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April 27, 2012

Consolidated Financial Results for the Fiscal Year Ended March 31, 2012 [under Japanese GAAP]

Company name: **Mitsubishi UFJ Securities Holdings Co., Ltd.**
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Scheduled date of General Shareholders' Meeting: June 27, 2012
 Scheduled date to file Securities Report: June 27, 2012
 Supplementary material on financial results: None
 Financial results presentation meeting: None

(Millions of yen with fractional amounts disregarded)

1. Consolidated performance for the fiscal year 2011 (from April 1, 2011 to March 31, 2012)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating income		Ordinary income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY2011	306,926	51.7	238,585	70.6	(1,539)	–	38,177	–
FY2010	202,262	(41.2)	139,866	(51.3)	(115,027)	–	(95,859)	–

	Net income		Net income per share	Diluted net income per share	Net income /equity
	Millions of yen	%	Yen	Yen	%
FY2011	16,583	–	22.86	–	2.9
FY2010	(50,440)	–	(70.35)	–	(8.4)

(Note) Comprehensive income FY2011: 20,734 million yen (– %) FY2010: -123,652 million yen (– %)

(Reference) Equity in earnings (losses) of affiliates FY2011: 30,268 million yen

FY2010: 12,712 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2012	22,436,260	819,651	2.7	808.05
As of March 31, 2011	20,486,251	802,106	2.7	778.14

(Reference) Equity As of March 31, 2012: 595,522 million yen As of March 31, 2011: 557,913 million yen

(Note) "Equity ratio" is computed under the formula shown below:

(Total net assets – Subscription rights to shares – Minority interests) / Total assets

(3) Consolidated cash flows

(Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
FY2011	296,032	60,833	(543,014)	422,521
FY2010	258,942	64,820	162,018	612,678

<* Notes>

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

Newly consolidated: –

Excluded: 1 company (MUSHK Limited)

(Note) For details, please refer to “3. Key items forming the basis of preparation of consolidated financial statements” on page 12 of the “Attached Material.”

(2) 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: Yes
- c. Changes in accounting estimates: Yes
- d. Restatement of prior period financial statements after error corrections: None

(Note) For details, please refer to “3. Key items forming the basis of preparation of consolidated financial statements” on page 12 of the “Attached Material.”

(3) Number of issued shares (common stock)

- a. Total number of issued shares at the end of the period (including treasury stock)

As of March 31, 2012	736,985,496 shares
As of March 31, 2011	716,985,496 shares

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

As of March 31, 2012	– shares
As of March 31, 2011	– shares

- c. Average number of shares during the period

Fiscal year ended March 31, 2012	725,318,829 shares
Fiscal year ended March 31, 2011	716,985,496 shares

<* Indication regarding execution of audit procedures >

This financial results report is exempt from the audit procedures for financial statements pursuant to the Financial Instruments and Exchange Act. At the time of disclosure of this financial results report, the audit procedures for financial statements are in progress.

<* Other special matters>

None

Attached Material

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1. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
ASSETS		
Current assets		
Cash and deposits	618,340	452,899
Cash segregated as deposits	79,899	98,242
Trading products	10,196,705	12,183,845
Trading securities and other	3,927,867	4,743,416
Derivatives	6,268,837	7,440,428
Trade date accrual	23,400	232,720
Private equity and other securities	65,901	31,791
Margin transaction assets	53,577	39,566
Loans on margin transactions	42,100	29,395
Cash collateral pledged for securities borrowing on margin transactions	11,477	10,171
Loans secured by securities	7,835,342	7,684,079
Cash collateral pledged for securities borrowed	3,292,741	3,621,431
Loans on Gensaki transactions	4,542,601	4,062,647
Advances paid	8,302	8,716
Short-term guarantee deposits	500,844	645,600
Short-term loans receivable	92	101
Stocks of parent company	236	254
Short-term investment securities	182,384	241,410
Income taxes receivable	1,282	9,147
Deferred tax assets	10,220	11,575
Other current assets	41,529	88,561
Allowance for doubtful accounts	(449)	(48)
Total current assets	19,617,609	21,728,465
Noncurrent assets		
Property, plant and equipment	23,843	29,209
Buildings	11,123	15,760
Equipment	6,673	7,899
Land	5,300	5,399
Lease assets	2	0
Construction in progress	743	149
Intangible assets	39,805	26,233
Software	38,639	25,773
Other	1,165	460
Investments and other assets	804,992	652,350
Investment securities	751,895	630,686
Long-term loans receivable	3,336	3,585
Deferred tax assets	4,258	3,289
Other	49,380	15,924
Allowance for doubtful accounts	(3,878)	(1,136)
Total noncurrent assets	868,641	707,794
Total assets	20,486,251	22,436,260

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
LIABILITIES		
Current liabilities		
Trading products	8,908,654	10,762,769
Trading securities and other	2,847,019	3,290,150
Derivatives	6,061,635	7,472,619
Margin transaction liabilities	11,220	15,258
Borrowings on margin transactions	7,948	7,798
Cash received for securities lending on margin transactions	3,272	7,460
Loans payable secured by securities	6,782,909	7,486,103
Cash received on debt credit transaction of securities	1,925,479	3,093,995
Borrowings on Gensaki transactions	4,857,429	4,392,107
Deposits received	77,405	89,715
Guarantee deposits received	771,416	757,258
Short-term loans payable	1,369,308	617,497
Current portion of long-term loans payable	32,300	111,056
Commercial papers	438,800	530,100
Current portion of bonds	131,106	158,678
Income taxes payable	4,716	3,164
Provision for bonuses	13,022	15,321
Asset retirement obligations	895	1,107
Other current liabilities	68,610	47,463
Total current liabilities	18,610,367	20,595,495
Noncurrent liabilities		
Bonds payable	638,231	689,490
Long-term loans payable	409,799	310,489
Deferred tax liabilities	6,783	3,840
Liability for retirement benefits	10,718	11,575
Liability for directors' retirement benefits	487	541
Asset retirement obligations	4,209	3,927
Other noncurrent liabilities	2,176	257
Total noncurrent liabilities	1,072,405	1,020,123
Reserves under the special laws		
Reserve for financial products transaction liabilities	1,371	989
Total reserves under the special laws	1,371	989
Total liabilities	19,684,144	21,616,609

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012
NET ASSETS		
Shareholders' equity		
Capital stock	65,518	75,518
Capital surplus	416,948	426,948
Retained earnings	126,812	145,830
Total shareholders' equity	609,280	648,297
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,682)	(4,166)
Deferred gains or losses on hedges	6	(898)
Foreign currency translation adjustment	(43,690)	(47,709)
Total accumulated other comprehensive income	(51,366)	(52,775)
Subscription rights to shares	4	—
Minority interests	244,188	224,128
Total net assets	802,106	819,651
Total liabilities and net assets	20,486,251	22,436,260

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

(Millions of yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Operating revenue		
Commission received	161,494	143,016
Net trading income	(27,195)	86,031
Net gain (loss) on private equity and other securities	186	(2,173)
Other net gain on goods trading	4	(486)
Financial revenue	67,772	80,538
Total operating revenue	202,262	306,926
Financial expenses	62,395	68,341
Net operating revenue	139,866	238,585
Selling, general and administrative expenses		
Trading related expenses	74,047	66,682
Personnel expenses	99,592	97,278
Real estate expenses	26,082	25,334
Office cost	24,311	23,995
Depreciation	21,652	16,424
Taxes and dues	2,737	4,961
Other	6,470	5,448
Total selling, general and administrative expenses	254,894	240,124
Operating loss	(115,027)	(1,539)
Non-operating income		
Interest income	5,032	7,210
Equity in earnings of affiliates	12,712	30,268
Other	4,369	4,994
Total non-operating income	22,114	42,473
Non-operating expenses		
Interest expenses	663	467
Loss on retirement of noncurrent assets	655	370
Foreign exchange losses	1,122	876
Stock issuance cost	-	348
Other	504	693
Total non-operating expenses	2,946	2,756
Ordinary income (loss)	(95,859)	38,177

(Millions of yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Extraordinary income		
Gain on sales of investment securities	175	5,408
Gain on sales of subsidiaries and affiliates' stocks	–	12,318
Gain on sales of noncurrent assets	15	129
Gain on negative goodwill	943	–
Reversal of reserve for financial products transaction liabilities	489	382
Reversal of allowance for doubtful accounts	71	–
Gain on change in equity	27,913	–
Total extraordinary income	29,608	18,238
Extraordinary loss		
Loss on sales of investment securities	549	2,116
Loss on sales of stocks of subsidiaries and affiliates	–	75
Loss on valuation of investment securities	320	4,529
Loss on sales of noncurrent assets	2	340
Impairment loss	3,525	2,403
Integration-related expenses	193	–
Head office transfer cost	492	1,881
Early extra retirement payments	5,640	20,512
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,473	–
Total extraordinary losses	13,199	31,859
Income (loss) before income taxes and minority interests	(79,450)	24,556
Income taxes-current	7,744	5,891
Income taxes-deferred	13,385	(4,108)
Total income taxes	21,130	1,782
Income (loss) before minority interests	(100,580)	22,773
Minority interests in income (loss)	(50,140)	6,190
Net income (loss)	(50,440)	16,583

Consolidated statements of comprehensive income

(Millions of yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Income (loss) before minority interests	(100,580)	22,773
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,954)	3,362
Deferred gains or losses on hedges	(17)	(905)
Foreign currency translation adjustment	(19,372)	(7,073)
Share of other comprehensive income of associates accounted for using equity method	(727)	2,576
Total other comprehensive income	(23,071)	(2,039)
Comprehensive income	(123,652)	20,734
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	(72,721)	15,174
Comprehensive income attributable to minority interests	(50,931)	5,559

(3) Consolidated statements of changes in net assets

(Millions of yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	65,518	65,518
Changes of items during the period		
Issuance of new shares	–	10,000
Total changes of items during the period	–	10,000
Balance at the end of current period	65,518	75,518
Capital surplus		
Balance at the beginning of current period	416,948	416,948
Changes of items during the period		
Issuance of new shares	–	10,000
Total changes of items during the period	–	10,000
Balance at the end of current period	416,948	426,948
Retained earnings		
Balance at the beginning of current period	184,580	126,812
Changes of items during the period		
Dividends from surplus	(7,327)	–
Net income (loss)	(50,440)	16,583
Change of scope of consolidation	–	2,434
Total changes of items during the period	(57,767)	19,017
Balance at the end of current period	126,812	145,830
Total shareholders' equity		
Balance at the beginning of current period	667,047	609,280
Changes of items during the period		
Issuance of new shares	–	20,000
Dividends from surplus	(7,327)	–
Net income (loss)	(50,440)	16,583
Change of scope of consolidation	–	2,434
Total changes of items during the period	(57,767)	39,017
Balance at the end of current period	609,280	648,297

(Millions of yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	(5,382)	(7,682)
Changes of items during the period		
Net changes of items other than shareholders' equity	(2,299)	3,515
Total changes of items during the period	(2,299)	3,515
Balance at the end of current period	(7,682)	(4,166)
Deferred gains or losses on hedges		
Balance at the beginning of current period	24	6
Changes of items during the period		
Net changes of items other than shareholders' equity	(17)	(905)
Total changes of items during the period	(17)	(905)
Balance at the end of current period	6	(898)
Foreign currency translation adjustment		
Balance at the beginning of current period	(23,726)	(43,690)
Changes of items during the period		
Net changes of items other than shareholders' equity	(19,963)	(4,019)
Total changes of items during the period	(19,963)	(4,019)
Balance at the end of current period	(43,690)	(47,709)
Total accumulated other comprehensive income		
Balance at the beginning of current period	(29,085)	(51,366)
Changes of items during the period		
Net changes of items other than shareholders' equity	(22,281)	(1,409)
Total changes of items during the period	(22,281)	(1,409)
Balance at the end of current period	(51,366)	(52,775)
Subscription rights to shares		
Balance at the beginning of current period	0	4
Changes of items during the period		
Net changes of items other than shareholders' equity	4	(4)
Total changes of items during the period	4	(4)
Balance at the end of current period	4	—

(Millions of yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Minority interests		
Balance at the beginning of current period	63,691	244,188
Changes of items during the period		
Net changes of items other than shareholders' equity	180,496	(20,059)
Total changes of items during the period	180,496	(20,059)
Balance at the end of current period	244,188	224,128
Total net assets		
Balance at the beginning of current period	701,654	802,106
Changes of items during the period		
Issuance of new shares	–	20,000
Dividends from surplus	(7,327)	–
Net income (loss)	(50,440)	16,583
Change of scope of consolidation	–	2,434
Net changes of items other than shareholders' equity	158,219	(21,473)
Total changes of items during the period	100,452	17,544
Balance at the end of current period	802,106	819,651

(4) Consolidated statements of cash flows

(Millions of yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	(79,450)	24,556
Depreciation and amortization	21,652	16,424
Amortization of goodwill	589	188
Gain on negative goodwill	(943)	–
Increase (decrease) in provision for retirement benefits	92	859
Increase (decrease) in provision for directors' retirement benefits	71	53
Increase (decrease) in allowance for doubtful accounts	(600)	(3,144)
Increase (decrease) in reserve for financial products transaction liabilities	(489)	(382)
Interest and dividends income	(73,699)	(88,756)
Interest expenses	63,058	68,809
Equity in (earnings) losses of affiliates	(12,712)	(30,268)
Loss (gain) on sales of investment securities	374	(3,291)
Loss (gain) on sales of stocks of subsidiaries and affiliates	–	(12,243)
Loss (gain) on valuation of investment securities	(1,058)	4,015
Loss (gain) on sales of noncurrent assets	(12)	211
Loss (gain) on change in equity	(27,913)	–
Impairment loss	3,525	2,403
Integration-related expenses	193	–
Head office transfer cost	492	1,881
Early extra retirement payments	5,640	20,512
Loss on adjustment for changes of accounting standard for asset retirement obligations	2,473	–
Decrease (increase) in cash segregated as deposits for customers	12,204	(19,047)
Decrease (increase) in trading products-assets (liabilities)	2,335,451	(201,581)
Decrease (increase) in trade date accrual	88,582	(209,779)
Decrease/increase in assets/liabilities for margin transaction	(7,360)	18,048
Decrease/increase in loans/borrowings secured by securities	(2,446,029)	854,507
Decrease/increase in advance paid/deposits received	(59,469)	12,208
Decrease (increase) in short-term guarantee deposits	(99,671)	(157,354)
Increase (decrease) in guarantee deposits received	353,270	9,734
Other, net	162,313	(501)
Subtotal	240,576	308,064
Interest and dividends income received	84,530	104,259
Interest expenses paid	(56,286)	(74,473)
Integration-related expenses paid	(222)	–
Head office transfer cost paid	(209)	(1,700)
Early extra retirement payments paid	–	(25,411)
Income taxes paid	(9,446)	(14,707)
Net cash provided by (used in) operating activities	258,942	296,032

(Millions of yen)

	For the fiscal year ended March 31, 2011 (From April 1, 2010 to March 31, 2011)	For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)
Cash flows from investing activities		
Payments into time deposits	(6,985)	(3,369)
Proceeds from withdrawal of time deposits	11,699	4,486
Purchase of short-term investment securities	(542,273)	(490,586)
Proceeds from sales and redemption of securities	464,020	517,476
Purchase of investment securities	(66,939)	(149,132)
Proceeds from sales and redemption of investment securities	223,759	193,937
Purchase of property, plant and equipment	(6,467)	(9,183)
Proceeds from sales of property, plant and equipment	23	60
Payments for retirement of property, plant and equipment	(247)	(911)
Purchase of intangible assets	(11,847)	(11,509)
Proceeds from sales of intangible assets	-	9,025
Decrease (increase) in call and other loans	78	(258)
Proceeds from sales of investments in subsidiaries resulting in change of scope of consolidation	-	794
Other, net	0	2
Net cash provided by (used in) investing activities	64,820	60,833
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	2,042	(711,570)
Increase (decrease) in commercial papers	64,100	91,300
Proceeds from long-term loans payable	207,552	83,000
Repayment of long-term loans payable	(145,162)	(81,811)
Proceeds from issuance of bonds	206,965	266,592
Redemption of bonds	(165,042)	(186,289)
Proceeds from issuance of common stock	-	20,000
Cash dividends paid	(7,327)	-
Payments of cash dividends to minority shareholders	(1,284)	(20,544)
Repayments to minority shareholders	-	(14,082)
Proceeds from stock issuance to minority shareholders	175	10,390
Net cash provided by (used in) financing activities	162,018	(543,014)
Effect of exchange rate change on cash and cash equivalents	(5,299)	(3,875)
Net increase (decrease) in cash and cash equivalents	480,482	(190,024)
Cash and cash equivalents at beginning of period	132,196	612,678
Increase (decrease) in cash and cash equivalents resulting from change of scope of consolidation	-	(133)
Cash and cash equivalents at end of period	612,678	422,521

2. Notes on premise of going concern

None

3. Key items forming the basis of preparation of consolidated financial statements

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 26 companies (previous year: 31 companies)

Names of principal consolidated subsidiaries

Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.

KOKUSAI Asset Management Co., Ltd.

MUS Principal Investments Co., Ltd.

MU Hands-on Capital Ltd.

MUS Business Service Co., Ltd.

MUS Information Systems Co., Ltd.

MUS Facility Service Co., Ltd.

Mitsubishi UFJ Securities International plc

Mitsubishi UFJ Wealth Management Bank (Switzerland), Ltd.

Mitsubishi UFJ Securities (USA), Inc.

Mitsubishi UFJ Securities (HK) Holdings, Limited

Mitsubishi UFJ Securities (HK), Limited (Note)

Mitsubishi UFJ Securities (Singapore), Limited

Ling Zheng Investment Consulting (Shanghai) Co., Ltd.

TMI Nominees Limited

MFHK Nominees Limited

MUS Roosevelt Capital Partners, Ltd.

MUS Roosevelt Capital Advisers (HK), Limited

MUS Roosevelt China Pacific Fund, L.P.

MM Partnership

Corporate Value Up Fund Investment Limited Liability Partnership

THC Phoenix Japan Venture Capital Investment Limited Partnership

Hands-on No.1 Venture Capital Investment Limited Partnership

Hands-on No.1-2 Venture Capital Investment Limited Partnership

(Note) Mitsubishi UFJ Securities (HK), Limited has changed its trade name of company from Mitsubishi UFJ Securities (HK) Capital, Limited as of December 31, 2010.

(Exclusion)

Big Wing Investment Co., Ltd.

The above company was previously consolidated together with a silent partnership for which it was the operator. However, it was excluded from the scope of consolidation following the dissolution of the silent partnership in which a consolidated subsidiary of the Company had an investment.

NCS Holdings Co., Ltd.

The above company was excluded from the scope of consolidation since the Company sold its shares.

MUSHK Limited

THC Millennium Venture Capital Investment Limited Partnership

The above 2 companies were excluded from the scope of consolidation due to completion of liquidation.

Fukuin Co., Ltd.

The above company was excluded from the scope of consolidation since it merged with PATLITE Corporation, its operating investee, through absorption-type merger. The company was not treated as a subsidiary because its shares and other instruments were held as business transactions for such purposes of incubation business and business revitalization of consolidated subsidiaries engaged in the venture capital business, and acquiring capital gains thereby, and such was not intended to place the company under control.

As of February 1, 2012, the company has changed its trade name of company to PATLITE Corporation.

- (2) Names of companies or other entities not considered to be subsidiaries although the Company holds, in its own calculation, the majority of voting rights (business execution rights) of the companies and entities
Shonan Industry-University Joint Incubation Fund Venture Capital Investment Limited Partnership
Gunma Challenge Fund Venture Capital Investment Limited Partnership
FOODSNET Corporation
YAMAGATA FOODS Co., Ltd.
GREEN BELL Co., Ltd.
PATLITE Corporation (former Fukuin Co., Ltd.)
Dream Infinity Inc.

(Reasons for not treating as subsidiaries)

The companies were not treated as subsidiaries because they were held by the Company's consolidated subsidiaries engaged in the venture capital business that maintained the position of general partner in those partnerships in order to render quasi-administrative services as their main businesses, or because their shares and other instruments were held as business transactions for such purposes of incubation business, business revitalization and acquiring capital gains thereby and were not intended to place the companies under control.

2. Application of equity method

- (1) Four affiliates are under the equity method (previous year: 17 companies)

Names of affiliates under equity method
Morgan Stanley MUFG Securities Co., Ltd.
Marunouchi Capital Co., Ltd.
KE Capital Partners Pte. Ltd.
Sino Roosevelt Investment Partners Limited

(Exclusion)

Kim Eng Holdings Limited and other 12 companies

The above 13 companies were excluded from the scope of affiliates under equity method since the Company sold its shares of Kim Eng Holdings Limited.

- (2) Names of companies or other entities not treated as affiliates although the Company holds, in its own calculation, between 20% and 50% of the voting rights of the companies and entities
REVO TRADING Co., Ltd.

(Reason for not treating as affiliates)

The company was not treated as an affiliate because its shares and other instruments were held as business transactions by the Company's consolidated subsidiaries engaged in the venture capital business for such purposes of incubation business, business revitalization and acquiring capital gains thereby and were not intended to place the company under control.

3. Financial closing dates and other details of consolidated subsidiaries

The financial closing dates of consolidated subsidiaries are as follows.

End of December	19	subsidiaries
End of February	1	subsidiary
End of March	6	subsidiaries

Of the consolidated subsidiaries whose financial closing date differs from the consolidated financial closing date, 20 subsidiaries for which the difference in closing dates was three months or less were accounted for based on the financial statements as of the financial closing date of each subsidiary. However, necessary adjustments were made to the consolidated financial statements for any significant transactions that took place between the end of the fiscal year of each subsidiary and the end of the consolidated fiscal year.

4. Accounting policies

(1) Change in method of depreciation and amortization of major depreciable and amortizable assets

1) Method of depreciation of property, plant and equipment (excluding leased assets)

The Company applies the declining balance method.

Domestic consolidated subsidiaries and overseas consolidated subsidiaries mainly apply the straight-line method.

The useful lives of major items are as follows.

Buildings	8 to 50 years
Equipment	3 to 15 years

(Change in accounting policy)

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd., a subsidiary of the Company, previously applied the declining balance method for its method of depreciation of property, plant and equipment (the straight-line method was applied for buildings acquired on or after April 1, 1998 (with the exception of items listed as buildings and accompanying facilities)). However, effective from the fiscal year ended March 31, 2012, the subsidiary has changed to the straight-line method of depreciation accounted for prospectively.

This change was implemented for the following reason. The subsidiary has undertaken capital investment to reorganize its branch network and transfer the head office functions. As a result of reviewing the actual circumstances of use of property, plant and equipment after the capital investment had run its course, estimates were made as to the average actual use for each period. As a result it was deemed that a more rational cost allocation could be achieved by implementing this change in accounting. As a result of this change, compared with the previous method, depreciation and amortization and operating loss for the fiscal year ended March 31, 2012 each declined by 1,896 million yen; ordinary income and income before income taxes and minority interests increased by 1,873 million yen and 1,841 million yen, respectively.

2) Method of amortization of intangible assets

The Company applies the straight-line method. For software used internally, the straight-line method is applied based on the period of potential use by the Company (mainly 5 years).

3) Method of depreciation of leased assets

The Company applies the straight-line method over the lease period as the useful life and the residual value is assumed to be zero.

Please note that finance lease transactions not involving the transfer of ownership whose transaction commenced on or before March 31, 2008 follow the same method as ordinary leases.

Disclosure of the items other than above was omitted because there were no significant changes from the latest Securities Report (submitted on June 28, 2011).

4. Notes to consolidated financial statements

(Segment information)

For the fiscal year ended March 31, 2012 (From April 1, 2011 to March 31, 2012)

1. Overview of reportable segments

The Company and its consolidated subsidiaries (the “Group”) identify the reportable segment as a component unit that constitutes a business for which discrete financial information is available and is regularly reviewed by the Board of Directors to make decisions about the allocation of resources to the segment and assess its performance.

The Group is engaged in business activities centered on financial instruments business in many areas and provides services relating to investment and financing services. While promoting cooperation among group companies under control, the Company, as a holding company of securities companies, makes decisions about the allocation of resources and assesses the performance of each group company by type of service.

Therefore, the Group’s segments are distinguished by the service and the geographical area, and thus the following items are identified as reportable segments: “Securities Brokerage (Japan),” “Securities Brokerage (U.K.),” “Securities Brokerage (U.S.A.)” and “Asset Management.” “Securities Brokerage” provides customers with broader investment and financing services from both funding and investment aspects and “Asset Management” mainly provides with services of establishment and management of investment trusts targeting various assets as investments.

2. The calculation method of net operating revenue, profit or loss, assets and other items by reportable segment

Accounting policy for business segment reported is consistent with “Key items forming the basis of preparation of consolidated financial statements.” Reportable segment profit or loss is the amount based on the profit or loss after applicable taxes. Inter-segment net operating revenue and transfers are based on actual market prices.

(Change in method of depreciation of property, plant and equipment)

Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd., a subsidiary of the Company, previously applied the declining balance method for its method of depreciation of property, plant and equipment (the straight-line method was applied for buildings acquired on or after April 1, 1998 (with the exception of items listed as buildings and accompanying facilities)). However, effective from the fiscal year ended March 31, 2012, the subsidiary has changed to the straight-line method of depreciation accounted for prospectively.

This change was implemented for the following reason. The subsidiary has undertaken capital investment to reorganize its branch network and transfer the head office functions. As a result of reviewing the actual circumstances of use of property, plant and equipment after the capital investment had run its course, estimates were made as to the average actual use for each period. As a result it was deemed that a more rational cost allocation could be achieved by implementing this change in accounting.

As a result of this change, compared with the previous method, in “Securities Brokerage (Japan),” segment assets increased by 1,826 million yen, segment loss decreased by 1,826 million yen, and depreciation and amortization decreased by 1,896 million yen for the fiscal year ended March 31, 2012, respectively.

3. Information about net operating revenue, profit or loss, assets and other items by reportable segment

(Millions of yen)

	Reportable segment					Other (Note 1)	Total	Adjustment (Note 2)	Amounts on consolidated financial statements (Note 3)
	Securities Brokerage (Japan)	Securities Brokerage (U.K.)	Securities Brokerage (U.S.A.)	Asset Management	Total				
Net operating revenue									
Net operating revenue from external customers	167,785	21,926	10,448	43,000	243,160	(4,575)	238,585	–	238,585
Inter-segment net operating revenue or transfers	2,344	3,026	894	–	6,265	17,700	23,965	(23,965)	–
Total	170,130	24,952	11,342	43,000	249,426	13,124	262,551	(23,965)	238,585
Segment profit (loss)	(16,794)	781	(560)	7,424	(9,148)	67,928	58,779	(42,196)	16,583
Segment assets	12,805,850	7,684,161	2,296,850	87,466	22,874,328	1,891,435	24,765,764	(2,329,503)	22,436,260
Other items:									
Depreciation and amortization	14,596	1,070	333	726	16,726	300	17,027	(603)	16,424
Amortization of goodwill	–	–	–	–	–	122	122	65	188
Interest income	8	6,624	–	535	7,168	168	7,337	(126)	7,210
Interest expenses	–	–	–	–	–	504	504	(36)	467
Equity in earnings (losses) of affiliates	–	–	–	–	–	–	–	30,268	30,268
Extraordinary income	5,227	941	0	11	6,180	24,860	31,040	(12,802)	18,238
Gain on sales of investment securities	4,461	934	–	11	5,408	2,713	8,121	(2,713)	5,408
Gain on sales of subsidiaries and affiliates' stocks	–	–	–	–	–	22,032	22,032	(9,713)	12,318
Extraordinary loss	27,204	105	–	110	27,420	4,904	32,324	(465)	31,859
Loss on valuation of investment securities	500	–	–	8	509	4,020	4,529	–	4,529
Impairment loss	2,532	–	–	–	2,532	68	2,601	(198)	2,403
Early extra retirement payments	20,317	–	–	–	20,317	195	20,512	–	20,512
Taxes	(2,405)	877	(455)	5,284	3,301	(1,586)	1,714	67	1,782
Investment in affiliates under equity method	–	–	–	–	–	413,132	413,132	(132,378)	280,754
Increase in property, plant and equipment and intangible assets	18,800	1,994	254	589	21,639	8,358	29,997	(8,576)	21,421

(Notes) 1. "Other" includes the holding company of securities companies, principal investment operations and others.

2. Adjustment includes the following:

- (1) Adjustment to segment profit or loss, amounting to (42,196) million yen, includes (54,041) million yen of eliminations of inter-segment transactions, (7,541) million yen of amendment to gain on sales of shares of affiliates under equity method, (5,737) million yen of reversal of partnership accounts that were accounted for as subsidiaries on non-consolidated financial statements and 23,796 million yen of equity in earnings or losses of affiliates, taxes and minority interests in income or loss all of which were not allocated to each segment.
- (2) Adjustment to segment assets, amounting to (2,329,503) million yen, includes (2,294,449) million yen of eliminations of receivables and payables between segments, (31,388) million yen of reversal of partnership accounts that were accounted for as subsidiaries on non-consolidated financial statements, 19,747 million yen of equity in earnings or losses of affiliates, (11,947) million yen of adjustments of unrealized gains or losses, and (13,621) million yen of netting of assets and liabilities.

3. Segment profit or loss is adjusted to agree with net income for the fiscal year ended March 31, 2012.

(Per share information)

(Millions of yen)

	FY2011 (From April 1, 2011 to March 31, 2012)
Basic net income per share (Yen)	22.86
(Basis of calculation)	
Net income	16,583
Net income not attributable to common stockholder	–
Net income attributable to common stock	16,583
Average number of common shares (Thousands of shares)	725,318
Summary of potential shares that are not included in calculation of diluted net income per share due to a lack of dilution effect	Subscription rights to shares issued by consolidated subsidiaries Fukuin Co., Ltd. Type and number of subscription rights to shares are not presented since Fukuin Co., Ltd. was excluded from the scope of consolidation as of February 1, 2012. On the same date, Fukuin Co., Ltd. changed its trade name of company to PATLITE Corporation.

(Note) Diluted net income per share for the fiscal year ended March 31, 2012 is not presented since there were no potential shares with dilution effects.

(Millions of yen)

	As of March 31, 2012
Net assets per share (Yen)	808.05
(Basis of calculation)	
Total net assets	819,651
Amount to be deducted from total net assets	224,128
Minority interests	224,128
Net assets at end of year attributable to common stock	595,522
Number of common shares outstanding at end of year used to calculate net assets per share (Thousands of shares)	736,985

<Reference>

Consolidated Financial Results
for the Fiscal Year Ended March 31, 2012

1. Commission received

(1) Breakdown by item

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	Increase (Decrease)
Commission to consignees	22,226	19,301	(2,924)
Stocks	21,699	18,907	(2,792)
Bonds	281	175	(106)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	20,048	15,907	(4,140)
Stocks	6,878	2,127	(4,750)
Bonds	13,169	13,780	610
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	31,415	33,337	1,921
Beneficiary certificates	31,306	33,057	1,750
Other fees received	87,804	74,469	(13,334)
Beneficiary certificates	66,679	54,352	(12,326)
Total	161,494	143,016	(18,477)

(2) Breakdown by product

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	Increase (Decrease)
Stocks	31,725	22,670	(9,055)
Bonds	15,180	14,984	(196)
Beneficiary certificates	98,230	87,607	(10,623)
Other	16,356	17,754	1,397
Total	161,494	143,016	(18,477)

2. Net trading income

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	Increase (Decrease)
Securities	(6,953)	(6,221)	731
Bonds	(46,027)	121,170	167,197
Other	25,784	(28,916)	(54,701)
Total	(27,195)	86,031	113,227

<Reference>

Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	4Q of FY2010 (January 1 to March 31, 2011)	1Q of FY2011 (April 1 to June 30, 2011)	2Q of FY2011 (July 1 to September 30, 2011)	3Q of FY2011 (October 1 to December 31, 2011)	4Q of FY2011 (January 1 to March 31, 2012)
Operating revenue	(37,216)	79,590	73,209	67,838	86,287
Commission received	39,500	36,564	36,524	32,343	37,583
Commission to consignees	6,545	4,897	4,330	4,215	5,858
Stocks	6,409	4,810	4,201	4,129	5,765
Bonds	65	42	55	34	42
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,898	3,180	3,460	4,293	4,973
Stocks	2,022	373	783	366	604
Bonds	2,875	2,807	2,677	3,926	4,369
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	7,339	9,367	8,584	5,803	9,582
Beneficiary certificates	7,314	9,313	8,534	5,701	9,507
Other fees received	20,717	19,119	20,149	18,031	17,168
Beneficiary certificates	15,226	15,284	14,285	12,693	12,089
Net trading income	(93,463)	22,599	13,911	22,201	27,319
Net trading income from securities	(4,675)	(1,610)	(7,438)	7,425	(4,597)
Net trading income from bonds	(126,978)	40,651	33,695	14,753	32,069
Other net trading income	38,189	(16,441)	(12,344)	22	(152)
Net gain on private equity and other securities	(697)	290	(1,713)	191	(942)
Other net gain on goods trading	1	12	(6)	2	(495)
Financial revenue	17,442	20,122	24,493	13,099	22,822
Financial expenses	13,143	19,377	19,343	13,939	15,680
Net operating revenue	(50,360)	60,213	53,866	53,899	70,607
Selling, general and administrative expenses	56,700	63,507	58,459	55,586	62,571
Trading related expenses	16,686	17,382	15,583	16,924	16,792
Personal expenses	19,582	24,258	24,181	21,389	27,448
Real estate expenses	6,634	6,721	6,657	6,015	5,939
Office cost	6,166	5,392	6,611	5,749	6,241
Depreciation	5,312	5,283	3,458	3,793	3,889
Taxes and dues	480	2,428	871	989	672
Other	1,838	2,039	1,095	724	1,588
Operating income (loss)	(107,061)	(3,294)	(4,593)	(1,687)	8,035
Non-operating income	12,948	18,388	9,219	3,946	10,917
Non-operating expenses	1,017	688	1,289	817	(38)
Ordinary income (loss)	(95,130)	14,406	3,336	1,442	18,992
Extraordinary income	554	12,803	4,050	8	1,375
Extraordinary loss	7,900	6,172	3,875	20,926	884
Income (loss) before income taxes and minority interests	(102,476)	21,036	3,511	(19,475)	19,483
Income taxes-current	2,129	2,083	1,712	716	1,379
Income taxes-deferred	9,583	(1,032)	(1,190)	(297)	(1,587)
Income taxes	11,712	1,050	521	418	(207)
Income (loss) before minority interests	(114,189)	19,986	2,989	(19,894)	19,691
Minority interests in income (loss)	(45,353)	3,128	3,494	(7,623)	7,190
Net income (loss)	(68,835)	16,858	(504)	(12,270)	12,501

<Reference>

Non-consolidated Financial Results of
Mitsubishi UFJ Morgan Stanley Securities Co., Ltd.
for the Fiscal Year Ended March 31, 2012

(1) Non-consolidated operating results

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	Increase (Decrease)
Operating revenue	75,752	181,157	105,405
Commission received	97,394	90,022	(7,371)
Net trading income	(48,643)	69,664	118,307
Net operating revenue	61,443	170,130	108,687
Operating income (loss)	(128,567)	498	129,065
Ordinary income (loss)	(126,709)	2,776	129,486
Net income (loss)	(144,940)	(16,794)	128,145

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	Increase (Decrease)
Commission to consignees	21,253	16,083	(5,170)
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	8,901	6,482	(2,419)
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	31,415	33,337	1,921
Other fees received	35,823	34,119	(1,704)
Total	97,394	90,022	(7,371)

<Breakdown by product of commission received>

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	Increase (Decrease)
Stocks	29,058	19,631	(9,426)
Bonds	5,507	6,016	509
Beneficiary certificates	48,502	48,585	83
Other	14,326	15,788	1,462
Total	97,394	90,022	(7,371)

<Net trading income>

(Millions of yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)	Increase (Decrease)
Securities	888	5,529	4,641
Bonds	(26,636)	92,284	118,921
Other	(22,894)	(28,149)	(5,255)
Total	(48,643)	69,664	118,307

(2) Non-consolidated financial position

(Millions of yen)

	As of March 31, 2011	As of March 31, 2012	Increase (Decrease)
Total assets	11,669,461	12,805,850	1,136,388
Net assets	168,791	226,439	57,648

Note 1: The net capital adequacy ratio as of March 31, 2012 is 328.6%.