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October 29, 2008

Consolidated Financial Results for the Second Quarter of the Fiscal Year Ending March 31, 2009

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

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(Millions of yen with fractional amounts disregarded)

1. Consolidated performance for the second quarter of fiscal year 2008 (cumulative: from April 1, 2008 to September 30, 2008)

(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	%
First six months of FY2008	288,254	–	144,046	–	5,120	–	770	–
First six months of FY2007	274,915	53.4	150,988	15.8	30,283	37.3	33,825	14.6

	Net income		Net income per share	Diluted net income per share
	Millions of yen	%	Yen	Yen
First six months of FY2008	(11,081)	–	(15.46)	–
First six months of FY2007	25,799	41.1	35.98	35.17

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2008	20,752,495	754,390	3.4	969.91
As of March 31, 2008	19,190,293	771,582	3.7	996.44

Reference: Equity As of September 30, 2008: 695,408 million yen As of March 31, 2008: 714,434 million yen

2. Matters on preparing the quarterly consolidated financial statements and others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of simplified accounting and particular accounting for preparing the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements (changes described in the section of “Changes in significant matters forming the basis of preparing the quarterly consolidated financial statements”)
 - a. Changes due to revisions to accounting standards: Yes
 - b. Changes due to other reasons: Yes

Note: For more details, please refer to the section of “1. Matters on preparing the quarterly consolidated financial statements and others” of [Financial Statements] on page 3.

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

As of September 30, 2008:	716,985,496 shares
As of March 31, 2008:	716,985,496 shares
 - b. Number of shares of treasury stock at the end of the period

As of September 30, 2008:	– shares
As of March 31, 2008:	– shares
 - c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

First six months of the fiscal year ending March 31, 2009:	716,985,496 shares
First six months of the fiscal year ended March 31, 2008:	717,023,130 shares

* Other special matters

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). They are also prepared in accordance with the “Cabinet Office Ordinance Concerning Financial Instruments Business” (Cabinet Office Ordinance No. 52 of 2007) and “Rule Concerning Uniform Accounting Standards for Securities Dealers” (Self-Regulatory Rule of Japan Securities Dealers Association, November 14, 1974) and pursuant to the provisions of the “Regulation for Quarterly Consolidated Financial Statements” and Articles 61 and 82 thereof.

[Financial Statements]

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

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

None

(2) Application of simplified accounting and particular accounting for preparing the quarterly consolidated financial statements

None

(3) Changes in accounting policies, procedures, and methods of presentation for preparing the quarterly consolidated financial statements

a. Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ [Accounting Standards Board of Japan] Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). They are also prepared in accordance with the “Cabinet Office Ordinance Concerning Financial Instruments Business” (Cabinet Office Ordinance No. 52 of 2007) and "Rule Concerning Uniform Accounting Standards for Securities Dealers" (Self-Regulatory Rule of Japan Securities Dealers Association, November 14, 1974) and pursuant to the provisions of the “Regulation for Quarterly Consolidated Financial Statements” and Articles 61 and 82 thereof.

b. Before the change, the accounting treatment for finance lease transactions not involving the transfer of ownership followed mutatis mutandis the method for operating lease transactions, but now after the application of the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 [Business Accounting Council Committee No. 1, June 17, 1993; revised March 30, 2007]) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 [the Japanese Institute of Certified Public Accountants, Accounting Committee, January 18, 1994; revised March 30, 2007]) became possible starting from quarterly consolidated financial statements for the fiscal year beginning April 1, 2008 or later, we apply this standard and guidance from the first quarter of FY2008, and the accounting treatment for such transactions follows the method for ordinary purchase and sales transactions. Meanwhile, depreciation of leased property pertaining to finance lease transactions not involving the transfer of ownership is computed on a straight-line method over the lease period as durable period, assuming the residual value is zero.

The impact of this change on profit for the first six months of FY2008 is immaterial.

Also, the accounting treatment for finance lease transactions not involving the transfer of ownership whose transaction commenced before the first fiscal year in which the accounting standard is applied, continues to follow mutatis mutandis the ordinary method for operating lease transactions.

c. From the first quarter of FY2008, the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (PITF Practical Solution No. 18, May 17, 2006), and necessary amendments for consolidated financial statements are made.

There are no impacts of this change on profit for the first six months of FY2008.

The amount of impact that the application of the revised accounting standard at the beginning of term has on the prior period’s profit is added to retained earnings. The impact, however, is immaterial.

d. Before the change of presentation, financial assets and financial liabilities at fair value based on derivative transactions with the same counterparty with whom a legally binding master netting contract is entered, were presented as the amount of difference arising from the offsetting between both amounts. Our parent company, however, changed the presentation method to demonstrate the total amounts of these financial assets and financial liabilities from the first quarter of FY2008. After the evaluation of this method from the perspective of proper presentation of credit risk in order to conform our accounting policy to that of our parent company, we now believe that there is a weakening of reasonable grounds for presentation only for financial assets and financial liabilities of derivatives at fair value after offsetting between both amounts and have changed the presentation method to demonstrate the total amounts of these financial assets and financial liabilities in accordance with principle.

As a result of this change, derivatives (assets) and derivatives (liabilities) each increased by ¥2,710,547 million as compared to the case where the previous presentation method was adopted.

(Additional information)

a. Before the change, reserve for securities transaction liabilities was posted to provide for losses from problems with securities at the amount calculated as prescribed in Article 35 of the former “Cabinet Office Ordinance on Securities Corporation” and pursuant to the provisions in Article 51 of the former Securities and Exchange Law. However, following the enforcement of the Financial Instruments and Exchange Law, reserve for financial products transaction liabilities is posted at the amount calculated as prescribed in Article 175 of the “Cabinet Office Ordinance Concerning Financial Instruments Transaction Business” and pursuant to the provisions in Article 46-5 of the Financial Instruments and Exchange Law from the first quarter of FY2008.

Due to this change, extraordinary income for the first six months of FY2008 (reversal of reserve for financial products transaction liabilities) increased by ¥214 million, and loss before income taxes decreased by ¥214 million, as compared to the case where the previous regulations were applied.

b. The Company requested Lehman Brothers Japan Inc. to return share certificates with the market value at 4,789 million yen (as of September 30, 2008) in accordance with Article 52, Paragraph 1 of the Civil Rehabilitation Law (Right of Segregation). However, at present, the recognition of the Company’s right of segregation is yet to be determined.

The above balance is included in the “Other current assets” under Current Assets.

2. Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008 (Summary)
ASSETS		
Current assets		
Cash and deposits	171,401	237,449
Cash segregated as deposits	94,227	110,810
Trading products	12,159,285	7,238,431
Trading securities and other	8,284,614	6,427,856
Derivatives	3,874,670	810,574
Trade date accrual	—	26,617
Private equity and other securities	81,105	89,619
Margin transaction assets	93,030	93,647
Loans secured by securities	7,457,351	10,876,464
Short-term guarantee deposits	247,548	169,669
Short-term investment securities	28,949	34,942
Income taxes receivable	1,383	8,479
Other current assets	204,380	113,854
Allowance for doubtful accounts	(395)	(99)
Total current assets	20,538,267	18,999,887
Noncurrent assets		
Property, plant and equipment	34,374	36,638
Intangible assets	47,367	42,110
Investments and other assets	132,486	111,656
Total noncurrent assets	214,227	190,406
Total assets	20,752,495	19,190,293

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008 (Summary)
LIABILITIES		
Current liabilities		
Trading products	7,224,293	5,013,062
Trading securities and other	3,629,079	4,337,853
Derivatives	3,595,214	675,208
Trade date accrual	282,613	–
Margin transaction liabilities	51,757	28,750
Loans payable secured by securities	8,502,366	10,107,493
Short-term loans payable	1,918,424	1,507,264
Current portion of long-term loans payable	63,499	24,000
Commercial papers	85,500	141,300
Current portion of bonds	40,274	19,361
Income taxes payable	6,637	9,644
Other current liabilities	743,353	556,367
Total current liabilities	18,918,720	17,407,245
Noncurrent liabilities		
Bonds payable	723,600	616,518
Long-term loans payable	338,447	373,906
Provision for retirement benefits	9,568	11,315
Provision for directors' retirement benefits	327	700
Other noncurrent liabilities	5,576	6,286
Total noncurrent liabilities	1,077,520	1,008,727
Reserves under the special laws		
Reserve for securities transaction liabilities	–	2,738
Reserve for financial products transaction liabilities	1,864	–
Total reserves under the special laws	1,864	2,738
Total liabilities	19,998,104	18,418,711
NET ASSETS		
Shareholders' equity		
Capital stock	65,518	65,518
Capital surplus	416,948	416,948
Retained earnings	204,743	219,721
Total shareholders' equity	687,211	702,188
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	4,825	1,533
Foreign currency translation adjustment	3,372	10,712
Total valuation and translation adjustments	8,197	12,246
Subscription rights to shares	111	100
Minority interests	58,870	57,046
Total net assets	754,390	771,582
Total liabilities and net assets	20,752,495	19,190,293

(2) Consolidated statement of income

(Millions of yen)

	First six months of FY2008 (From April 1, 2008 to September 30, 2008)
Operating revenue	
Commission received	91,265
Net trading income	60,457
Net gain on private equity and other securities	4,637
Other net gain on goods trading	0
Financial revenue	131,893
Total operating revenue	288,254
Financial expenses	144,207
Net operating revenue	144,046
Selling, general and administrative expenses	138,926
Operating income	5,120
Non-operating income	
Dividends income	1,307
Other	1,817
Total non-operating income	3,124
Non-operating expenses	
Equity in losses of affiliates	4,647
Other	2,826
Total non-operating expenses	7,473
Ordinary income	770
Extraordinary income	
Gain on sales of investment securities	61
Reversal of reserve for financial products transaction liabilities	874
Gain on sales of noncurrent assets	7,370
Total extraordinary income	8,306
Extraordinary loss	
Loss on sales of investment securities	1
Loss on valuation of investment securities	13,163
Impairment loss	1,530
Total extraordinary loss	14,695
Income (loss) before income taxes	(5,618)
Income taxes-current	6,381
Income taxes-deferred	(6,234)
Income taxes	147
Minority interests in income	5,315
Net income (loss)	(11,081)

Commencing with the current fiscal year, the quarterly consolidated financial statements conform to the “Accounting Standard for Quarterly Financial Reporting” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Reporting” (ASBJ Guidance No. 14). They are also prepared in accordance with the “Cabinet Office Ordinance Concerning Financial Instruments Business” (Cabinet Office Ordinance No. 52 of 2007) and "Rule Concerning Uniform Accounting Standards for Securities Dealers" (Self-Regulatory Rule of Japan Securities Dealers Association, November 14, 1974) and pursuant to the provisions of the “Regulation for Quarterly Consolidated Financial Statements” and Articles 61 and 82 thereof.

(3) Notes on premise of going concern

None

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

None

Reference:**Financial statements for the second quarter of the fiscal year ended March 31, 2008****(Summary) Consolidated statement of income**

	(Millions of yen)
	First six months of FY2007 (From April 1, 2007 to September 30, 2007)
Operating revenue	274,915
Commission received	67,584
Net trading income	79,120
Net gain on private equity and other securities	2,348
Other net gain on goods trading	0
Financial revenue	125,861
Financial expenses	123,926
Net operating revenue	150,988
Selling, general and administrative expenses	120,705
Trading related expenses	34,241
Personal expenses	51,284
Real estate expenses	13,207
Office cost	10,387
Depreciation	7,101
Taxes and dues	1,339
Other	3,143
Operating income	30,283
Non-operating income	5,745
Equity in earnings of affiliates	3,108
Other	2,636
Non-operating expenses	2,203
Ordinary income	33,825
Extraordinary income	316
Gain on sales of investment securities	59
Reversal of allowance for doubtful accounts	65
Gain on sales of noncurrent assets	191
Extraordinary loss	1,589
Loss on valuation of investment securities	229
Provision of reserve for securities transaction liabilities	251
Provision for directors' retirement benefits	222
Loss on sales of noncurrent assets	0
Impairment loss	886
Income before income taxes	32,551
Income taxes-current	9,855
Income taxes-deferred	(2,716)
Minority interests in income (loss)	(386)
Net income	25,799

Reference: Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2009

1. Commission received

(1) Breakdown by item

(Millions of yen)

	First six months of FY2007 (From April 1, 2007 to September 30, 2007)	First six months of FY2008 (From April 1, 2008 to September 30, 2008)	Increase (Decrease)	FY2007 (From April 1, 2007 to March 31, 2008)
Commission to consignees	25,733	16,266	(9,467)	43,642
Stocks	25,591	15,883	(9,708)	43,358
Bonds	76	319	243	143
Underwriting and distribution commission	6,629	5,284	(1,344)	12,647
Stocks	3,311	1,238	(2,072)	5,012
Bonds	3,317	4,045	728	7,635
Flotation and distribution fee	14,486	12,560	(1,925)	24,957
Beneficiary certificates	13,512	12,195	(1,317)	23,668
Other fees received	20,735	57,154	36,418	43,946
Beneficiary certificates	10,834	48,108	37,273	21,479
Total	67,584	91,265	23,680	125,194

(2) Breakdown by product

(Millions of yen)

	First six months of FY2007 (From April 1, 2007 to September 30, 2007)	First six months of FY2008 (From April 1, 2008 to September 30, 2008)	Increase (Decrease)	FY2007 (From April 1, 2007 to March 31, 2008)
Stocks	29,272	17,366	(11,906)	50,001
Bonds	4,716	5,043	326	9,734
Beneficiary certificates	24,410	60,365	35,954	45,284
Other	9,185	8,490	(694)	20,174
Total	67,584	91,265	23,680	125,194

2. Net trading income

(Millions of yen)

	First six months of FY2007 (From April 1, 2007 to September 30, 2007)	First six months of FY2008 (From April 1, 2008 to September 30, 2008)	Increase (Decrease)	FY2007 (From April 1, 2007 to March 31, 2008)
Securities	9,384	(2,844)	(12,228)	13,927
Bonds	55,150	61,088	5,937	135,274
Other	14,585	2,213	(12,371)	(23,693)
Total	79,120	60,457	(18,663)	125,508

Quarterly trends in consolidated statements of income

(Millions of yen)

	2Q of FY2007 (July 1 to September 30, 2007)	3Q of FY2007 (October 1 to December 31, 2007)	4Q of FY2007 (January 1 to March 31, 2008)	1Q of FY2008 (April 1 to June 30, 2008)	2Q of FY2008 (July 1 to September 30, 2008)
Operating revenue	138,578	121,614	137,563	143,467	144,786
Commission received	29,799	24,371	33,238	43,921	47,344
Commission to consignees	11,919	10,163	7,745	9,146	7,120
Stocks	11,839	10,087	7,679	8,971	6,911
Bonds	35	37	28	138	181
Underwriting and distribution commission	2,542	1,178	4,840	1,909	3,374
Stocks	1,153	670	1,030	44	1,194
Bonds	1,388	507	3,810	1,865	2,180
Flotation and distribution fee	5,192	2,350	8,120	4,486	8,074
Beneficiary certificates	4,813	2,153	8,002	4,219	7,975
Other fees received	10,144	10,679	12,531	28,378	28,775
Beneficiary certificates	5,832	5,209	5,434	23,868	24,239
Net trading income	38,270	25,948	20,440	34,228	26,229
Net trading income from securities	1,667	13,710	(9,167)	(597)	(2,247)
Net trading income from bonds	60,556	18,690	61,433	(4,930)	66,019
Other net trading income	(23,953)	(6,452)	(31,825)	39,756	(37,542)
Net gain on private equity and other securities	347	(228)	(329)	1,379	3,257
Other net gain on goods trading	0	0	0	0	-
Financial revenue	70,161	71,523	84,214	63,939	67,954
Financial expenses	68,501	74,923	91,631	75,939	68,267
Net operating revenue	70,077	46,691	45,931	67,527	76,519
Selling, general and administrative expenses	62,574	58,387	59,945	67,666	71,260
Trading related expenses	18,403	15,065	17,140	22,152	22,932
Personal expenses	25,484	23,602	22,004	26,272	25,911
Real estate expenses	6,884	6,602	6,643	6,266	7,023
Office cost	5,644	6,625	7,099	5,839	6,717
Depreciation	3,885	4,312	4,625	4,683	5,093
Taxes and dues	539	706	237	848	481
Other	1,733	1,473	2,195	1,603	3,100
Operating income (loss)	7,502	(11,696)	(14,013)	(138)	5,258
Non-operating income	2,515	2,446	2,683	1,586	1,537
Equity in earnings of affiliates	1,544	1,718	1,577	23	(23)
Other	971	728	1,106	1,563	1,561
Non-operating expenses	522	687	1,541	1,895	5,578
Equity in losses of affiliates	-	-	-	-	4,647
Other	522	687	1,541	1,895	930
Ordinary income (loss)	9,495	(9,937)	(12,871)	(448)	1,218
Extraordinary income	180	10	7,522	891	7,414
Extraordinary loss	1,055	211	7,540	1,421	13,273
Income (loss) before income taxes	8,620	(10,138)	(12,890)	(978)	(4,639)
Income taxes-current	3,851	(4,262)	(771)	2,715	3,666
Income taxes-deferred	(4,364)	1,860	(1,673)	673	(6,907)
Minority interests in income (loss)	(321)	(136)	(383)	2,542	2,772
Net income (loss)	9,455	(7,599)	(10,062)	(6,909)	(4,171)

Reference: Non-Consolidated Financial Results
for the Second Quarter of the Fiscal Year Ending March 31, 2009

[Quarterly performance trends]

(1) Non-consolidated operating results

(Millions of yen)

	First six months of FY2007 (From April 1, 2007 to September 30, 2007)	First six months of FY2008 (From April 1, 2008 to September 30, 2008)	Increase (Decrease)	FY2007 (From April 1, 2007 to March 31, 2008)
Operating revenue	148,435	121,214	(27,220)	255,024
Commission received	63,533	50,025	(13,507)	117,318
Net trading income	57,147	40,121	(17,026)	85,255
Net operating revenue	129,564	98,752	(30,811)	212,690
Operating income (loss)	25,281	(2,205)	(27,487)	6,858
Ordinary income	25,680	517	(25,162)	6,202
Net income (loss)	18,001	(16,065)	(34,067)	(4,169)

(Breakdown of operating revenue)

<Breakdown by item of commission received>

(Millions of yen)

	First six months of FY2007 (From April 1, 2007 to September 30, 2007)	First six months of FY2008 (From April 1, 2008 to September 30, 2008)	Increase (Decrease)	FY2007 (From April 1, 2007 to March 31, 2008)
Commission to consignees	25,275	15,475	(9,799)	42,628
Underwriting and distribution commission	4,623	3,427	(1,196)	8,106
Flotation and distribution fee	14,486	12,553	(1,932)	24,947
Other fees received	19,147	18,569	(578)	41,636
Total	63,533	50,025	(13,507)	117,318

<Breakdown by product of commission received>

(Millions of yen)

	First six months of FY2007 (From April 1, 2007 to September 30, 2007)	First six months of FY2008 (From April 1, 2008 to September 30, 2008)	Increase (Decrease)	FY2007 (From April 1, 2007 to March 31, 2008)
Stocks	28,807	16,839	(11,967)	49,050
Bonds	2,866	2,959	93	5,366
Beneficiary certificates	24,428	22,670	(1,758)	45,276
Other	7,431	7,556	125	17,625
Total	63,533	50,025	(13,507)	117,318

<Net trading income>

(Millions of yen)

	First six months of FY2007 (From April 1, 2007 to September 30, 2007)	First six months of FY2008 (From April 1, 2008 to September 30, 2008)	Increase (Decrease)	FY2007 (From April 1, 2007 to March 31, 2008)
Securities	8,688	2,984	(5,704)	11,819
Bonds	47,062	35,090	(11,972)	135,957
Other	1,396	2,046	650	(62,521)
Total	57,147	40,121	(17,026)	85,255

(2) Non-consolidated financial position

(Millions of yen)

	As of September 30, 2008	As of March 31, 2008	Increase (Decrease)	As of September 30, 2007
Total assets	13,929,422	9,986,090	3,943,332	10,626,105
Net assets	673,754	690,418	(16,663)	717,478
Net capital regulation ratio (%)	277.3	299.4	(22.1)	339.9