

This English version is a translation of the original Japanese document and is only for reference purposes. In the case where any differences occur between the English version and the original Japanese version, the Japanese version will prevail. The financial results written in the original Japanese document is not audited by independent auditors.



July 28, 2010

## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2011 [under Japanese GAAP]

Company name: **Mitsubishi UFJ Securities Holdings Co., Ltd.**

URL: <http://www.hd.sc.mufg.jp/>

Representative: Fumiyuki Akikusa, President & CEO

Contact: Mitsugu Enjouji, General Manager, Financial Planning Division

TEL: (03) 6213-2550

Supplementary material on quarterly financial results: None

Quarterly financial results presentation meeting: None

(Millions of yen with fractional amounts disregarded)

### 1. Consolidated performance for the first quarter of fiscal year 2010 (from April 1, 2010 to June 30, 2010)

#### (1) Consolidated operating results (cumulative)

(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	%
First three months of FY2010	83,840	(18.5)	66,402	(16.8)	641	(96.3)	6,475	(67.2)
First three months of FY2009	102,809	(28.3)	79,825	18.2	17,559	–	19,739	–

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First three months of FY2010	22,799	71.9	31.80	31.80
First three months of FY2009	13,263	–	18.50	18.50

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2010	22,896,887	950,443	2.8	900.99
As of March 31, 2010	20,134,713	701,654	3.2	889.78

Reference: Equity As of June 30, 2010: 645,998 million yen As of March 31, 2010: 637,962 million yen

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

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

**2. Matters on preparing the quarterly consolidated financial statements and others**  
(For details, please refer to “Matters on preparing the quarterly consolidated financial statements and others” on page 1 of the “Attached Material.”)

**(1) Changes in significant subsidiaries during the current quarter: Yes**

Newly consolidated: 1 company (MM Partnership)

Note: Changes in specified subsidiaries resulting in the change in scope of consolidation during the current quarter

**(2) Application of simplified accounting and particular accounting: None**

Note: Application of simplified accounting and particular accounting for preparing the quarterly consolidated financial statements

**(3) Changes in accounting policies, procedures, and methods of presentation**

- a. Changes due to revisions to accounting standards: Yes
- b. Changes due to other reasons: None

**(4) Number of issued shares (common stock)**

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

As of June 30, 2010	716,985,496 shares
As of March 31, 2010	716,985,496 shares

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

As of June 30, 2010	– shares
As of March 31, 2010	– shares

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

First three months of the fiscal year ending March 31, 2011:	716,985,496 shares
First three months of the fiscal year ended March 31, 2010:	716,985,496 shares

**<\* Indication regarding execution of quarterly review procedures>**

This quarterly financial results report is not subject to the quarterly review procedures in accordance with the Financial Instruments and Exchange Act.

**<\* Other special matters>**

None

## Attached Material

### **Index**

1. Matters on preparing the quarterly consolidated financial statements and others	
(1) Summary of changes in significant subsidiaries during the current quarter .....	P. 1
(2) Summary of simplified accounting and particular accounting .....	P. 1
(3) Summary of changes in accounting policies, procedures, and methods of presentation .....	P. 1
2. Consolidated financial statements	
(1) Consolidated balance sheets .....	P. 2
(2) Consolidated statements of income .....	P. 4
(3) Notes on premise of going concern .....	P. 5
(4) Notes on significant changes in the amount of shareholders' equity .....	P. 5
<Reference>	
Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2011	
1. Commission received .....	P. 6
(1) Breakdown by item .....	P. 6
(2) Breakdown by product .....	P. 6
2. Net trading income .....	P. 6
Quarterly Trends in Consolidated Statements of Income .....	P. 7
<Reference>	
Non-consolidated Financial Results of Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd. for the First Quarter of the Fiscal Year Ending March 31, 2011	
(1) Non-consolidated operating results .....	P. 8
(2) Non-consolidated financial position .....	P. 9

## **1. Matters on preparing the quarterly consolidated financial statements and others**

### **(1) Summary of changes in significant subsidiaries during the current quarter**

In relation to the integration in Japan of securities companies Mitsubishi UFJ Financial Group, Inc., the wholly owning parent company of the Company, and Morgan Stanley, on May 1, 2010, two companies, Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd. (“MUMSS”) and Morgan Stanley MUFG Securities Co., Ltd. (“MSMS”) were established and the partnership agreement regarding MM Partnership formed for the purpose of holding shares of MUMSS and MSMS has come into force.

Upon the integration, the Company and Morgan Stanley Japan Holdings Co., Ltd. (“MSJHD”) have contributed to MM Partnership a portion of the shares of MUMSS and MSMS held respectively. Specifically, the Company continues to hold shares of MUMSS representing a 60% voting interest while contributing to MM Partnership all other shares of MUMSS, and MSJHD continues to hold shares of MSMS representing a 51% voting interest while contributing to MM Partnership all other shares of MSMS.

As a result, the Company owns a 60% interest in MM Partnership, qualifying MM Partnership as a consolidated subsidiary of the Company.

### **(2) Summary of simplified accounting and particular accounting**

None

### **(3) Summary of changes in accounting policies, procedures, and methods of presentation**

- a. Effective from this first quarter, the Company adopted “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, December 26, 2008), “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No. 22, December 26, 2008), “Partial amendments to Accounting Standard for Research and Development Costs” (ASBJ Statement No. 23, December 26, 2008), “Accounting Standard for Business Divestitures” (ASBJ Statement No. 7, December 26, 2008), “Accounting Standard for Equity Method of Accounting for Investments” (ASBJ Statement No. 16, December 26, 2008) and “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, December 26, 2008).
- b. Effective from this first quarter, the Company adopted “Accounting Standard for Asset Retirement Obligations and its Implementation Guidance” (ASBJ Statement No. 18, March 31, 2008) and “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No. 21, March 31, 2008).

As a result, Operating income and Ordinary income decreased respectively by 76 million yen and Income before income taxes and minority interests decreased by 2,549 million yen. The changes in Asset retirement obligations due to the adoption of this accounting standard, etc is 3,892 million yen.

## 2. Consolidated financial statements

### (1) Consolidated balance sheets

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
<b>ASSETS</b>		
Current assets		
Cash and deposits	116,479	168,469
Cash segregated as deposits	79,769	91,588
Trading products	13,068,298	11,395,146
Trading securities and other	7,345,300	6,538,721
Derivatives	5,722,998	4,856,424
Trade date accrual	–	109,281
Private equity and other securities	67,487	67,650
Margin transaction assets	74,910	59,020
Loans secured by securities	7,874,441	6,765,283
Short-term guarantee deposits	446,971	435,248
Short-term investment securities	242,330	327,962
Income taxes receivable	2,656	1,482
Other current assets	72,928	130,229
Allowance for doubtful accounts	(1,082)	(967)
Total current assets	22,045,192	19,550,395
Noncurrent assets		
Property, plant and equipment	24,600	23,441
Intangible assets	44,402	45,508
Investments and other assets	782,691	515,368
Total noncurrent assets	851,694	584,318
Total assets	22,896,887	20,134,713

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010
<b>LIABILITIES</b>		
Current liabilities		
Trading products	8,130,739	7,540,898
Trading securities and other	2,698,217	2,932,436
Derivatives	5,432,522	4,608,461
Trade date accrual	746,191	–
Margin transaction liabilities	12,112	23,908
Loans payable secured by securities	9,521,635	8,307,900
Short-term loans payable	1,468,755	1,367,784
Current portion of long-term loans payable	111,694	108,058
Commercial papers	323,300	374,700
Current portion of bonds	114,113	85,130
Income taxes payable	2,565	5,901
Asset retirement obligations	29	–
Other current liabilities	572,400	651,219
Total current liabilities	21,003,537	18,465,501
Noncurrent liabilities		
Bonds payable	653,121	681,530
Long-term loans payable	267,430	266,947
Provision for retirement benefits	11,403	10,773
Provision for directors' retirement benefits	347	415
Asset retirement obligations	3,856	–
Other noncurrent liabilities	5,374	6,029
Total noncurrent liabilities	941,534	965,696
Reserves under the special laws		
Reserve for financial products transaction liabilities	1,371	1,861
Total reserves under the special laws	1,371	1,861
Total liabilities	21,946,444	19,433,059
<b>NET ASSETS</b>		
Shareholders' equity		
Capital stock	65,518	65,518
Capital surplus	416,948	416,948
Retained earnings	200,051	184,580
Total shareholders' equity	682,519	667,047
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(8,031)	(5,382)
Deferred gains or losses on hedges	7	24
Foreign currency translation adjustment	(28,496)	(23,726)
Total valuation and translation adjustments	(36,520)	(29,085)
Subscription rights to shares	4	0
Minority interests	304,440	63,691
Total net assets	950,443	701,654
Total liabilities and net assets	22,896,887	20,134,713

**(2) Consolidated statements of income**

(Millions of yen)

	First three months of FY2009 (From April 1, 2009 to June 30, 2009)	First three months of FY2010 (From April 1, 2010 to June 30, 2010)
Operating revenue		
Commission received	40,889	37,787
Net trading income	44,068	29,687
Net gain on private equity and other securities	192	823
Other net gain on goods trading	2	(8)
Financial revenue	17,655	15,550
Total operating revenue	102,809	83,840
Financial expenses	22,983	17,438
Net operating revenue	79,825	66,402
Selling, general and administrative expenses	62,266	65,760
Operating income	17,559	641
Non-operating income		
Equity in earnings of affiliates	–	3,060
Foreign exchange gains	1,216	–
Gain on valuation of investment securities	1,481	–
Other	453	3,024
Total non-operating income	3,151	6,084
Non-operating expenses		
Interest expenses	579	167
Equity in losses of affiliates	91	–
Other	301	82
Total non-operating expenses	971	250
Ordinary income	19,739	6,475
Extraordinary income		
Gain on sales of investment securities	2	16
Gain on sales of noncurrent assets	0	–
Reversal of reserve for financial products transaction liabilities	3	489
Gain on change in equity	–	24,111
Total extraordinary income	5	24,618
Extraordinary loss		
Loss on sales of investment securities	4	–
Loss on valuation of investment securities	398	111
Loss on sales of noncurrent assets	–	2
Compensation for damage, etc.	697	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	2,473
Integration-related expenses	–	184
Total extraordinary loss	1,100	2,772
Income before income taxes and minority interests	18,644	28,321
Income taxes-current	3,423	1,652
Income taxes-deferred	(145)	2,699
Income taxes	3,277	4,352
Income before minority interests	–	23,968
Minority interests in income	2,102	1,169
Net income	13,263	22,799

**(3) Notes on premise of going concern**

None

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

None



<Reference>

**Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year Ending March 31, 2011**

**1. Commission received**

**(1) Breakdown by item**

(Millions of yen)

	First three months of FY2009 (From April 1, 2009 to June 30, 2009)	First three months of FY2010 (From April 1, 2010 to June 30, 2010)	Increase (Decrease)	FY2009 (From April 1, 2009 to March 31, 2010)
Commission to consignees	7,727	5,409	(2,318)	25,227
Stocks	7,648	5,288	(2,359)	24,843
Bonds	44	50	5	253
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,068	2,990	(1,078)	39,373
Stocks	313	1,110	796	24,358
Bonds	3,755	1,880	(1,875)	15,014
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	6,056	8,004	1,948	26,663
Beneficiary certificates	5,977	7,971	1,994	26,468
Other fees received	23,036	21,382	(1,653)	94,404
Beneficiary certificates	18,951	17,837	(1,114)	75,902
Total	40,889	37,787	(3,101)	185,669

**(2) Breakdown by product**

(Millions of yen)

	First three months of FY2009 (From April 1, 2009 to June 30, 2009)	First three months of FY2010 (From April 1, 2010 to June 30, 2010)	Increase (Decrease)	FY2009 (From April 1, 2009 to March 31, 2010)
Stocks	8,015	6,459	(1,556)	49,935
Bonds	4,073	2,206	(1,866)	16,415
Beneficiary certificates	24,963	25,879	915	102,501
Other	3,837	3,243	(593)	16,816
Total	40,889	37,787	(3,101)	185,669

**2. Net trading income**

(Millions of yen)

	First three months of FY2009 (From April 1, 2009 to June 30, 2009)	First three months of FY2010 (From April 1, 2010 to June 30, 2010)	Increase (Decrease)	FY2009 (From April 1, 2009 to March 31, 2010)
Securities	(6,169)	(2,799)	3,370	10,653
Bonds	15,085	43,056	27,971	102,340
Other	35,153	(10,569)	(45,722)	(12,575)
Total	44,068	29,687	(14,381)	100,418

<Reference>

## Quarterly Trends in Consolidated Statements of Income

(Millions of yen)

	1Q of FY2009 (April 1 to June 30, 2009)	2Q of FY2009 (July 1 to September 30, 2009)	3Q of FY2009 (October 1 to December 31, 2009)	4Q of FY2009 (January 1 to March 31, 2010)	1Q of FY2010 (April 1 to June 30, 2010)
Operating revenue	102,809	89,512	73,663	77,838	83,840
Commission received	40,889	50,193	48,112	46,474	37,787
Commission to consignees	7,727	6,712	5,178	5,608	5,409
Stocks	7,648	6,568	5,064	5,562	5,288
Bonds	44	119	77	11	50
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	4,068	12,957	13,977	8,369	2,990
Stocks	313	6,459	11,570	6,016	1,110
Bonds	3,755	6,498	2,407	2,353	1,880
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	6,056	7,236	6,418	6,951	8,004
Beneficiary certificates	5,977	7,181	6,376	6,932	7,971
Other fees received	23,036	23,286	22,537	25,544	21,382
Beneficiary certificates	18,951	19,453	19,293	18,204	17,837
Net trading income	44,068	22,485	7,350	26,513	29,687
Net trading income from securities	(6,169)	13,869	(383)	3,336	(2,799)
Net trading income from bonds	15,085	43,292	17,779	26,182	43,056
Other net trading income	35,153	(34,676)	(10,045)	(3,006)	(10,569)
Net gain on private equity and other securities	192	(1,026)	252	(2,068)	823
Other net gain on goods trading	2	(13)	1	(0)	(8)
Financial revenue	17,655	17,873	17,947	6,920	15,550
Financial expenses	22,983	14,040	9,864	9,782	17,438
Net operating revenue	79,825	75,472	63,799	68,055	66,402
Selling, general and administrative expenses	62,266	67,150	61,988	71,698	65,760
Trading related expenses	17,809	19,622	17,617	19,803	19,149
Personal expenses	26,416	26,666	26,114	30,825	26,858
Real estate expenses	6,143	6,904	6,052	6,627	6,239
Office cost	4,625	6,037	4,967	6,098	5,653
Depreciation	5,167	5,536	5,391	5,763	5,361
Taxes and dues	819	527	457	680	813
Other	1,284	1,855	1,386	1,899	1,685
Operating income (loss)	17,559	8,321	1,810	(3,642)	641
Non-operating income	3,060	4,756	6,482	4,860	6,084
Equity in earnings of affiliates	(91)	(173)	120	372	3,060
Other	3,151	4,930	6,362	4,487	3,024
Non-operating expenses	880	856	26	423	250
Ordinary income	19,739	12,221	8,267	794	6,475
Extraordinary income	5	985	49	474	24,618
Extraordinary loss	1,100	832	370	1,137	2,772
Income before income taxes and minority interests	18,644	12,375	7,946	130	28,321
Income taxes-current	3,423	4,000	2,610	2,803	1,652
Income taxes-deferred	(145)	(2,439)	602	(7,901)	2,699
Income taxes	3,277	1,561	3,213	(5,098)	4,352
Income before minority interests	15,366	10,813	4,733	5,229	23,968
Minority interests in income	2,102	1,628	2,042	1,619	1,169
Net income	13,263	9,184	2,690	3,609	22,799

<Reference>

**Non-consolidated Financial Results of**  
**Mitsubishi UFJ Morgan Stanley Securities, Co., Ltd.**  
**for the First Quarter of the Fiscal Year Ending March 31, 2011**

**(1) Non-consolidated operating results**

(Millions of yen)

	First three months of FY2009 (From April 1, 2009 to June 30, 2009)	First three months of FY2010 (From April 1, 2010 to June 30, 2010)	Increase (Decrease)	FY2009 (From April 1, 2009 to March 31, 2010)
Operating revenue	57,961	45,945	(12,016)	218,163
Commission received	21,125	21,556	430	109,342
Net trading income	31,900	20,431	(11,469)	78,918
Net operating revenue	53,803	42,117	(11,685)	202,965
Operating income (loss)	6,781	(4,813)	(11,594)	9,327
Ordinary income (loss)	8,125	(3,355)	(11,480)	11,094
Net income (loss)	7,223	(5,446)	(12,669)	11,008

**(Breakdown of operating revenue)**

**<Breakdown by item of commission received>**

(Millions of yen)

	First three months of FY2009 (From April 1, 2009 to June 30, 2009)	First three months of FY2010 (From April 1, 2010 to June 30, 2010)	Increase (Decrease)	FY2009 (From April 1, 2009 to March 31, 2010)
Commission to consignees	7,658	5,865	(1,792)	25,441
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1,419	1,347	(72)	25,042
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	6,056	8,004	1,948	26,663
Other fees received	5,992	6,339	347	32,195
Total	21,125	21,556	430	109,342

**<Breakdown by product of commission received>**

(Millions of yen)

	First three months of FY2009 (From April 1, 2009 to June 30, 2009)	First three months of FY2010 (From April 1, 2010 to June 30, 2010)	Increase (Decrease)	FY2009 (From April 1, 2009 to March 31, 2010)
Stocks	7,963	6,293	(1,669)	46,980
Bonds	1,536	1,168	(367)	6,370
Beneficiary certificates	9,706	12,117	2,411	42,515
Other	1,919	1,976	57	13,475
Total	21,125	21,556	430	109,342

**<Net trading income>**

(Millions of yen)

	First three months of FY2009 (From April 1, 2009 to June 30, 2009)	First three months of FY2010 (From April 1, 2010 to June 30, 2010)	Increase (Decrease)	FY2009 (From April 1, 2009 to March 31, 2010)
Securities	5,365	(2,365)	(7,730)	11,267
Bonds	13,085	41,481	28,396	82,149
Other	13,449	(18,684)	(32,134)	(14,497)
Total	31,900	20,431	(11,469)	78,918

**(2) Non-consolidated financial position**

(Millions of yen)

	As of June 30, 2010	As of March 31, 2010	Increase (Decrease)	As of June 30, 2009
Total assets	13,528,188	12,752,634	775,554	13,120,783
Net assets	307,585	626,646	(319,061)	632,291
Net capital regulation ratio (%)	372.4	342.9	29.5	362.1

Note 1: The performance results stated for the first three months of FY2009, as of June 30, 2009, FY2009 and as of March 31, 2010 are the performance results of Mitsubishi UFJ Securities Co., Ltd. (current Mitsubishi UFJ Securities Holdings Co., Ltd.)

Note 2: On April 1, 2010, the domestic business operations of the current Mitsubishi UFJ Securities Holdings Co., Ltd. were transferred to Mitsubishi UFJ Morgan Stanley Securities Co., Ltd. by a way of a company split. Furthermore, on May 1, 2010, the investment banking division of Morgan Stanley Japan Securities Co., Ltd. was integrated.