



Mitsubishi UFJ Securities Holdings

1QFY2023

Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

July, 2023

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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 and the quarterly performance trends refer to the results for the period between January and March.

1Q Performance Trends

- Net operating revenue was JPY 98.5bn (+23% YoY), ordinary profit was JPY 24.1bn(+93% YoY) and profit attributable to owners of parent was JPY 13.8bn(+63% YoY) on financial accounting basis. Net operating revenue was JPY 121.4bn (+29% YoY), ordinary profit was JPY 27.2bn (+143% YoY) and profit attributable to owners of parent was JPY 16.2bn(+114% YoY) on substantial basis including MUSA.
- Domestic subsidiaries recorded increases in both revenue and profit. This was because Global Markets monetized solutions deals and captured customer flows and successfully managed positions by capitalizing on market fluctuations while Investment Banking also monetized M&A deals and profited from a recovery in the size of the issuance market, although Retail / Middle Markets remained almost flat.
- Overseas subsidiaries also reported increases in both revenue and profit thanks to the resurgent capital markets business, the winning of large-scale derivatives deals with customers, and the recovery of the credit and MBS businesses.

(JPY billion)	Financial basis			Substantial basis including MUSA *		
	FY2022 1Q	FY2023 1Q	YoY %	FY2022 1Q	FY2023 1Q	YoY %
Net operating revenue	79.8	98.5	+23%	93.9	121.4	+29%
SG&A	73.3	84.4	+15%	88.4	102.7	+16%
Ordinary profit	12.4	24.1	+93%	11.2	27.2	+143%
Profit (owners of parent)	8.5	13.8	+63%	7.5	16.2	+114%

Quarterly Performance Trends

- Quarterly results: First-quarter revenue increased but profit decreased compared with the previous quarter on both a financial accounting and substantial basis.
- Domestic subsidiaries: Profit fell, on account of a slight decline in revenue combined with the increase in revenue-linked expenses in conjunction with the closing of large-scale deals.
- Overseas subsidiaries: Both revenue and profit rose thanks to the recovery of structured solution and capital markets business, despite a downturn in flow products business.

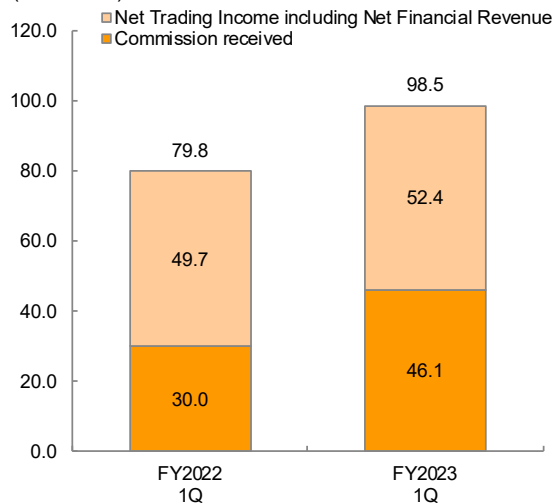
(JPY billion)	Financial basis			Substantial basis including MUSA *		
	FY2022 4Q	FY2023 1Q	QoQ %	FY2022 4Q	FY2023 1Q	QoQ %
Net operating revenue	94.1	98.5	+4%	104.8	121.4	+15%
SG&A	76.2	84.4	+10%	87.5	102.7	+17%
Ordinary profit	31.4	24.1	(23)%	29.7	27.2	(8)%
Profit (owners of parent)	15.8	13.8	(12)%	14.5	16.2	+11%

* 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.

1Q Performance Trends

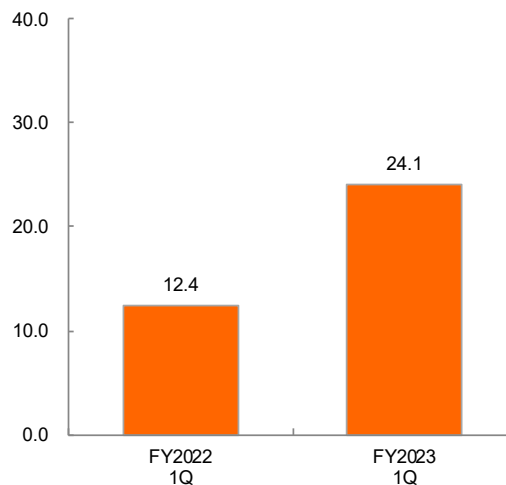
Net operating revenue

(JPY billion)



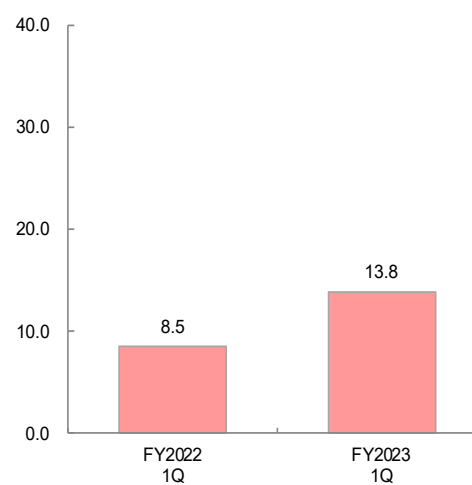
Ordinary profit

(JPY billion)



Profit (owners of parent)

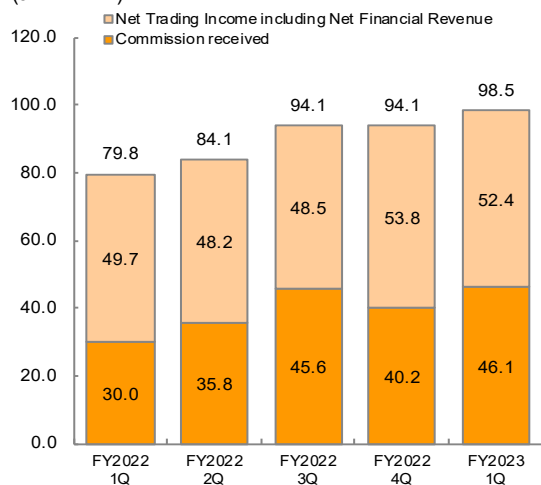
(JPY billion)



Quarterly Performance Trends

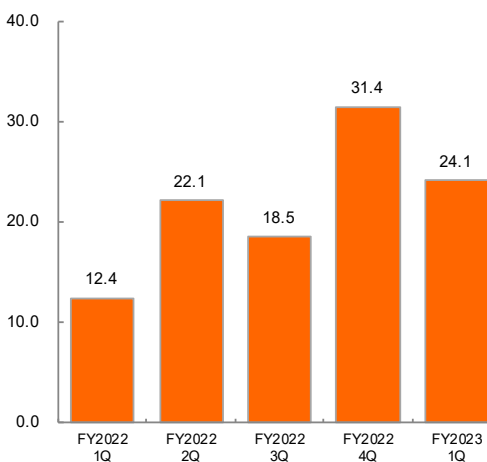
Net operating revenue

(JPY billion)



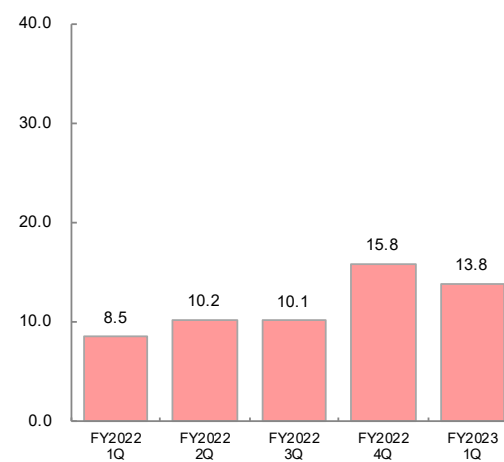
Ordinary profit

(JPY billion)



Profit (owners of parent)

(JPY billion)



Consolidated Financial Summary (1)

Commission Received (Financial basis)

Commission received

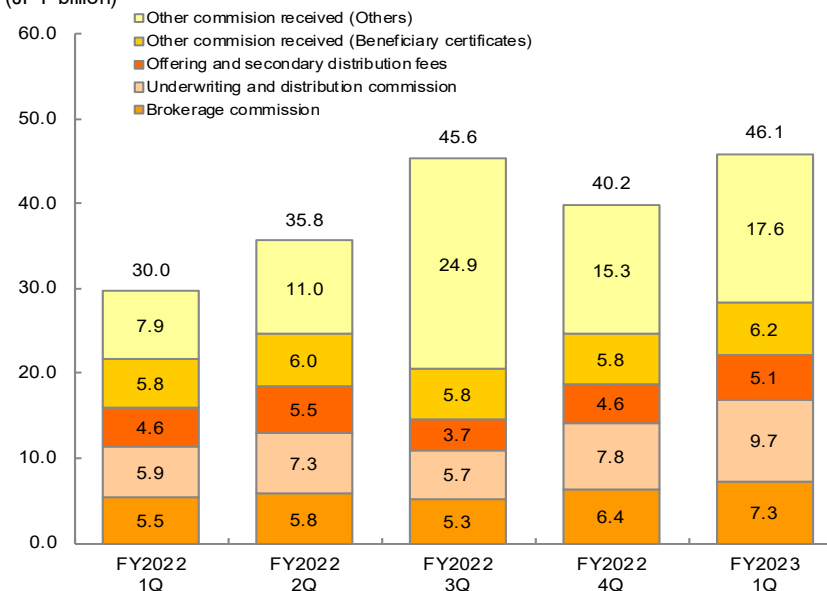
FY2023 1Q : JPY 46.1 billion

- YoY JPY +16.0 billion +53%
- Brokerage commission: Revenue increased as individual investors' trading value remained high underpinned by rising stock prices.
- Underwriting and distribution commission : Revenue increased as a result of the accumulation of multiple underwriting deals, marking a recovery from the same quarter of the previous fiscal year in which the size of the issuance market had been relatively small.
- Offering and secondary distribution fees : Sales of stock investment trusts increased owing in part to market conditions.
- Other commission received (Beneficiary certificates) :Revenue increased as a result of steadily accumulating stock investment trusts.
- Other commission received (Others) : Revenue increased thanks to the closing of large-scale M&A deals and solutions deals.

- QoQ JPY +5.8 billion +14%
- Underwriting and distribution commission : Revenue increased as a result of accumulating multiple underwriting deals.
- Other commission received (Others) : The closing of large-scale solutions deals contributed.

Quarterly Trends

(JPY billion)



(JPY billion)	FY2022 1Q	FY2023 1Q	YoY %
Brokerage commission	5.5	7.3	+31%
Underwriting and distribution commission	5.9	9.7	+63%
Offering and secondary distribution fees	4.6	5.1	+10%
Other commission received (Beneficiary certificates)	5.8	6.2	+6%
Other commission received (Others)	7.9	17.6	+121%
Total	30.0	46.1	+53%

(JPY billion)	FY2022 4Q	FY2023 1Q	QoQ %
Brokerage commission	6.4	7.3	+13%
Underwriting and distribution commission	7.8	9.7	+23%
Offering and secondary distribution fees	4.6	5.1	+10%
Other commission received (Beneficiary certificates)	5.8	6.2	+6%
Other commission received (Others)	15.3	17.6	+14%
Total	40.2	46.1	+14%

(JPY billion)	FY2022 1Q	FY2023 1Q	YoY %
Brokerage commission	5.5	7.3	+31%
Underwriting and distribution commission	5.9	9.7	+63%
Offering and secondary distribution fees	4.6	5.1	+10%
Other commission received (Beneficiary certificates)	5.8	6.2	+6%
Other commission received (Others)	7.9	17.6	+121%
Total	30.0	46.1	+53%

Consolidated Financial Summary (2)

Net Trading Income · Net Financial Revenue (Financial basis)

Net Trading Income · Net Financial Revenue

FY2023 1Q : JPY 52.4 billion

■ YoY JPY +2.6 billion +5%

➢ Equity business :

Domestic subsidiaries recorded a decline in revenue due to sluggishness in equity derivatives, despite a recovery in foreign stocks
Overseas subsidiaries underwent a decline in the equity solution business.

➢ Fixed income business :

Domestic subsidiaries' performance was contributed to by the successful management of positions capitalizing on interest rate changes as well as by the capturing of JGB auction-related flows.
Overseas subsidiaries recorded an increase in revenue thanks to the winning of large-scale derivatives deals with customers and to the recovery of the credit and MBS businesses.

■ QoQ JPY (1.4) billion (2)%

➢ Equity business :

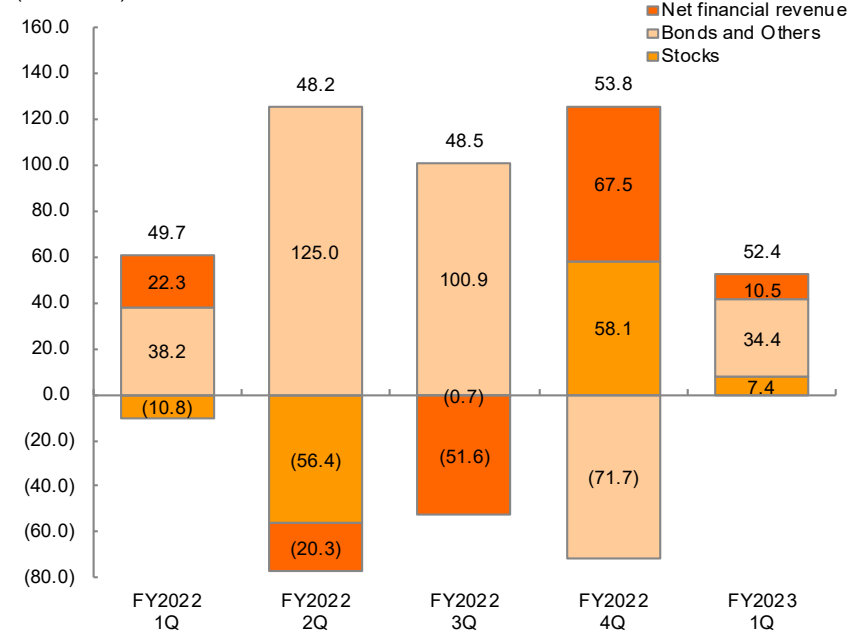
Both domestic and overseas subsidiaries continued to perform weakly.

➢ Fixed income business :

Domestic subsidiaries continued performing well, albeit a fall from the previous quarter in which a record profit had been posted.
Overseas subsidiaries benefitted from the strong performance of derivatives and the structured solution business in spite of the rates business being sluggish.

Quarterly Trends

(JPY billion)



(JPY billion)	FY2022 1Q	FY2023 1Q	YoY %
Stocks	(10.8)	7.4	—
Bonds and Others	38.2	34.4	(9)%
Net financial revenue	22.3	10.5	(52)%
Total	49.7	52.4	+5%

(JPY billion)	FY2022 4Q	FY2023 1Q	QoQ %
Stocks	58.1	7.4	(87)%
Bonds and Others	(71.7)	34.4	—
Net financial revenue	67.5	10.5	(84)%
Total	53.8	52.4	(2)%

(JPY billion)	FY2022 4Q	FY2023 1Q	QoQ %
Equity business	6.8	5.4	(21)%
Fixed income business	34.2	28.9	(15)%
Total	41.1	34.3	(16)%

【Reference】 Management accounting basis *

(JPY billion)	FY2022 1Q	FY2023 1Q	YoY %
Equity business	8.2	5.4	(34)%
Fixed income business	22.7	28.9	+27%
Total	30.9	34.3	+11%

(JPY billion)	FY2022 4Q	FY2023 1Q	QoQ %
Equity business	6.8	5.4	(21)%
Fixed income business	34.2	28.9	(15)%
Total	41.1	34.3	(16)%

* 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)

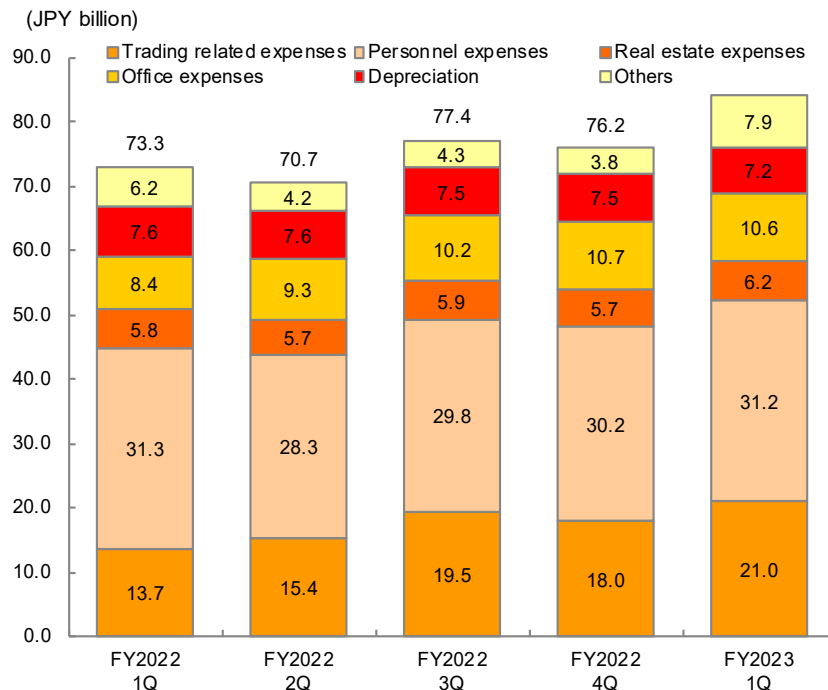
SG & A (Financial basis)

SG & A

FY2023 1Q : JPY 84.4 billion

- YoY JPY +11.1 billion +15%
- Domestic subsidiaries : Trading related expenses increased in conjunction with the closing of large-scale deals.
- Overseas subsidiaries : On top of the foreign exchange effect, increases were recorded in trading related expenses linked to revenue and in office expenses associated with system work.
- QoQ JPY 8.2 billion +10%
- Others increased due to the trading related expenses that rose in conjunction with the closing of large-scale deals and to taxes and dues associated with dividends.

Quarterly Trends



(JPY billion)	FY2022 1Q	FY2023 1Q	YoY %	FY2022 4Q	FY2023 1Q	QoQ %
Trading related expenses	13.7	21.0	+53%	18.0	21.0	+16%
Personnel expenses	31.3	31.2	(0)%	30.2	31.2	+3%
Real estate expenses	5.8	6.2	+5%	5.7	6.2	+7%
Office expenses	8.4	10.6	+25%	10.7	10.6	(0)%
Depreciation	7.6	7.2	(4)%	7.5	7.2	(3)%
Others	6.2	7.9	+26%	3.8	7.9	+108%
Total	73.3	84.4	+15%	76.2	84.4	+10%

(JPY billion)	FY2022 1Q	FY2023 1Q	YoY %	FY2022 4Q	FY2023 1Q	QoQ %
Trading related expenses	13.7	21.0	+53%	18.0	21.0	+16%
Personnel expenses	31.3	31.2	(0)%	30.2	31.2	+3%
Real estate expenses	5.8	6.2	+5%	5.7	6.2	+7%
Office expenses	8.4	10.6	+25%	10.7	10.6	(0)%
Depreciation	7.6	7.2	(4)%	7.5	7.2	(3)%
Others	6.2	7.9	+26%	3.8	7.9	+108%
Total	73.3	84.4	+15%	76.2	84.4	+10%

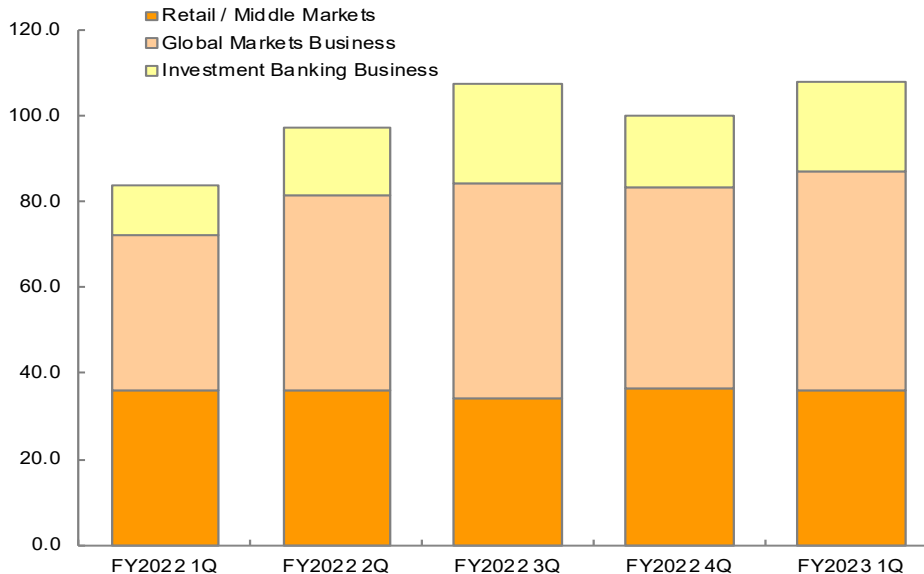
(JPY billion)	FY2022 1Q	FY2023 1Q	YoY %	FY2022 4Q	FY2023 1Q	QoQ %
Trading related expenses	13.7	21.0	+53%	18.0	21.0	+16%
Personnel expenses	31.3	31.2	(0)%	30.2	31.2	+3%
Real estate expenses	5.8	6.2	+5%	5.7	6.2	+7%
Office expenses	8.4	10.6	+25%	10.7	10.6	(0)%
Depreciation	7.6	7.2	(4)%	7.5	7.2	(3)%
Others	6.2	7.9	+26%	3.8	7.9	+108%
Total	73.3	84.4	+15%	76.2	84.4	+10%

Overview by Business Segments in FY2023 1Q

- Although Retail / Middle Markets registered flat revenue growth, both Global Markets and Investment Banking reported increased revenue, compared with the previous quarter.
- Retail / Middle Markets: Revenue remained unchanged from the previous quarter as a decline in foreign bond sales offset rises in the stock trading value and sales of publicly offered stock investment trusts that were propelled by a recovery in investors' investment appetite on the back of a favorable market environment.
- Global Markets: Revenue increased from the previous quarter, as domestic subsidiaries benefitted from the continuously strong fixed income business and the monetization of large-scale deals in the solution business while overseas subsidiaries recovered mainly in structured solutions, etc., despite a downturn in flow products.
- Investment Banking: Although revenue from domestic subsidiaries fell from the previous quarter due to a reactionary decline in real estate-related businesses, revenue from overseas subsidiaries rose on the back of a recovery in the bond issuance market, resulting in quarter-on-quarter revenue growth overall.

Quarterly Trends

(JPY billion)



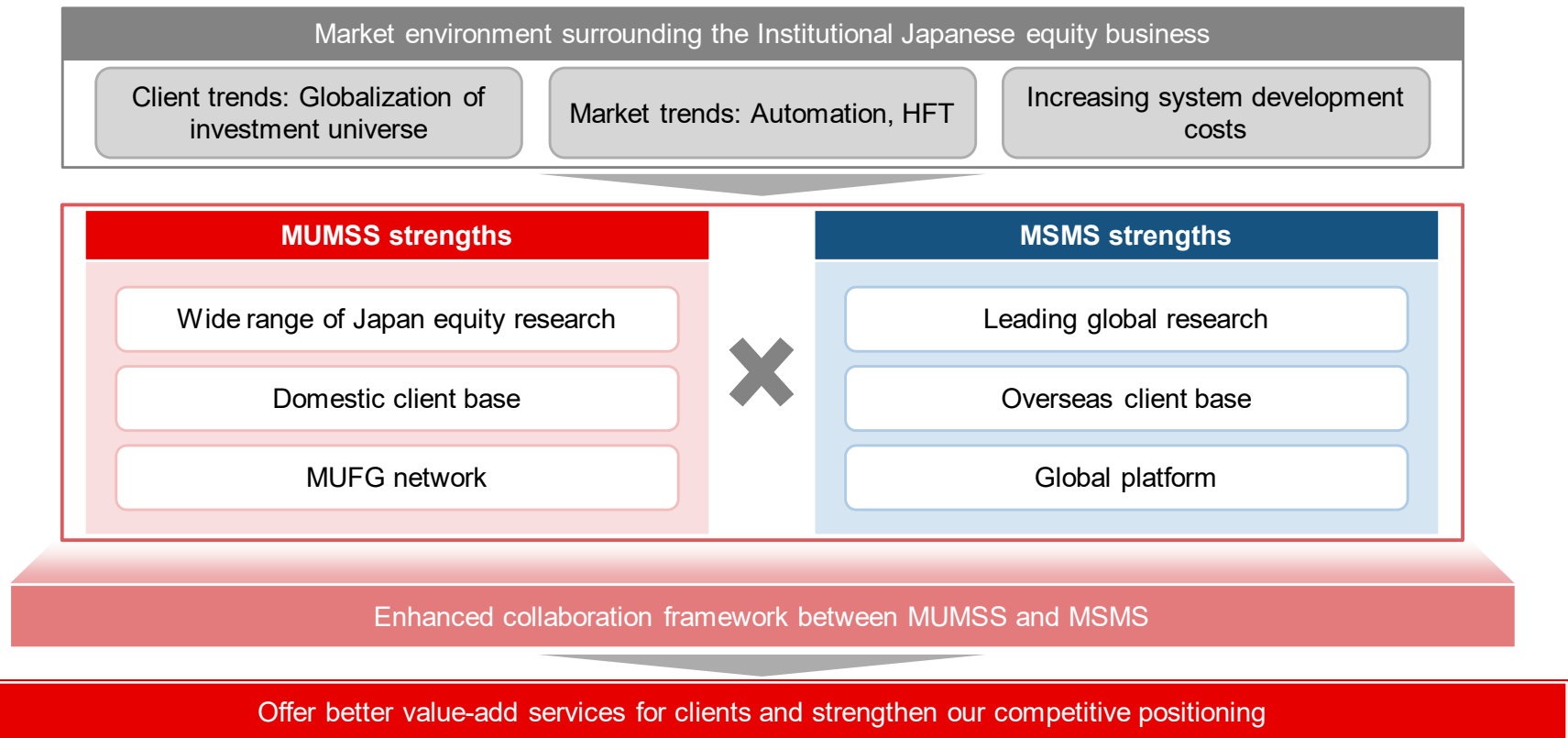
* Figures are based on management accounting basis including MUSA.

Appendix

Alliance 2.0

– MUFG/MS Collaboration Initiative in Japanese Research and Equity Business for Institutional Clients (1/3)

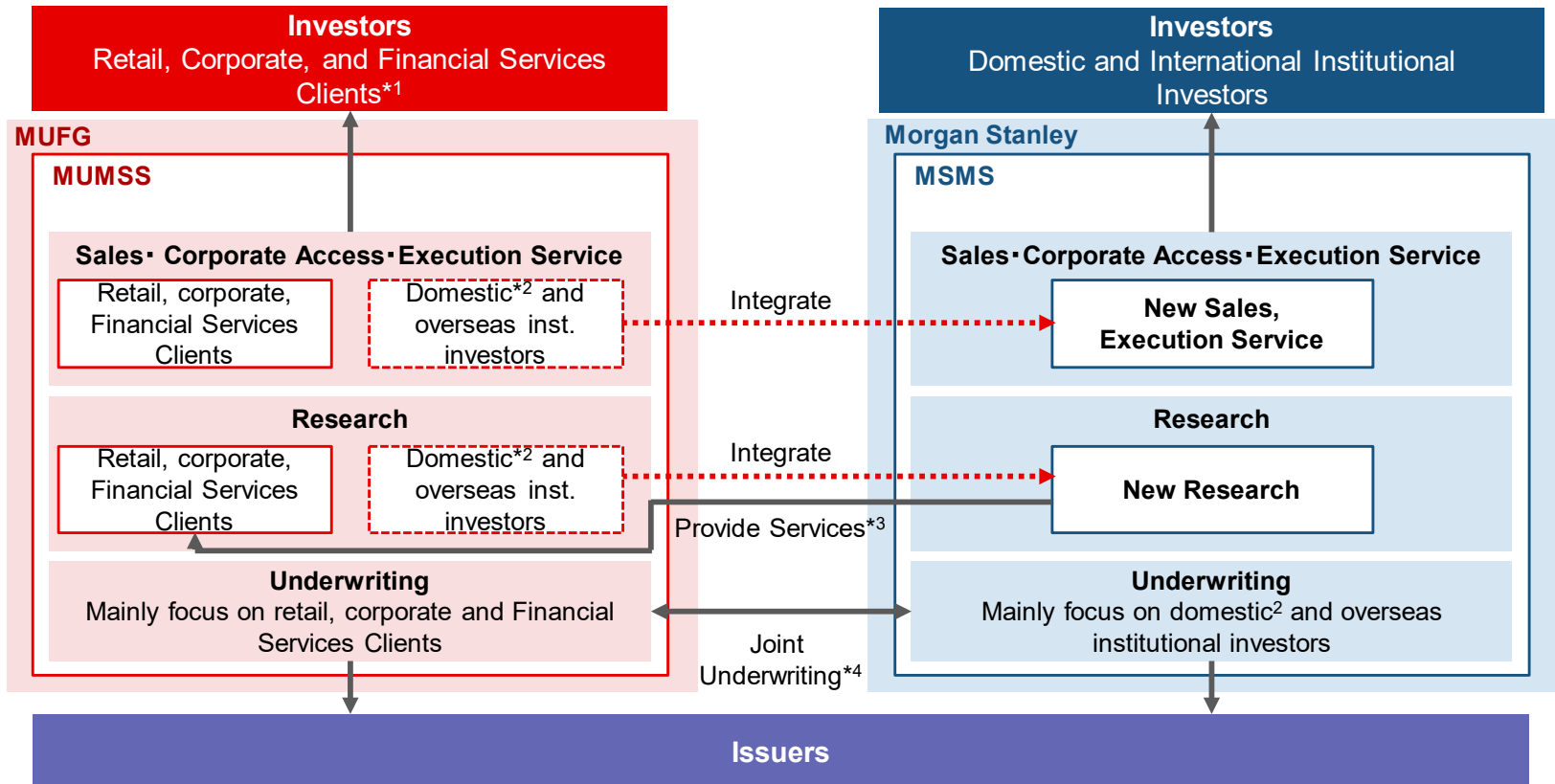
- MUFG and Morgan Stanley will establish a collaboration framework to leverage each other's strengths in the wholesale equity business to offer better value-add services for clients and strengthen our competitive positioning



Alliance 2.0

– MUFG/MS Collaboration Initiative in Japanese Research and Equity Business for Institutional Clients (2/3)

- Integrate the existing MUMSS and MSMS research, institutional equity sales, Corporate Access and a part of execution services within MSMS
- Following the integration, equity underwriting functions in MUMSS and MSMS will be optimized to further leverage the MSMS global platform

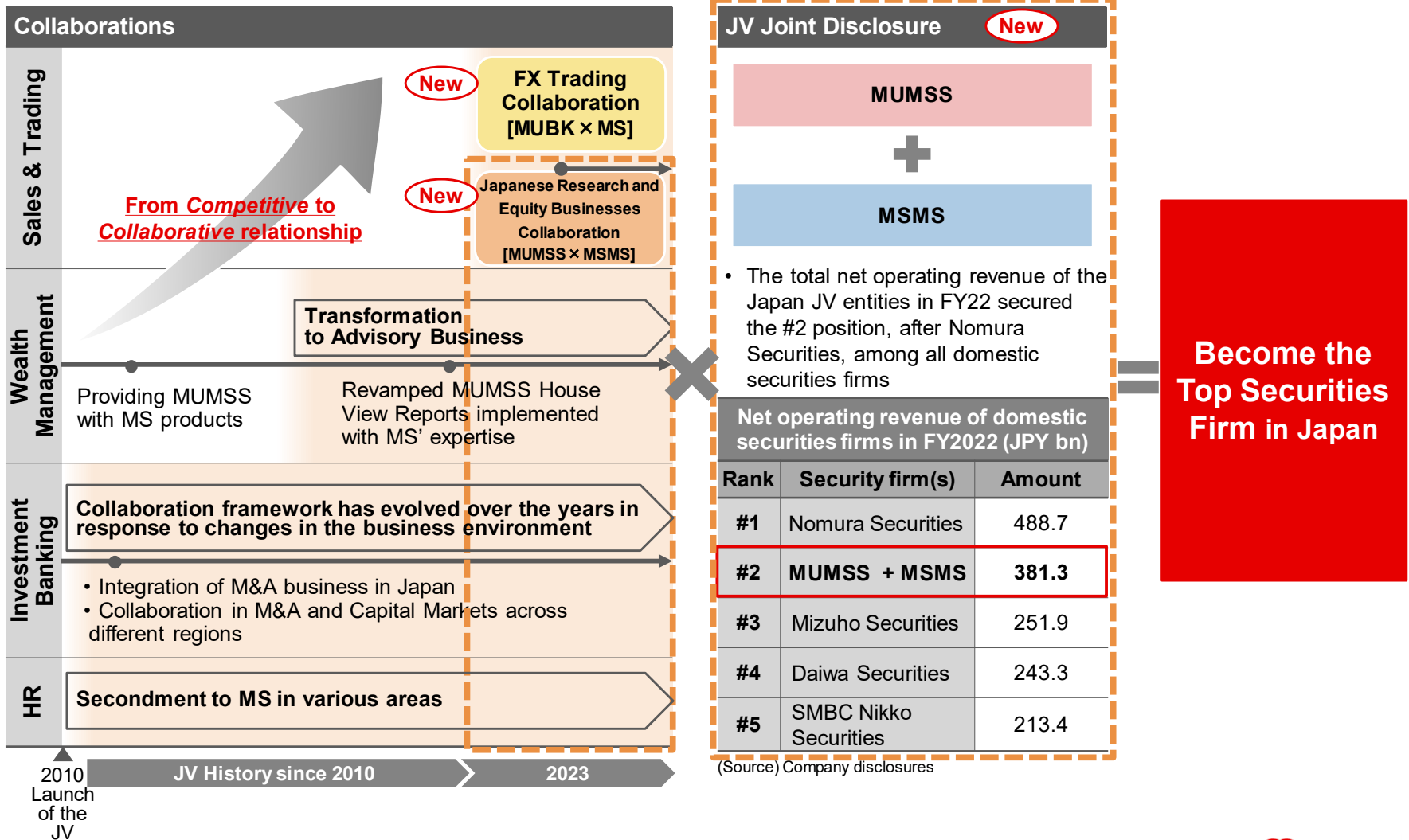


1. "Financial Services Clients" includes, among others, proprietary funds for domestic banks and insurance companies, and certain regional financial institutions
 2. Other than "Financial Services Clients"
 3. New Research provides services to MUMSS's retail, corporate, and financial institution clients through MUMSS
 MSMS continues its services for MSMS's financial institutions clients
 4. For certain domestic deals, MSMS may act as selling agent while MUMSS acts as underwriter

Alliance 2.0

– MUFG/MS Collaboration Initiative in Japanese Research and Equity Business for Institutional Clients (3/3)

- Build the top securities firm with a holistic view of the Joint Venture

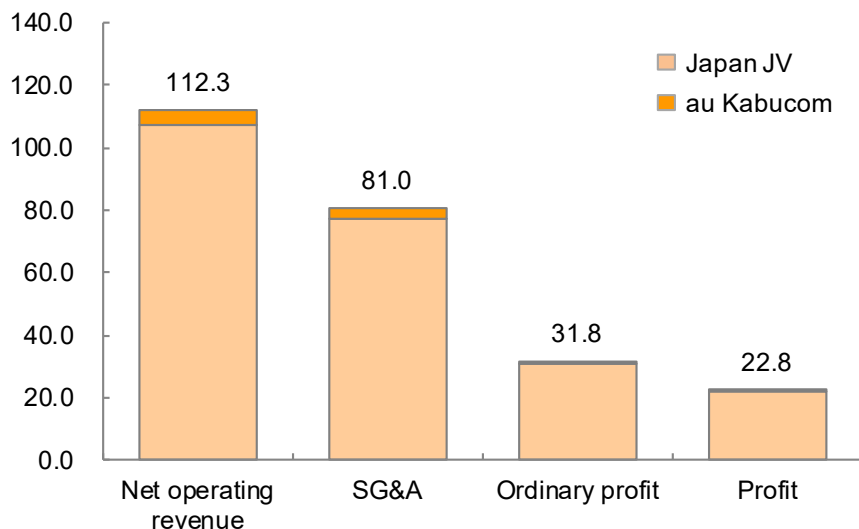


Domestic Securities Companies' Performance

- Net operating revenue of the Domestic Securities Companies is approximately JPY 110 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 2023 1Q

(JPY billion)



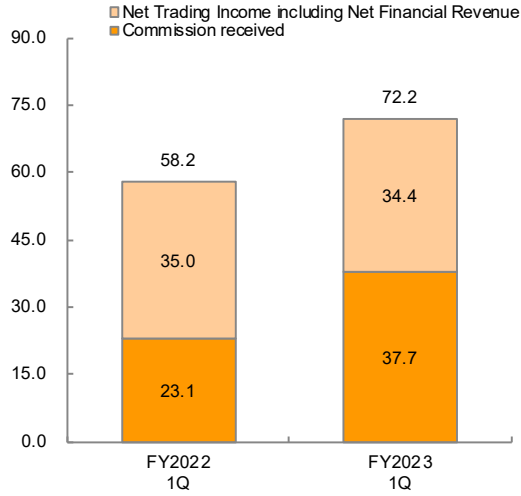
Simple sum of the figures for the Domestic Securities Companies (JPY billion)	FY 2023 1Q
Net operating revenue	112.3
Japan JV	107.3
MUMSS	72.2
Morgan Stanley MUFG Securities Co., Ltd. ("MSMS") *	35.1
au Kabucom Securities Co., Ltd. ("au Kabucom")	4.9
SG & A	81.0
Japan JV	77.1
MUMSS	57.1
MSMS	19.9
au Kabucom	3.9
Ordinary profit	31.8
Japan JV	30.8
MUMSS	15.6
MSMS	15.2
au Kabucom	1.0
Profit	22.8
Japan JV	22.3
MUMSS	11.8
MSMS	10.5
au Kabucom	0.5

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

1Q Performance Trends

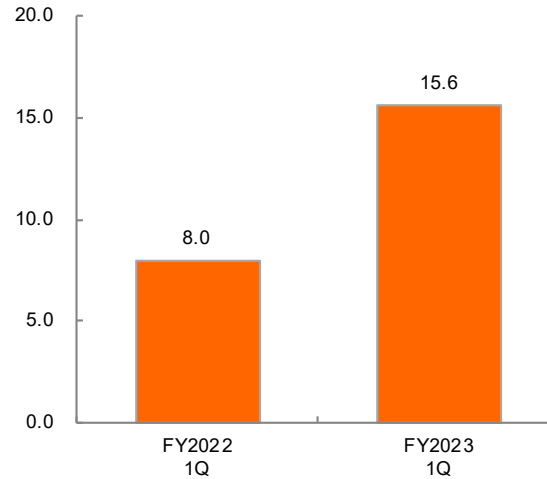
Net operating revenue

(JPY billion)



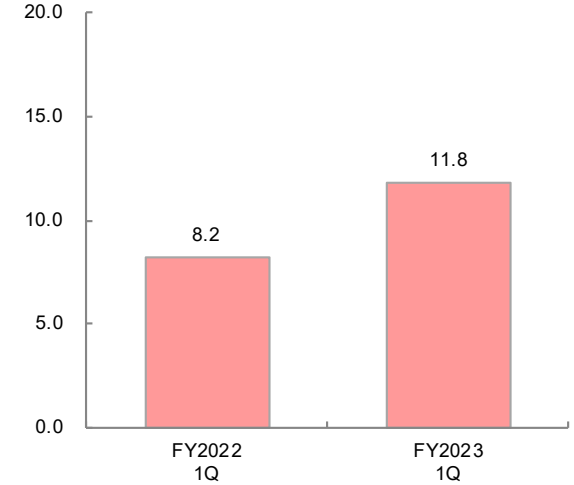
Ordinary profit

(JPY billion)



Profit

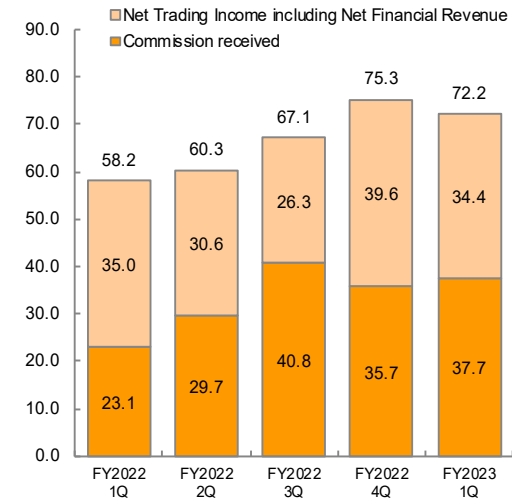
(JPY billion)



Quarterly Performance Trends

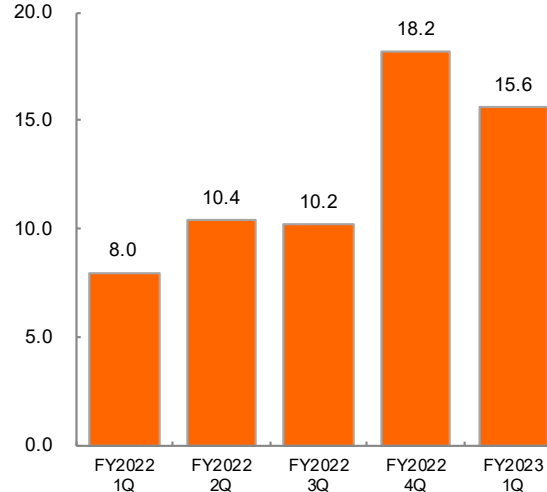
Net operating revenue

(JPY billion)



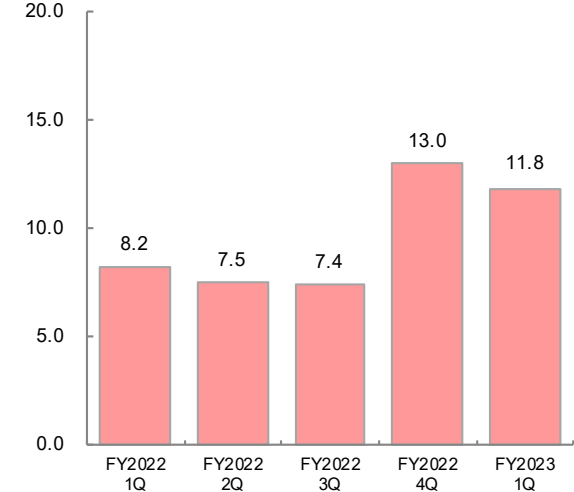
Ordinary profit

(JPY billion)



Profit

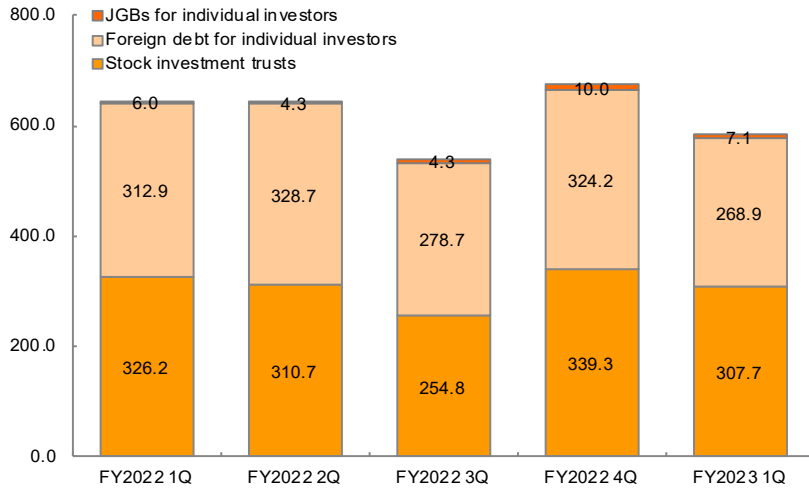
(JPY billion)



Sales of Retail / Middle Market Division

Quarterly Trends

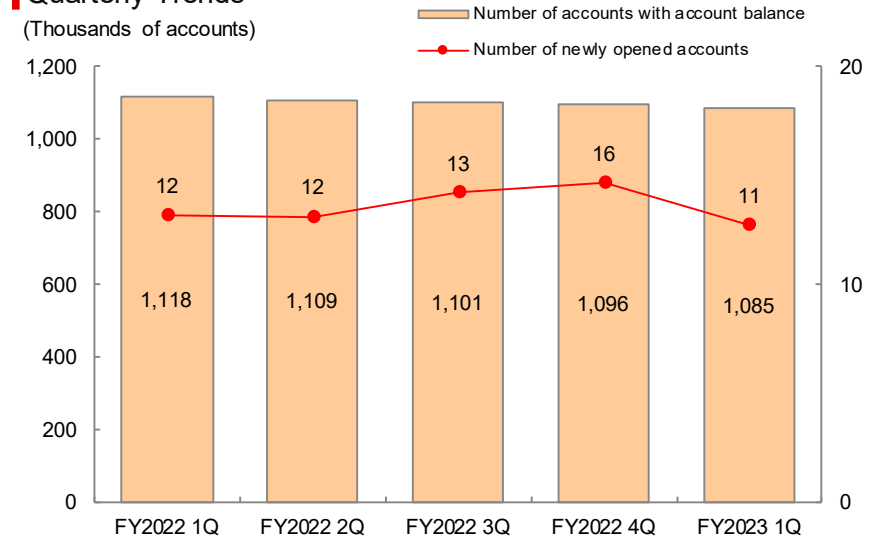
(JPY billion)



Number of accounts with account balance / Middle Market Division

Quarterly Trends

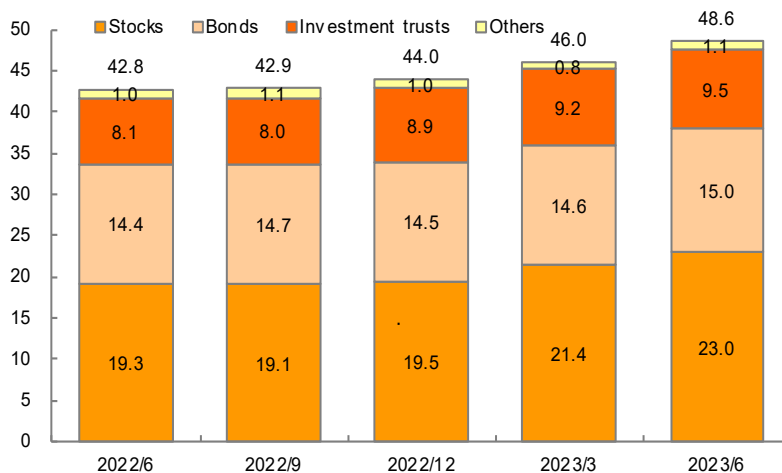
(Thousands of accounts)



Trends of AUM

Quarterly Trends

(JPY trillion)



(The balance is the amount at the end of each quarter.)
(Rounding off)

Investment banking business ~ League Table (from April, 2023 to June, 2023)

Debt (Domestic and Foreign Bonds)*1

Rank	Securities Firm	Share (%)
1	Mitsubishi UFJ Morgan Stanley	21.9
2	Mizuho Securities	18.8
3	Nomura Securities	16.0
4	Daiwa Securities	13.0
5	SMBC Nikko Securities	12.3
6	JP Morgan	3.6
7	Barclays	3.0
8	Citigroup Global Markets Japan	2.7
9	BofA Securities	2.7
10	Goldman Sachs Japan	1.9

Japan Equity and Equity-linked*2

Rank	Securities Firm	Share (%)
1	Daiwa Securities Group	21.9
2	Nomura	17.7
3	Mizuho Financial Group	15.8
4	Mitsubishi UFJ Morgan Stanley	15.3
5	Sumitomo Mitsui Financial Group	11.7
6	Goldman Sachs & Co	9.3
7	BofA Securities	2.4
8	Rakuten Group	1.4
9	SBI Holdings	1.2
10	Citi	1.2

M&A Advisory / Based on Rank Value*3

Rank	Financial Advisor	JPY billion
1	Mitsubishi UFJ Morgan Stanley	2,418
2	Nomura	2,405
3	JP Morgan	1,936
4	BofA Securities	1,423
5	Mizuho Financial Group	1,208
6	Sumitomo Mitsui Financial Group	770
7	Centerview Partners LLC	724
8	UBS	345
9	Deloitte	308
10	Daiwa Securities Group	255

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

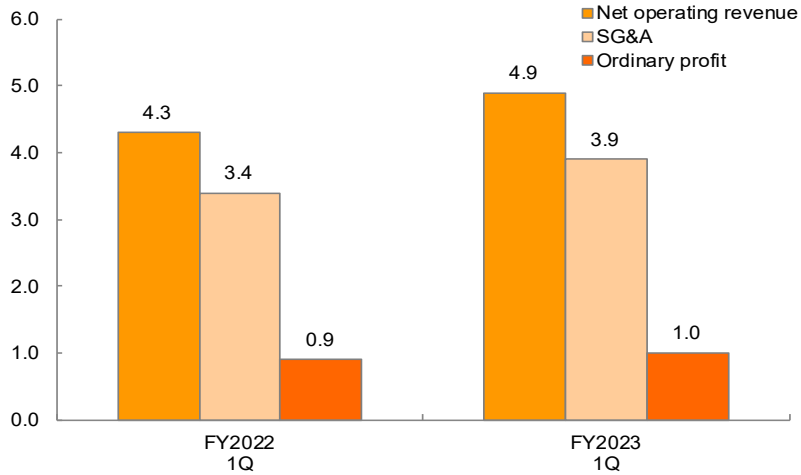
*3 Source: REFINITIV (data compiled by Mitsubishi UFJ Morgan Stanley)

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

au Kabucom 1Q Performance Trends

Trends

(JPY billion)

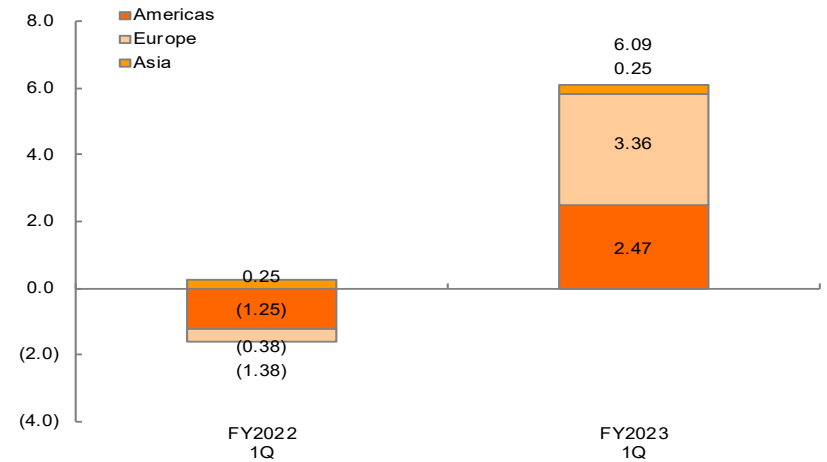


Overseas Business 1Q Performance Trends

Ordinary profit (loss) : Trends

(JPY billion)

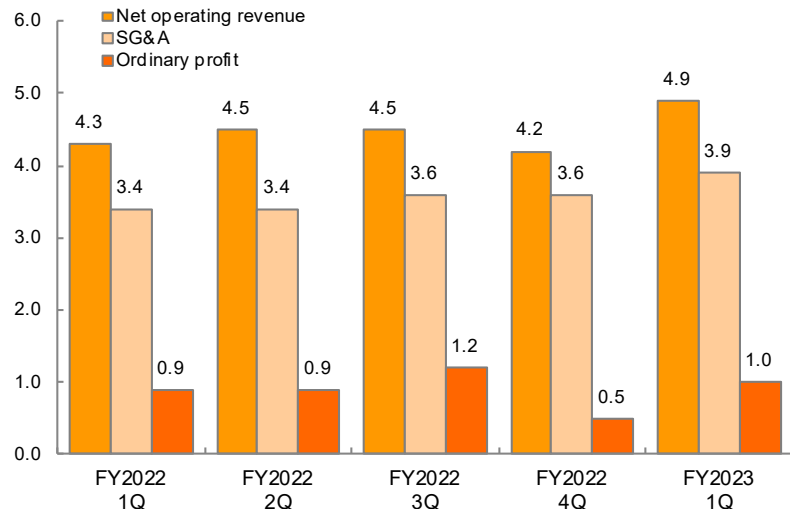
*Figures are based on substantial basis including MUSA.



au Kabucom Quarterly Performance Trends

Quarterly Trends

(JPY billion)

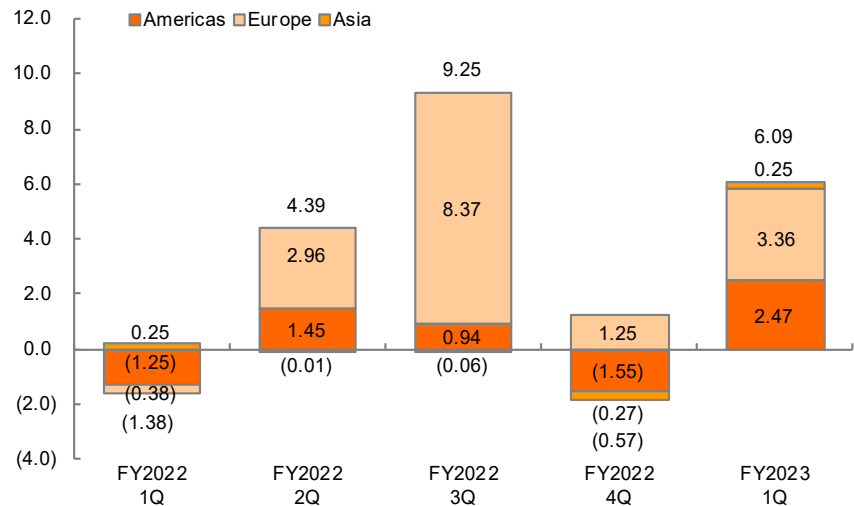


Overseas Business Quarterly Performance Trends

Ordinary profit (loss) : Quarterly Trends

(JPY billion)

*Figures are based on substantial basis including MUSA.



Consolidated Statement of Income

JPY million

	Cumulative		Quarter				FY2023 1Q
	FY2022 1Q	FY2023 1Q	FY2022				
			1Q	2Q	3Q	4Q	
Operating revenue	86,759	146,225	86,759	130,330	198,810	76,906	146,225
Commission received	30,070	46,156	30,070	35,865	45,654	40,260	46,156
Net trading income	27,413	41,906	27,413	68,589	100,201	(13,637)	41,906
Other operating revenue	4	4	4	0	—	0	4
Financial revenue	29,271	58,157	29,271	25,875	52,954	50,283	58,157
Financial expenses	6,899	47,634	6,899	46,213	104,653	(17,216)	47,634
Net operating revenue	79,860	98,590	79,860	84,116	94,157	94,123	98,590
SG & A	73,311	84,421	73,311	70,725	77,499	76,203	84,421
Operating profit	6,548	14,168	6,548	13,390	16,657	17,919	14,168
Non-operating income	7,046	11,031	7,046	9,881	3,956	14,538	11,031
Non-operating expenses	1,122	1,061	1,122	1,159	2,094	1,020	1,061
Ordinary profit	12,472	24,138	12,472	22,112	18,519	31,436	24,138
Extraordinary income	0	—	0	123	954	114	—
Extraordinary losses	520	196	520	5	1,491	730	196
Income taxes	33	5,138	33	5,008	4,736	5,072	5,138
Profit attributable to non-controlling interests	3,397	4,911	3,397	6,966	3,059	9,907	4,911
Profit attributable to owners of parent	8,520	13,893	8,520	10,254	10,186	15,840	13,893

Consolidated Balance Sheet

JPY billion

	As of Mar. 31, 2023	As of Jun. 30, 2023	Change
ASSETS			
Current assets	31,800	33,478	+1,678
Cash and deposits	2,866	2,735	(131)
Trading products	11,936	14,134	+2,197
Loans secured by securities	13,954	13,491	(463)
Others	3,041	3,117	+75
Non-current assets	659	609	(49)
PP & E	24	23	(0)
Intangible assets	109	112	+3
Investments and other assets	525	472	(52)
Total assets	32,459	34,087	+1,628

	As of Mar. 31, 2023	As of Jun. 30, 2023	Change
LIABILITIES			
Current liabilities	29,509	31,241	+1,731
Trading products	12,412	12,598	+186
Borrowings secured by securities	8,552	9,905	+1,352
Short-term borrowings	4,451	4,227	(224)
Others	4,092	4,510	+417
Non-current liabilities	1,904	1,790	(114)
Bonds payable	841	710	(131)
Long-term borrowings	1,046	1,062	+16
Others	17	17	+0
Total liabilities	31,418	33,036	+1,617
NET ASSETS			
Shareholders' equity	742	752	+10
Accumulated other comprehensive income	8	18	+10
Non-controlling interests	289	279	(10)
Total net assets	1,040	1,051	+10
Total liabilities and net assets	32,459	34,087	+1,628

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 FY2023 1Q can be found on the following URL.

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



Mitsubishi UFJ Securities Holdings

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