



Mitsubishi UFJ Securities Holdings

3QFY2023 Financial Summary

Mitsubishi UFJ Securities Holdings Co., Ltd.

February, 2024

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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 September, while the quarterly performance trends refer to the results for the period between July and September.

(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.

3Q Performance Trends

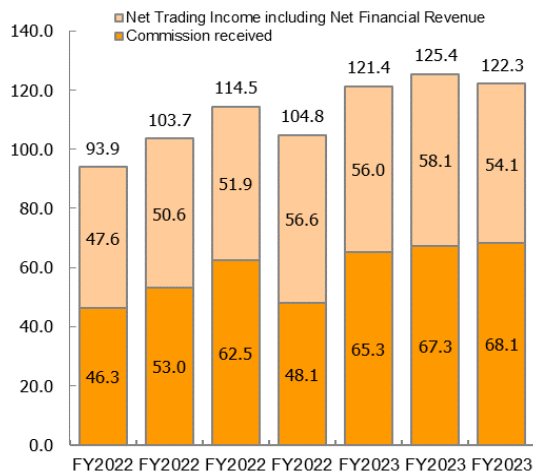
- Net operating revenue was JPY 369.2bn (+18% YoY), ordinary profit was JPY 76.7bn(+37% YoY) and profit attributable to owners of parent was JPY 41.6bn(+33% YoY). For the quarter, net operating revenue was JPY 122.3bn (-2% QoQ), ordinary profit was JPY 24.6bn (-0% QoQ) and profit attributable to owners of parent was JPY 13.5bn(+13% QoQ).
- 3Q cumulative results: All segments performed favorably and recorded increases in both revenue and profit compared to the same period of the previous fiscal year. Retail / Middle Markets grew on the back of a favorable market environment. Investment Banking benefitted from a recovery in the size of the issuance market and the monetization of M&A deals. Global Markets profited from the fixed income credit business at both domestic and overseas subsidiaries.
- Quarterly results: The performance of domestic subsidiaries remained strong and almost flat compared to the previous quarter, while overseas subsidiaries were slowdown due to a decline in customer activity.

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

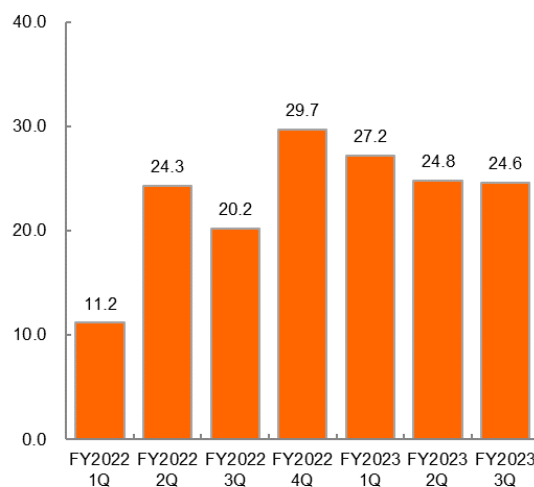
3Q Performance		
FY2022 3Q cumulative	FY2023 3Q cumulative	YoY %
312.2	369.2	+ 18%
271.3	310.5	+ 14%
55.9	76.7	+ 37%
31.1	41.6	+ 33%

Quarterly Performance		
FY2023 2Q	FY2023 3Q	QoQ %
125.4	122.3	(2)%
102.7	105.0	+ 2%
24.8	24.6	(0)%
11.8	13.5	+ 13%

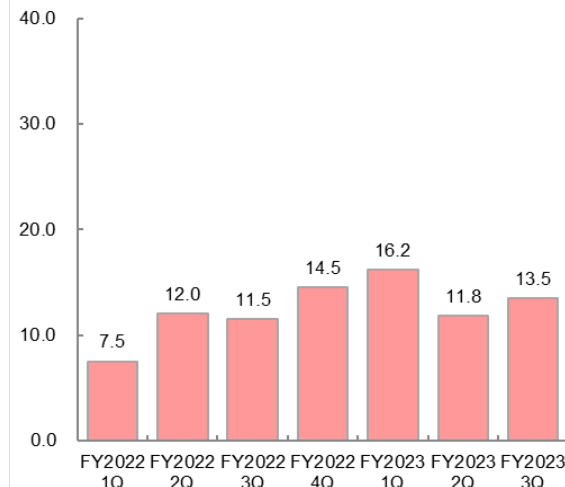
Net operating revenue (JPY billion)



Ordinary profit (JPY billion)



Profit (owners of parent) (JPY billion)

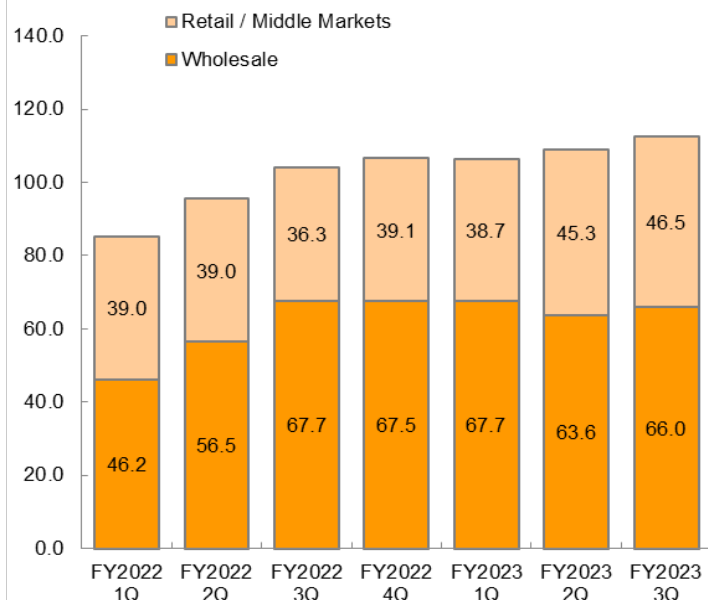


* The figures include profit from Morgan Stanley MUFG Securities Co., Ltd., an associated company accounted for by using the equity-method.

(JPY billion)	3Q Performance			Quarterly Performance		
	FY2022 3Q cumulative	FY2023 3Q cumulative	YoY %	FY2023 2Q	FY2023 3Q	QoQ %
Net operating revenue						
Retail / Middle Markets	114.3	130.5	+ 14%	45.3	46.5	+ 3%
Wholesale	170.3	197.3	+ 16%	63.6	66.0	+ 4%
Ordinary profit						
Retail / Middle Markets	10.9	17.4	+ 60%	7.5	8.1	+ 8%
Wholesale* ²	47.2	63.4	+ 34%	16.4	19.8	+ 21%

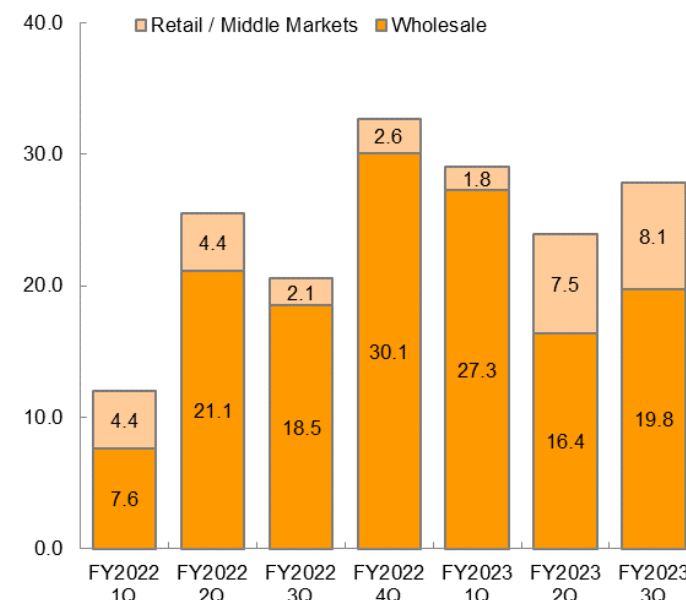
Net operating revenue

(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

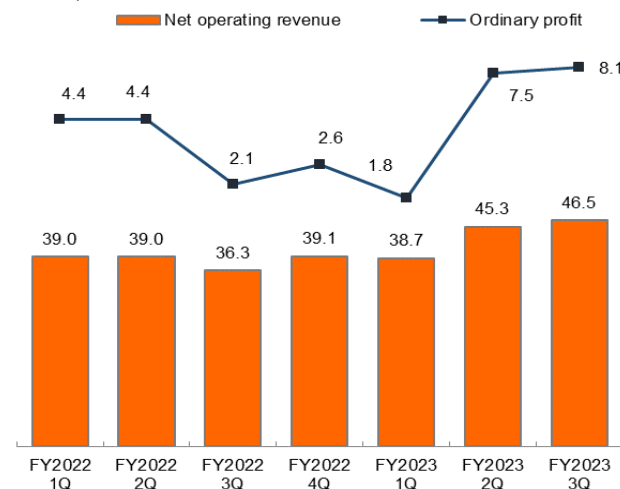
*2 The figures include profit from Morgan Stanley MUFG Securities Co., Ltd., an associated company accounted for by using the equity-method.

(JPY billion)	FY2023 3Q cumulative	YoY %	FY2023 3Q	QoQ %
Net operating revenue	130.5	+ 14%	46.5	+ 3%
Ordinary profit	17.4	+ 60%	8.1	+ 8%

- 3Q cumulative results: Stock trading value rose thanks to an uptick in investors' investment appetite in a favorable market environment. Another contributing factor was the increased inclusion of stock investment trusts based on portfolio proposals.
- Quarterly results: Sales of foreign bonds expanded, with a focus on fixed-rate bonds, due to the anticipation of a decrease in US interest rates.
- Assets balances also grew steadily.

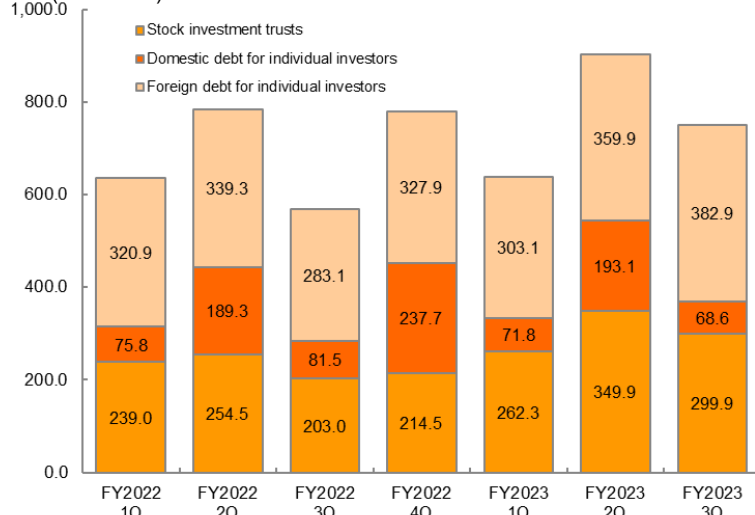
Net operating revenue / Ordinary profit

(JPY billion)



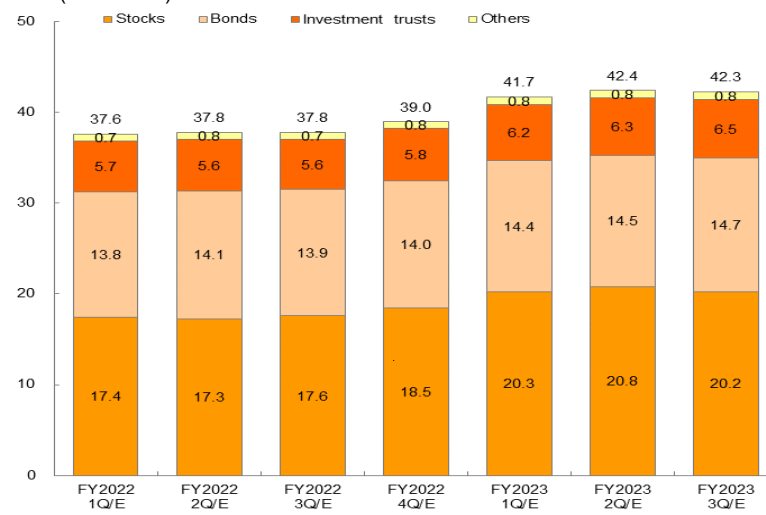
Sales of Products*2 (MUMSS)

(JPY billion)



Trends of AUM (MUMSS)

(JPY trillion)



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

Overview by Business Segments③ Wholesale

(JPY billion)	FY2023 3Q cumulative	YoY %	FY2023 3Q	QoQ %
Net operating revenue	197.3	+ 16%	66.0	+ 4%
Ordinary profit*2	63.4	+ 34%	19.8	+ 21%

■ Global Markets

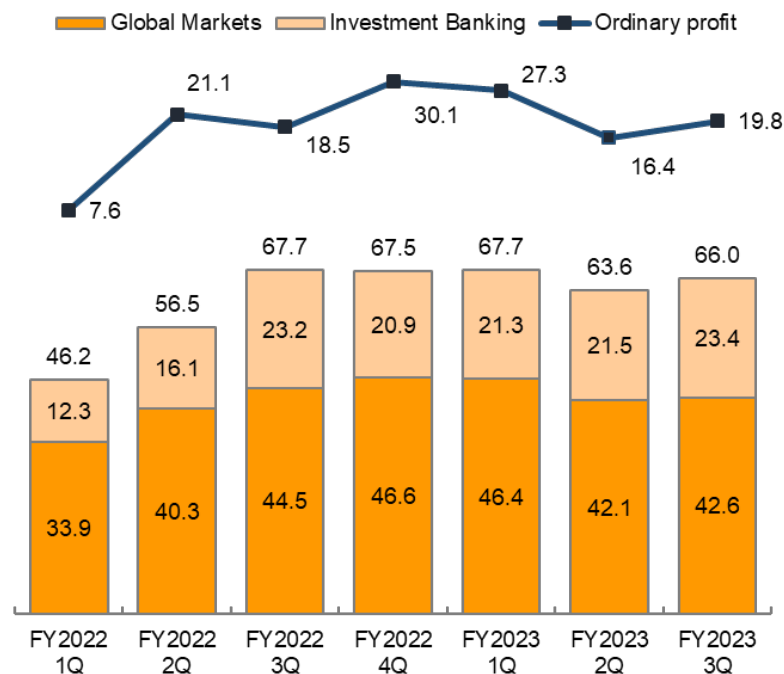
- Fixed income business
 - 3Q cumulative results: Domestic subsidiaries increased revenue, driven by strong performance in the Rates and Credit businesses. Overseas subsidiaries also recovered and increased revenue compared to the previous fiscal year.
 - Quarterly results: Whereas overseas subsidiaries saw revenue decline due to decrease in customer flow, the credit business at domestic subsidiaries posted revenue growth.
- Equity business
 - 3Q cumulative 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.
 - Quarterly results: Slowdown in large-scale stock trading flow at domestic subsidiaries.

■ Investment Banking

- Issuance markets recovered both in Japan and overseas. Domestic subsidiaries recorded revenue growth, driven in part by the monetization of large-scale equity underwriting and M&A deals.

Net operating revenue / Ordinary profit

(JPY billion)



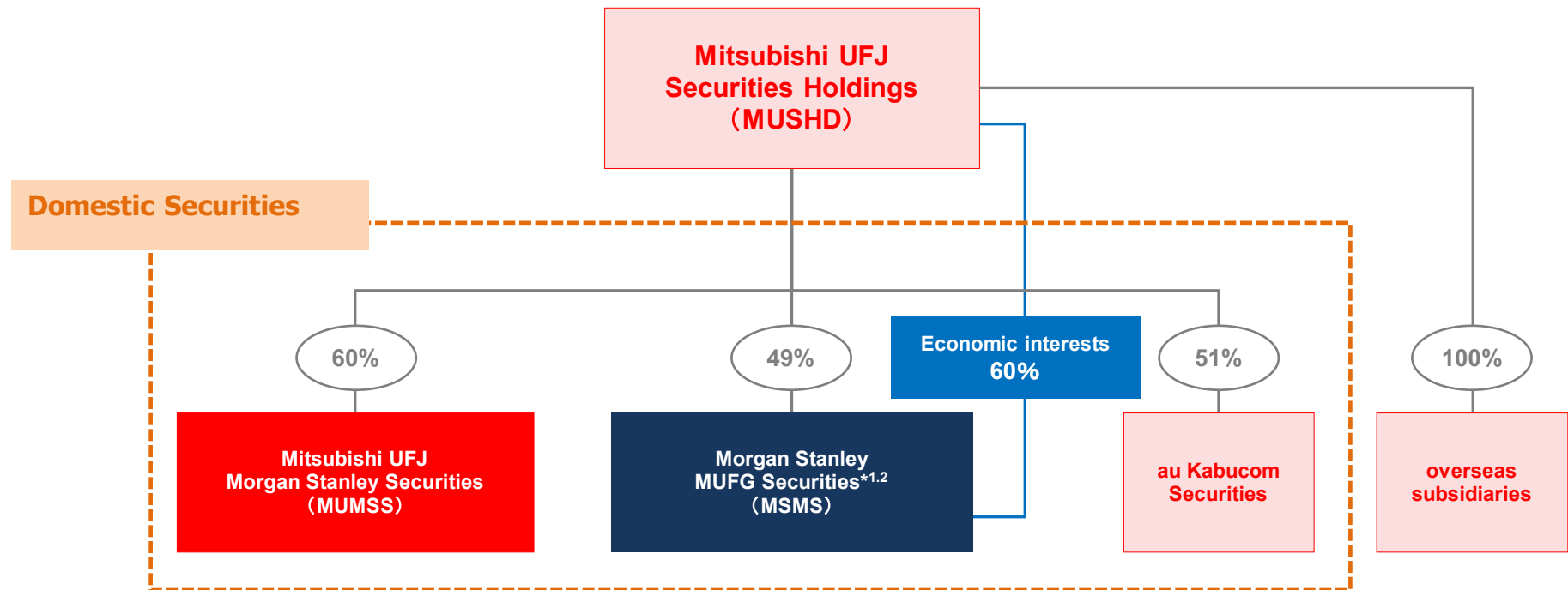
Net operating revenue by Business segments

(JPY billion)	3Q Performance		
	FY2022 3Q cumulative	FY2023 3Q cumulative	YoY %
Global Markets	118.7	131.1	+ 10%
Fixed income business	80.2	96.3	+ 20%
Equity business	31.1	25.8	(17)%
Investment Banking	51.6	66.3	+ 28%

Quarterly Performance		
FY2023 2Q	FY2023 3Q	QoQ %
42.1	42.6	+ 1%
31.4	32.5	+ 3%
10.0	8.5	(15) %
21.5	23.4	+ 9%

*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.



* All percentage figures represent the ownership of voting rights

*1 Equity method affiliates

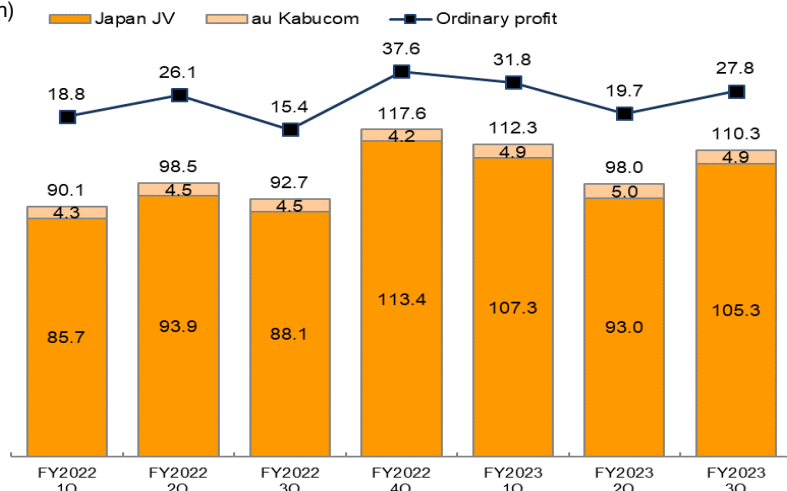
*2 The ownership ratio of voting rights in MSMS is 49% for MUSHD and 51% for Morgan Stanley Holdings. In terms of economic interests, such as profit distribution rights, MUSHD holds 60% while Morgan Stanley Holdings holds 40%

Status of Domestic Securities Companies

■ The results of the two securities joint venture entities with Morgan Stanley (Japan JV) and au Kabucom Securities are as follows

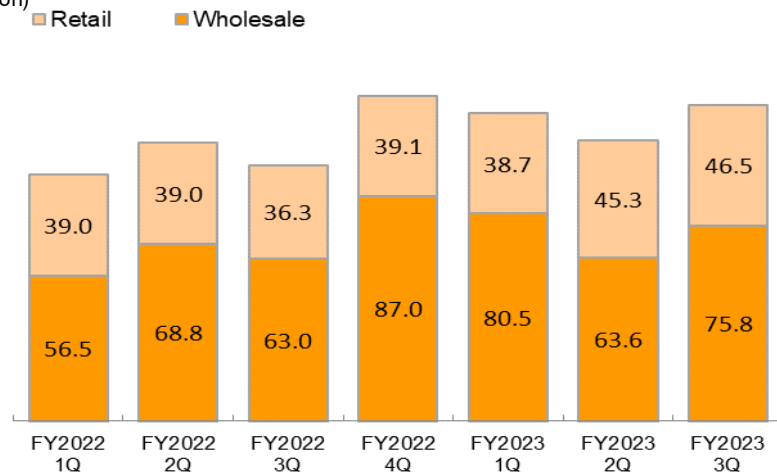
Net operating revenue / Ordinary profit

(JPY billion)



Business Segments (Net operating revenue) *2

(JPY billion)



*1 Equity capital is calculated as the average of the beginning and ending balances.

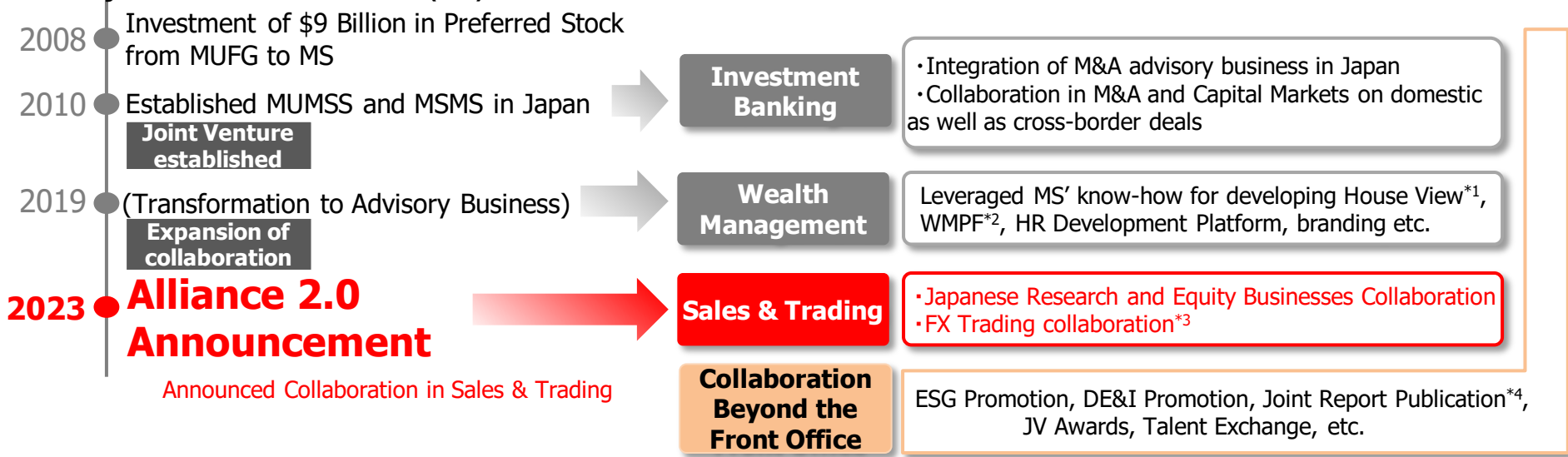
*2 MSMS and au Kabucom are financial accounting figures, MUMSS is internal management accounting data and rounded

Simple sum of the figures for the Domestic Securities Companies (JPY billion)	FY2023 3Q cumulative
Net operating revenue	320.7
Japan JV	305.8
MUMSS	212.6
Morgan Stanley MUFG Securities Co., Ltd. ("MSMS")	93.1
au Kabucom Securities Co., Ltd. ("au Kabucom")	14.9
SG & A	242.7
Japan JV	231.0
MUMSS	167.9
MSMS	63.1
au Kabucom	11.7
Ordinary profit	79.4
Japan JV	76.1
MUMSS	46.7
MSMS	29.4
au Kabucom	3.2
Profit	55.0
Japan JV	53.3
MUMSS	33.2
MSMS	20.1
au Kabucom	1.7
ROE*1	11.0%
Japan JV	11.4%
MUMSS	10.3%
MSMS	13.8%
au Kabucom	5.6%

Business Segments *2

Retail / Middle Markets (MUMSS + au Kabucom)	
Net operating revenue	130.5
Ordinary profit	17.4
Wholesale (MUMSS + MSMS)	
Net operating revenue	219.9
Ordinary profit	64.8

History of the Joint Venture (JV) Collaboration



^{*1} Initiatives to further diversify the services offered to the UHNW(Ultra-High Net Worth / those who have total assets more than ¥20bn) that leverages Morgan Stanley and Morgan Stanley Wealth Management knowledge
^{*2} Wealth Management Digital Platform ^{*3} Collaboration between MUFG Bank and MSMS ^{*4} MUMSS and MSMS co-written report analyzing Japan's unique progress in ESG

Collaboration in Japan Equity Research and the Equity Business for Institutional Clients

- from January 1, 2024

We aim to become the top securities firm in the domestic equity business by meeting the increasingly sophisticated and diverse Japanese equity needs of our clients through integrated JV collaboration.



Co-heads of the Integrated Institutional Equity Sales Team



Day 1 ceremony (Kagami-biraki) with Equity-related Business Units

Distribution of Research Reports with New Logo featuring Morgan Stanley and MUFG



The diagram illustrates the distribution of research reports featuring the new logo. It shows two examples of report headers, both dated January 15, 2024. The first header is from Morgan Stanley | MUFG, dated 2024年1月15日 11:59 PM GMT. The second header is from Morgan Stanley | MUFG, dated 2024年1月15日 11:46 AM GMT, and includes the text "日銀ウォッチ | Japan" and "日銀1月決定会合プレビュー". A callout box on the right states: "Reports with New Logo distributed to Clients of Both JV Entities".

Morgan Stanley | MUFG
2024年1月15日 11:59 PM GMT

Morgan Stanley | MUFG
2024年1月15日 11:46 AM GMT
日銀ウォッチ | Japan
日銀1月決定会合プレビュー

主要要点
■ 日経新聞は
程度。過去
■ 報道が事実
要減退がリ

主要要点
■ 1月金融政策決定会合(1/22-23)では、金融政策の現状維持を予想。

Reports with New Logo distributed to Clients of Both JV Entities

- Expanding analyst coverage to top-class levels in Japan: Integration of approximately 380 companies from MUMSS and approximately 280 companies from MSMS results in coverage of over 500 companies.
- Expanding coverage to mid-cap stocks in addition to large-cap stocks by eliminating overlapping coverage.
- Aiming to improve customer satisfaction through the integration of Morgan Stanley and MUFG's strengths.

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

Debt (Domestic and Foreign Bonds)*¹

Rank	Securities Firm	Share (%)
1	Mizuho Securities	18.0
2	Mitsubishi UFJ Morgan Stanley	17.4
3	Nomura Securities	16.2
4	Daiwa Securities	14.7
5	SMBC Nikko Securities	14.6
6	Goldman Sachs Japan	3.5
7	Citigroup Global Markets Japan	3.0
8	BofA Securities	2.9
9	JP Morgan	2.6
10	Barclays	1.7

Japan Equity and Equity-linked*²

Rank	Securities Firm	Share (%)
1	Nomura	31.6
2	Sumitomo Mitsui Financial Group	14.7
3	Daiwa Securities Group	13.7
4	Mizuho Financial Group	13.4
5	Mitsubishi UFJ Morgan Stanley	11.0
6	Goldman Sachs & Co	5.3
7	JP Morgan	5.1
8	SBI Holdings	1.7
9	BofA Securities	1.5
10	Citi	0.5

M&A Advisory / Based on Rank Value*³

Rank	Financial Advisor	JPY billion
1	Nomura	5,413
2	Mitsubishi UFJ Morgan Stanley	5,408
3	BofA Securities	4,064
4	Goldman Sachs & Co	3,589
5	Mizuho Financial Group	2,821
6	JP Morgan	2,750
7	Sumitomo Mitsui Financial Group	2,410
8	Barclays	2,318
9	Citi	2,212
10	Evercore Partners	2,056

*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.

Appendix

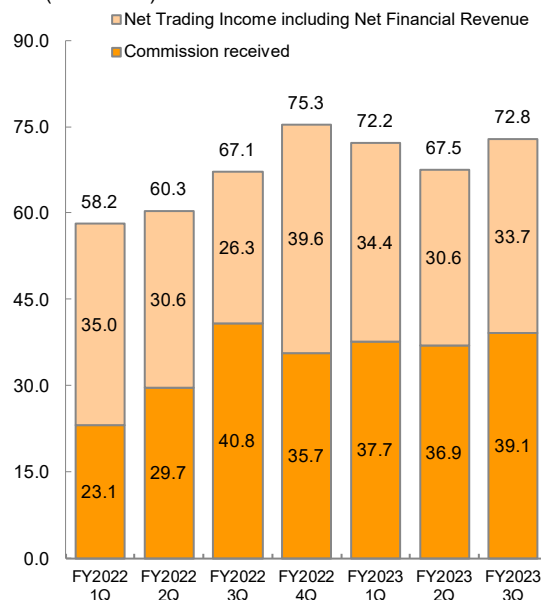
(JPY billion)
Net operating revenue
SG&A
Ordinary profit
Profit

3Q Performance		
FY2022 3Q cumulative	FY2023 3Q cumulative	YoY %
185.7	212.6	+ 14%
159.2	167.9	+ 5%
28.7	46.7	+ 62%
23.2	33.2	+ 42%

Quarterly Performance		
FY2023 2Q	FY2023 3Q	QoQ %
67.5	72.8	+ 7%
54.7	55.9	+ 2%
13.4	17.6	+ 30%
8.8	12.4	+ 40%

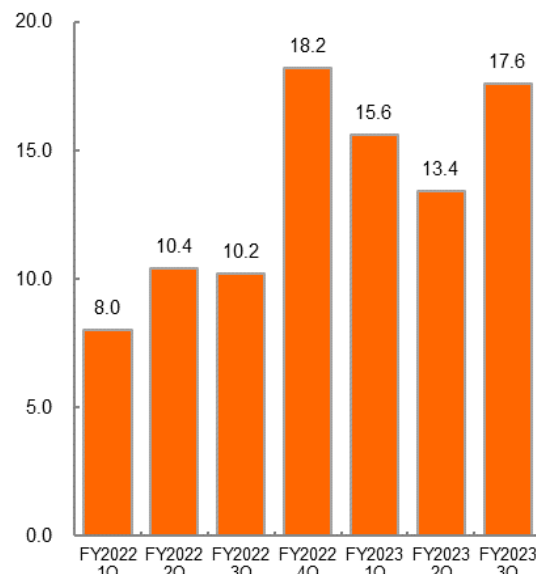
Net operating revenue

(JPY billion)



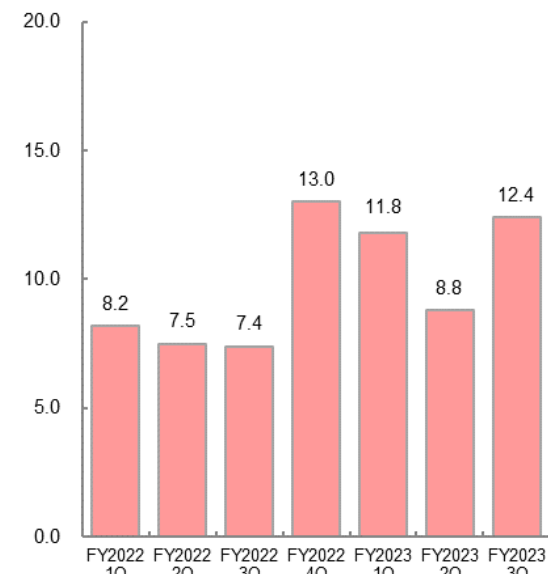
Ordinary profit

(JPY billion)



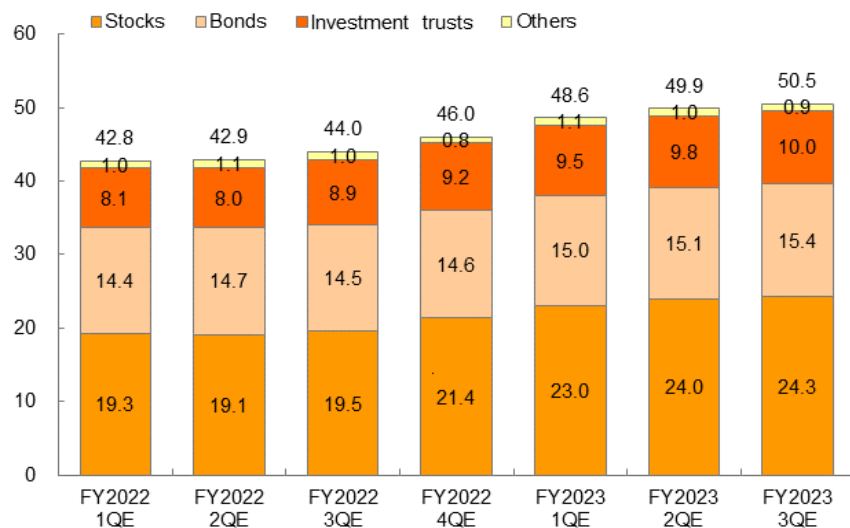
Profit

(JPY billion)



Trends of AUM (Company-wide of MUMSS) *

(JPY trillion)



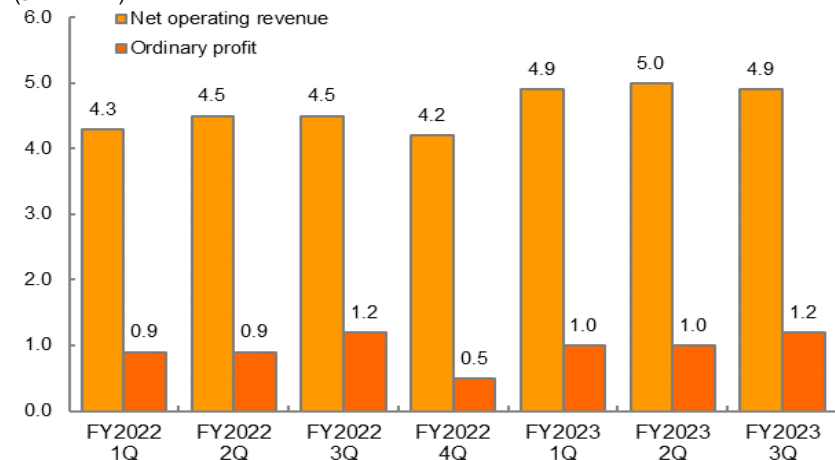
Number of accounts(Retail / Middle Markets)*

(Thousands of accounts)	FY2022 1Q	FY2022 2Q	FY2022 3Q	FY2022 4Q	FY2023 1Q	FY2023 2Q	FY2023 3Q
Number of accounts with account balance	1,118	1,109	1,101	1,096	1,085	1,074	1,065
Number of NISA accounts	219	218	217	216	219	227	234
Newly opened accounts	12	12	13	16	11	14	12

au Kabucom

Net operating revenue / Ordinary profit

(JPY billion)



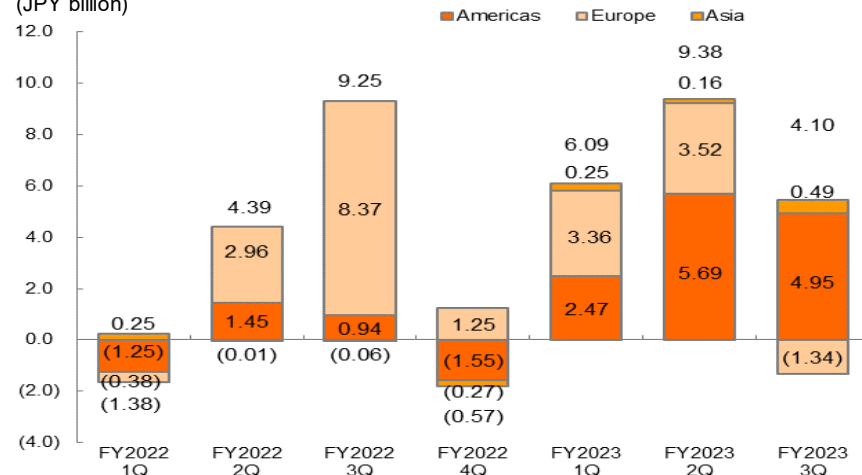
(JPY billion)	3Q Performance		
	FY2022 3Q cumulative	FY2023 3Q cumulative	YoY %
Net operating revenue	13.4	14.9	+10%
Ordinary profit	3.2	3.2	+ 0%

(JPY billion)	Quarterly Performance		
	FY2023 2Q	FY2023 3Q	QoQ %
Net operating revenue	5.0	4.9	(1) %
Ordinary profit	1.0	1.2	+ 18 %

Overseas Business

Ordinary profit (loss)

(JPY billion)



(JPY billion)	3Q Performance		
	FY2022 3Q cumulative	FY2023 3Q cumulative	YoY %
Americas	1.15	13.11	— %
Europe	10.94	5.54	(49) %
Asia	0.16	0.92	+ 444%
Total	12.26	19.58	+59%

(JPY billion)	Quarterly Performance		
	FY2023 2Q	FY2023 3Q	QoQ %
Americas	5.69	4.95	(12) %
Europe	3.52	(1.34)	(138) %
Asia	0.16	0.49	+ 201%
Total	9.38	4.10	(56) %

Consolidated Statement of Income (Financial basis)

JPY million

	Cumulative		Quarter						
	FY2022 3Q cumulative	FY2023 3Q cumulative	FY2022				FY2023		
			1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating revenue	415,900	545,327	86,759	130,330	198,810	76,906	146,225	152,748	246,354
Commission received	111,590	138,158	30,070	35,865	45,654	40,260	46,156	43,962	48,039
Net trading income	196,204	155,676	27,413	68,589	100,201	(13,637)	41,906	38,640	75,129
Other operating revenue	4	4	4	0	—	0	4	—	—
Financial revenue	108,100	251,488	29,271	25,875	52,954	50,283	58,157	70,146	123,184
Financial expenses	157,766	258,561	6,899	46,213	104,653	(17,216)	47,634	57,929	152,996
Net operating revenue	258,134	286,766	79,860	84,116	94,157	94,123	98,590	94,818	93,357
SG & A	221,537	247,649	73,311	70,725	77,499	76,203	84,421	79,714	83,513
Operating profit	36,596	39,116	6,548	13,390	16,657	17,919	14,168	15,104	9,843
Non-operating income	20,884	24,061	7,046	9,881	3,956	14,538	11,031	4,843	8,187
Non-operating expenses	4,376	984	1,122	1,159	2,094	1,020	1,061	896	(972)
Ordinary profit	53,104	62,193	12,472	22,112	18,519	31,436	24,138	19,050	19,003
Extraordinary income	1,077	56	0	123	954	114	—	—	56
Extraordinary losses	2,017	2,514	520	5	1,491	730	196	1,170	1,147
Income taxes	9,778	15,164	33	5,008	4,736	5,072	5,138	5,815	4,211
Profit attributable to non-controlling interests	13,423	14,051	3,397	6,966	3,059	9,907	4,911	4,730	4,409
Profit attributable to owners of parent	28,962	30,519	8,520	10,254	10,186	15,840	13,893	7,333	9,292

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

JPY million

	Cumulative		Quarter						
	FY2022 3Q cumulative	FY2023 3Q cumulative	FY2022				FY2023		
			1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commission received	111,590	138,158	30,070	35,865	45,654	40,260	46,156	43,962	48,039
Brokerage commission	16,799	21,498	5,570	5,836	5,392	6,441	7,321	7,265	6,912
Underwriting and distribution commission	18,999	30,209	5,974	7,308	5,717	7,896	9,789	8,642	11,776
Offering and secondary distribution fees	13,965	17,903	4,677	5,530	3,757	4,662	5,152	6,832	5,919
Other commission received (Beneficiary certificates)	17,816	19,689	5,898	6,097	5,820	5,864	6,255	6,691	6,743
Other commission received (Others)	44,009	48,856	7,948	11,093	24,966	15,394	17,637	14,530	16,688
SG & A	221,537	247,649	73,311	70,725	77,499	76,203	84,421	79,714	83,513
Trading related expenses	48,735	55,984	13,723	15,484	19,526	18,046	21,053	17,222	17,709
Personnel expenses	89,552	98,101	31,363	28,354	29,833	30,297	31,289	32,744	34,067
Real estate expenses	17,599	17,991	5,878	5,722	5,997	5,767	6,214	5,892	5,884
Office expenses	28,043	32,737	8,443	9,328	10,271	10,720	10,636	11,040	11,059
Depreciation	22,772	23,406	7,611	7,621	7,539	7,569	7,281	8,204	7,920
Others	14,834	19,427	6,290	4,213	4,330	3,803	7,945	4,609	6,872

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

Consolidated Balance Sheet(Financial basis)

JPY billion

	As of Mar. 31, 2023	As of Dec. 31, 2023	Change
ASSETS			
Current assets	31,800	36,979	+ 5,179
Cash and deposits	2,866	2,371	(495)
Trading products	11,936	15,739	+ 3,802
Loans secured by securities	13,954	15,992	+ 2,038
Others	3,041	2,875	(165)
Non-current assets	659	617	(41)
PP & E	24	23	(0)
Intangible assets	109	122	+ 12
Investments and other assets	525	471	(53)
Total assets	32,459	37,596	+ 5,137

	As of Mar. 31, 2023	As of Dec. 31, 2023	Change
LIABILITIES			
Current liabilities	29,509	34,692	+ 5,183
Trading products	12,412	14,971	+ 2,558
Borrowings secured by securities	8,552	11,365	+ 2,813
Short-term borrowings	4,451	3,993	(457)
Others	4,092	4,362	+ 269
Non-current liabilities	1,904	1,805	(99)
Bonds payable	841	547	(294)
Long-term borrowings	1,046	1,240	+ 194
Others	17	17	+ 0
Total liabilities	31,418	36,503	+ 5,084
NET ASSETS			
Shareholders' equity	742	764	+ 21
Accumulated other comprehensive income	8	51	+ 43
Non-controlling interests	289	277	(12)
Total net assets	1,040	1,093	+ 53
Total liabilities and net assets	32,459	37,596	+ 5,137

* 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 3Q can be found on the following URL.

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



Mitsubishi UFJ Securities Holdings

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