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January 29, 2021

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2021 [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 2020 (from April 1, 2020 to December 31, 2020)

(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 FY2020	280,515	(13.1)	236,765	4.0	36,640	262.9	49,119	101.9
First nine months of FY2019	322,655	16.6	227,696	(5.1)	10,097	(53.7)	24,332	(30.0)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First nine months of FY2020	25,184	138.7	34.17	—
First nine months of FY2019	10,548	(48.5)	14.31	—

(Note) Comprehensive income First nine months of FY2020: 20,754 million yen 453.5%
First nine months of FY2019: 3,749 million yen (83.4)%

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	32,095,960	945,252	2.1
As of March 31, 2020	31,866,151	943,963	2.1

(Reference) Equity As of December 31, 2020: 671,208 million yen As of March 31, 2020: 673,866 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: Yes

Excluded: 1 company (Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd.)

(Note) For details, please refer to “Consolidated financial statements and primary notes (3) Notes to consolidated financial statements (Notes on changes in significant subsidiaries during the current period)” on page 4 of the “Attached Material” .

(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, 2020	736,985,496 shares
As of March 31, 2020	736,985,496 shares

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

As of December 31, 2020	– shares
As of March 31, 2020	– 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, 2021	736,985,496 shares
First nine months of the fiscal year ended March 31, 2020	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, 2020	As of December 31, 2020
ASSETS		
Current assets		
Cash and deposits	2,185,650	1,643,256
Cash segregated as deposits	858,165	1,071,903
Trading products	12,869,831	14,250,167
Trading securities and other	4,727,433	6,856,658
Derivatives	8,142,397	7,393,508
Trade date accrual	552,675	—
Margin transaction assets	214,735	216,823
Loans secured by securities	13,241,266	12,910,483
Short-term guarantee deposits	1,016,119	1,003,417
Short-term investment securities	5,618	70,632
Income taxes receivable	5,459	1,497
Other current assets	288,824	300,518
Total current assets	31,238,347	31,468,698
Non-current assets		
Property, plant and equipment	32,088	30,013
Intangible assets	106,827	102,640
Investments and other assets	488,887	494,607
Total non-current assets	627,804	627,261
Total assets	31,866,151	32,095,960

(Millions of yen)

	As of March 31, 2020	As of December 31, 2020
LIABILITIES		
Current liabilities		
Trading products	11,765,256	11,935,678
Trading securities and other	4,002,899	4,900,928
Derivatives	7,762,356	7,034,749
Trade date accrual	—	462,095
Margin transaction liabilities	179,207	114,618
Borrowings secured by securities	10,234,296	10,849,982
Short-term borrowings	3,259,551	2,011,952
Current portion of bonds	276,710	338,394
Current portion of long-term borrowings	115,501	190,442
Commercial papers	729,871	832,524
Income taxes payable	7,417	3,869
Provision for contingent loss	680	552
Asset retirement obligations	103	1,103
Other current liabilities	2,559,489	2,914,859
Total current liabilities	29,128,086	29,656,075
Non-current liabilities		
Bonds payable	1,017,479	758,077
Long-term borrowings	753,034	713,510
Net defined benefit liability	2,641	2,587
Provision for directors' retirement benefits	93	33
Asset retirement obligations	7,787	7,438
Other non-current liabilities	8,795	8,578
Total non-current liabilities	1,789,832	1,490,225
Reserves under special laws		
Reserve for financial instruments transaction liabilities	4,269	4,405
Total reserves under special laws	4,269	4,405
Total liabilities	30,922,188	31,150,707
NET ASSETS		
Shareholders' equity		
Share capital	75,518	75,518
Capital surplus	434,441	434,441
Retained earnings	191,165	201,433
Total shareholders' equity	701,126	711,393
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	571	841
Deferred gains or losses on hedges	20	30
Foreign currency translation adjustment	(28,417)	(41,604)
Remeasurements of defined benefit plans	566	547
Total accumulated other comprehensive income	(27,259)	(40,185)
Non-controlling interests	270,096	274,044
Total net assets	943,963	945,252
Total liabilities and net assets	31,866,151	32,095,960

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

	(Millions of yen)	
	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)
Operating revenue		
Commission received	105,850	100,650
Net trading income	102,832	107,212
Financial revenue	113,968	72,648
Other operating revenue	4	4
Total operating revenue	322,655	280,515
Financial expenses	94,958	43,750
Net operating revenue	227,696	236,765
Selling, general and administrative expenses	217,599	200,124
Operating profit	10,097	36,640
Non-operating income		
Interest income	2,356	2,754
Share of profit of entities accounted for using equity method	10,009	5,132
Gain on sales of investment securities	445	2,768
Other	1,604	2,493
Total non-operating income	14,416	13,149
Non-operating expenses		
Loss on investments in money held in trust	—	461
Other	180	209
Total non-operating expenses	180	670
Ordinary profit	24,332	49,119
Extraordinary income		
Gain on sales of investment securities	471	6
Reversal of reserve for financial instruments transaction liabilities	1	—
Other	59	—
Total extraordinary income	533	6
Extraordinary losses		
Loss on valuation of investment securities	37	15
Loss on sales of non-current assets	8	—
Impairment loss	336	624
Provision of reserve for financial instruments transaction liabilities	—	136
Loss on liquidation of subsidiaries and associates	—	94
Business restructuring expenses	234	1,318
Other	34	—
Total extraordinary losses	650	2,188
Profit before income taxes	24,215	46,936
Income taxes-current	5,095	12,806
Income taxes-deferred	2,862	557
Total income taxes	7,958	13,363
Profit	16,256	33,573
Profit attributable to non-controlling interests	5,708	8,389
Profit attributable to owners of parent	10,548	25,184

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)
Profit	16,256	33,573
Other comprehensive income		
Valuation difference on available-for-sale securities	(527)	390
Deferred gains or losses on hedges	13	10
Foreign currency translation adjustment	(12,023)	(13,187)
Remeasurements of defined benefit plans, net of tax	30	(32)
Total other comprehensive income	(12,507)	(12,819)
Comprehensive income	3,749	20,754
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(1,863)	12,257
Comprehensive income attributable to non-controlling interests	5,612	8,496

(3) Notes to consolidated financial statements

(Notes on premise of going concern)

None

(Notes on significant changes in the amount of shareholders' equity)

None

(Notes on changes in significant subsidiaries during the current period)

Mitsubishi UFJ Morgan Stanley PB Securities Co., Ltd., which was the Company's specified subsidiary, was excluded from the scope of consolidation from the second quarter of the fiscal year ending March 31, 2021, due to an absorption-type merger with Mitsubishi UFJ Morgan Stanley Securities Co., Ltd., a consolidated subsidiary of the Company.

Consolidated Financial Results
for the Third Quarter of the Fiscal Year Ending March 31, 2021

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	Increase (Decrease)	FY2019 (From April 1, 2019 to March 31, 2020)
Brokerage commission	19,306	20,752	1,446	27,228
Stocks	18,649	19,832	1,183	26,053
Bonds	2	3	1	3
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	22,844	19,614	(3,229)	28,560
Stocks	4,959	3,458	(1,501)	6,557
Bonds	17,884	16,156	(1,727)	22,002
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	13,109	13,307	197	17,346
Beneficiary certificates	11,559	12,901	1,341	15,378
Other fees received	50,590	46,976	(3,613)	70,156
Beneficiary certificates	16,189	14,718	(1,471)	21,372
Total	105,850	100,650	(5,199)	143,291

(2) Breakdown by product

(Millions of yen)

	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	Increase (Decrease)	FY2019 (From April 1, 2019 to March 31, 2020)
Stocks	26,180	25,929	(251)	35,721
Bonds	20,484	18,601	(1,882)	25,782
Beneficiary certificates	28,331	28,414	83	37,765
Other	30,853	27,704	(3,148)	44,021
Total	105,850	100,650	(5,199)	143,291

2. Net trading income

(Millions of yen)

	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	Increase (Decrease)	FY2019 (From April 1, 2019 to March 31, 2020)
Stocks	47,684	42,923	(4,760)	59,510
Bonds and other	55,147	64,288	9,140	90,158
Total	102,832	107,212	4,380	149,668

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	3Q of FY2019 (October 1 to December 31, 2019)	4Q of FY2019 (January 1 to March 31, 2020)	1Q of FY2020 (April 1 to June 30, 2020)	2Q of FY2020 (July 1 to September 30, 2020)	3Q of FY2020 (October 1 to December 31, 2020)
Operating revenue	117,999	133,125	107,264	84,455	88,795
Commission received	37,720	37,441	29,014	33,825	37,810
Brokerage commission	7,253	7,922	6,995	6,237	7,519
Stocks	7,051	7,404	6,572	5,992	7,267
Bonds	0	1	1	1	0
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	6,864	5,716	4,339	8,058	7,215
Stocks	1,103	1,597	70	1,512	1,875
Bonds	5,760	4,118	4,269	6,546	5,340
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	4,964	4,236	2,912	4,713	5,680
Beneficiary certificates	4,445	3,818	2,885	4,655	5,360
Other fees received	18,638	19,566	14,766	14,815	17,394
Beneficiary certificates	5,475	5,183	4,615	4,987	5,115
Net trading income	37,162	46,836	31,676	37,278	38,256
Net trading income from securities (stocks)	15,183	11,825	(13,158)	31,478	24,603
Net trading income from bonds and other	21,978	35,010	44,835	5,800	13,652
Financial revenue	43,116	48,848	46,568	13,351	12,728
Other operating revenue	—	—	4	—	—
Financial expenses	31,937	38,658	42,665	527	557
Net operating revenue	86,062	94,467	64,599	83,927	88,238
Selling, general and administrative expenses	75,096	75,987	63,669	67,197	69,257
Trading related expenses	21,876	21,037	12,829	14,068	14,391
Personnel expenses	27,944	28,978	24,415	28,585	28,215
Real estate expenses	6,051	6,044	5,776	5,855	5,891
Office cost	8,001	7,993	8,031	7,884	9,009
Depreciation	7,478	8,051	7,598	7,726	8,017
Taxes and dues	1,819	1,587	2,626	1,233	1,766
Other	1,925	2,294	2,391	1,844	1,963
Operating profit	10,966	18,480	929	16,729	18,980
Non-operating income	3,426	7,126	5,839	2,863	4,446
Non-operating expenses	72	1,438	587	28	54
Ordinary profit	14,320	24,169	6,181	19,564	23,373
Extraordinary income	—	1,169	—	6	—
Extraordinary losses	40	1,819	138	331	1,718
Profit before income taxes	14,280	23,519	6,043	19,239	21,654
Income taxes-current	3,088	5,149	1,451	4,300	7,054
Income taxes-deferred	2,443	2,282	74	1,478	(996)
Total income taxes	5,532	7,432	1,526	5,778	6,058
Profit	8,747	16,086	4,516	13,460	15,596
Profit attributable to non-controlling interests	2,385	5,492	156	2,990	5,241
Profit attributable to owners of parent	6,362	10,594	4,359	10,469	10,354

<Reference>

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.
for the Third Quarter of the Fiscal Year Ending March 31, 2021

(1) Non-consolidated operating results

(Millions of yen)

	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	Increase (Decrease)	FY2019 (From April 1, 2019 to March 31, 2020)
Operating revenue	156,350	170,852	14,501	219,907
Commission received	79,399	80,226	827	107,313
Net trading income	57,852	75,337	17,484	85,060
Net operating revenue	149,202	163,334	14,131	209,721
Operating profit	1,069	18,177	17,108	9,660
Ordinary profit	5,250	20,298	15,048	14,610
Profit	4,807	9,720	4,912	11,299

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	Increase (Decrease)	FY2019 (From April 1, 2019 to March 31, 2020)
Brokerage commission	14,179	16,431	2,251	20,220
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	13,759	9,137	(4,622)	16,391
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	7,847	11,883	4,036	10,133
Other fees received	43,612	42,774	(838)	60,567
Total	79,399	80,226	827	107,313

<Breakdown by product of commission received>

(Millions of yen)

	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	Increase (Decrease)	FY2019 (From April 1, 2019 to March 31, 2020)
Stocks	20,857	21,507	649	28,497
Bonds	11,294	8,680	(2,614)	13,272
Beneficiary certificates	18,708	24,730	6,021	24,860
Other	28,538	25,308	(3,230)	40,682
Total	79,399	80,226	827	107,313

<Net trading income>

(Millions of yen)

	First nine months of FY2019 (From April 1, 2019 to December 31, 2019)	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	Increase (Decrease)	FY2019 (From April 1, 2019 to March 31, 2020)
Stocks	17,158	25,664	8,505	25,523
Bonds and other	40,694	49,672	8,978	59,537
Total	57,852	75,337	17,484	85,060

(2) Non-consolidated financial position

(Millions of yen)

	As of December 31, 2019	As of December 31, 2020	Increase (Decrease)	As of March 31, 2020
Total assets	15,440,637	19,170,663	1,385,054	17,785,608
Net assets	403,947	413,508	4,173	409,334