

This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail. The financial results written in the original Japanese document is not audited by independent auditors.



January 31, 2022

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2022 [under Japanese GAAP]

Company name: **Mitsubishi UFJ Securities Holdings Co., Ltd.**

URL: <https://www.hd.sc.mufg.jp/>

Representative: Saburo Araki, President & CEO

Contact: Hiroyuki Ogata, General Manager, Financial Planning Division

TEL: (03) 6213-2550

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 2021 (from April 1, 2021 to December 31, 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 nine months of FY2021	255,525	(8.9)	219,774	(7.2)	11,861	(67.6)	30,460	(38.0)
First nine months of FY2020	280,515	(13.1)	236,765	4.0	36,640	262.9	49,119	101.9

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First nine months of FY2021	7,916	(68.6)	10.74	—
First nine months of FY2020	25,184	138.7	34.17	—

(Note) Comprehensive income First nine months of FY2021: 42,593 million yen 105.2%
First nine months of FY2020: 20,754 million yen 453.5%

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	30,646,606	987,475	2.3
As of March 31, 2021	33,502,327	977,310	2.1

(Reference) Equity As of December 31, 2021: 709,589 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 December 31, 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 December 31, 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 nine months of the fiscal year ending March 31, 2022	736,985,496 shares
First nine 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

Index

Consolidated financial statements and primary notes

(1) Consolidated balance sheets	1
(2) Consolidated statements of income and Consolidated statements of comprehensive income	
Consolidated statements of income (cumulative)	3
Consolidated statements of comprehensive income (cumulative)	4
(3) Notes to consolidated financial statements	
(Notes on premise of going concern)	4
(Notes on significant changes in the amount of shareholders' equity)	4
(Notes on changes in accounting policies due to revisions to accounting standards and other regulations)	4

<Reference>

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

1. Commission received	
(1) Breakdown by item	5
(2) Breakdown by product	5
2. Net trading income	5
Quarterly Trends in Consolidated Statements of Income	6

<Reference>

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

(1) Non-consolidated operating results	7
(2) Non-consolidated financial position	7

Consolidated financial statements and primary notes

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
ASSETS		
Current assets		
Cash and deposits	1,840,436	1,798,600
Cash segregated as deposits	1,093,651	1,098,497
Trading products	15,020,167	13,067,161
Trading securities and other	8,097,590	7,770,662
Derivatives	6,922,576	5,296,498
Margin transaction assets	299,934	258,251
Loans secured by securities	13,364,965	12,268,003
Short-term guarantee deposits	1,064,324	1,327,480
Short-term investment securities	34,980	37,134
Income taxes receivable	1,338	8,404
Other current assets	191,456	209,113
Total current assets	32,911,256	30,072,647
Non-current assets		
Property, plant and equipment	29,030	27,225
Intangible assets	100,445	100,360
Investments and other assets	461,595	446,372
Total non-current assets	591,071	573,958
Total assets	33,502,327	30,646,606

(Millions of yen)

	As of March 31, 2021	As of December 31, 2021
LIABILITIES		
Current liabilities		
Trading products	11,953,041	10,092,666
Trading securities and other	5,365,969	4,922,533
Derivatives	6,587,071	5,170,132
Trade date accrual	269,944	59,440
Margin transaction liabilities	156,920	95,886
Borrowings secured by securities	11,533,643	11,175,682
Short-term borrowings	2,759,817	2,211,952
Current portion of bonds	191,313	130,247
Current portion of long-term borrowings	189,840	92,831
Commercial papers	1,016,021	984,784
Income taxes payable	9,116	4,842
Asset retirement obligations	389	217
Other current liabilities	2,873,057	2,975,846
Total current liabilities	30,953,106	27,824,397
Non-current liabilities		
Bonds payable	804,991	871,645
Long-term borrowings	743,456	940,406
Net defined benefit liability	2,618	2,688
Provision for directors' retirement benefits	12	7
Asset retirement obligations	7,413	7,412
Other non-current liabilities	8,776	7,926
Total non-current liabilities	1,567,268	1,830,087
Reserves under special laws		
Reserve for financial instruments transaction liabilities	4,642	4,647
Total reserves under special laws	4,642	4,647
Total liabilities	32,525,017	29,659,131
NET ASSETS		
Shareholders' equity		
Share capital	75,518	75,518
Capital surplus	434,441	434,441
Retained earnings	215,565	209,905
Total shareholders' equity	725,525	719,866
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,085	1,446
Deferred gains or losses on hedges	32	29
Foreign currency translation adjustment	(35,227)	(14,913)
Remeasurements of defined benefit plans	3,029	3,161
Total accumulated other comprehensive income	(31,079)	(10,276)
Non-controlling interests	282,864	277,885
Total net assets	977,310	987,475
Total liabilities and net assets	33,502,327	30,646,606

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

	(Millions of yen)	
	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)
Operating revenue		
Commission received	100,650	128,455
Net trading income	107,212	62,165
Financial revenue	72,648	64,900
Other operating revenue	4	4
Total operating revenue	280,515	255,525
Financial expenses	43,750	35,750
Net operating revenue	236,765	219,774
Selling, general and administrative expenses	200,124	207,913
Operating profit	36,640	11,861
Non-operating income		
Share of profit of entities accounted for using equity method	5,132	9,870
Other	8,016	9,413
Total non-operating income	13,149	19,284
Non-operating expenses		
Loss on retirement of non-current assets	63	229
Loss on sales of investment securities	35	205
Loss on investments in money held in trust	461	—
Other	110	250
Total non-operating expenses	670	685
Ordinary profit	49,119	30,460
Extraordinary income		
Gain on sales of investment securities	6	126
Total extraordinary income	6	126
Extraordinary losses		
Loss on valuation of investment securities	15	3
Impairment loss	624	515
Provision of reserve for financial instruments transaction liabilities	136	4
Loss on liquidation of subsidiaries and associates	94	—
Business restructuring expenses	1,318	836
Total extraordinary losses	2,188	1,359
Profit before income taxes	46,936	29,227
Income taxes-current	12,806	9,727
Income taxes-deferred	557	(1,759)
Total income taxes	13,363	7,968
Profit	33,573	21,258
Profit attributable to non-controlling interests	8,389	13,342
Profit attributable to owners of parent	25,184	7,916

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)
Profit	33,573	21,258
Other comprehensive income		
Valuation difference on available-for-sale securities	390	805
Deferred gains or losses on hedges	10	(3)
Foreign currency translation adjustment	(13,187)	20,314
Remeasurements of defined benefit plans, net of tax	(32)	219
Total other comprehensive income	(12,819)	21,335
Comprehensive income	20,754	42,593
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	12,257	28,718
Comprehensive income attributable to non-controlling interests	8,496	13,875

(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 nine months of the fiscal year ending March 31, 2022 decreased by 2,786 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 Third Quarter of the Fiscal Year Ending March 31, 2022

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Brokerage commission	20,752	20,058	(694)	29,200
Stocks	19,832	19,424	(407)	28,019
Bonds	3	1	(2)	4
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	19,614	30,101	10,487	26,142
Stocks	3,458	8,590	5,132	5,504
Bonds	16,156	21,510	5,354	20,637
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	13,307	21,147	7,840	20,158
Beneficiary certificates	12,901	19,452	6,551	19,347
Other fees received	46,976	57,148	10,171	67,035
Beneficiary certificates	14,718	16,926	2,208	20,124
Total	100,650	128,455	27,805	142,538

(2) Breakdown by product

(Millions of yen)

	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Stocks	25,929	33,266	7,337	38,139
Bonds	18,601	25,279	6,677	23,787
Beneficiary certificates	28,414	36,906	8,491	40,485
Other	27,704	33,003	5,299	40,124
Total	100,650	128,455	27,805	142,538

2. Net trading income

(Millions of yen)

	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Stocks	42,923	(44,163)	(87,087)	83,495
Bonds and other	64,288	106,328	42,040	53,462
Total	107,212	62,165	(45,047)	136,957

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	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)	2Q of FY2021 (July 1 to September 30, 2021)	3Q of FY2021 (October 1 to December 31, 2021)
Operating revenue	88,795	107,542	69,015	92,233	94,276
Commission received	37,810	41,887	38,337	44,068	46,050
Brokerage commission	7,519	8,448	6,175	6,565	7,317
Stocks	7,267	8,186	5,973	6,348	7,102
Bonds	0	0	0	0	0
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	7,215	6,528	7,920	12,580	9,600
Stocks	1,875	2,046	1,267	4,317	3,006
Bonds	5,340	4,481	6,652	8,263	6,594
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	5,680	6,851	6,597	6,941	7,609
Beneficiary certificates	5,360	6,446	6,446	6,425	6,580
Other fees received	17,394	20,059	17,644	17,981	21,522
Beneficiary certificates	5,115	5,406	5,328	5,668	5,929
Net trading income	38,256	29,745	12,944	19,331	29,889
Net trading income from securities (stocks)	24,603	40,571	(13,314)	10,628	(41,477)
Net trading income from bonds and other	13,652	(10,826)	26,259	8,702	71,367
Financial revenue	12,728	35,909	17,730	28,833	18,336
Other operating revenue	—	—	3	0	—
Financial expenses	557	6,703	19,839	5,426	10,484
Net operating revenue	88,238	100,838	49,175	86,806	83,792
Selling, general and administrative expenses	69,257	74,857	69,768	66,924	71,220
Trading related expenses	14,391	17,552	13,609	15,711	14,188
Personnel expenses	28,215	31,235	27,820	25,167	28,722
Real estate expenses	5,891	5,896	6,105	5,933	5,746
Office cost	9,009	8,478	8,829	8,307	8,968
Depreciation	8,017	8,385	7,977	7,858	7,686
Taxes and dues	1,766	1,384	4,031	1,480	4,227
Other	1,963	1,924	1,394	2,466	1,680
Operating profit (loss)	18,980	25,981	(20,592)	19,881	12,572
Non-operating income	4,446	5,499	7,765	5,427	6,090
Non-operating expenses	54	118	402	(48)	331
Ordinary profit (loss)	23,373	31,362	(13,229)	25,357	18,331
Extraordinary income	—	—	—	126	—
Extraordinary losses	1,718	2,303	38	380	940
Profit (loss) before income taxes	21,654	29,058	(13,268)	25,104	17,391
Income taxes-current	7,054	7,588	(3,744)	6,853	6,619
Income taxes-deferred	(996)	260	923	(379)	(2,303)
Total income taxes	6,058	7,848	(2,821)	6,473	4,316
Profit (loss)	15,596	21,210	(10,446)	18,630	13,075
Profit attributable to non-controlling interests	5,241	7,078	3,667	5,950	3,724
Profit (loss) attributable to owners of parent	10,354	14,131	(14,114)	12,680	9,350

<Reference>

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

(1) Non-consolidated operating results

(Millions of yen)

	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Operating revenue	170,852	205,138	34,286	254,516
Commission received	80,226	109,628	29,401	117,244
Net trading income	75,337	77,513	2,175	113,532
Net operating revenue	163,334	196,589	33,255	244,209
Operating profit	18,177	40,884	22,706	39,356
Ordinary profit	20,298	43,325	23,027	41,933
Profit	9,720	30,976	21,256	22,323

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Brokerage commission	16,431	15,888	(542)	23,379
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	9,137	19,270	10,133	12,740
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	11,883	21,147	9,264	18,735
Other fees received	42,774	53,321	10,547	62,389
Total	80,226	109,628	29,401	117,244

<Breakdown by product of commission received>

(Millions of yen)

	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Stocks	21,507	28,865	7,358	32,215
Bonds	8,680	15,450	6,769	11,390
Beneficiary certificates	24,730	36,387	11,657	36,650
Other	25,308	28,924	3,616	36,988
Total	80,226	109,628	29,401	117,244

<Net trading income>

(Millions of yen)

	First nine months of FY2020 (From April 1, 2020 to December 31, 2020)	First nine months of FY2021 (From April 1, 2021 to December 31, 2021)	Increase (Decrease)	FY2020 (From April 1, 2020 to March 31, 2021)
Stocks	25,664	18,108	(7,556)	36,195
Bonds and other	49,672	59,404	9,731	77,336
Total	75,337	77,513	2,175	113,532

(2) Non-consolidated financial position

(Millions of yen)

	As of December 31, 2020	As of December 31, 2021	Increase (Decrease)	As of March 31, 2021
Total assets	19,170,663	17,713,674	(2,058,878)	19,772,553
Net assets	413,508	414,660	(11,607)	426,267