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July 26, 2019

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2020 [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 first quarter of fiscal year 2019 (from April 1, 2019 to June 30, 2019)

#### (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 three months of FY2019	97,628	5.6	66,830	(22.3)	(4,301)	—	599	(96.1)
First three months of FY2018	92,611	6.8	86,003	3.1	10,960	12.8	15,196	0.1

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First three months of FY2019	753	(91.1)	1.02	1.02
First three months of FY2018	8,471	(13.7)	11.49	11.49

(Note) Comprehensive income First three months of FY2019: 7,021 million yen 14.7%  
First three months of FY2018: 6,119 million yen (29.9)%

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2019	25,673,233	941,288	2.6
As of March 31, 2019	24,508,629	948,743	2.7

(Reference) Equity As of June 30, 2019: 670,568 million yen As of March 31, 2019: 671,855 million yen

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

(Total net assets – Share acquisition rights – 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 June 30, 2019	736,985,496 shares
As of March 31, 2019	736,985,496 shares

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

As of June 30, 2019	– shares
As of March 31, 2019	– shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

First three months of the fiscal year ending March 31, 2020	736,985,496 shares
First three months of the fiscal year ended March 31, 2019	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 statements and primary notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>ASSETS</b>		
Current assets		
Cash and deposits	1,977,895	2,044,452
Cash segregated as deposits	767,298	756,731
Trading products	10,607,932	12,200,418
Trading securities and other	3,107,927	3,959,712
Derivatives	7,500,004	8,240,706
Trade date accrual	163,530	—
Margin transaction assets	285,914	217,070
Loans secured by securities	8,981,121	8,609,863
Short-term guarantee deposits	959,409	918,906
Short-term investment securities	2,053	1,001
Income taxes receivable	6,780	9,807
Other current assets	205,071	334,428
Total current assets	23,957,007	25,092,679
Non-current assets		
Property, plant and equipment	28,038	35,338
Intangible assets	108,602	108,618
Investments and other assets	414,980	436,596
Total non-current assets	551,621	580,553
Total assets	24,508,629	25,673,233

(Millions of yen)

	As of March 31, 2019	As of June 30, 2019
<b>LIABILITIES</b>		
Current liabilities		
Trading products	9,321,472	10,426,471
Trading securities and other	2,098,132	2,478,665
Derivatives	7,223,339	7,947,805
Trade date accrual	—	390,361
Margin transaction liabilities	243,758	161,206
Borrowings secured by securities	6,173,612	6,494,484
Short-term borrowings	2,517,557	1,898,668
Current portion of bonds	202,775	225,002
Current portion of long-term borrowings	171,814	129,389
Commercial papers	598,625	532,951
Income taxes payable	4,508	1,461
Provision for contingent loss	716	649
Asset retirement obligations	67	236
Other current liabilities	2,435,317	2,636,177
Total current liabilities	21,670,225	22,897,060
Non-current liabilities		
Bonds payable	1,244,543	1,217,558
Long-term borrowings	628,792	592,809
Net defined benefit liability	2,390	2,412
Provision for directors' retirement benefits	35	38
Asset retirement obligations	7,875	7,615
Other non-current liabilities	1,759	10,187
Total non-current liabilities	1,885,396	1,830,622
Reserves under special laws		
Reserve for financial instruments transaction liabilities	4,263	4,262
Total reserves under special laws	4,263	4,262
Total liabilities	23,559,885	24,731,944
<b>NET ASSETS</b>		
Shareholders' equity		
Share capital	75,518	75,518
Capital surplus	438,808	438,808
Retained earnings	188,309	180,621
Total shareholders' equity	702,636	694,948
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,484	1,293
Deferred gains or losses on hedges	7	32
Foreign currency translation adjustment	(33,532)	(26,970)
Remeasurements of defined benefit plans	1,258	1,265
Total accumulated other comprehensive income	(30,781)	(24,380)
Share acquisition rights	27	27
Non-controlling interests	276,860	270,692
Total net assets	948,743	941,288
Total liabilities and net assets	24,508,629	25,673,233

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

	(Millions of yen)	
	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)
Operating revenue		
Commission received	40,974	32,012
Net trading income	37,354	32,114
Financial revenue	14,279	33,698
Other operating revenue	3	4
Total operating revenue	92,611	97,828
Financial expenses	6,608	30,997
Net operating revenue	86,003	66,830
Selling, general and administrative expenses	75,042	71,132
Operating profit (loss)	10,960	(4,301)
Non-operating income		
Share of profit of entities accounted for using equity method	3,419	3,676
Other	2,197	1,257
Total non-operating income	5,616	4,934
Non-operating expenses		
Other	1,380	32
Total non-operating expenses	1,380	32
Ordinary profit	15,196	599
Extraordinary income		
Reversal of reserve for financial instruments transaction liabilities	53	1
Total extraordinary income	53	1
Extraordinary losses		
Loss on valuation of investment securities	—	20
Impairment loss	—	201
Other	218	43
Total extraordinary losses	218	265
Profit before income taxes	15,031	336
Income taxes-current	1,220	416
Income taxes-deferred	2,247	(858)
Total income taxes	3,468	(441)
Profit	11,563	777
Profit attributable to non-controlling interests	3,091	24
Profit attributable to owners of parent	8,471	753

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)
Profit	11,563	777
Other comprehensive income		
Valuation difference on available-for-sale securities	(301)	(351)
Deferred gains or losses on hedges	35	24
Foreign currency translation adjustment	(5,148)	6,561
Remeasurements of defined benefit plans, net of tax	(28)	10
Total other comprehensive income	(5,443)	6,243
Comprehensive income	6,119	7,021
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	3,217	7,154
Comprehensive income attributable to non-controlling interests	2,901	(132)

(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 First Quarter of the Fiscal Year Ending March 31, 2020**

## 1. Commission received

## (1) Breakdown by item

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Brokerage commission	8,926	5,771	(3,155)	31,744
Stocks	8,702	5,558	(3,144)	30,665
Bonds	2	0	(1)	8
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	7,013	8,805	1,791	32,568
Stocks	2,742	2,614	(127)	14,697
Bonds	4,271	6,190	1,919	17,871
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	5,929	3,366	(2,562)	18,819
Beneficiary certificates	5,124	2,757	(2,366)	15,233
Other fees received	19,105	14,068	(5,036)	65,655
Beneficiary certificates	5,964	5,291	(673)	22,563
Total	40,974	32,012	(8,961)	148,788

## (2) Breakdown by product

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Stocks	13,526	8,707	(4,819)	49,326
Bonds	5,722	6,649	926	24,032
Beneficiary certificates	11,299	8,235	(3,064)	38,803
Other	10,425	8,419	(2,005)	36,626
Total	40,974	32,012	(8,961)	148,788

## 2. Net trading income

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Stocks	(5,878)	26,458	32,337	3,592
Bonds and other	43,233	5,655	(37,578)	115,967
Total	37,354	32,114	(5,240)	119,559



## Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	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)	4Q of FY2018 (January 1 to March 31, 2019)	1Q of FY2019 (April 1 to June 30, 2019)
Operating revenue	92,611	92,925	91,152	94,794	97,828
Commission received	40,974	32,379	38,218	37,216	32,012
Brokerage commission	8,926	8,261	8,008	6,548	5,771
Stocks	8,702	8,001	7,584	6,377	5,558
Bonds	2	4	1	0	0
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	7,013	5,531	12,110	7,913	8,805
Stocks	2,742	1,351	7,183	3,420	2,614
Bonds	4,271	4,179	4,927	4,492	6,190
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	5,929	5,404	3,850	3,635	3,366
Beneficiary certificates	5,124	4,562	2,885	2,661	2,757
Other fees received	19,105	13,182	14,249	19,119	14,068
Beneficiary certificates	5,964	5,842	5,502	5,253	5,291
Net trading income	37,354	31,575	24,606	26,022	32,114
Net trading income from securities (stocks)	(5,878)	4,444	(235)	5,262	26,458
Net trading income from bonds and other	43,233	27,130	24,842	20,760	5,655
Financial revenue	14,279	28,970	28,327	31,555	33,698
Other operating revenue	3	—	—	—	4
Financial expenses	6,608	13,414	16,815	21,248	30,997
Net operating revenue	86,003	79,511	74,337	73,546	66,830
Selling, general and administrative expenses	75,042	69,473	73,535	69,760	71,132
Trading related expenses	20,591	20,068	20,742	20,210	17,687
Personnel expenses	28,063	25,261	26,424	24,942	26,183
Real estate expenses	6,078	6,082	6,128	5,887	6,296
Office cost	8,259	8,046	8,324	7,327	8,475
Depreciation	6,768	6,759	7,377	7,228	7,654
Taxes and dues	3,466	1,255	2,555	1,124	3,046
Other	1,815	2,000	1,980	3,039	1,788
Operating profit (loss)	10,960	10,037	801	3,785	(4,301)
Non-operating income	5,616	3,892	4,997	4,357	4,934
Non-operating expenses	1,380	262	(103)	547	32
Ordinary profit	15,196	13,668	5,903	7,595	599
Extraordinary income	53	1,611	(1)	4,213	1
Extraordinary losses	218	68	46	1,046	265
Profit before income taxes	15,031	15,211	5,855	10,763	336
Income taxes-current	1,220	1,684	1,562	947	416
Income taxes-deferred	2,247	2,577	(2,137)	2,470	(858)
Total income taxes	3,468	4,262	(575)	3,418	(441)
Profit	11,563	10,948	6,430	7,345	777
Profit attributable to non-controlling interests	3,091	4,055	1,293	2,704	24
Profit attributable to owners of parent	8,471	6,892	5,137	4,640	753

<Reference>

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.  
for the First Quarter of the Fiscal Year Ending March 31, 2020

(1) Consolidated operating results

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Operating revenue	69,664	52,918	(16,745)	254,350
Commission received	36,290	26,924	(9,365)	126,969
Net trading income	27,884	21,366	(6,517)	99,550
Net operating revenue	68,222	51,466	(16,756)	249,150
Operating profit (loss)	9,081	(2,645)	(11,726)	20,491
Ordinary profit (loss)	9,386	(2,135)	(11,522)	22,432
Profit (loss) attributable to owners of parent	6,177	(1,662)	(7,840)	11,546

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Brokerage commission	7,059	4,308	(2,750)	24,443
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,922	5,881	958	20,499
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	5,892	3,339	(2,553)	18,673
Other fees received	18,416	13,395	(5,020)	63,353
Total	36,290	26,924	(9,365)	126,969

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Stocks	11,578	7,094	(4,483)	41,752
Bonds	3,884	3,882	(2)	12,480
Beneficiary certificates	11,088	8,052	(3,035)	37,994
Other	9,739	7,895	(1,844)	34,742
Total	36,290	26,924	(9,365)	126,969

<Net trading income>

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Stocks	6,605	5,845	(759)	21,885
Bonds and other	21,279	15,520	(5,758)	77,664
Total	27,884	21,366	(6,517)	99,550

(2) Consolidated financial position

(Millions of yen)

	As of June 30, 2018	As of June 30, 2019	Increase (Decrease)	As of March 31, 2019
Total assets	12,218,302	14,373,207	857,364	13,515,842
Net assets	400,876	395,714	(2,782)	398,497

<Reference>

(3) Non-consolidated operating results

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Operating revenue	61,911	46,658	(15,253)	227,925
Commission received	32,398	23,620	(8,777)	113,273
Net trading income	23,717	17,656	(6,061)	83,066
Net operating revenue	60,142	44,430	(15,711)	218,923
Operating profit (loss)	7,058	(4,097)	(11,156)	13,584
Ordinary profit (loss)	11,665	(1,613)	(13,279)	22,806
Profit (loss)	9,502	(352)	(9,855)	15,564

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Brokerage commission	6,891	4,172	(2,718)	23,756
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,922	5,881	958	20,499
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	3,958	1,895	(2,062)	12,721
Other fees received	16,626	11,671	(4,954)	56,295
Total	32,398	23,620	(8,777)	113,273

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Stocks	11,431	6,972	(4,459)	41,162
Bonds	3,426	3,698	271	10,855
Beneficiary certificates	7,943	5,345	(2,598)	27,411
Other	9,596	7,605	(1,991)	33,843
Total	32,398	23,620	(8,777)	113,273

<Net trading income>

(Millions of yen)

	First three months of FY2018 (From April 1, 2018 to June 30, 2018)	First three months of FY2019 (From April 1, 2019 to June 30, 2019)	Increase (Decrease)	FY2018 (From April 1, 2018 to March 31, 2019)
Stocks	6,272	5,696	(575)	20,972
Bonds and other	17,445	11,959	(5,485)	62,093
Total	23,717	17,656	(6,061)	83,066

(4) Non-consolidated financial position

(Millions of yen)

	As of June 30, 2018	As of June 30, 2019	Increase (Decrease)	As of March 31, 2019
Total assets	12,110,652	14,280,810	859,630	13,421,179
Net assets	401,003	398,687	(1,190)	399,878