



Mitsubishi UFJ Securities Holdings

2QFY2023

Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

October, 2023

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(Note1) 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 June, while the quarterly performance trends refer to the results for the period between April and June.

(Note2) Figures represent the aggregation with the results of MUFG Securities Americas 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.

## 2Q Performance Trends

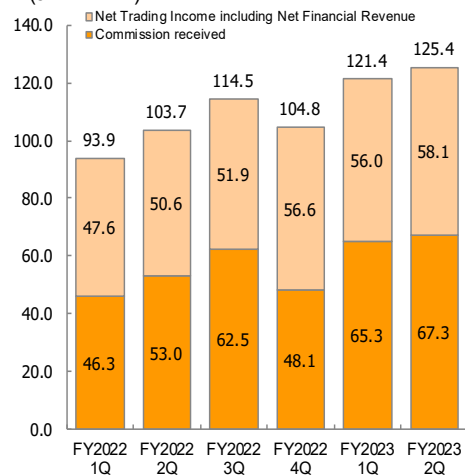
- Net operating revenue was JPY 246.8bn (+24% YoY), ordinary profit was JPY 52.1bn(+46% YoY) and profit attributable to owners of parent was JPY 28.1bn(+43% YoY). For the quarter, Net operating revenue was JPY 125.4bn (+3% QoQ), ordinary profit was JPY 24.8bn (-8% QoQ) and profit attributable to owners of parent was JPY 11.8bn(-26% QoQ).
- First-half results: All segments recorded increases in both revenue and profit compared to the same period of the previous fiscal year. Investment Banking benefitted from the monetization of M&A deals and a recovery in the size of the issuance market. Global Markets profited from the continuously strong fixed income business at domestic subsidiaries and the recovery of the credit and MBS businesses at overseas subsidiaries.
- Quarterly results: Revenue increased compared to the previous quarter due to revenue growth in Retail / Middle Markets in a relatively stable market environment. However, profit decreased compared to the previous quarter due in part to a slowdown in Global Markets at domestic subsidiaries that had been strong in the previous quarter.

(JPY billion)
Net operating revenue
SG&A
Ordinary profit*
Profit (owners of parent)*

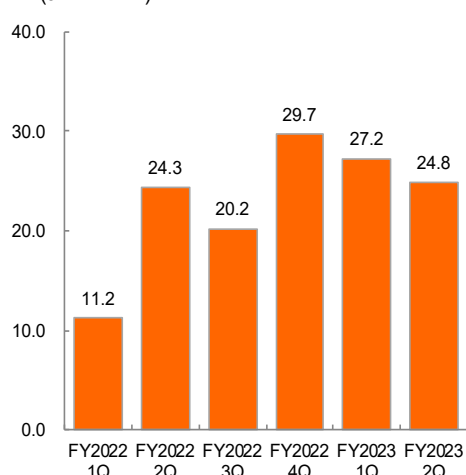
2Q Performance		
FY2022 2Q cumulative	FY2023 2Q cumulative	YoY %
197.7	246.8	+24%
176.1	205.4	+16%
35.6	52.1	+46%
19.6	28.1	+43%

Quarterly Performance		
FY2023 1Q	FY2023 2Q	QoQ %
121.4	125.4	+3%
102.7	102.7	(0)%
27.2	24.8	(8)%
16.2	11.8	(26)%

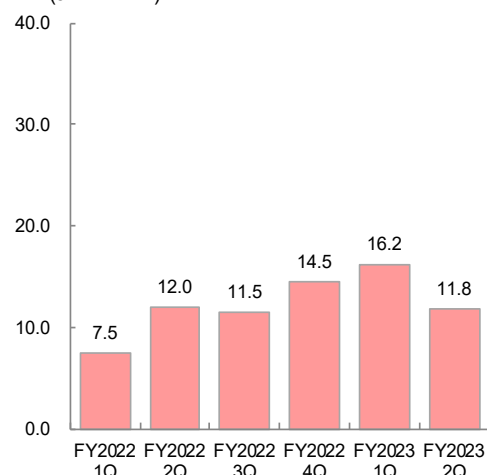
### Net operating revenue (JPY billion)



### Ordinary profit (JPY billion)



### Profit (owners of parent) (JPY billion)

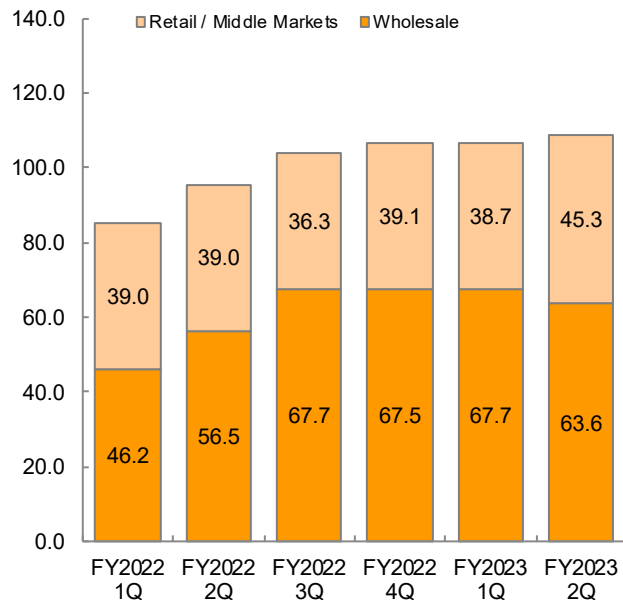


\* The figures include profit from Morgan Stanley MUFG Securities Co., Ltd., an associated company accounted for by using the equity-method.

(JPY billion)	2Q Performance			Quarterly Performance		
	FY2022 2Q cumulative	FY2023 2Q cumulative	YoY %	FY2023 1Q	FY2023 2Q	QoQ %
<b>Net operating revenue</b>						
Retail / Middle Markets	78.0	84.0	+8%	38.7	45.3	+17%
Wholesale	102.6	131.3	+28%	67.7	63.6	(6)%
<b>Ordinary profit</b>						
Retail / Middle Markets	8.8	9.3	+5%	1.8	7.5	+324%
Wholesale* <sup>2</sup>	28.7	43.7	+52%	27.3	16.4	(40)%

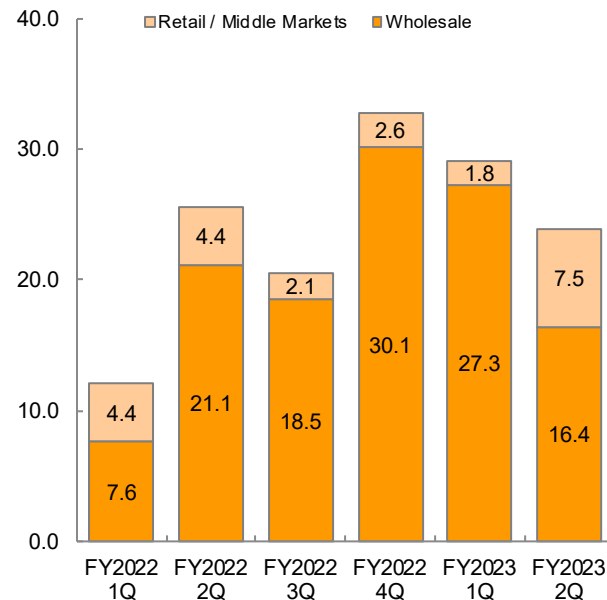
## Net operating revenue

(JPY billion)



## Ordinary profit

(JPY billion)



\*1 Each segment's results are based on internal management data and rounded off. Exchange rate is 1\$=¥105.00

\*2 The figures include profit from Morgan Stanley MUFG Securities Co., Ltd., an associated company accounted for by using the equity-method.

# Overview by Business Segments②

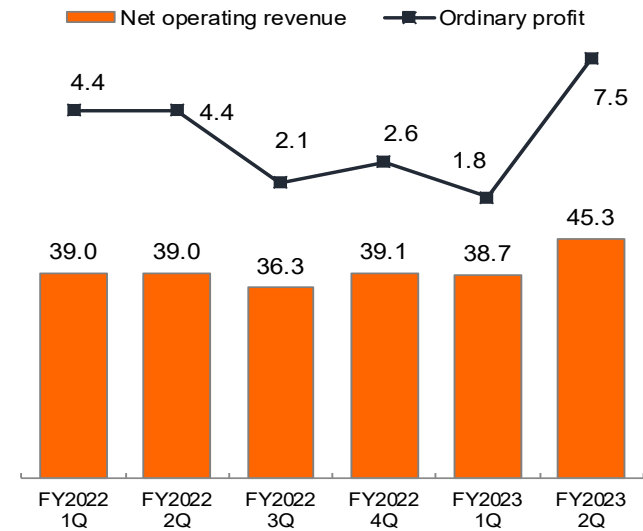
## Retail / Middle Markets

(JPY billion)	FY2023 2Q cumulative	YoY %	FY2023 2Q	QoQ %
Net operating revenue	84.0	+8%	45.3	+17%
Ordinary profit	9.3	+5%	7.5	+324%

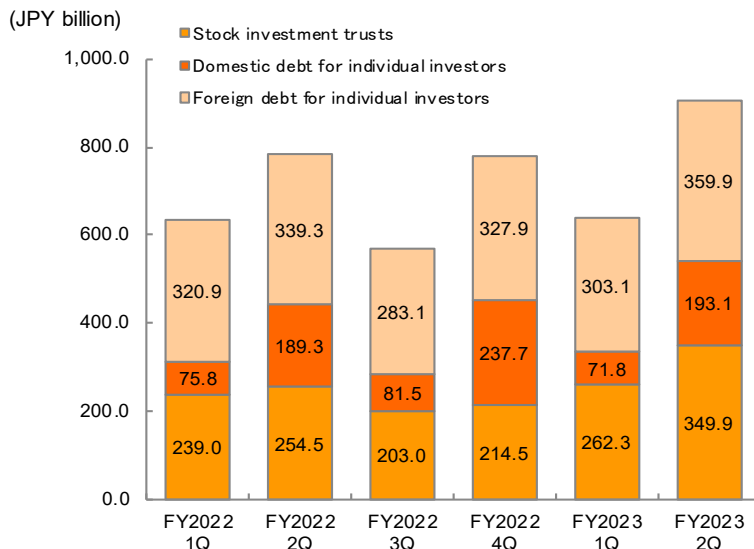
- First-half results: Stock trading value rose thanks to a recovery in investors' investment appetite in a relatively stable market environment. Another contributing factor was the increased inclusion of stock investment trusts based on portfolio proposals.
- Quarterly results: All products increased, centered on investment trust sales.
- Assets balances also grew steadily.

### Net operating revenue / Ordinary profit

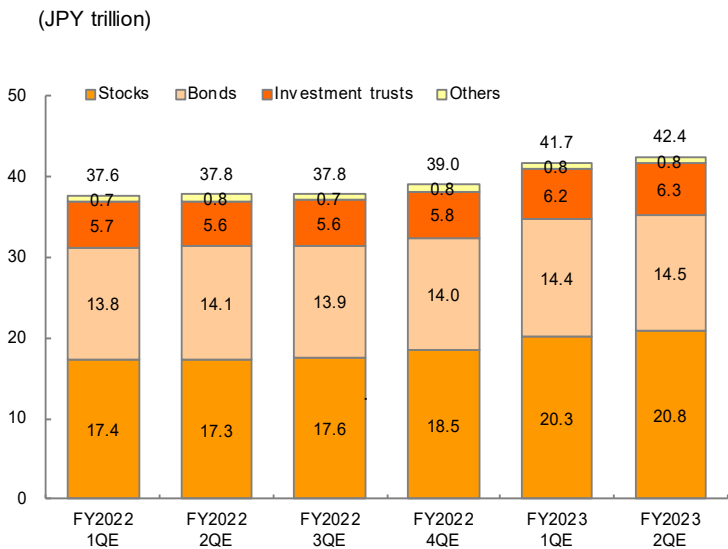
(JPY billion)



### Sales of Products\*2 (MUMSS)



### Trends of AUM (MUMSS)



\*1 Each segment's results are based on internal management data and rounded off. \*2 Retail figures are shown in the table.

(JPY billion)	FY2023 2Q cumulative	YoY %	FY2023 2Q	QoQ %
Net operating revenue	131.3	+28%	63.6	(6)%
Ordinary profit*2	43.7	+52%	16.4	(40)%

## Global Markets

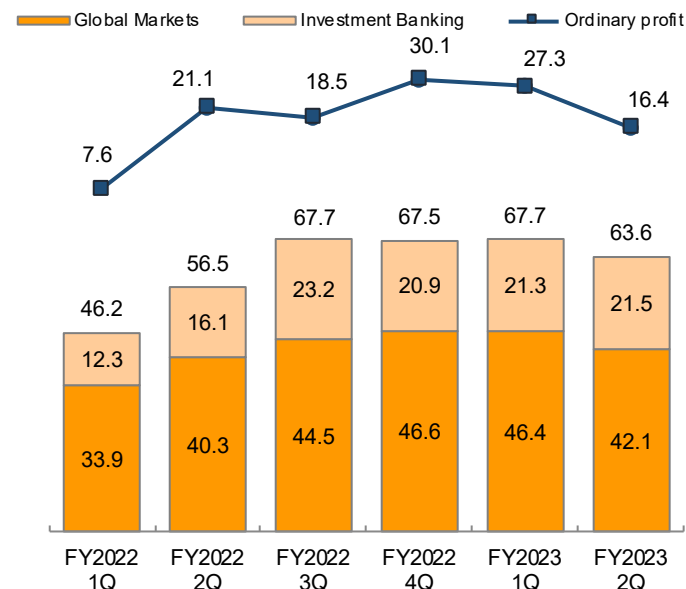
- Fixed income business
  - First-half results: Domestic subsidiaries continued performing well. Overseas subsidiaries also increased revenue thanks to a recovery in the flow products business
  - 2Q: Although overseas subsidiaries increased revenue, rates business at domestic subsidiaries slowed down.
- Equity business
  - First-half results: Customer flows increased at domestic subsidiaries, supported by favorable stock market conditions. However, revenue decreased due to the weakness of the equity solution business that had been strong at overseas subsidiaries in the previous fiscal year.
  - 2Q: Revenue increased due to increased stock trading flows to improve PBR at domestic subsidiaries.

## Investment Banking

- First-half results: Issuance markets recovered both in Japan and overseas. Domestic subsidiaries increased revenue by monetizing large-scale M&A and securitization deals.
- 2Q: Revenue from real estate-related businesses at domestic subsidiaries contributed to the increase in total revenue

## Net operating revenue / Ordinary profit

(JPY billion)



## Net operating revenue by Business segments

(JPY billion)	2Q Performance			Quarterly Performance		
	FY2022 2Q cumulative	FY2023 2Q cumulative	YoY %	FY2023 1Q	FY2023 2Q	QoQ %
Global Markets	74.2	88.5	+19%	46.4	42.1	(9)%
Fixed income business	50.9	63.8	+25%	32.4	31.4	(3)%
Equity business	21.6	17.3	(20)%	7.4	10.0	+35%
Investment Banking	28.4	42.9	+51%	21.3	21.5	+1%

\*1 Each segment's results are based on internal management data and rounded off.

\*2 The figures include profit from Morgan Stanley MUFG Securities Co., Ltd., an associated company accounted for by using the equity-method.

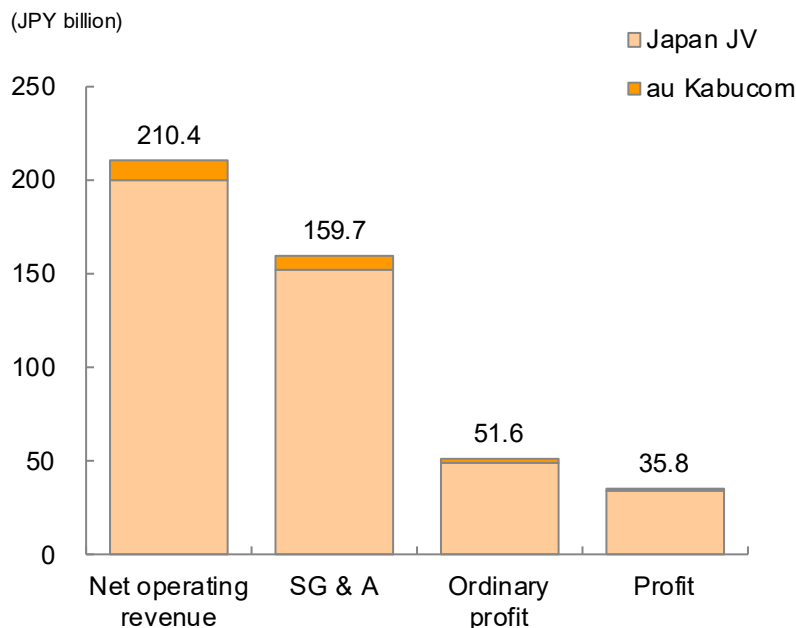
## Appendix

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## Domestic Securities Companies' Performance

- Net operating revenue of the Domestic Securities Companies is approximately JPY 210 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 2Q (cumulative)



\* The figures in the graph above represent the simple sum of the Domestic Securities Companies.

Simple sum of the figures for the Domestic Securities Companies (JPY billion)	FY2023 2Q (cumulative)
<b>Net operating revenue</b>	<b>210.4</b>
Japan JV	200.4
MUMSS	139.7
Morgan Stanley MUFG Securities Co., Ltd. ("MSMS") *	60.6
au Kabucom Securities Co., Ltd. ("au Kabucom")	9.9
<b>SG &amp; A</b>	<b>159.7</b>
Japan JV	151.8
MUMSS	111.9
MSMS	39.9
au Kabucom	7.9
<b>Ordinary profit</b>	<b>51.6</b>
Japan JV	49.5
MUMSS	29.1
MSMS	20.4
au Kabucom	2.0
<b>Profit</b>	<b>35.8</b>
Japan JV	34.8
MUMSS	20.7
MSMS	14.0
au Kabucom	1.0

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



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

### Debt (Domestic and Foreign Bonds)\*1

Rank	Securities Firm	Share (%)
1	Mizuho Securities	18.2
2	Mitsubishi UFJ Morgan Stanley	17.0
3	Nomura Securities	14.7
4	SMBC Nikko Securities	14.2
5	Daiwa Securities	13.6
6	Goldman Sachs Japan	4.0
7	Citigroup Global Markets Japan	3.6
8	BofA Securities	3.5
9	JP Morgan	3.0
10	Barclays	2.1

### Japan Equity and Equity-linked\*2

Rank	Securities Firm	Share (%)
1	Nomura	31.2
2	Daiwa Securities Group	15.2
3	Mizuho Financial Group	11.7
4	Sumitomo Mitsui Financial Group	11.3
5	Mitsubishi UFJ Morgan Stanley	10.7
6	Goldman Sachs & Co	6.4
7	JP Morgan	6.4
8	SBI Holdings	2.4
9	BofA Securities	2.1
10	UBS	0.9

### M&A Advisory / Based on Rank Value\*3

Rank	Financial Advisor	JPY billion
1	Nomura	3,158
2	Mitsubishi UFJ Morgan Stanley	2,765
3	JP Morgan	2,094
4	BofA Securities	1,551
5	Deloitte	1,363
6	Mizuho Financial Group	1,350
7	Daiwa Securities Group	1,143
8	Sumitomo Mitsui Financial Group	1,102
9	Centerview Partners LLC	797
10	Goldman Sachs & Co	547

\*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)

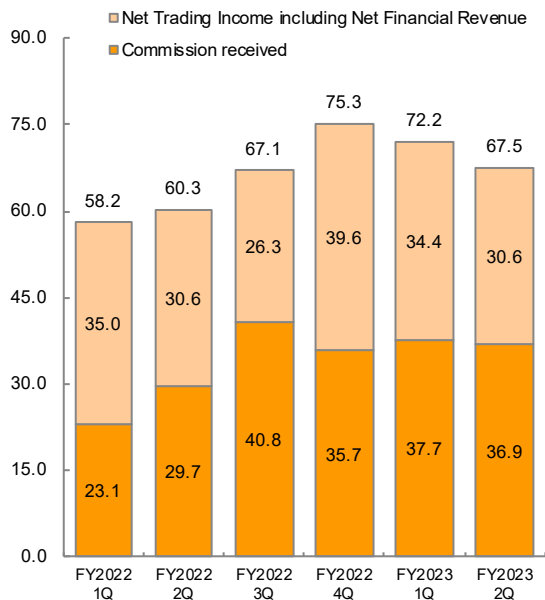
Any Japanese involvement announced including property acquisitions. Mitsubishi UFJ Morgan Stanley includes deals advised by Morgan Stanley.

(JPY billion)
Net operating revenue
SG&A
Ordinary profit
Profit (owners of parent)

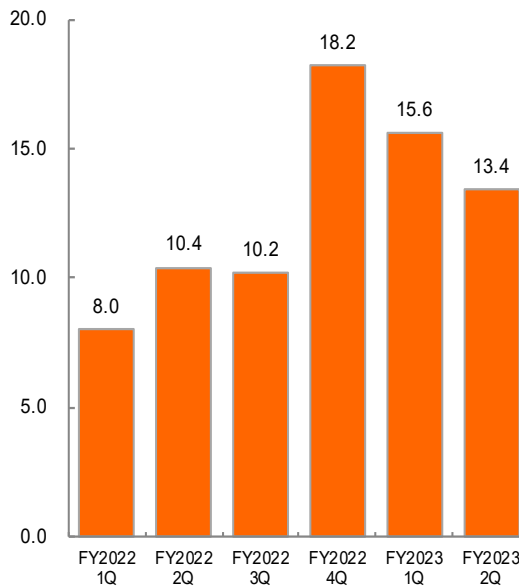
2Q Performance		
FY2022 2Q cumulative	FY2023 2Q cumulative	YoY %
118.6	139.7	+17%
101.5	111.9	+10%
18.5	29.1	+57%
15.7	20.7	+31%

Quarterly Performance		
FY2023 1Q	FY2023 2Q	QoQ %
72.2	67.5	(6)%
57.1	54.7	(4)%
15.6	13.4	(13)%
11.8	8.8	(25)%

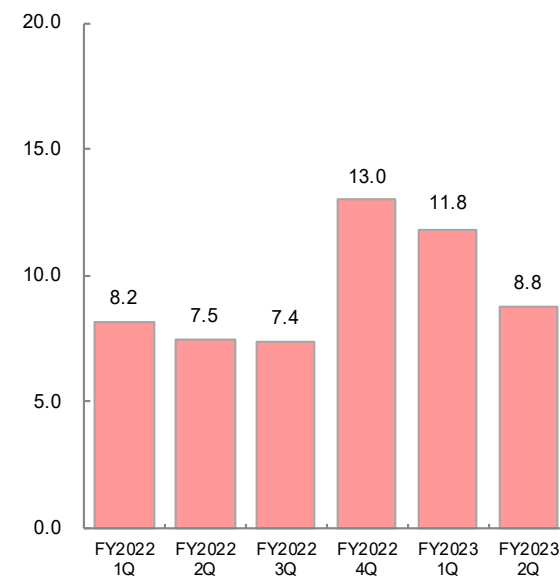
## Net operating revenue (JPY billion)



## Ordinary profit (JPY billion)

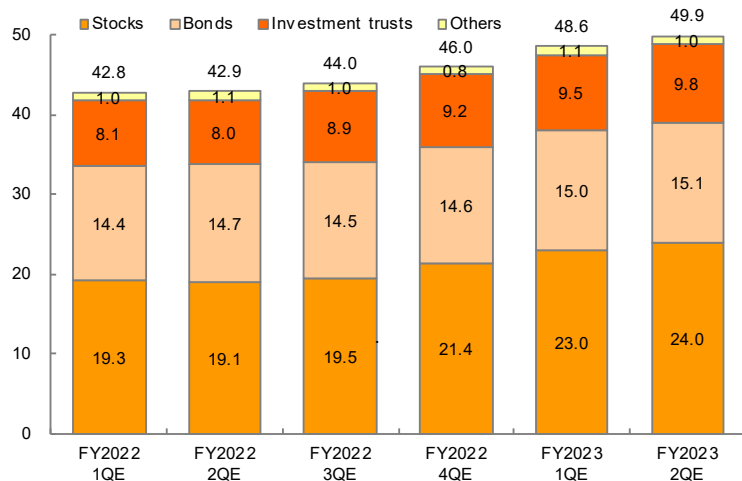


## Profit (JPY billion)



Trends of AUM (Company-wide of MUMSS)

(JPY trillion)

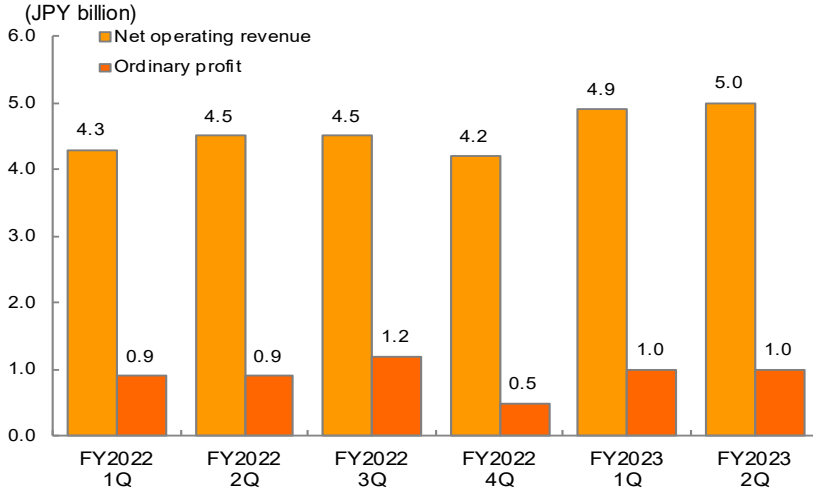


Number of accounts(Retail / Middle Markets)\*

(Thousands of accounts)	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q
Number of accounts with account balance	1,118	1,109	1,101	1,096	1,085	1,074
Number of NISA accounts	219	218	217	216	219	227
Newly opened accounts	12	12	13	16	11	14

au Kabucom

Net operating revenue / Ordinary profit

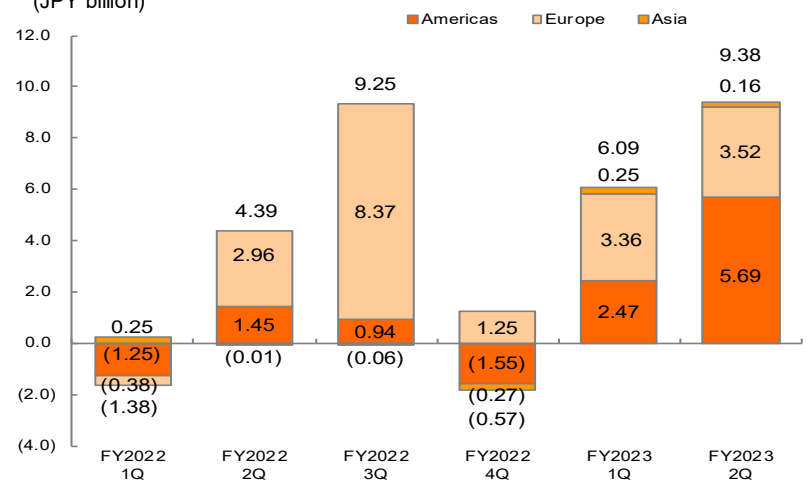


(JPY billion)	2Q Performance		
	FY2022 2Q cumulative	FY2023 2Q cumulative	YoY %
Net operating revenue	8.9	9.9	+11%
Ordinary profit	1.9	2.0	+3%

(JPY billion)	Quarterly Performance		
	FY2023 1Q	FY2023 2Q	QoQ %
Net operating revenue	4.9	5.0	+1%
Ordinary profit	1.0	1.0	+2%

Overseas Business

Ordinary profit (loss)



(JPY billion)	2Q Performance		
	FY2022 2Q cumulative	FY2023 2Q cumulative	YoY %
Americas	0.20	8.16	—%
Europe	2.57	6.88	+167%
Asia	0.23	0.42	+80%
Total	3.01	15.47	+414%

(JPY billion)	Quarterly Performance		
	FY2023 1Q	FY2023 2Q	QoQ %
Americas	2.47	5.69	+130%
Europe	3.36	3.52	+4%
Asia	0.25	0.16	(35)%
Total	6.09	9.38	+53%

# Consolidated Statement of Income (Financial basis)

JPY million

	Cumulative		Quarter					
	FY2022	FY2023	FY2022				FY2023	
	2Q cumulative	2Q cumulative	1Q	2Q	3Q	4Q	1Q	2Q
<b>Operating revenue</b>	217,089	298,973	86,759	130,330	198,810	76,906	146,225	152,748
Commission received	65,935	90,118	30,070	35,865	45,654	40,260	46,156	43,962
Net trading income	96,002	80,546	27,413	68,589	100,201	(13,637)	41,906	38,640
Other operating revenue	4	4	4	0	—	0	4	—
Financial revenue	55,146	128,303	29,271	25,875	52,954	50,283	58,157	70,146
<b>Financial expenses</b>	53,112	105,564	6,899	46,213	104,653	(17,216)	47,634	57,929
<b>Net operating revenue</b>	163,976	193,409	79,860	84,116	94,157	94,123	98,590	94,818
<b>SG &amp; A</b>	144,037	164,135	73,311	70,725	77,499	76,203	84,421	79,714
<b>Operating profit</b>	19,939	29,273	6,548	13,390	16,657	17,919	14,168	15,104
<b>Non-operating income</b>	16,928	15,874	7,046	9,881	3,956	14,538	11,031	4,843
<b>Non-operating expenses</b>	2,282	1,957	1,122	1,159	2,094	1,020	1,061	896
<b>Ordinary profit</b>	34,585	43,189	12,472	22,112	18,519	31,436	24,138	19,050
<b>Extraordinary income</b>	123	—	0	123	954	114	—	—
<b>Extraordinary losses</b>	526	1,367	520	5	1,491	730	196	1,170
<b>Income taxes</b>	5,042	10,953	33	5,008	4,736	5,072	5,138	5,815
<b>Profit attributable to non-controlling interests</b>	10,364	9,642	3,397	6,966	3,059	9,907	4,911	4,730
<b>Profit attributable to owners of parent</b>	18,775	21,227	8,520	10,254	10,186	15,840	13,893	7,333

\* The figures do not include MUFG Securities America (MUSA).

JPY million

	Cumulative		Quarter					
	FY2022 2Q cumulative	FY2023 2Q cumulative	FY2022				FY2023	
			1Q	2Q	3Q	4Q	1Q	2Q
<b>Commission received</b>	65,935	90,118	30,070	35,865	45,654	40,260	46,156	43,962
Brokerage commission	11,407	14,586	5,570	5,836	5,392	6,441	7,321	7,265
Underwriting and distribution commission	13,282	18,432	5,974	7,308	5,717	7,896	9,789	8,642
Offering and secondary distribution fees	10,207	11,984	4,677	5,530	3,757	4,662	5,152	6,832
Other commission received (Beneficiary certificates)	11,995	12,946	5,898	6,097	5,820	5,864	6,255	6,691
Other commission received (Others)	19,042	32,167	7,948	11,093	24,966	15,394	17,637	14,530
<b>SG &amp; A</b>	144,037	164,135	73,311	70,725	77,499	76,203	84,421	79,714
Trading related expenses	29,208	38,275	13,723	15,484	19,526	18,046	21,053	17,222
Personnel expenses	59,718	64,034	31,363	28,354	29,833	30,297	31,289	32,744
Real estate expenses	11,601	12,107	5,878	5,722	5,997	5,767	6,214	5,892
Office expenses	17,771	21,677	8,443	9,328	10,271	10,720	10,636	11,040
Depreciation	15,232	15,486	7,611	7,621	7,539	7,569	7,281	8,204
Others	10,504	12,555	6,290	4,213	4,330	3,803	7,945	4,609

\* The figures do not include MUFG Securities America (MUSA).

JPY billion

	As of Mar. 31, 2023	As of Sep. 30, 2023	Change
<b>ASSETS</b>			
<b>Current assets</b>	31,800	37,393	+5,593
Cash and deposits	2,866	2,606	(260)
Trading products	11,936	15,081	+3,144
Loans secured by securities	13,954	16,505	+2,550
Others	3,041	3,201	+159
<b>Non-current assets</b>	659	609	(49)
PP & E	24	24	+0
Intangible assets	109	118	+9
Investments and other assets	525	466	(59)
<b>Total assets</b>	32,459	38,003	+5,543

	As of Mar. 31, 2023	As of Sep. 30, 2023	Change
<b>LIABILITIES</b>			
<b>Current liabilities</b>	29,509	35,104	+5,595
Trading products	12,412	15,150	+2,737
Borrowings secured by securities	8,552	10,364	+1,812
Short-term borrowings	4,451	4,794	+343
Others	4,092	4,794	+701
<b>Non-current liabilities</b>	1,904	1,796	(108)
Bonds payable	841	589	(251)
Long-term borrowings	1,046	1,188	+142
Others	17	17	+0
<b>Total liabilities</b>	31,418	36,906	+5,487
<b>NET ASSETS</b>			
Shareholders' equity	742	760	+17
Accumulated other comprehensive income	8	52	+44
Non-controlling interests	289	284	(5)
<b>Total net assets</b>	1,040	1,097	+56
<b>Total liabilities and net assets</b>	32,459	38,003	+5,543

\* The figures do not include MUFG Securities America (MUSA).

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 2Q can be found on the following URL.

[https://www.sc.mufig.jp/company/finance/cp\\_ratio.html](https://www.sc.mufig.jp/company/finance/cp_ratio.html)





# Mitsubishi UFJ Securities Holdings

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