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October 28, 2022

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023 [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 second quarter of fiscal year 2022 (from April 1, 2022 to September 30, 2022)

(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 six months of FY2022	217,089	34.6	163,976	20.6	19,939	—	34,585	185.2
First six months of FY2021	161,249	(15.9)	135,982	(8.4)	(710)	—	12,128	(52.9)

	Profit attributable to owners of parent		Basic earnings per share	Diluted earnings per share
	Millions of yen	%	Yen	Yen
First six months of FY2022	18,775	—	25.48	—
First six months of FY2021	(1,434)	—	(1.95)	—

(Note) Comprehensive income First six months of FY2022: 51,594 million yen 49.6%
First six months of FY2021: 34,477 million yen —%

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	33,335,034	1,027,841	2.2
As of March 31, 2022	31,724,685	1,004,589	2.3

(Reference) Equity As of September 30, 2022: 745,656 million yen As of March 31, 2022: 721,351 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: 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 September 30, 2022	736,985,496 shares
As of March 31, 2022	736,985,496 shares

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

As of September 30, 2022	– shares
As of March 31, 2022	– shares

- c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

First six months of the fiscal year ending March 31, 2023	736,985,496 shares
First six months of the fiscal year ended March 31, 2022	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

<Reference>

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2023

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 Second Quarter of the Fiscal Year Ending March 31, 2023

(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, 2022	As of September 30, 2022
ASSETS		
Current assets		
Cash and deposits	2,186,635	2,122,373
Segregated deposits	1,095,282	1,111,309
Trading products	12,870,522	13,961,519
Trading securities and other	7,541,142	6,495,421
Derivatives	5,329,379	7,466,097
Margin transaction assets	280,345	300,682
Loans secured by securities	13,227,301	13,357,066
Short-term guarantee deposits	1,279,259	1,512,267
Short-term investment securities	35,129	69,750
Income taxes refund receivable	8,358	13,926
Other current assets	181,733	187,052
Total current assets	31,164,569	32,635,947
Non-current assets		
Property, plant and equipment	26,616	25,802
Intangible assets	101,335	106,912
Investments and other assets	432,162	566,371
Total non-current assets	560,115	699,087
Total assets	31,724,685	33,335,034

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
LIABILITIES		
Current liabilities		
Trading products	10,432,788	12,758,881
Trading securities and other	5,142,024	5,253,956
Derivatives	5,290,764	7,504,924
Trade date accrual	887,566	652,668
Margin transaction liabilities	155,144	150,949
Borrowings secured by securities	10,702,300	9,586,539
Short-term borrowings	2,874,370	3,128,505
Current portion of bonds payable	163,249	217,246
Current portion of long-term borrowings	98,626	184,538
Commercial papers	996,708	872,000
Income taxes payable	6,748	3,603
Asset retirement obligations	95	128
Other current liabilities	2,518,246	2,900,968
Total current liabilities	28,835,844	30,456,029
Non-current liabilities		
Bonds payable	896,801	912,286
Long-term borrowings	964,618	916,015
Retirement benefit liability	2,755	2,669
Provision for retirement benefits for directors	7	13
Asset retirement obligations	7,390	7,366
Other non-current liabilities	8,022	8,146
Total non-current liabilities	1,879,594	1,846,498
Reserves under special laws		
Reserve for financial instruments transaction liabilities	4,656	4,665
Total reserves under special laws	4,656	4,665
Total liabilities	30,720,096	32,307,193
NET ASSETS		
Shareholders' equity		
Share capital	75,518	75,518
Capital surplus	434,441	434,441
Retained earnings	212,759	214,474
Total shareholders' equity	722,720	724,434
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,045	853
Deferred gains or losses on hedges	27	13
Foreign currency translation adjustment	(5,433)	17,547
Remeasurements of defined benefit plans	2,992	2,807
Total accumulated other comprehensive income	(1,368)	21,222
Non-controlling interests	283,237	282,185
Total net assets	1,004,589	1,027,841
Total liabilities and net assets	31,724,685	33,335,034

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

	(Millions of yen)	
	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)
Operating revenue		
Commission received	82,405	65,935
Net trading income	32,275	96,002
Financial revenue	46,563	55,146
Other operating revenue	4	4
Total operating revenue	161,249	217,089
Financial expenses	25,266	53,112
Net operating revenue	135,982	163,976
Selling, general and administrative expenses	136,693	144,037
Operating profit (loss)	(710)	19,939
Non-operating income		
Share of profit of entities accounted for using equity method	6,208	13,768
Other	6,984	3,159
Total non-operating income	13,193	16,928
Non-operating expenses		
Foreign exchange losses	—	1,777
Other	354	505
Total non-operating expenses	354	2,282
Ordinary profit	12,128	34,585
Extraordinary income		
Gain on sale of investment securities	126	123
Total extraordinary income	126	123
Extraordinary losses		
Loss on valuation of investment securities	3	—
Impairment losses	274	476
Provision of reserve for financial instruments transaction liabilities	1	8
Other	139	40
Total extraordinary losses	419	526
Profit before income taxes	11,835	34,182
Income taxes-current	3,108	5,792
Income taxes-deferred	543	(750)
Total income taxes	3,652	5,042
Profit	8,183	29,139
Profit attributable to non-controlling interests	9,618	10,364
Profit (loss) attributable to owners of parent	(1,434)	18,775

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)
Profit	8,183	29,139
Other comprehensive income		
Valuation difference on available-for-sale securities	(45)	(205)
Deferred gains or losses on hedges	(1)	(13)
Foreign currency translation adjustment	25,980	22,980
Remeasurements of defined benefit plans, net of tax	360	(307)
Total other comprehensive income	26,293	22,454
Comprehensive income	34,477	51,594
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	24,717	41,366
Comprehensive income attributable to non-controlling interests	9,760	10,227

(3) Notes to consolidated financial statements

(Notes on premise of going concern)

None

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

None

Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2023

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)	Increase (Decrease)	FY2021 (From April 1, 2021 to March 31, 2022)
Brokerage commission	12,740	11,407	(1,333)	26,642
Stocks	12,321	10,971	(1,350)	25,755
Bonds	1	1	0	2
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	20,501	13,282	(7,218)	36,698
Stocks	5,584	1,487	(4,097)	10,034
Bonds	14,916	11,794	(3,121)	26,663
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	13,538	10,207	(3,330)	26,750
Beneficiary certificates	12,872	8,689	(4,183)	24,344
Other commission received	35,625	31,038	(4,586)	76,324
Beneficiary certificates	10,997	11,995	998	22,536
Total	82,405	65,935	(16,469)	166,415

(2) Breakdown by product

(Millions of yen)

	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)	Increase (Decrease)	FY2021 (From April 1, 2021 to March 31, 2022)
Stocks	21,790	12,862	(8,928)	42,156
Bonds	17,196	15,472	(1,723)	31,114
Beneficiary certificates	24,220	21,038	(3,182)	47,606
Other	19,198	16,562	(2,636)	45,538
Total	82,405	65,935	(16,469)	166,415

2. Net trading income

(Millions of yen)

	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)	Increase (Decrease)	FY2021 (From April 1, 2021 to March 31, 2022)
Stocks	(2,686)	(67,260)	(64,574)	417
Bonds and other	34,961	163,263	128,301	92,212
Total	32,275	96,002	63,727	92,630

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	2Q of FY2021 (July 1 to September 30, 2021)	3Q of FY2021 (October 1 to December 31, 2021)	4Q of FY2021 (January 1 to March 31, 2022)	1Q of FY2022 (April 1 to June 30, 2022)	2Q of FY2022 (July 1 to September 30, 2022)
Operating revenue	92,233	94,276	95,756	86,759	130,330
Commission received	44,068	46,050	37,959	30,070	35,865
Brokerage commission	6,565	7,317	6,583	5,570	5,836
Stocks	6,348	7,102	6,331	5,344	5,626
Bonds	0	0	0	0	1
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	12,580	9,600	6,596	5,974	7,308
Stocks	4,317	3,006	1,443	280	1,207
Bonds	8,263	6,594	5,152	5,693	6,101
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	6,941	7,609	5,602	4,677	5,530
Beneficiary certificates	6,425	6,580	4,892	4,329	4,359
Other commission received	17,981	21,522	19,176	13,847	17,191
Beneficiary certificates	5,668	5,929	5,609	5,898	6,097
Net trading income	19,331	29,889	30,464	27,413	68,589
Net trading income from securities (stocks)	10,628	(41,477)	44,581	(10,825)	(56,435)
Net trading income from bonds and other	8,702	71,367	(14,116)	38,238	125,024
Financial revenue	28,833	18,336	27,331	29,271	25,875
Other operating revenue	0	—	—	4	0
Financial expenses	5,426	10,484	7,405	6,899	46,213
Net operating revenue	86,806	83,792	88,351	79,860	84,116
Selling, general and administrative expenses	66,924	71,220	77,192	73,311	70,725
Trading related expenses	15,711	14,188	13,451	13,723	15,484
Personnel expenses	25,167	28,722	36,797	31,363	28,354
Real estate expenses	5,933	5,746	5,836	5,878	5,722
Office cost	8,307	8,968	9,453	8,443	9,328
Depreciation	7,858	7,686	7,839	7,611	7,621
Taxes and dues	1,480	4,227	1,295	4,329	1,275
Other	2,466	1,680	2,517	1,961	2,937
Operating profit	19,881	12,572	11,158	6,548	13,390
Non-operating income	5,427	6,090	7,221	7,046	9,881
Non-operating expenses	(48)	331	757	1,122	1,159
Ordinary profit	25,357	18,331	17,622	12,472	22,112
Extraordinary income	126	—	5	0	123
Extraordinary losses	380	940	50	520	5
Profit before income taxes	25,104	17,391	17,578	11,952	22,229
Income taxes-current	6,853	6,619	3,300	878	4,913
Income taxes-deferred	(379)	(2,303)	(683)	(845)	95
Total income taxes	6,473	4,316	2,616	33	5,008
Profit	18,630	13,075	14,961	11,918	17,221
Profit attributable to non-controlling interests	5,950	3,724	5,666	3,397	6,966
Profit attributable to owners of parent	12,680	9,350	9,294	8,520	10,254

<Reference>

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.
for the Second Quarter of the Fiscal Year Ending March 31, 2023

(1) Non-consolidated operating results

(Millions of yen)

	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)	Increase (Decrease)	FY2021 (From April 1, 2021 to March 31, 2022)
Operating revenue	137,690	129,007	(8,683)	272,042
Commission received	69,605	52,851	(16,754)	141,523
Net trading income	55,395	54,057	(1,337)	100,958
Net operating revenue	130,751	118,602	(12,148)	258,098
Operating profit	27,739	17,101	(10,638)	49,783
Ordinary profit	28,931	18,540	(10,390)	52,332
Profit	20,461	15,793	(4,667)	36,739

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)	Increase (Decrease)	FY2021 (From April 1, 2021 to March 31, 2022)
Brokerage commission	10,024	8,289	(1,734)	21,122
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	12,799	6,555	(6,243)	22,317
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	13,538	10,207	(3,330)	26,750
Other commission received	33,243	27,798	(5,445)	71,333
Total	69,605	52,851	(16,754)	141,523

<Breakdown by product of commission received>

(Millions of yen)

	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)	Increase (Decrease)	FY2021 (From April 1, 2021 to March 31, 2022)
Stocks	18,909	9,649	(9,259)	36,366
Bonds	10,182	9,395	(786)	17,884
Beneficiary certificates	23,883	20,679	(3,203)	46,918
Other	16,631	13,126	(3,504)	40,352
Total	69,605	52,851	(16,754)	141,523

<Net trading income>

(Millions of yen)

	First six months of FY2021 (From April 1, 2021 to September 30, 2021)	First six months of FY2022 (From April 1, 2022 to September 30, 2022)	Increase (Decrease)	FY2021 (From April 1, 2021 to March 31, 2022)
Stocks	11,020	3,828	(7,192)	17,260
Bonds and other	44,374	50,229	5,854	83,697
Total	55,395	54,057	(1,337)	100,958

(2) Non-consolidated financial position

(Millions of yen)

	As of September 30, 2021	As of September 30, 2022	Increase (Decrease)	As of March 31, 2022
Total assets	18,121,088	19,463,336	479,238	18,984,098
Net assets	424,620	420,343	(109)	420,453