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July 29, 2021

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2022 [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 2021 (from April 1, 2021 to June 30, 2021)

(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 FY2021	69,015	(35.7)	49,175	(23.9)	(20,592)	—	(13,229)	—
First three months of FY2020	107,264	9.6	64,599	(3.3)	929	—	6,181	930.5

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First three months of FY2021	(14,114)	—	(19.15)	—
First three months of FY2020	4,359	478.7	5.92	—

(Note) Comprehensive income First three months of FY2021: 13,243 million yen —%
First three months of FY2020: (13,304) million yen —%

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2021	31,245,385	975,270	2.2
As of March 31, 2021	33,502,327	977,310	2.1

(Reference) Equity As of June 30, 2021: 698,175 million yen As of March 31, 2021: 694,445 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: 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 “Consolidated financial statements and primary notes (3) Notes to consolidated financial statements (Notes on changes in accounting policies due to revisions to accounting standards and other regulations)” on page 4 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 June 30, 2021	736,985,496 shares
As of March 31, 2021	736,985,496 shares

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

As of June 30, 2021	– shares
As of March 31, 2021	– 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, 2022	736,985,496 shares
First three months of the fiscal year ended March 31, 2021	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, 2021	As of June 30, 2021
ASSETS		
Current assets		
Cash and deposits	1,840,436	2,035,916
Cash segregated as deposits	1,093,651	1,069,203
Trading products	15,020,167	14,479,406
Trading securities and other	8,097,590	7,759,687
Derivatives	6,922,576	6,719,718
Margin transaction assets	299,934	266,126
Loans secured by securities	13,364,965	11,238,996
Short-term guarantee deposits	1,064,324	1,063,088
Short-term investment securities	34,980	48,200
Income taxes receivable	1,338	10,506
Other current assets	191,456	470,751
Total current assets	32,911,256	30,682,194
Non-current assets		
Property, plant and equipment	29,030	28,902
Intangible assets	100,445	100,435
Investments and other assets	461,595	433,852
Total non-current assets	591,071	563,191
Total assets	33,502,327	31,245,385

(Millions of yen)

	As of March 31, 2021	As of June 30, 2021
LIABILITIES		
Current liabilities		
Trading products	11,953,041	11,075,756
Trading securities and other	5,365,969	4,766,740
Derivatives	6,587,071	6,309,015
Trade date accrual	269,944	127,708
Margin transaction liabilities	156,920	90,765
Borrowings secured by securities	11,533,643	10,673,761
Short-term borrowings	2,759,817	2,355,589
Current portion of bonds	191,313	152,867
Current portion of long-term borrowings	189,840	202,207
Commercial papers	1,016,021	997,748
Income taxes payable	9,116	1,762
Asset retirement obligations	389	304
Other current liabilities	2,873,057	2,879,753
Total current liabilities	30,953,106	28,558,226
Non-current liabilities		
Bonds payable	804,991	860,267
Long-term borrowings	743,456	827,742
Net defined benefit liability	2,618	2,603
Provision for directors' retirement benefits	12	12
Asset retirement obligations	7,413	7,448
Other non-current liabilities	8,776	9,170
Total non-current liabilities	1,567,268	1,707,245
Reserves under special laws		
Reserve for financial instruments transaction liabilities	4,642	4,642
Total reserves under special laws	4,642	4,642
Total liabilities	32,525,017	30,270,114
NET ASSETS		
Shareholders' equity		
Share capital	75,518	75,518
Capital surplus	434,441	434,441
Retained earnings	215,565	195,503
Total shareholders' equity	725,525	705,463
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,085	985
Deferred gains or losses on hedges	32	29
Foreign currency translation adjustment	(35,227)	(11,218)
Remeasurements of defined benefit plans	3,029	2,916
Total accumulated other comprehensive income	(31,079)	(7,287)
Non-controlling interests	282,864	277,094
Total net assets	977,310	975,270
Total liabilities and net assets	33,502,327	31,245,385

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

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)
Operating revenue		
Commission received	29,014	38,337
Net trading income	31,676	12,944
Financial revenue	46,568	17,730
Other operating revenue	4	3
Total operating revenue	107,264	69,015
Financial expenses	42,665	19,839
Net operating revenue	64,599	49,175
Selling, general and administrative expenses	63,669	69,768
Operating profit (loss)	929	(20,592)
Non-operating income		
Share of profit of entities accounted for using equity method	1,758	3,063
Gain on sales of investment securities	918	2,510
Other	3,163	2,191
Total non-operating income	5,839	7,765
Non-operating expenses		
Loss on investments in money held in trust	492	309
Other	95	92
Total non-operating expenses	587	402
Ordinary profit (loss)	6,181	(13,229)
Extraordinary losses		
Loss on valuation of investment securities	0	3
Impairment loss	—	0
Provision of reserve for financial instruments transaction liabilities	108	—
Other	29	34
Total extraordinary losses	138	38
Profit (loss) before income taxes	6,043	(13,268)
Income taxes-current	1,451	(3,744)
Income taxes-deferred	74	923
Total income taxes	1,526	(2,821)
Profit (loss)	4,516	(10,446)
Profit attributable to non-controlling interests	156	3,667
Profit (loss) attributable to owners of parent	4,359	(14,114)

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)
Profit (loss)	4,516	(10,446)
Other comprehensive income		
Valuation difference on available-for-sale securities	136	(126)
Deferred gains or losses on hedges	1	(3)
Foreign currency translation adjustment	(17,948)	24,008
Remeasurements of defined benefit plans, net of tax	(10)	(188)
Total other comprehensive income	(17,821)	23,690
Comprehensive income	(13,304)	13,243
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(13,570)	9,677
Comprehensive income attributable to non-controlling interests	265	3,566

(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 accounting policies due to revisions to accounting standards and other regulations)

(Application of Accounting Standard for Revenue Recognition)

The Company has been applying the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020, hereinafter referred to as the "Revenue Recognition Accounting Standard") and "Guidance on Accounting Standard for Revenue Recognition" (ASBJ Guidance No. 30, March 26, 2021) from the beginning of the first quarter of the fiscal year ending March 31, 2022, and changed the recognition of revenue from gross amount to net amount for securities brokerage transactions, etc.

In accordance with the transitional measures stipulated in the proviso to paragraph 84 of the Revenue Recognition Accounting Standard, the cumulative effect of the retrospective application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022, was added to or deducted from the opening balance of retained earnings of the first quarter of the fiscal year ending March 31, 2022 and the new accounting policy has been applied from the such opening balance.

However, the new accounting policy has not been applied retrospectively to contracts for which the Company has applied the method prescribed in paragraph 86 of the Revenue Recognition Accounting Standard and recognized almost all revenue amounts in accordance with the previous treatment for periods prior to the beginning of the first quarter of the fiscal year ending March 31, 2022.

As a result of the above, operating revenue and selling, general and administrative expenses for the first three months of the fiscal year ending March 31, 2022 decreased by 870 million yen each. In addition, there is no effect on the opening balance of retained earnings of the fiscal year ending March 31, 2022.

Consolidated Financial Results
for the First Quarter of the Fiscal Year Ending March 31, 2022

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Brokerage commission	6,995	6,175	(820)	29,200
Stocks	6,572	5,973	(599)	28,019
Bonds	1	0	(1)	4
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,339	7,920	3,580	26,142
Stocks	70	1,267	1,196	5,504
Bonds	4,269	6,652	2,383	20,637
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	2,912	6,597	3,684	20,158
Beneficiary certificates	2,885	6,446	3,561	19,347
Other fees received	14,766	17,644	2,877	67,035
Beneficiary certificates	4,615	5,328	713	20,124
Total	29,014	38,337	9,322	142,538

(2) Breakdown by product

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Stocks	6,911	9,578	2,666	38,139
Bonds	5,198	7,500	2,302	23,787
Beneficiary certificates	7,869	11,947	4,077	40,485
Other	9,034	9,310	276	40,124
Total	29,014	38,337	9,322	142,538

2. Net trading income

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Stocks	(13,158)	(13,314)	(156)	83,495
Bonds and other	44,835	26,259	(18,576)	53,462
Total	31,676	12,944	(18,732)	136,957

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	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)	4Q of FY2020 (January 1 to March 31, 2021)	1Q of FY2021 (April 1 to June 30, 2021)
Operating revenue	107,264	84,455	88,795	107,542	69,015
Commission received	29,014	33,825	37,810	41,887	38,337
Brokerage commission	6,995	6,237	7,519	8,448	6,175
Stocks	6,572	5,992	7,267	8,186	5,973
Bonds	1	1	0	0	0
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,339	8,058	7,215	6,528	7,920
Stocks	70	1,512	1,875	2,046	1,267
Bonds	4,269	6,546	5,340	4,481	6,652
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	2,912	4,713	5,680	6,851	6,597
Beneficiary certificates	2,885	4,655	5,360	6,446	6,446
Other fees received	14,766	14,815	17,394	20,059	17,644
Beneficiary certificates	4,615	4,987	5,115	5,406	5,328
Net trading income	31,676	37,278	38,256	29,745	12,944
Net trading income from securities (stocks)	(13,158)	31,478	24,603	40,571	(13,314)
Net trading income from bonds and other	44,835	5,800	13,652	(10,826)	26,259
Financial revenue	46,568	13,351	12,728	35,909	17,730
Other operating revenue	4	—	—	—	3
Financial expenses	42,665	527	557	6,703	19,839
Net operating revenue	64,599	83,927	88,238	100,838	49,175
Selling, general and administrative expenses	63,669	67,197	69,257	74,857	69,768
Trading related expenses	12,829	14,068	14,391	17,552	13,609
Personnel expenses	24,415	28,585	28,215	31,235	27,820
Real estate expenses	5,776	5,855	5,891	5,896	6,105
Office cost	8,031	7,884	9,009	8,478	8,829
Depreciation	7,598	7,726	8,017	8,385	7,977
Taxes and dues	2,626	1,233	1,766	1,384	4,031
Other	2,391	1,844	1,963	1,924	1,394
Operating profit (loss)	929	16,729	18,980	25,981	(20,592)
Non-operating income	5,839	2,863	4,446	5,499	7,765
Non-operating expenses	587	28	54	118	402
Ordinary profit (loss)	6,181	19,564	23,373	31,362	(13,229)
Extraordinary income	—	6	—	—	—
Extraordinary losses	138	331	1,718	2,303	38
Profit (loss) before income taxes	6,043	19,239	21,654	29,058	(13,268)
Income taxes-current	1,451	4,300	7,054	7,588	(3,744)
Income taxes-deferred	74	1,478	(996)	260	923
Total income taxes	1,526	5,778	6,058	7,848	(2,821)
Profit (loss)	4,516	13,460	15,596	21,210	(10,446)
Profit attributable to non-controlling interests	156	2,990	5,241	7,078	3,667
Profit (loss) attributable to owners of parent	4,359	10,469	10,354	14,131	(14,114)

<Reference>

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.
for the First Quarter of the Fiscal Year Ending March 31, 2022

(1) Non-consolidated operating results

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Operating revenue	43,475	69,266	25,791	254,516
Commission received	20,948	32,670	11,721	117,244
Net trading income	17,852	32,184	14,331	113,532
Net operating revenue	40,913	65,112	24,199	244,209
Operating profit (loss)	(2,261)	13,315	15,577	39,356
Ordinary profit (loss)	(1,499)	13,887	15,386	41,933
Profit (loss)	(494)	10,266	10,761	22,323

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Brokerage commission	5,259	4,975	(284)	23,379
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1,354	4,499	3,145	12,740
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	1,990	6,597	4,607	18,735
Other fees received	12,344	16,597	4,253	62,389
Total	20,948	32,670	11,721	117,244

<Breakdown by product of commission received>

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Stocks	5,165	8,329	3,163	32,215
Bonds	2,502	4,285	1,782	11,390
Beneficiary certificates	5,416	11,783	6,366	36,650
Other	7,864	8,272	408	36,988
Total	20,948	32,670	11,721	117,244

<Net trading income>

(Millions of yen)

	First three months of FY2020 (From April 1, 2020 to June 30, 2020)	First three months of FY2021 (From April 1, 2021 to June 30, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Stocks	4,863	7,342	2,478	36,195
Bonds and other	12,989	24,842	11,853	77,336
Total	17,852	32,184	14,331	113,532

(2) Non-consolidated financial position

(Millions of yen)

	As of June 30, 2020	As of June 30, 2021	Increase (Decrease)	As of March 31, 2021
Total assets	18,692,062	17,475,925	(2,296,627)	19,772,553
Net assets	403,361	414,215	(12,051)	426,267