	1,606	1,815	2,000	1,980
Operating profit	20,559	16,094	10,960	10,037	801
Non-operating income	5,291	7,810	5,616	3,892	4,997
Non-operating expenses	523	216	1,380	262	(103)
Ordinary profit	25,326	23,688	15,196	13,668	5,903
Extraordinary income	—	84	53	1,611	(1)
Extraordinary losses	304	505	218	68	46
Profit before income taxes	25,022	23,266	15,031	15,211	5,855
Income taxes-current	7,794	5,552	1,220	1,684	1,562
Income taxes-deferred	(2,437)	574	2,247	2,577	(2,137)
Total income taxes	5,357	6,127	3,468	4,262	(575)
Profit	19,664	17,138	11,563	10,948	6,430
Profit attributable to non-controlling interests	6,229	5,129	3,091	4,055	1,293
Profit attributable to owners of parent	13,435	12,009	8,471	6,892	5,137

<Reference>

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.  
for the Third Quarter of the Fiscal Year Ending March 31, 2019

(1) Consolidated operating results

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Operating revenue	221,662	192,127	(29,534)	300,043
Commission received	102,740	95,472	(7,267)	136,559
Net trading income	97,817	77,321	(20,495)	136,620
Net operating revenue	216,565	188,343	(28,221)	293,290
Operating profit	32,921	15,171	(17,749)	47,894
Ordinary profit	34,063	16,684	(17,379)	49,352
Profit attributable to owners of parent	22,651	10,577	(12,074)	32,470

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Commission to consignees	25,293	19,654	(5,638)	33,322
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	12,218	15,783	3,564	14,934
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	25,871	15,058	(10,812)	34,513
Other fees received	39,356	44,975	5,618	53,788
Total	102,740	95,472	(7,267)	136,559

<Breakdown by product of commission received>

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	33,504	33,272	(231)	43,588
Bonds	9,182	9,486	304	11,328
Beneficiary certificates	41,317	30,095	(11,221)	55,068
Other	18,736	22,616	3,880	26,572
Total	102,740	95,472	(7,267)	136,559

<Net trading income>

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	26,204	18,281	(7,923)	38,084
Bonds and other	71,612	59,040	(12,572)	98,536
Total	97,817	77,321	(20,495)	136,620

(2) Consolidated financial position

(Millions of yen)

	As of December 31, 2017	As of December 31, 2018	Increase (Decrease)	As of March 31, 2018
Total assets	13,665,584	13,599,081	621,522	12,977,558
Net assets	424,354	397,837	(8,771)	406,608

<Reference>

(3) Non-consolidated operating results

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Operating revenue	192,215	171,779	(20,436)	261,997
Commission received	88,262	84,908	(3,354)	117,905
Net trading income	82,958	64,683	(18,274)	116,744
Net operating revenue	187,309	165,107	(22,201)	254,866
Operating profit	23,815	9,702	(14,113)	36,134
Ordinary profit	31,057	18,267	(12,790)	43,964
Profit	24,254	15,018	(9,236)	33,060

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Commission to consignees	24,745	19,094	(5,651)	32,583
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	12,218	15,783	3,564	14,934
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	17,005	10,395	(6,609)	23,354
Other fees received	34,293	39,635	5,341	47,033
Total	88,262	84,908	(3,354)	117,905

<Breakdown by product of commission received>

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	33,068	32,798	(270)	43,002
Bonds	7,880	8,223	343	9,657
Beneficiary certificates	28,878	21,879	(6,998)	39,092
Other	18,436	22,007	3,571	26,153
Total	88,262	84,908	(3,354)	117,905

<Net trading income>

(Millions of yen)

	First nine months of FY2017 (From April 1, 2017 to December 31, 2017)	First nine months of FY2018 (From April 1, 2018 to December 31, 2018)	Increase (Decrease)	FY2017 (From April 1, 2017 to March 31, 2018)
Stocks	24,792	17,542	(7,250)	36,431
Bonds and other	58,165	47,141	(11,023)	80,313
Total	82,958	64,683	(18,274)	116,744

(4) Non-consolidated financial position

(Millions of yen)

	As of December 31, 2017	As of December 31, 2018	Increase (Decrease)	As of March 31, 2018
Total assets	13,559,343	13,504,258	635,350	12,868,908
Net assets	423,198	399,220	(3,197)	402,418