



Mitsubishi UFJ Securities Holdings

3QFY2020

Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

January, 2021

▪ Consolidated Performance Highlights	P2
▪ Consolidated Performance Trends	P3
▪ Consolidated Financial Summary	P4
▪ Overview by Business Segments	P7

Appendix

▪ Consolidated Statement of Income	P8
▪ Consolidated Balance Sheet	P9
▪ Mitsubishi UFJ Morgan Stanley Securities (MUMSS)	P10
▪ au Kabucom Securities Co., Ltd. and Overseas Business	P13
▪ 【Reference】 Domestic Securities Companies	P14
▪ Financial Soundness Indicators (Credit Rating, Capital Adequacy Ratio)	P15

(Note) Figures hereafter contained in this document are rounded down to the nearest whole unit, unless otherwise specified.

In addition, since the settlement date at overseas subsidiaries are three months earlier than the consolidation date, the cumulative performance trends refer to the results for the period between January and September, while the quarterly performance trends refer to the results for the period between July and September.

3Q cumulative Performance Trends

- Net operating revenue was JPY 236.7bn (+3% YoY), ordinary profit was JPY 49.1bn (+101% YoY) and profit attributable to owners of parent was JPY 25.1bn (+138% YoY) on financial accounting basis.
Net operating revenue was JPY 300.1bn (+10% YoY), ordinary profit was JPY 68.9bn (+135% YoY) and profit attributable to owners of parent was JPY 40.0bn (+176% YoY) on substantial basis including MUSA.
- Domestic subsidiaries showed recovery due to increased investor flows on the back of solid markets and the restoration of business activities. This was also due to the largest-ever TOB deal captured, as well as the initiatives toward strengthening the wealth management business structure and increasing stock assets through merger with PB Securities. Ordinary profit significantly increased resulting from the effects of the cost structure reforms implemented since last year.
- Overseas subsidiaries achieved a record high profit. Both primary and secondary market businesses showed solid performances by capturing customer flows in an environment where companies face expanding needs for securing liquidity and volatilities are high.

(JPY billion)	Financial basis			Substantial basis including MUSA *		
	FY2019 3Q cumulative	FY2020 3Q cumulative	YoY %	FY2019 3Q cumulative	FY2020 3Q cumulative	YoY %
Net operating revenue	227.6	236.7	+3%	271.8	300.1	+10%
SG&A	217.5	200.1	(8)%	255.6	242.7	(5)%
Ordinary profit	24.3	49.1	+101%	29.2	68.9	+135%
Profit (owners of parent)	10.5	25.1	+138%	14.4	40.0	+176%

Quarterly Performance Trends

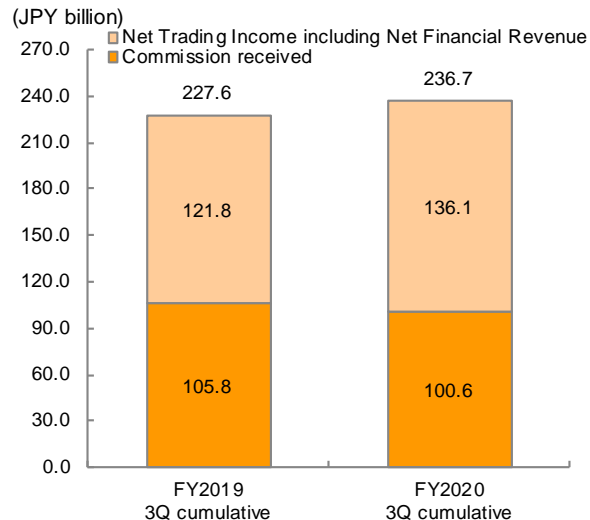
- Domestic subsidiaries saw increases in both revenue and profit, thanks to the redemption flow of structured bonds in line with rising stock prices and revenues from large-scale TOB deals.
- Overseas subsidiaries continued to perform well despite their decreased revenues from the previous quarter.

(JPY billion)	Financial basis			Substantial basis including MUSA *		
	FY2020 2Q	FY2020 3Q	QoQ %	FY2020 2Q	FY2020 3Q	QoQ %
Net operating revenue	83.9	88.2	+5%	114.8	107.3	(6)%
SG&A	67.1	69.2	+3%	83.4	82.7	(0)%
Ordinary profit	19.5	23.3	+19%	33.9	28.7	(15)%
Profit (owners of parent)	10.4	10.3	(1)%	21.2	14.4	(32)%

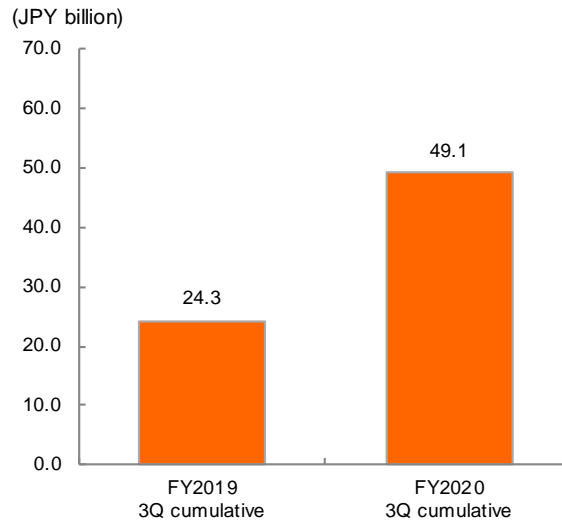
* Figures represent the aggregation with the results of MUFG Securities America Inc. (hereinafter "MUSA"), given that MUSA, despite its deconsolidation in 3Q16 as a result of the application of the U.S. Enhanced Prudential Standards, continues to be included in the Company's internal revenue management.

3Q cumulative Performance Trends

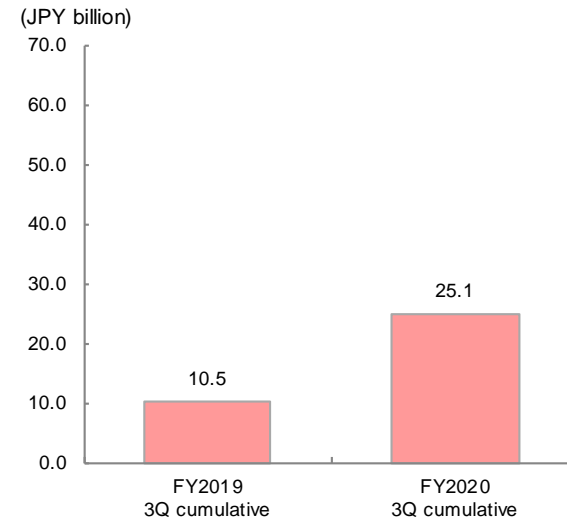
Net operating revenue



Ordinary profit

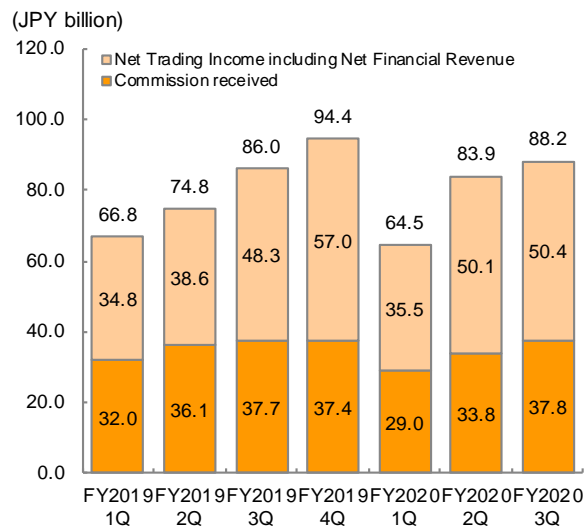


Profit (owners of parent)

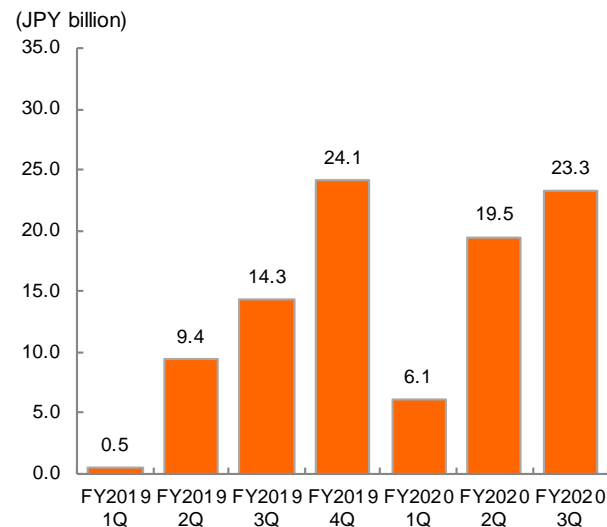


Quarterly Performance Trends

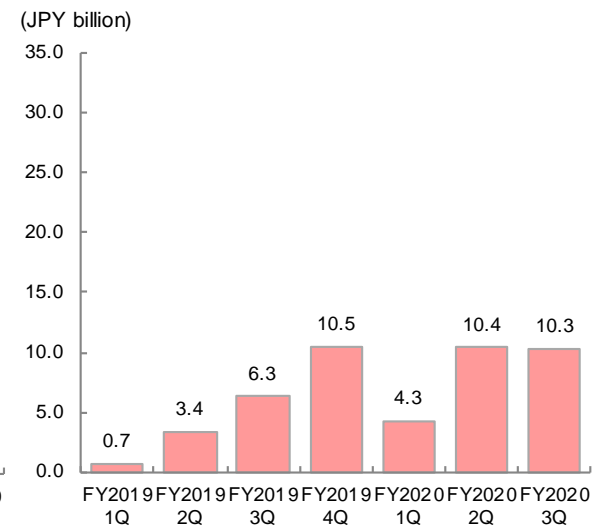
Net operating revenue



Ordinary profit



Profit (owners of parent)



Consolidated Financial Summary (1)

Commission Received (Financial basis)

Commission received

FY2020 3Q cumulative : JPY 100.6 billion

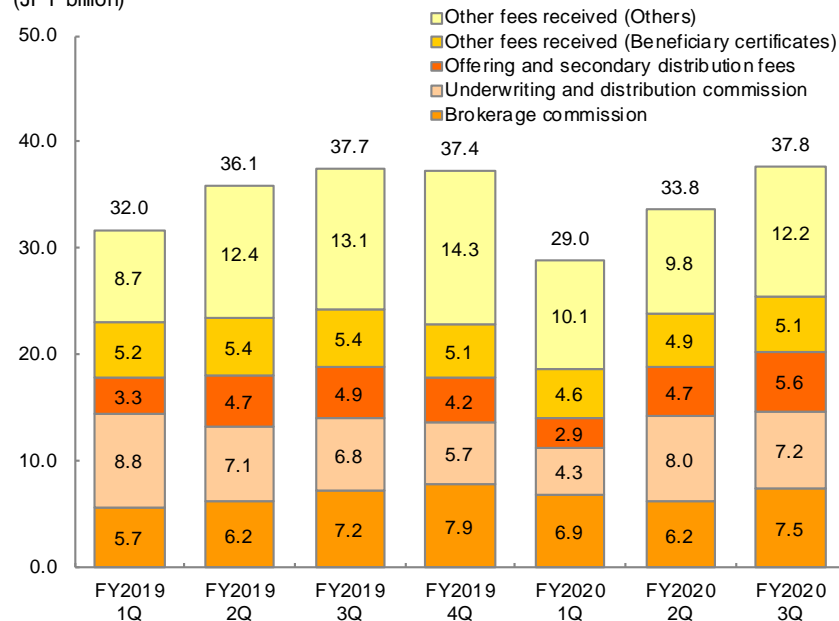
- YoY JPY (5.1) billion (4)%
- Brokerage commission: Revenue increased due to an increase in stock trading volume.
- Underwriting and distribution commission: The role of lead manager was achieved in multiple equity fund raising projects, although revenue decreased due to factors including the absence of large-scale bond deals in the same period of the previous year.
- Offering and secondary distribution fees: Through initiatives of investment trust sales toward increasing stock assets, the decrease in revenue in the first quarter was recovered and revenue returned to the level of the same period of the previous year.
- Other fees received (Beneficiary certificates): Asset balances decreased due to the decline in stock prices at the end of the previous fiscal year.
- Other fees received (Others): M&A related revenue decreased due to factors including the postponement of deals.

FY2020 3Q : JPY 37.8 billion

- QoQ JPY +3.9 billion +11%
- Offering and secondary distribution fees: The highest level of quarterly profit in the past ten quarters was achieved.
- Other fees received (Others): Revenue was recorded in large-scale TOB deals.

Quarterly Trends

(JPY billion)



(JPY billion)	FY2019 3Q cumulative	FY2020 3Q cumulative	YoY %
Brokerage commission	19.3	20.7	+7%
Underwriting and distribution commission	22.8	19.6	(14)%
Offering and secondary distribution fees	13.1	13.3	+1%
Other fees received (Beneficiary certificates)	16.1	14.7	(9)%
Other fees received (Others)	34.4	32.2	(6)%
Total	105.8	100.6	(4)%

	FY2020 2Q	FY2020 3Q	QoQ %
Brokerage commission	6.2	7.5	+20%
Underwriting and distribution commission	8.0	7.2	(10)%
Offering and secondary distribution fees	4.7	5.6	+20%
Other fees received (Beneficiary certificates)	4.9	5.1	+2%
Other fees received (Others)	9.8	12.2	+24%
Total	33.8	37.8	+11%

Consolidated Financial Summary (2)

Net Trading Income · Net Financial Revenue (Financial basis)

Net Trading Income · Net Financial Revenue

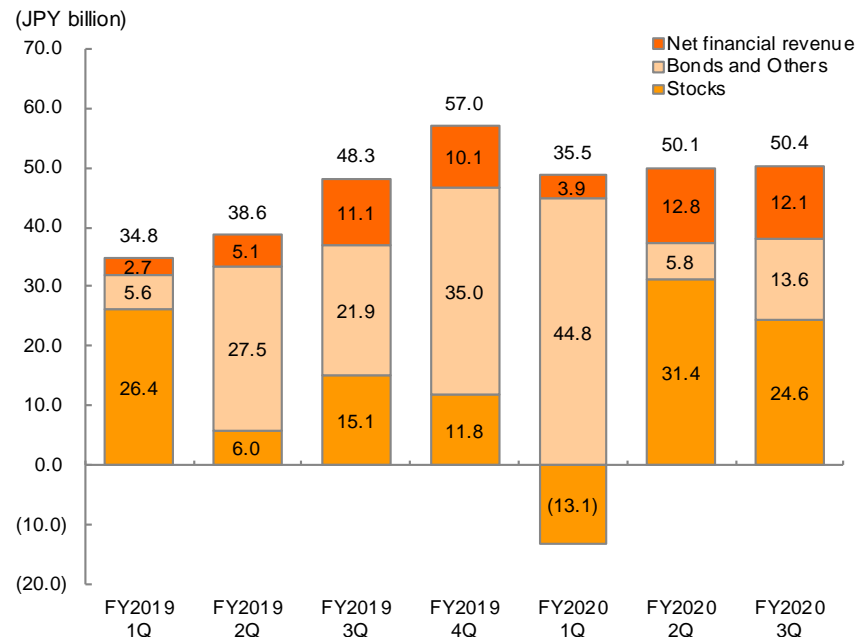
FY2020 3Q cumulative : JPY 136.1 billion

- YoY JPY +14.2 billion +11%
- Equity business: Domestic subsidiaries saw a strong performance in Japanese and foreign stocks throughout the period under review, and there was recovery in derivatives from the redemption flow of structured bonds in line with rising stock prices. Overseas subsidiaries saw growth in derivatives.
- Fixed income business: Domestic subsidiaries saw a strong performance in rates and credit businesses, while there was recovery in derivatives due to the resumption of structured bond sales, which are premised on face-to-face business activities. Revenues at overseas subsidiaries were driven by rates and repo.

FY2020 3Q : JPY 50.4 billion

- QoQ JPY +0.3 billion +0%
- Equity business: Both domestic and overseas subsidiaries saw growth in derivatives.
- Fixed income business: Domestic subsidiaries showed recovery in rates, while overseas subsidiaries saw decreased revenue in rates and repo.

Quarterly Trends



(JPY billion)
Stocks
Bonds and Others
Net financial revenue
Total

FY2019 3Q cumulative	FY2020 3Q cumulative	YoY %
47.6	42.9	(9)%
55.1	64.2	+16%
19.0	28.8	+52%
121.8	136.1	+11%

FY2020 2Q	FY2020 3Q	QoQ %
31.4	24.6	(21)%
5.8	13.6	+135%
12.8	12.1	(5)%
50.1	50.4	+0%

【Reference】 Management accounting basis *

Equity business
Fixed income business
Total

FY2019	FY2020	YoY
24.1	39.8	+65%
71.0	81.7	+15%
95.1	121.5	+27%

FY2020	FY2020	QoQ
11.6	16.0	+38%
38.3	26.9	(29)%
49.9	42.9	(14)%

* Figures represent the simple aggregation of Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. (MUMSS) and overseas subsidiaries including MUSA which based on management accounting basis.

Consolidated Financial Summary (3)

SG & A (Financial basis)

SG & A

FY2020 3Q cumulative : JPY 200.1 billion

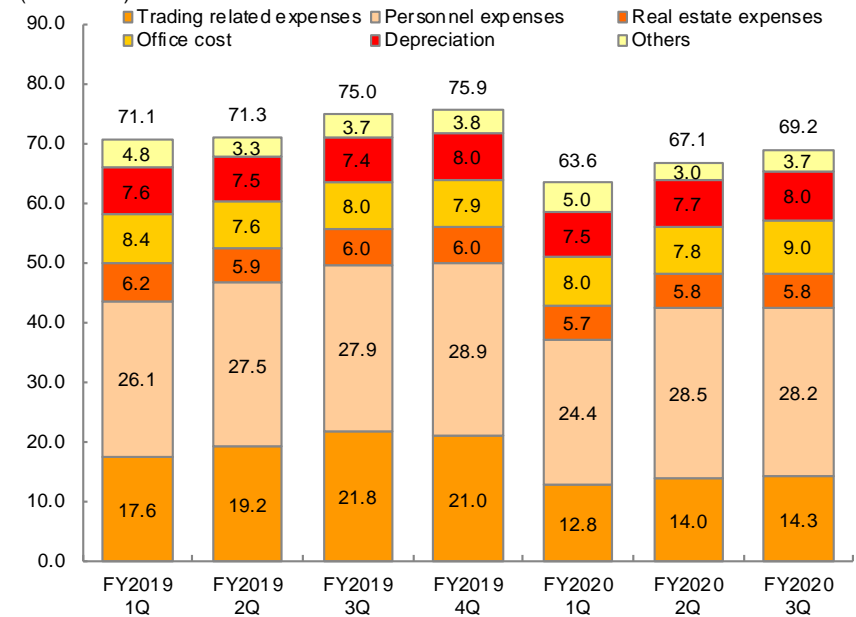
- YoY JPY (17.4) billion (8)%
- Domestic subsidiaries: While performance-linked bonuses increased, trading-related expenses including brokerage commission declined significantly, thanks partly to the cost structural reforms implemented in the previous fiscal year.
- Overseas subsidiaries: Personnel expenses decreased due to the cost structural reforms implemented in the previous fiscal year.

FY2020 3Q : JPY 69.2 billion

- QoQ JPY +2.0 billion +3%

Quarterly Trends

(JPY billion)



(JPY billion)	FY2019 3Q cumulative	FY2020 3Q cumulative	YoY %	FY2020 2Q	FY2020 3Q	QoQ %
Trading related expenses	58.8	41.2	(29)%	14.0	14.3	+2%
Personnel expenses	81.6	81.2	(0)%	28.5	28.2	(1)%
Real estate expenses	18.3	17.5	(4)%	5.8	5.8	+0%
Office cost	24.1	24.9	+3%	7.8	9.0	+14%
Depreciation	22.6	23.3	+3%	7.7	8.0	+3%
Others	11.9	11.8	(1)%	3.0	3.7	+21%
Total	217.5	200.1	(8)%	67.1	69.2	+3%

(JPY billion)	FY2019 3Q cumulative	FY2020 3Q cumulative	YoY %	FY2020 2Q	FY2020 3Q	QoQ %
Trading related expenses	58.8	41.2	(29)%	14.0	14.3	+2%
Personnel expenses	81.6	81.2	(0)%	28.5	28.2	(1)%
Real estate expenses	18.3	17.5	(4)%	5.8	5.8	+0%
Office cost	24.1	24.9	+3%	7.8	9.0	+14%
Depreciation	22.6	23.3	+3%	7.7	8.0	+3%
Others	11.9	11.8	(1)%	3.0	3.7	+21%
Total	217.5	200.1	(8)%	67.1	69.2	+3%

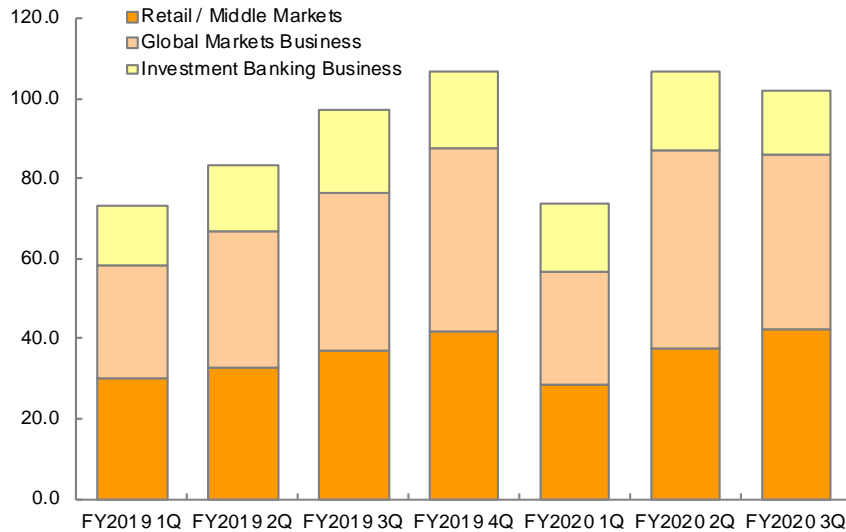
(JPY billion)	FY2019 3Q cumulative	FY2020 3Q cumulative	YoY %	FY2020 2Q	FY2020 3Q	QoQ %
Trading related expenses	58.8	41.2	(29)%	14.0	14.3	+2%
Personnel expenses	81.6	81.2	(0)%	28.5	28.2	(1)%
Real estate expenses	18.3	17.5	(4)%	5.8	5.8	+0%
Office cost	24.1	24.9	+3%	7.8	9.0	+14%
Depreciation	22.6	23.3	+3%	7.7	8.0	+3%
Others	11.9	11.8	(1)%	3.0	3.7	+21%
Total	217.5	200.1	(8)%	67.1	69.2	+3%

Overview by Business Segments in FY2020 3Q

- While Investment Banking decreased revenue, Retail / Middle Markets increased revenue for two consecutive quarters and Global Markets performed strongly.
- Retail / Middle Markets: Revenue increased from the previous quarter due to the recording of revenue in large-scale TOB deals and leveraging the redemption flow of structured bonds in line with rising stock prices.
- Global Markets: Domestic subsidiaries saw an increase in revenue due to solid customer flows in the equity business, backed by solid market conditions. Overseas subsidiaries continued to show solid performance in flow products business, despite a QoQ decrease in revenue.
- Investment Banking: Both domestic and overseas subsidiaries saw a decrease in revenue. Domestic subsidiaries saw a decrease in M&A related revenue, although equity underwriting showed signs of recovery. Overseas subsidiaries saw decreased revenue as a reaction to the active U.S. bond issuance market in the previous quarter.

Quarterly Trends

(JPY billion)



* Figures are based on management accounting basis including MUSA.

Appendix

Consolidated Statement of Income

JPY million

	Cumulative		Quarter						
	FY2019	FY2020	FY2019				FY2020		
	3Q cumulative	3Q cumulative	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	322,655	280,515	97,828	106,826	117,999	133,125	107,264	84,455	88,795
Commission received	105,850	100,650	32,012	36,117	37,720	37,441	29,014	33,825	37,810
Net trading income	102,832	107,212	32,114	33,555	37,162	46,836	31,676	37,278	38,256
Other operating revenue	4	4	4	0	—	—	4	—	—
Financial revenue	113,968	72,648	33,698	37,153	43,116	48,848	46,568	13,351	12,728
Financial expenses	94,958	43,750	30,997	32,023	31,937	38,658	42,665	527	557
Net operating revenue	227,696	236,765	66,830	74,802	86,062	94,467	64,599	83,927	88,238
SG & A	217,599	200,124	71,132	71,370	75,096	75,987	63,669	67,197	69,257
Operating profit (loss)	10,097	36,640	(4,301)	3,432	10,966	18,480	929	16,729	18,980
Non-operating income	14,416	13,149	4,934	6,055	3,426	7,126	5,839	2,863	4,446
Non-operating expenses	180	670	32	75	72	1,438	587	28	54
Ordinary profit	24,332	49,119	599	9,412	14,320	24,169	6,181	19,564	23,373
Extraordinary income	533	6	1	531	—	1,169	—	6	—
Extraordinary losses	650	2,188	265	345	40	1,819	138	331	1,718
Income taxes	7,958	13,363	(441)	2,867	5,532	7,432	1,526	5,778	6,058
Profit attributable to non-controlling interests	5,708	8,389	24	3,297	2,385	5,492	156	2,990	5,241
Profit attributable to owners of parent	10,548	25,184	753	3,433	6,362	10,594	4,359	10,469	10,354

Appendix

Consolidated Balance Sheet

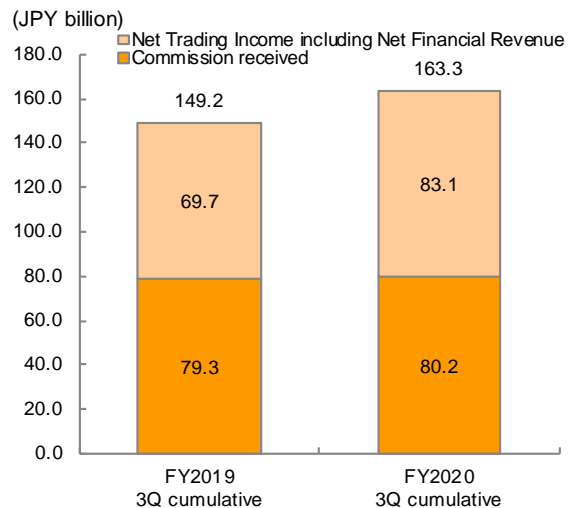
JPY billion

	As of Mar. 31, 2020	As of Dec. 31, 2020	Change
ASSETS			
Current assets	31,238	31,468	+230
Cash and deposits	2,185	1,643	(542)
Trading products	12,869	14,250	+1,380
Loans secured by securities	13,241	12,910	(330)
Others	2,941	2,664	(276)
Non-current assets	627	627	(0)
PP & E	32	30	(2)
Intangible assets	106	102	(4)
Investments and other assets	488	494	+5
Total assets	31,866	32,095	+229

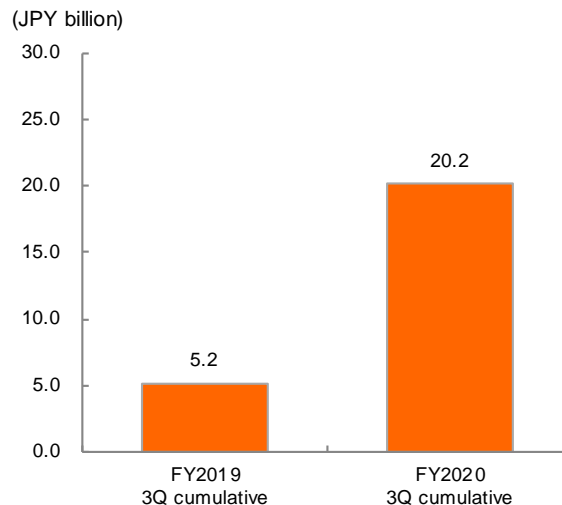
	As of Mar. 31, 2020	As of Dec. 31, 2020	Change
LIABILITIES			
Current liabilities	29,128	29,656	+527
Trading products	11,765	11,935	+170
Borrowings secured by securities	10,234	10,849	+615
Short-term borrowings	3,259	2,011	(1,247)
Others	3,868	4,858	+989
Non-current liabilities	1,789	1,490	(299)
Bonds payable	1,017	758	(259)
Long-term borrowings	753	713	(39)
Others	19	18	(0)
Total liabilities	30,922	31,150	+228
NET ASSETS			
Shareholders' equity	701	711	+10
Accumulated other comprehensive income	(27)	(40)	(12)
Non-controlling interests	270	274	+3
Total net assets	943	945	+1
Total liabilities and net assets	31,866	32,095	+229

3Q cumulative Performance Trends

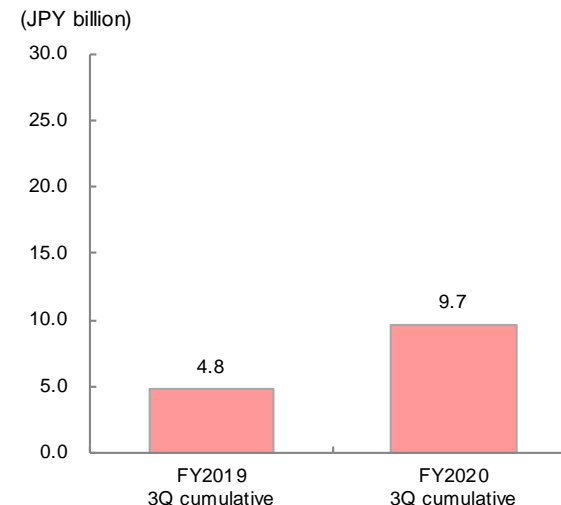
Net operating revenue



Ordinary profit

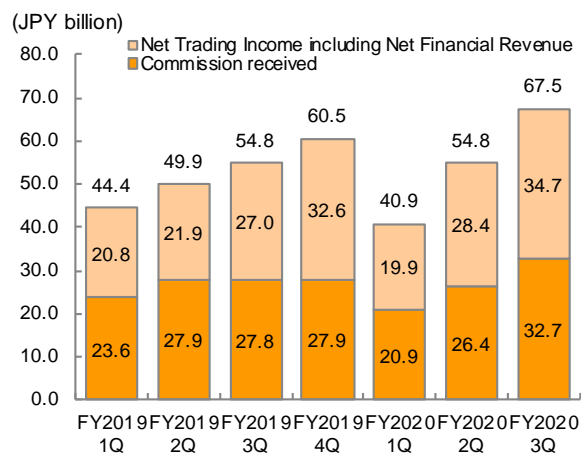


Profit

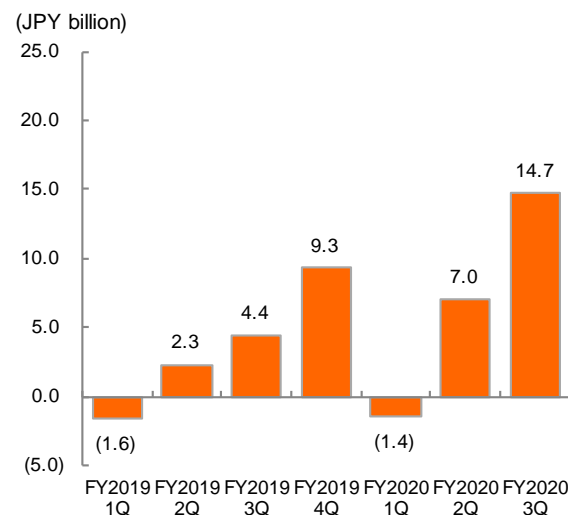


Quarterly Performance Trends

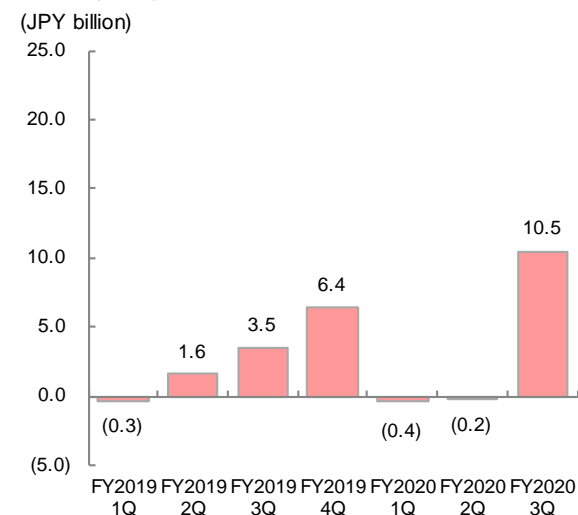
Net operating revenue



Ordinary profit (loss)



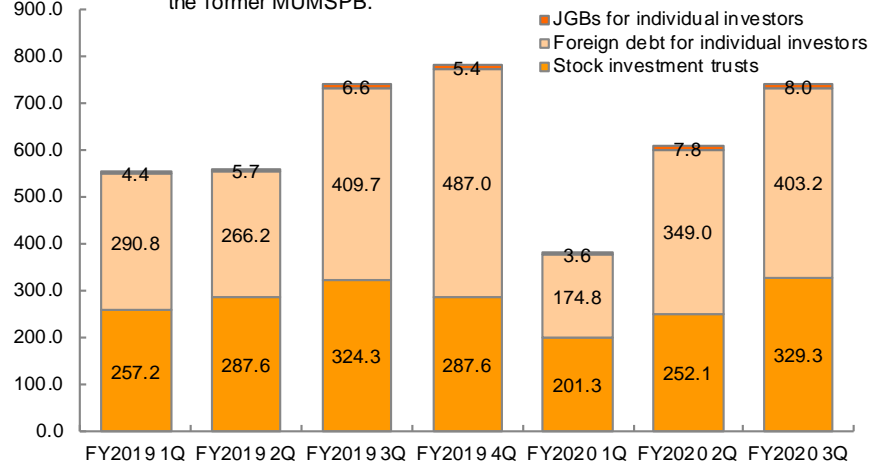
Profit (loss)



Sales of Retail / Middle Market Division

Quarterly Trends

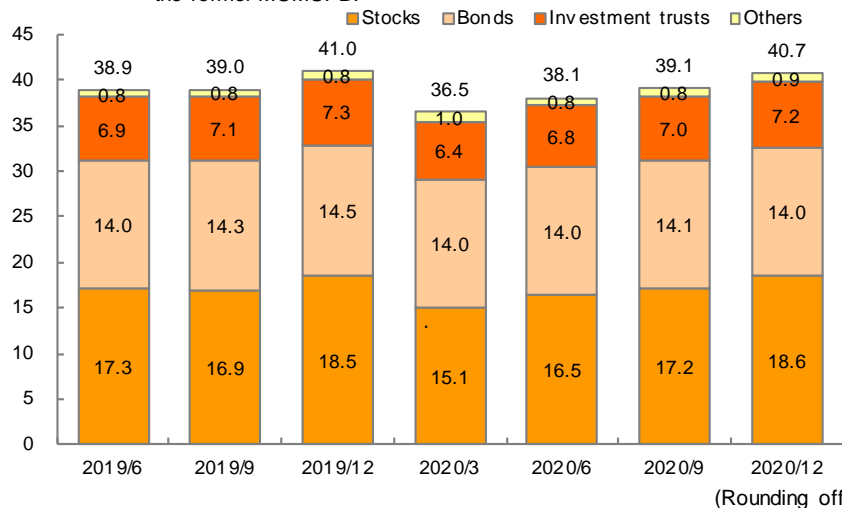
(JPY billion) *Figures up to FY2020 1Q represent the simple aggregation of MUMSS and the former MUMSPB.



Trends of AUM

Quarterly Trends

(JPY trillion) *Figures up to Jun 2020 represent the simple aggregation of MUMSS and the former MUMSPB.



Investment banking business ~ League Table (from April, 2020 to December, 2020)

Debt (Domestic and Foreign Bonds)*1

Rank	Securities Firm	Share (%)
1	Mizuho Securities	19.8
2	Mitsubishi UFJ Morgan Stanley	17.9
3	Nomura Securities	15.1
4	SMBC Nikko Securities	14.8
5	Daiwa Securities	13.4
6	JP Morgan	3.7
7	Goldman Sachs Japan	3.0
8	BofA Securities	3.0
9	Citigroup Global Markets Japan	2.6
10	Barclays	1.6

Japan Equity and Equity-linked*2

Rank	Securities Firm	Share (%)
1	Nomura	26.2
2	Daiwa Securities Group	16.6
3	Sumitomo Mitsui Financial Group	15.2
4	Mizuho Financial Group	13.0
5	BofA Securities	9.0
6	Mitsubishi UFJ Morgan Stanley	8.6
7	JP Morgan	3.1
8	Goldman Sachs & Co	2.6
9	SBI Holdings	2.2
10	Citi	0.9

M&A Advisory / Based on Rank Value*3

Rank	Financial Advisor	JPY billion
1	Mitsubishi UFJ Morgan Stanley	10,992
2	Nomura	10,666
3	Goldman Sachs & Co	6,085
4	Deloitte	5,872
5	Plutus Consulting Co Ltd	5,113
6	Zaoui & Co	4,246
7	The Raine Group LLC	4,246
8	Sumitomo Mitsui Financial Group	3,256
9	Barclays	2,749
10	BofA Securities	2,584

*1 Source: Domestic bonds are compiled by Mitsubishi UFJ Morgan Stanley based on REFINITIV and DealWatch DB.

Includes Japanese Straight Bonds, Ex-FILP Agency Bonds (incl. Expressway company's Bonds) and Municipal Bonds Related. Based on lead manager's credit.

Foreign bonds are compiled by Morgan Stanley MUFG Securities based on corporate disclosure data, Dealogic, Bloomberg, IFR, and Informa.

*2 Source: REFINITIV (data compiled by Mitsubishi UFJ Morgan Stanley)

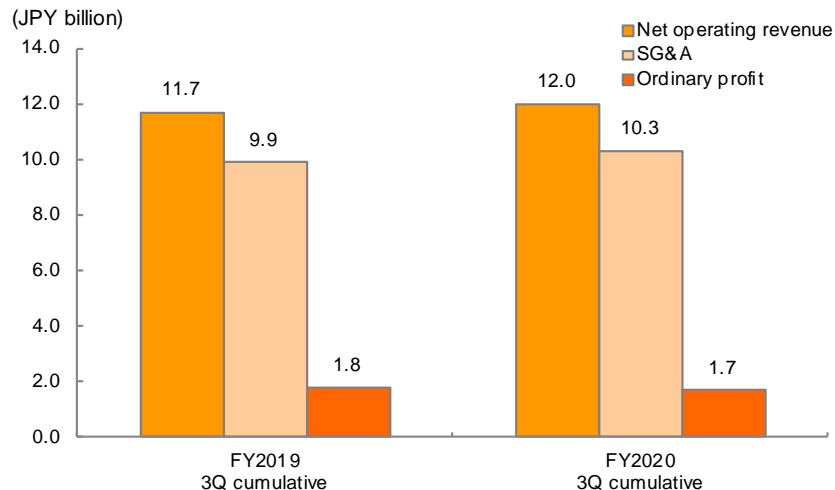
Mitsubishi UFJ Morgan Stanley includes domestic offerings of Japanese issuers underwritten by Morgan Stanley MUFG Securities as well as global offerings of Japanese issuers underwritten by Morgan Stanley. Based on underwriting amount.

*3 Source: REFINITIV (data compiled by Mitsubishi UFJ Morgan Stanley)

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

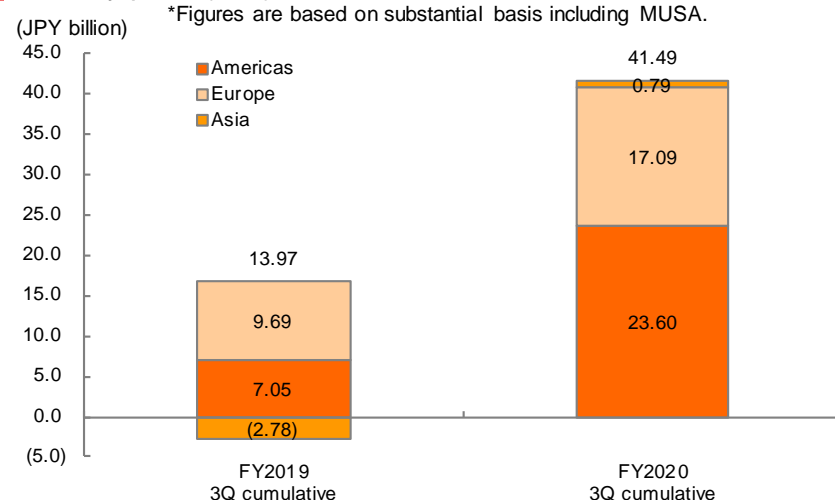
au Kabucom 3Q cumulative Performance Trends

Trends



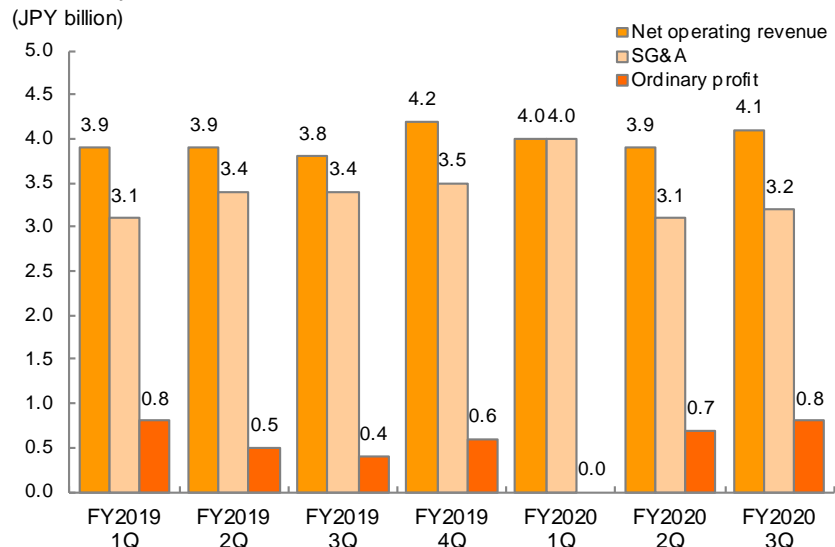
Overseas Business 3Q cumulative Performance Trends

Ordinary profit (loss) : Trends



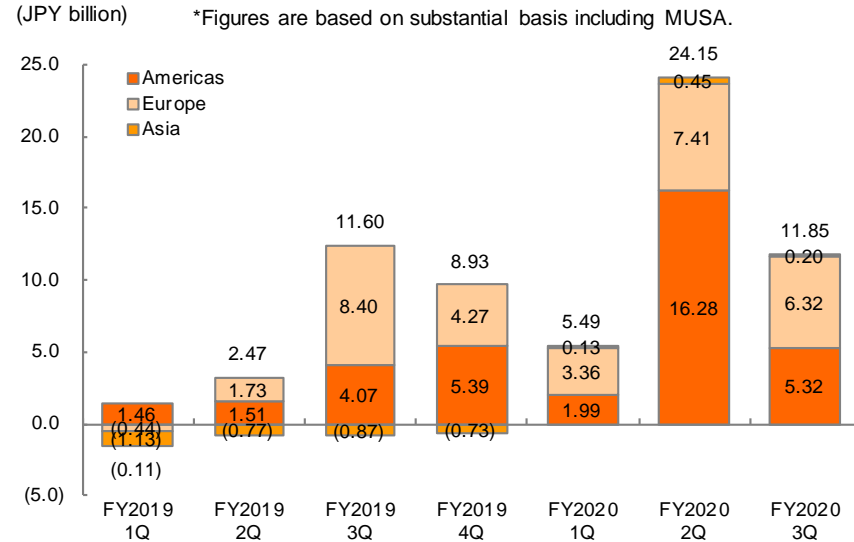
au Kabucom Quarterly Performance Trends

Quarterly Trends



Overseas Business Quarterly Performance Trends

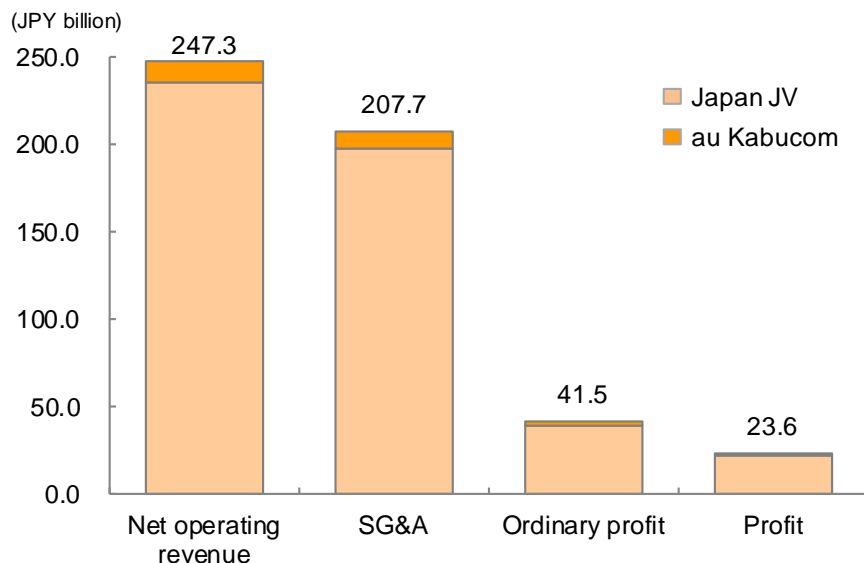
Ordinary profit (loss) : Quarterly Trends



Domestic Securities Companies' Performance

- Net operating revenue of the Domestic Securities Companies is over JPY 240 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" consists of three companies including two joint venture companies with Morgan Stanley ("Japan JV") and au Kabucom Securities Co., Ltd.

Performance of FY 2020 3Q (cumulative)



Simple sum of the figures for the Domestic Securities Companies (JPY billion)	FY 2020 3Q (cumulative)
Net operating revenue	247.3
Japan JV	235.2
MUMSS + MUMSPB *1	173.6
Morgan Stanley MUFG Securities Co., Ltd. ("MSMS") *2	61.6
au Kabucom Securities Co., Ltd. ("au Kabucom")	12.0
SG & A	207.7
Japan JV	197.3
MUMSS + MUMSPB *1	150.9
MSMS	46.3
au Kabucom	10.3
Ordinary profit	41.5
Japan JV	39.8
MUMSS + MUMSPB *1	24.8
MSMS	15.0
au Kabucom	1.7
Profit	23.6
Japan JV	22.8
MUMSS + MUMSPB *1	12.8
MSMS	9.9
au Kabucom	0.8

* The figures in the graph above represent the simple sum of the Domestic Securities Companies.

*1 MUMSS absorbed and merged its consolidated subsidiary, MUMSPB on August 1, 2020. As a result of the merger, MUMSS's consolidated basis is not presented, hence the figures for "MUMSS + MUMSPB" are the simple sum of the figures for MUMSS (April-December) and MUMSPB (April-July).

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

Credit Rating

	R&I	JCR	Moody's	S&P	Fitch
--	-----	-----	---------	-----	-------

Mitsubishi UFJ Securities Holdings

Long-term	AA-	AA	A1	A-	—
Short-term	a-1+ *	—	P-1	A-2	—

Mitsubishi UFJ Morgan Stanley Securities

Long-term	AA-	AA	A1	A	A-
Short-term	a-1+ *	—	P-1	A-1	F1

MUFG Securities EMEA plc

Long-term	AA- **	AA **	A1	A	—
Short-term	—	—	P-1	A-1	—

MUFG Securities (Canada), Ltd.

Long-term	—	—	—	A	A-
Short-term	—	—	—	A-1	F1

MUFG Securities (Europe) N.V.

Long-term	—	—	A1	A	—
-----------	---	---	----	---	---

*CP rating

**Euro Medium Term Note Programme rating (senior bonds)

Capital Adequacy

Capital Adequacy Ratio MUMSS

Capital adequacy ratio of MUMSS at FY2020 3Q can be found on the following URL.

https://www.sc.mufig.jp/company/finance/cp_ratio.html



Mitsubishi UFJ Securities Holdings

This document has been compiled solely for the purpose of providing information regarding the financial results for the third quarter of the fiscal year ending March 31, 2021, and is not intended as a solicitation or recommendation to invest in or dispose of the securities issued by the Company. This document was prepared based on information available as of January 29, 2021. Financial information and other information contained in this document are not subject to reviews by the accounting auditors. The facts and opinions presented in this document are facts that the Company acknowledged and opinions held by the Company as of the time of the preparation of this document. No guarantees or warranties are made by the Company as to the accuracy or completeness of the information contained therein, and such information is subject to change without notice. In addition, the Company is not liable for any omissions or errors in the data or representations contained in this document. Please note that all rights, including copyrights, to this document, in whole or in part, belong to Mitsubishi UFJ Securities Holdings Co., Ltd., and are not permitted to reproduce, distribute or transmit this document, digitally or otherwise in any format, for any purpose, without the express consent of Mitsubishi UFJ Securities Holdings Co., Ltd.