



Mitsubishi UFJ Securities Holdings

FY2020

Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

April, 2021

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(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 December, while the quarterly performance trends refer to the results for the period between October and December.

Annual Performance Trends

- Net operating revenue was JPY 337.6bn (+4% YoY), ordinary profit was JPY 80.4bn (+65% YoY) and profit attributable to owners of parent was JPY 39.3bn (+85% YoY) on financial accounting basis.
Net operating revenue was JPY 417.3bn (+8% YoY), ordinary profit was JPY 104.1bn (+81% YoY) and profit attributable to owners of parent was JPY 57.1bn (+105% YoY) on substantial basis including MUSA.
- Domestic subsidiaries showed recovery of their performance after hitting the bottom in the first quarter, when face-to-face business activities were restricted amid the spread of the novel coronavirus. This was due to increased investor flows on the back of solid markets and capturing of needs from redemption of structured bonds, in addition to the largest-ever TOB deal captured, as well as the strengthened wealth management business structure through merger with PB Securities. Ordinary profit significantly increased resulting from the effects of the cost structure reforms.
- Overseas subsidiaries achieved a record high profit by capturing investor flows on the back of the expanding scale of the bond issuance market and highly volatile markets.

(JPY billion)	Financial basis			Substantial basis including MUSA *		
	FY2019	FY2020	YoY %	FY2019	FY2020	YoY %
Net operating revenue	322.1	337.6	+4%	384.6	417.3	+8%
SG&A	293.5	274.9	(6)%	345.4	329.9	(4)%
Ordinary profit	48.5	80.4	+65%	57.2	104.1	+81%
Profit (owners of parent)	21.1	39.3	+85%	27.8	57.1	+105%

Quarterly Performance Trends

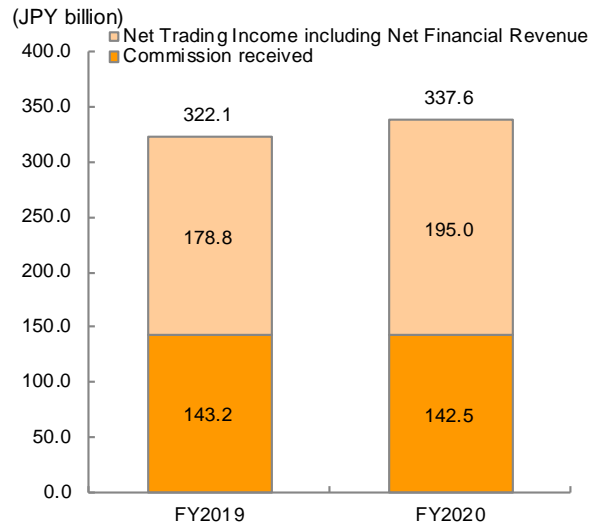
- Domestic subsidiaries saw increase in both revenue and profit, thanks to the redemption flow of structured bonds in line with rising stock prices and continued initiatives toward increasing stock assets.
- Overseas subsidiaries continued to achieve high levels of performance thanks to revenue contribution from European structured solutions and Americas MBS, despite their decreased revenues from the previous quarter.

(JPY billion)	Financial basis			Substantial basis including MUSA *		
	FY2020 3Q	FY2020 4Q	QoQ %	FY2020 3Q	FY2020 4Q	QoQ %
Net operating revenue	88.2	100.8	+14%	107.3	117.2	+9%
SG&A	69.2	74.8	+8%	82.7	87.2	+5%
Ordinary profit	23.3	31.3	+34%	28.7	35.1	+22%
Profit (owners of parent)	10.3	14.1	+36%	14.4	17.1	+18%

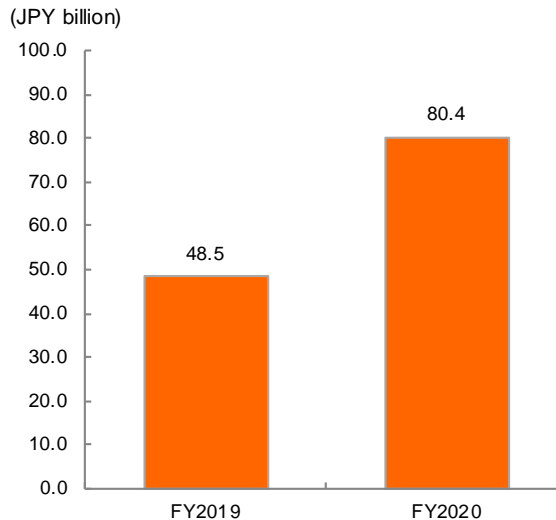
* Figures represent the aggregation with the results of MUFG Securities America Inc. (hereinafter "MUSA"), given that MUSA, despite its deconsolidation in 3Q16 as a result of the application of the U.S. Enhanced Prudential Standards, continues to be included in the Company's internal revenue management.

Annual Performance Trends

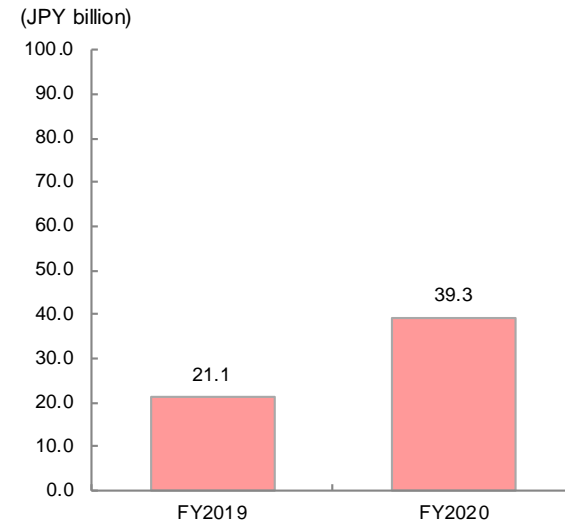
Net operating revenue



Ordinary profit

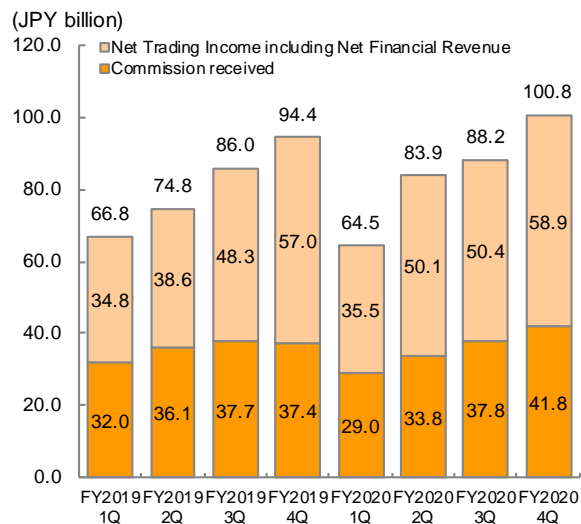


Profit (owners of parent)

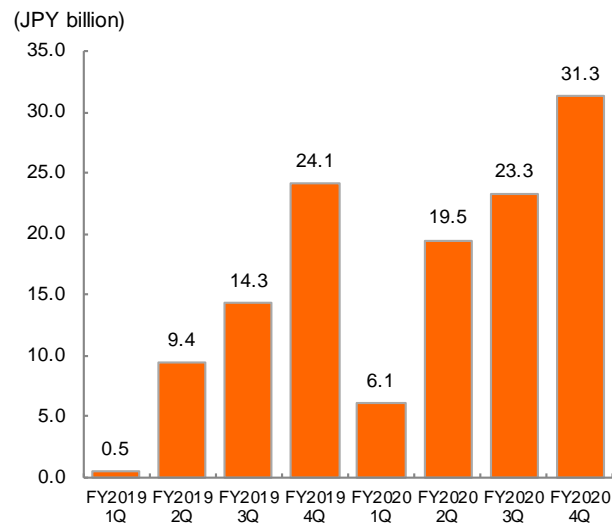


Quarterly Performance Trends

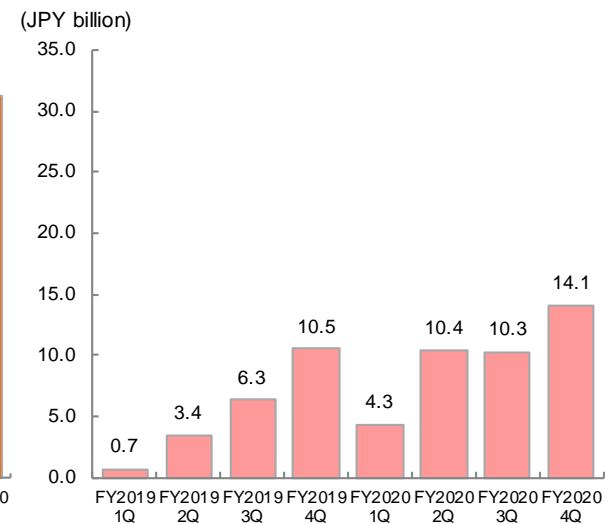
Net operating revenue



Ordinary profit



Profit (owners of parent)



Consolidated Financial Summary (1)

Commission Received (Financial basis)

Commission received

FY2020 : JPY 142.5 billion

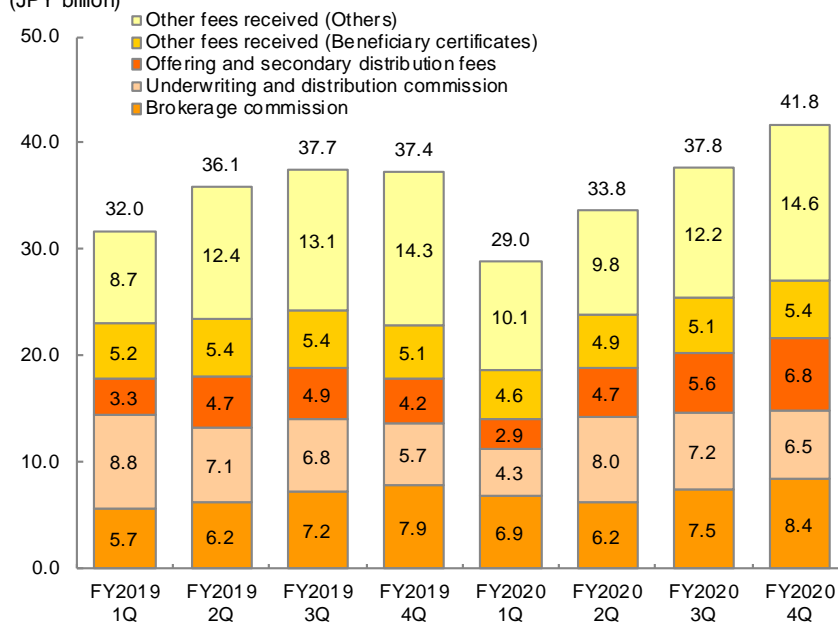
- YoY JPY (0.7) billion (0)%
- Brokerage commission: Revenue increased due to an increase in stock trading volume.
- Underwriting and distribution commission: The role of lead manager was achieved in multiple equity fund raising projects, although revenue decreased due to factors including the absence of large-scale deals in the same period of the previous year.
- Offering and secondary distribution fees: Revenue steadily increased through initiatives of investment trust sales toward increasing stock assets.
- Other fees received (Beneficiary certificates): Asset balances decreased due to the decline in stock prices at the end of the previous period.
- Other fees received (Others): M&A related revenue decreased due to factors including the postponement of deals.

FY2020 4Q : JPY 41.8 billion

- QoQ JPY +4.0 billion +10%
- Offering and secondary distribution fees: Focus was placed on new offerings of investment trusts and a high level of revenue was recorded for the first time in 11 quarters.
- Other fees received (Others): Revenue was recorded from the closing of M&A deals.

Quarterly Trends

(JPY billion)



(JPY billion)	FY2019	FY2020	YoY %	FY2020 3Q	FY2020 4Q	QoQ %
Brokerage commission	27.2	29.2	+7%	7.5	8.4	+12%
Underwriting and distribution commission	28.5	26.1	(8)%	7.2	6.5	(9)%
Offering and secondary distribution fees	17.3	20.1	+16%	5.6	6.8	+20%
Other fees received (Beneficiary certificates)	21.3	20.1	(5)%	5.1	5.4	+5%
Other fees received (Others)	48.7	46.9	(3)%	12.2	14.6	+19%
Total	143.2	142.5	(0)%	37.8	41.8	+10%

Consolidated Financial Summary (2)

Net Trading Income · Net Financial Revenue (Financial basis)

Net Trading Income · Net Financial Revenue

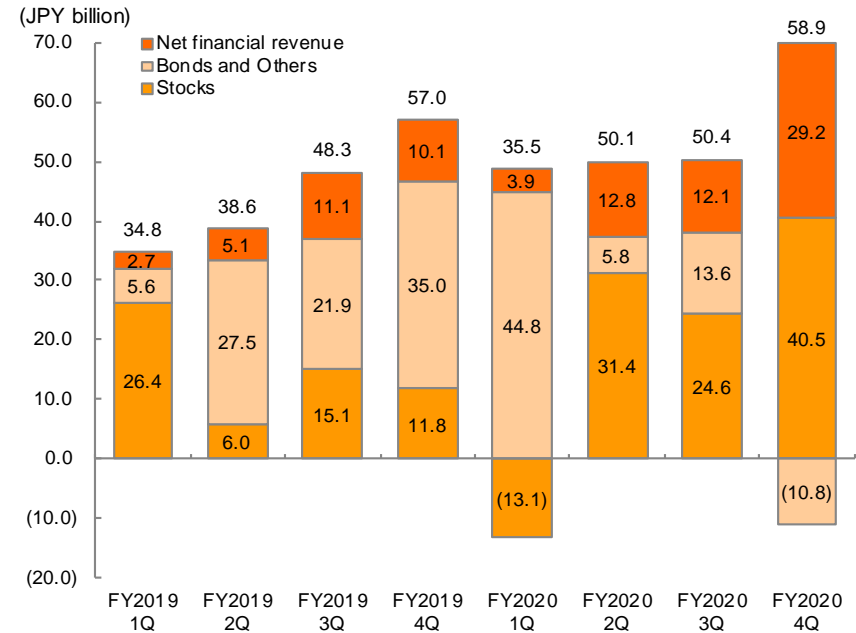
FY2020 : JPY 195.0 billion

- YoY JPY +16.1 billion +9%
- 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. 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 4Q : JPY 58.9 billion

- QoQ JPY +8.5 billion +16%
- Equity business, Fixed income business: Domestic subsidiaries saw growth in derivatives. Overseas subsidiaries also saw a strong performance in derivatives.

Quarterly Trends



(JPY billion)	FY2019	FY2020	YoY %
Stocks	59.5	83.4	+40%
Bonds and Others	90.1	53.4	(40)%
Net financial revenue	29.2	58.1	+98%
Total	178.8	195.0	+9%

FY2020 3Q	FY2020 4Q	QoQ %
24.6	40.5	+64%
13.6	(10.8)	(179)%
12.1	29.2	+139%
50.4	58.9	+16%

【Reference】 Management accounting basis *

Equity business	34.3	57.3	+66%
Fixed income business	100.8	110.3	+9%
Total	135.1	167.6	+24%

16.0	17.5	+9%
26.9	28.6	+6%
42.9	46.1	+7%

* 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 : JPY 274.9 billion

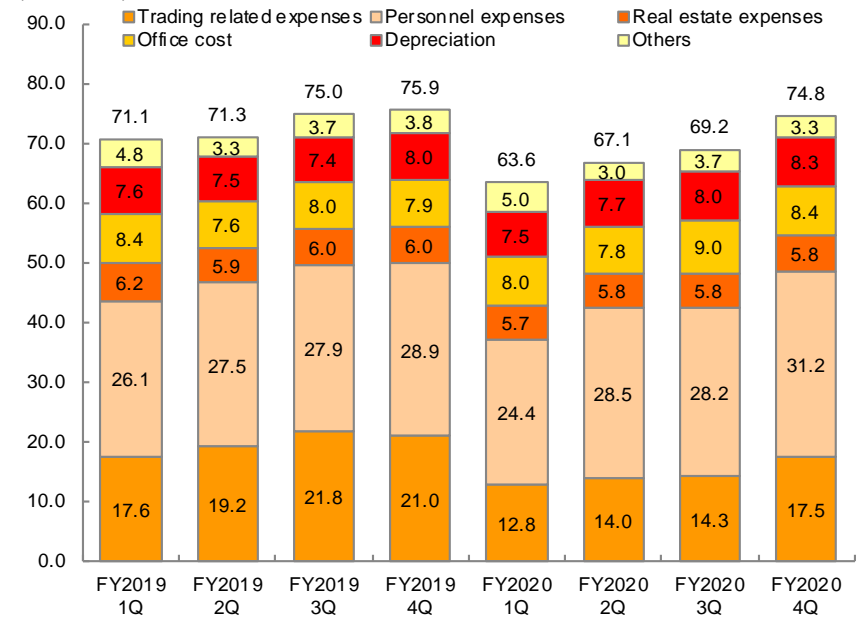
- YoY JPY (18.6) billion (6)%
- Domestic subsidiaries: While performance-linked bonuses increased, trading-related expenses including brokerage commission declined significantly.
- Overseas subsidiaries: Personnel expenses decreased due to the cost structure reforms implemented in the previous fiscal year.

FY2020 4Q : JPY 74.8 billion

- QoQ JPY +5.6 billion +8%
- Performance-linked trading-related expenses and bonuses increased mainly at domestic subsidiaries.

Quarterly Trends

(JPY billion)



(JPY billion)	FY2019	FY2020	YoY %	FY2020 3Q	FY2020 4Q	QoQ %
Trading related expenses	79.8	58.8	(26)%	14.3	17.5	+21%
Personnel expenses	110.6	112.4	+1%	28.2	31.2	+10%
Real estate expenses	24.3	23.4	(3)%	5.8	5.8	+0%
Office cost	32.1	33.4	+3%	9.0	8.4	(5)%
Depreciation	30.6	31.7	+3%	8.0	8.3	+4%
Others	15.8	15.1	(4)%	3.7	3.3	(11)%
Total	293.5	274.9	(6)%	69.2	74.8	+8%

(JPY billion)	FY2019	FY2020	YoY %	FY2020 3Q	FY2020 4Q	QoQ %
Trading related expenses	79.8	58.8	(26)%	14.3	17.5	+21%
Personnel expenses	110.6	112.4	+1%	28.2	31.2	+10%
Real estate expenses	24.3	23.4	(3)%	5.8	5.8	+0%
Office cost	32.1	33.4	+3%	9.0	8.4	(5)%
Depreciation	30.6	31.7	+3%	8.0	8.3	+4%
Others	15.8	15.1	(4)%	3.7	3.3	(11)%
Total	293.5	274.9	(6)%	69.2	74.8	+8%

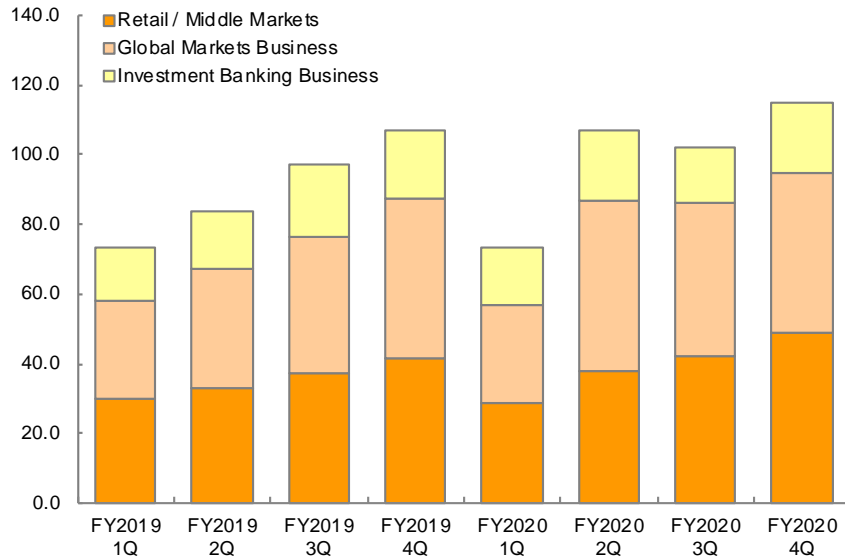
(JPY billion)	FY2019	FY2020	YoY %	FY2020 3Q	FY2020 4Q	QoQ %
Trading related expenses	79.8	58.8	(26)%	14.3	17.5	+21%
Personnel expenses	110.6	112.4	+1%	28.2	31.2	+10%
Real estate expenses	24.3	23.4	(3)%	5.8	5.8	+0%
Office cost	32.1	33.4	+3%	9.0	8.4	(5)%
Depreciation	30.6	31.7	+3%	8.0	8.3	+4%
Others	15.8	15.1	(4)%	3.7	3.3	(11)%
Total	293.5	274.9	(6)%	69.2	74.8	+8%

Overview by Business Segments in FY2020 4Q

- Revenue increased from the previous quarter for all segments. Retail / Middle Markets increased revenue for three consecutive quarters.
- Retail / Middle Markets: Revenue increased from the previous quarter as a result of progress made in sales of investment trusts and structured bonds thanks to the redemption flow of structured bonds in line with rising stock prices.
- Global Markets: Domestic subsidiaries saw an increase in revenue by leveraging customer flows and the recording of profits upon closing positions, backed by solid market conditions. Overseas subsidiaries continued to show solid performance in flow products business, despite a QoQ decrease in revenue.
- Investment Banking: Domestic subsidiaries saw their performance underpinned by closing of real estate-related deals. Overseas subsidiaries saw an overall increase in revenue as the U.S. bond issuance market returned to the optimum condition after peaking in the second quarter (April to June).

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			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating revenue	455,781	388,058	97,828	106,826	117,999	133,125	107,264	84,455	88,795	107,542
Commission received	143,291	142,538	32,012	36,117	37,720	37,441	29,014	33,825	37,810	41,887
Net trading income	149,668	136,957	32,114	33,555	37,162	46,836	31,676	37,278	38,256	29,745
Other operating revenue	4	4	4	0	—	—	4	—	—	—
Financial revenue	162,817	108,558	33,698	37,153	43,116	48,848	46,568	13,351	12,728	35,909
Financial expenses	133,616	50,454	30,997	32,023	31,937	38,658	42,665	527	557	6,703
Net operating revenue	322,164	337,604	66,830	74,802	86,062	94,467	64,599	83,927	88,238	100,838
SG & A	293,586	274,982	71,132	71,370	75,096	75,987	63,669	67,197	69,257	74,857
Operating profit (loss)	28,577	62,621	(4,301)	3,432	10,966	18,480	929	16,729	18,980	25,981
Non-operating income	21,542	18,648	4,934	6,055	3,426	7,126	5,839	2,863	4,446	5,499
Non-operating expenses	1,618	788	32	75	72	1,438	587	28	54	118
Ordinary profit	48,502	80,481	599	9,412	14,320	24,169	6,181	19,564	23,373	31,362
Extraordinary income	1,702	6	1	531	—	1,169	—	6	—	—
Extraordinary losses	2,470	4,492	265	345	40	1,819	138	331	1,718	2,303
Income taxes	15,390	21,211	(441)	2,867	5,532	7,432	1,526	5,778	6,058	7,848
Profit attributable to non-controlling interests	11,200	15,467	24	3,297	2,385	5,492	156	2,990	5,241	7,078
Profit attributable to owners of parent	21,142	39,316	753	3,433	6,362	10,594	4,359	10,469	10,354	14,131

Appendix

Consolidated Balance Sheet

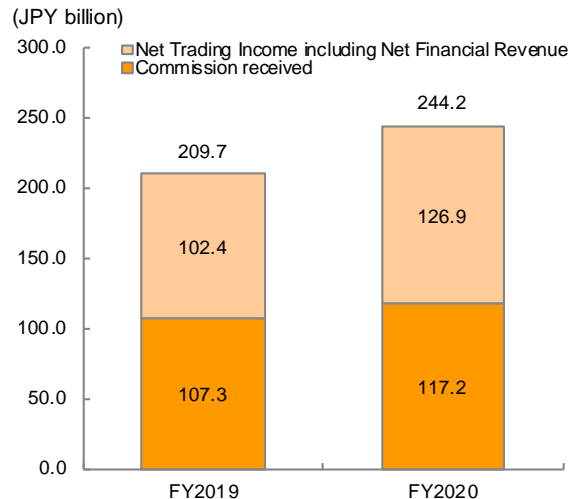
	As of Mar. 31, 2020	As of Mar. 31, 2021	Change
ASSETS			
Current assets	31,238	32,911	+1,672
Cash and deposits	2,185	1,840	(345)
Trading products	12,869	15,020	+2,150
Loans secured by securities	13,241	13,364	+123
Others	2,941	2,685	(255)
Non-current assets	627	591	(36)
PP & E	32	29	(3)
Intangible assets	106	100	(6)
Investments and other assets	488	461	(27)
Total assets	31,866	33,502	+1,636

JPY billion

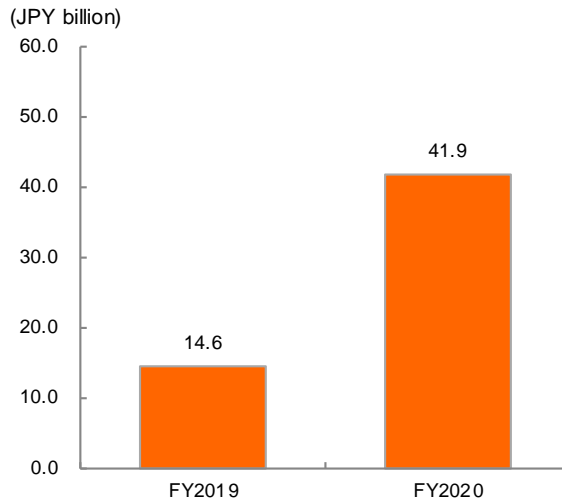
	As of Mar. 31, 2020	As of Mar. 31, 2021	Change
LIABILITIES			
Current liabilities	29,128	30,953	+1,825
Trading products	11,765	11,953	+187
Borrowings secured by securities	10,234	11,533	+1,299
Short-term borrowings	3,259	2,759	(499)
Others	3,868	4,706	+837
Non-current liabilities	1,789	1,567	(222)
Bonds payable	1,017	804	(212)
Long-term borrowings	753	743	(9)
Others	19	18	(0)
Total liabilities	30,922	32,525	+1,602
NET ASSETS			
Shareholders' equity	701	725	+24
Accumulated other comprehensive income	(27)	(31)	(3)
Non-controlling interests	270	282	+12
Total net assets	943	977	+33
Total liabilities and net assets	31,866	33,502	+1,636

Annual Performance Trends

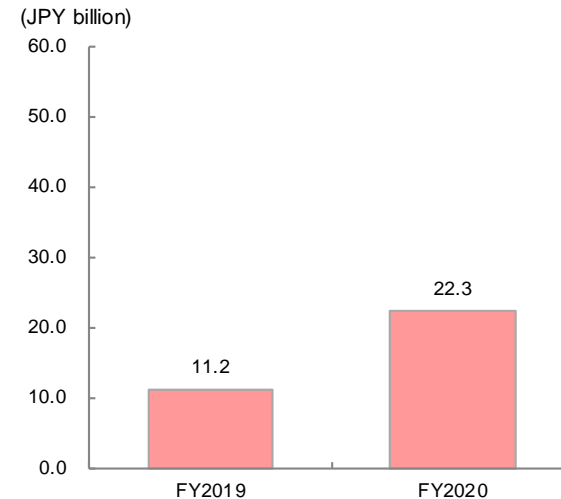
Net operating revenue



Ordinary profit

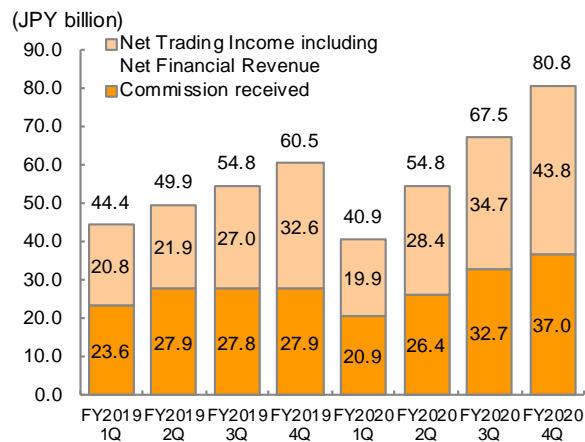


Profit

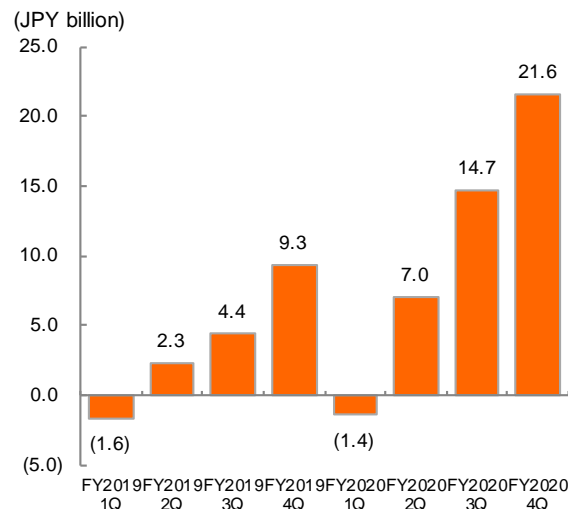


Quarterly Performance Trends

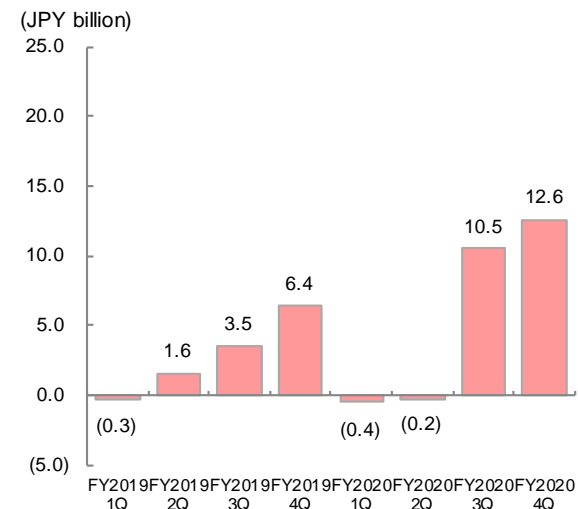
Net operating revenue



Ordinary profit (loss)



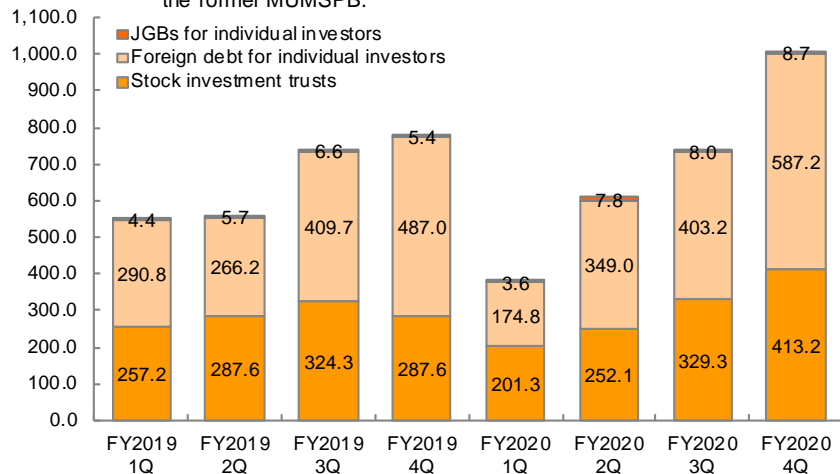
Profit (loss)



Sales of Retail / Middle Market Division

Quarterly Trends

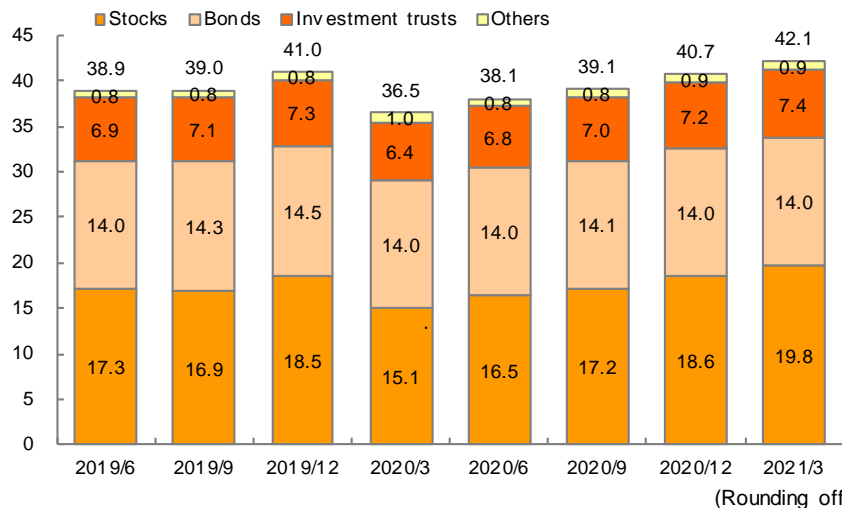
(JPY billion) *Figures up to FY2020 1Q represent the simple aggregation of MUMSS and the former MUMSPB.



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 March, 2021)

- M&A Advisory was ranked top through involvement in a large-scale domestic corporate reorganization project in addition to the wide-range involvement in cross-border deals in collaboration with Morgan Stanley. Debt and equity underwriting also maintained high presence in the overall investment banking business mainly through involvement in large-scale deals.
 - Highly evaluated by leading media
 - Awarded the Best Corporate and Investment Bank (*1) and the Best International Bank (*2) by *Asiamoney*
 - Awarded the International M&A Financial Adviser of the Year etc. by *Mergermarket* (*2)
 - Awarded the Lead manager of the Year, Social Bonds – Corporate by *Environmental Finance Bond Awards 2020*
 - Awarded the Offshore Bond House of the Year by *DealWatch* (*3)
- (*1) Awarded as MUFG and Morgan Stanley
 (*2) Awarded as Japanese Securities Joint Venture between MUFG and Morgan Stanley (comprising Mitsubishi UFJ Morgan Stanley Securities and Morgan Stanley MUFG Securities)
 (*3) Awarded as Mitsubishi UFJ Morgan Stanley Securities and Morgan Stanley MUFG Securities

Debt (Domestic and Foreign Bonds)*1

Rank	Securities Firm	Share (%)
1	Mizuho Securities	19.2
2	Mitsubishi UFJ Morgan Stanley	16.8
3	Nomura Securities	14.8
4	SMBC Nikko Securities	14.4
5	Daiwa Securities	13.2
6	JP Morgan	4.8
7	Goldman Sachs Japan	3.8
8	BofA Securities	3.7
9	Citigroup Global Markets Japan	3.1
10	Barclays	1.7

Japan Equity and Equity-linked*2

Rank	Securities Firm	Share (%)
1	Nomura	25.3
2	Daiwa Securities Group	16.4
3	Sumitomo Mitsui Financial Group	15.7
4	Mizuho Financial Group	13.2
5	Mitsubishi UFJ Morgan Stanley	10.2
6	BofA Securities	8.4
7	JP Morgan	2.6
8	SBI Holdings	2.3
9	Goldman Sachs & Co	2.3
10	Citi	0.8

M&A Advisory / Based on Rank Value*3

Rank	Financial Advisor	JPY billion
1	Mitsubishi UFJ Morgan Stanley	11,514
2	Nomura	11,408
3	Goldman Sachs & Co	7,535
4	Deloitte	6,083
5	Plutus Consulting Co Ltd	5,139
6	The Raine Group LLC	4,246
7	Zaoui & Co	4,246
8	JP Morgan	4,226
9	Sumitomo Mitsui Financial Group	3,621
10	Credit Suisse	3,490

*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)

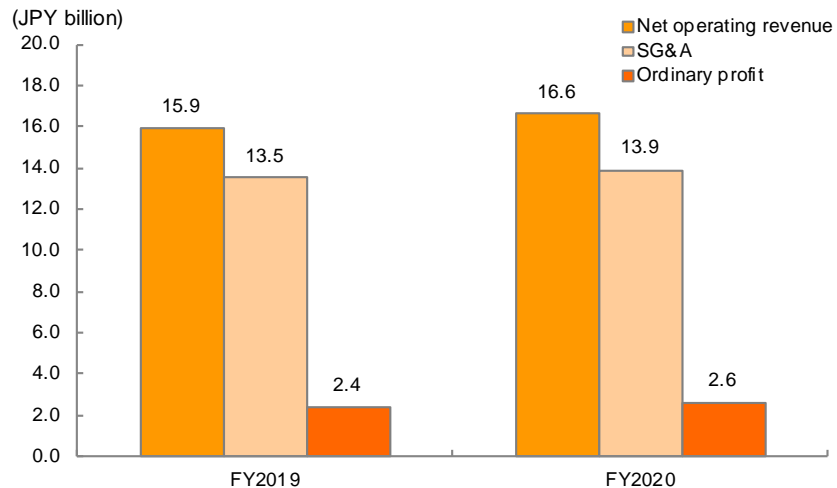
Mitsubishi UFJ Morgan Stanley includes domestic offerings of Japanese issuers underwritten by Morgan Stanley MUFG Securities as well as global offerings of Japanese issuers underwritten by Morgan Stanley. Based on underwriting amount.

*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.

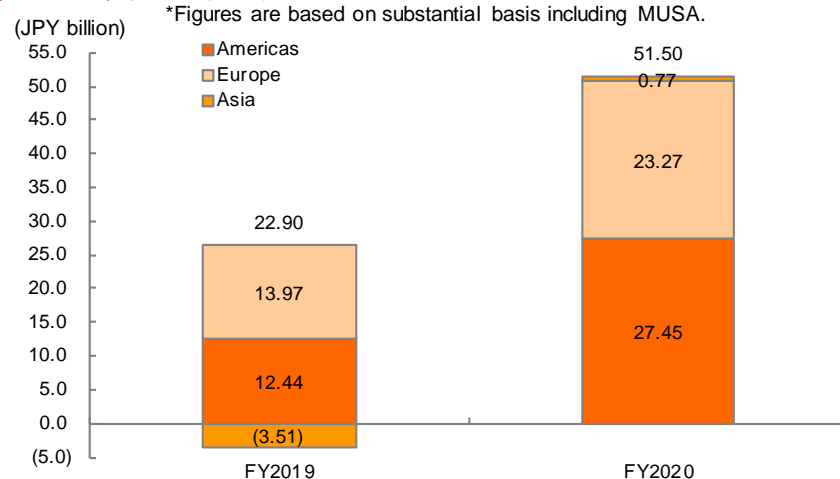
au Kabucom Annual Performance Trends

Trends



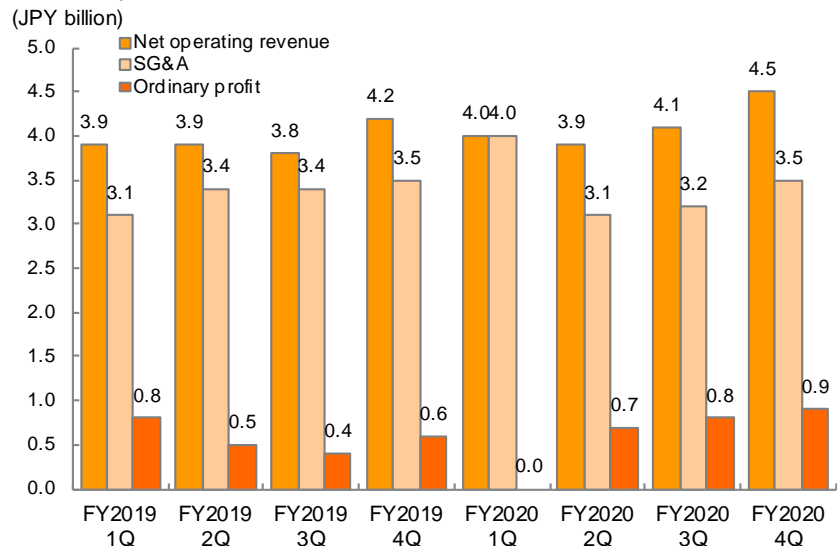
Overseas Business Annual Performance Trends

Ordinary profit (loss) : Trends



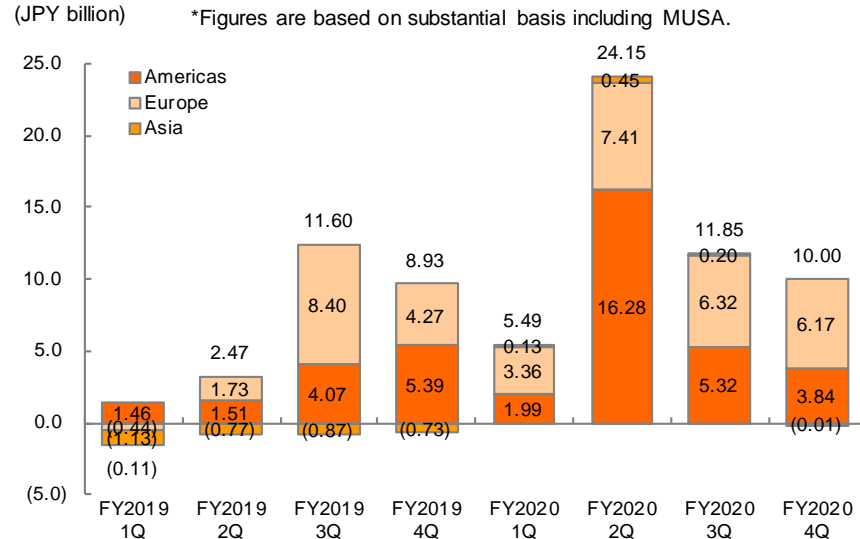
au Kabucom Quarterly Performance Trends

Quarterly Trends



Overseas Business Quarterly Performance Trends

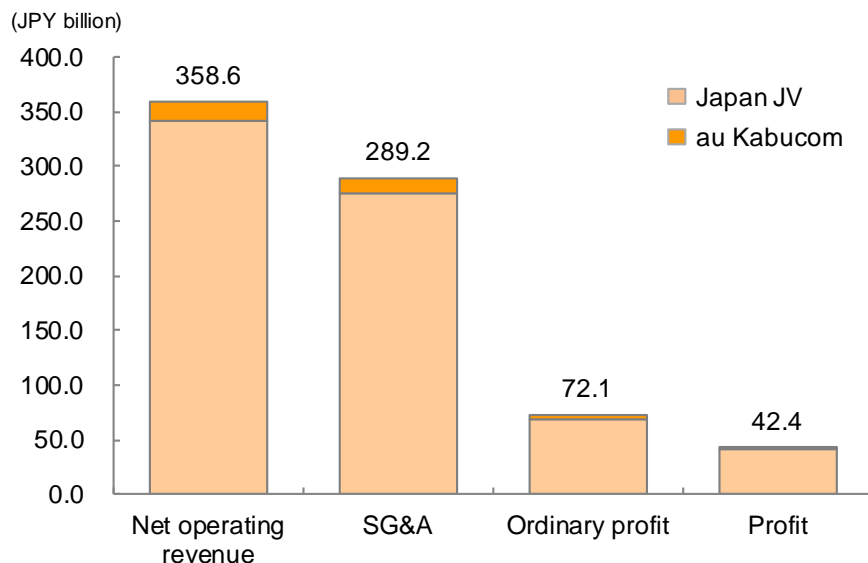
Ordinary profit (loss) : Quarterly Trends



Domestic Securities Companies' Performance

- Net operating revenue of the Domestic Securities Companies is over JPY 350 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



Simple sum of the figures for the Domestic Securities Companies (JPY billion)	FY 2020
Net operating revenue	358.6
Japan JV	341.9
MUMSS + MUMSPB *1	254.5
Morgan Stanley MUFG Securities Co., Ltd. ("MSMS") *2	87.4
au Kabucom Securities Co., Ltd. ("au Kabucom")	16.6
SG & A	289.2
Japan JV	275.2
MUMSS + MUMSPB *1	210.6
MSMS	64.5
au Kabucom	13.9
Ordinary profit	72.1
Japan JV	69.5
MUMSS + MUMSPB *1	46.4
MSMS	23.0
au Kabucom	2.6
Profit	42.4
Japan JV	40.8
MUMSS + MUMSPB *1	25.4
MSMS	15.4
au Kabucom	1.5

* 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 2020-March 2021) and MUMSPB (April-July 2020).

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

Credit Rating

	R&I	JCR	Moody's	S&P	Fitch
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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	—
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*CP rating

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

Capital Adequacy

Capital Adequacy Ratio MUMSS

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

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



Mitsubishi UFJ Securities Holdings

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