
Financial Highlights and Operational Information for First Quarter of FY ending March 2010 (Japanese GAAP)

Nikko Cordial Securities Inc.

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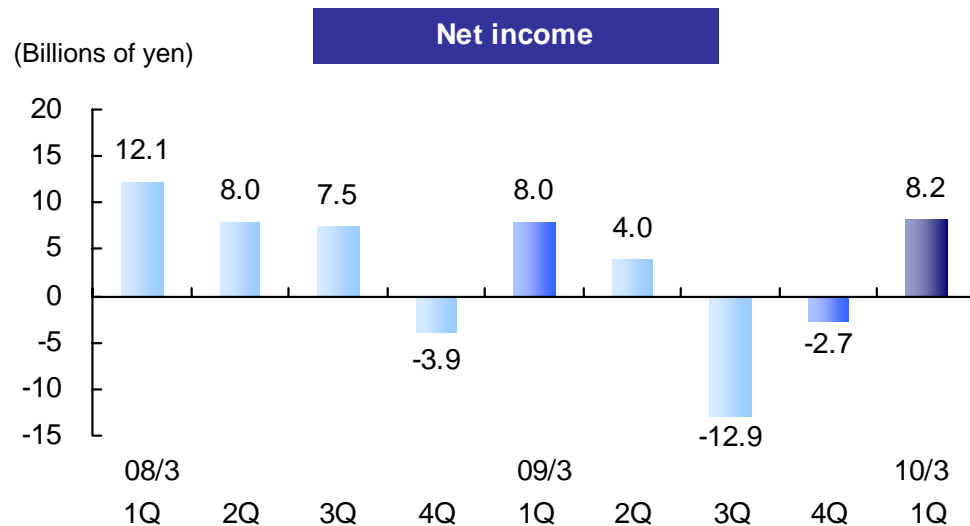
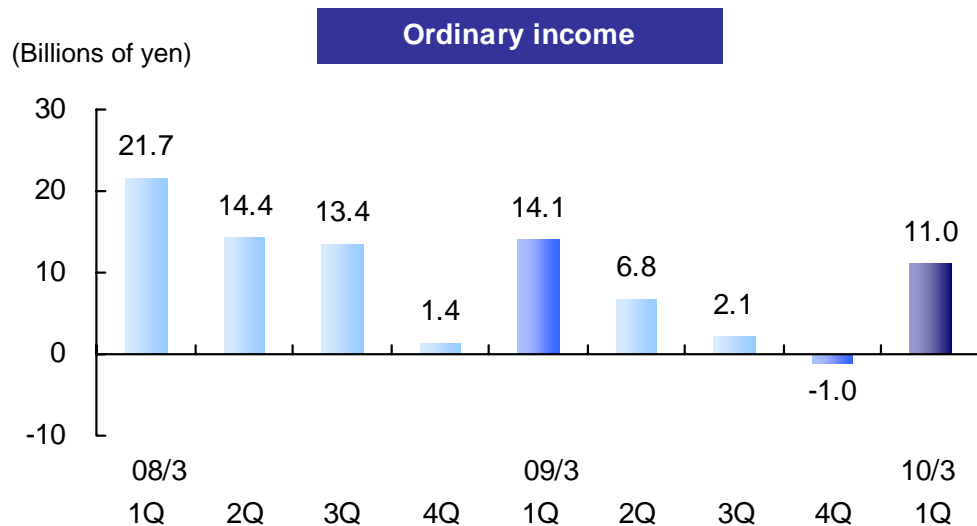
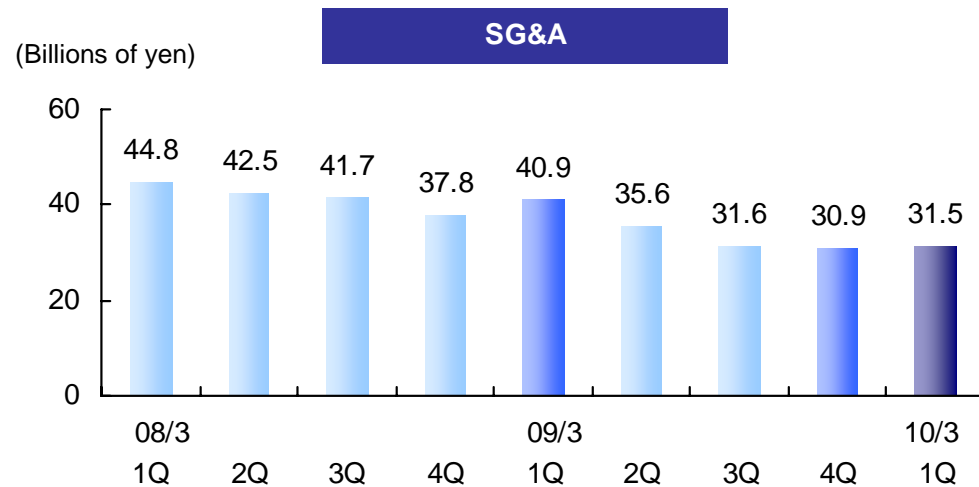
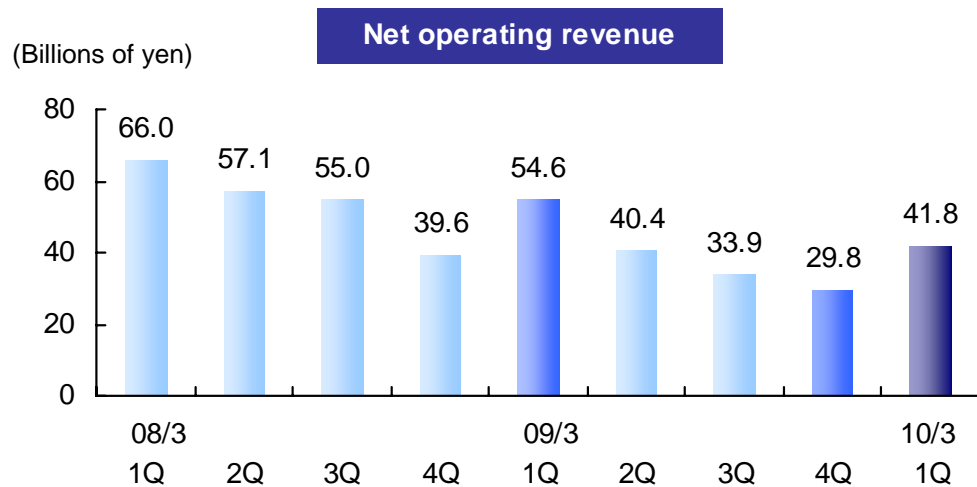
This material is intended to provide updated information on business results about Nikko Cordial Securities. It is not to be construed as a solicitation for investments to any securities.

Topics of 1Q of FY ending Mar. 2010

Topics of 1Q

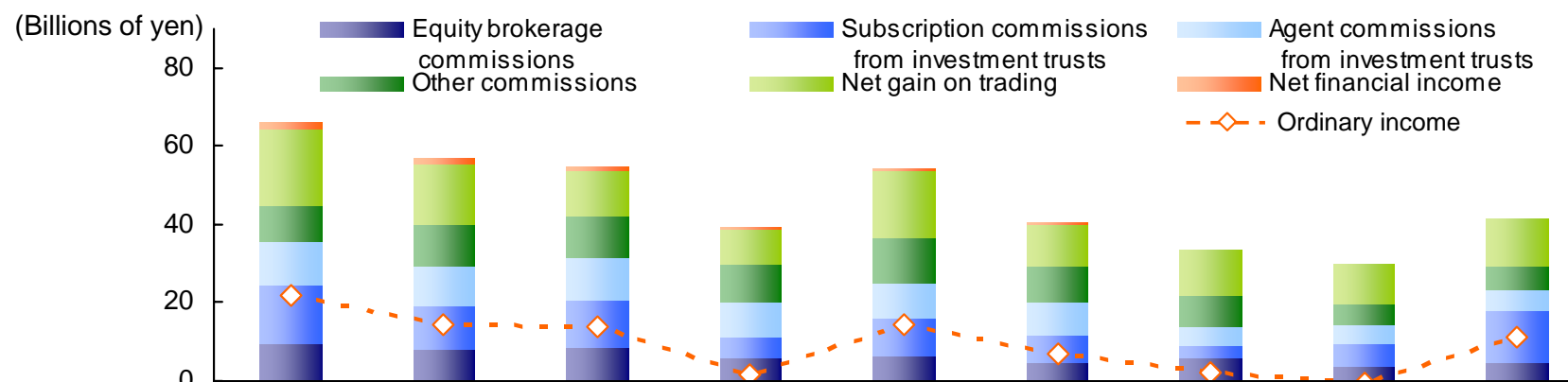
- Net operating revenue increased for the first time in the past 4 quarters, to 41.8B yen, up 40 % from the previous quarter, reflecting the market rebounding from the turmoil.
- Investment trust sales increased by 77% from the previous quarter, which is a main contributor to an overall business recovery.
- Selling and general administrative cost (SG&A) was successfully held at 31.5B yen, a low level achieved by continuing cost control efforts.
- With net income of 8.2B yen, the Company returned to a black for the first time in the 3 quarters.

Business Results of 1Q of FY ending Mar. 2010 (Quarterly Trend)



Business Results

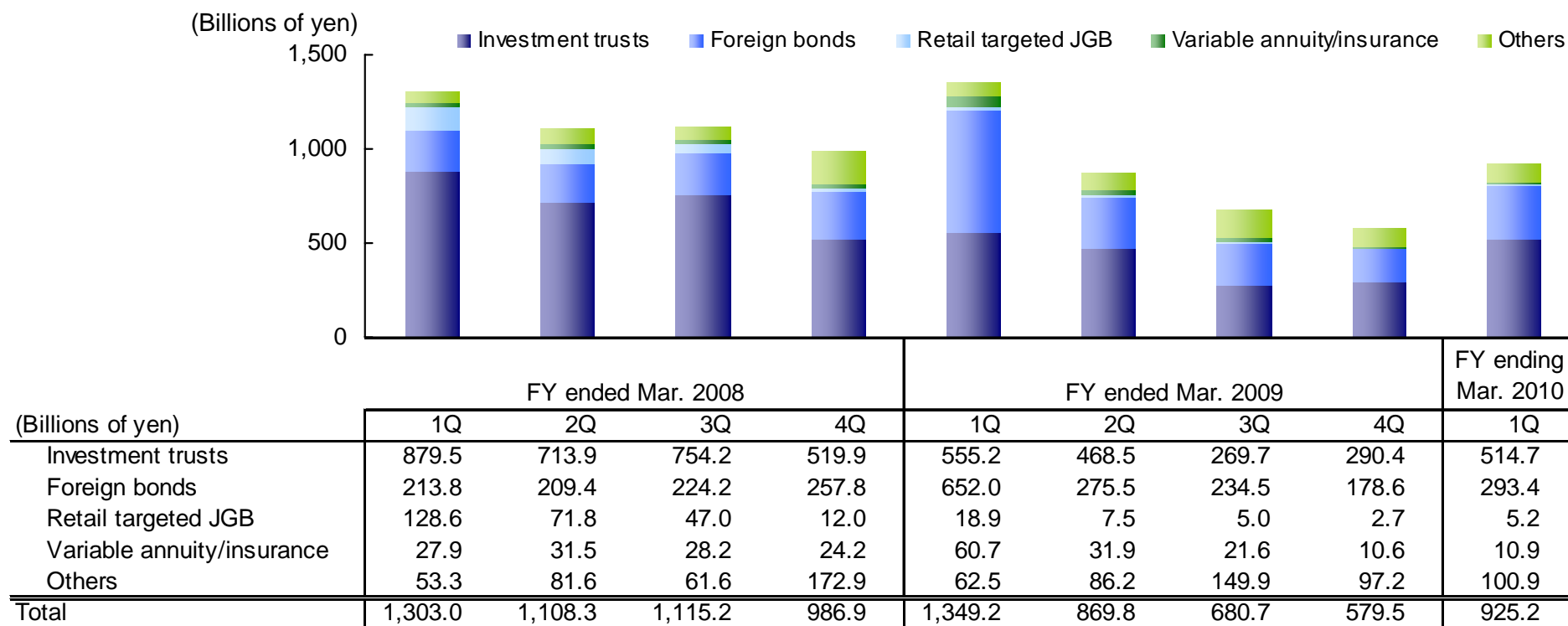
- Net operating revenue recovered to 41.8B yen, a result better than last year's 2nd quarter (40.4B yen), while the turmoil in the market is letting up.
- Subscription commissions from investment trusts more than doubled (or 2.2 times) from the previous quarter, the highest performance since and comparable to 1st quarter for the year ended in March 2008.
- Net gain on trading increased by 21% from the previous quarter mainly due to foreign bonds sales recovery.



(Billions of yen)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Equity brokerage commissions	9.5	7.7	8.1	5.5	6.3	4.5	5.7	3.4	4.8
Subscription commissions from investment trusts	14.8	11.2	12.7	5.7	9.5	7.2	2.9	6.0	13.2
Agent commissions from investment trusts	11.3	10.1	10.3	9.0	9.0	8.2	5.3	4.6	5.2
Other commissions	9.0	10.8	10.8	9.5	11.7	9.3	7.9	5.4	5.9
Net gain on trading	19.9	15.6	11.9	9.3	17.2	10.4	11.5	10.0	12.1
Net financial income	1.3	1.3	1.0	0.4	0.6	0.5	0.3	0.2	0.2
Net operating revenue	66.0	57.1	55.0	39.6	54.6	40.4	33.9	29.8	41.8
SG&A	44.8	42.5	41.7	37.8	40.9	35.6	31.6	30.9	31.5
Ordinary income / loss	21.7	14.4	13.4	1.4	14.1	6.8	2.1	-1.0	11.0

Sales of Products

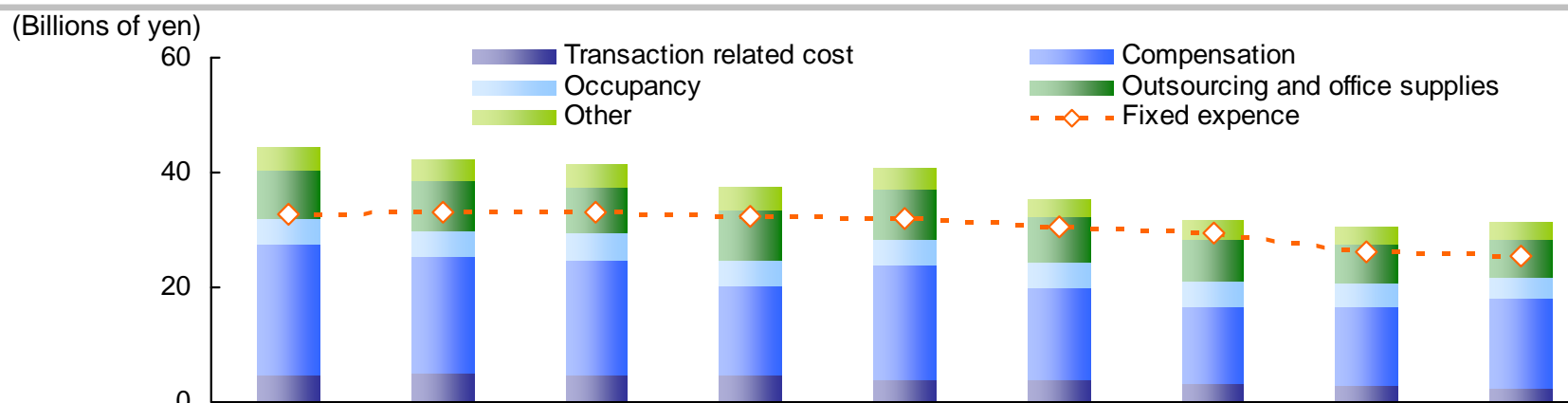
- Supplying products focusing on market attention and investors' interest, investment trust sales increased 77% from the previous quarter to 514.7B yen, a result comparable to the same quarter of the previous fiscal year.
- Foreign bonds sales increased by 64% from the previous quarter to 293.4B yen, reflecting relatively stable FX market.



* Others: Subscription of equity and yen denominated bond excluding retail targeted JGB.

SG&A

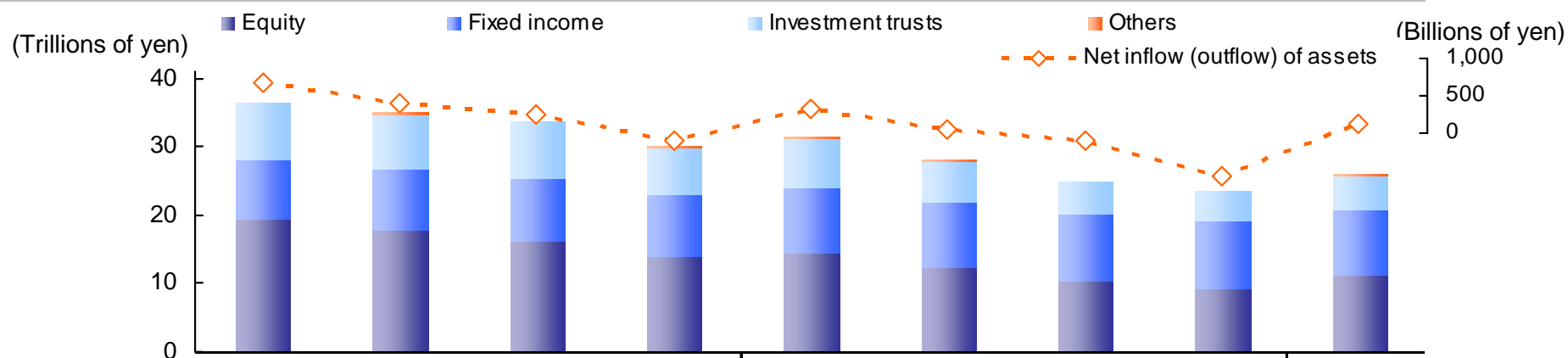
- Of SG&A, fixed expense portion continued to decline for 5 consecutive quarters owing to continuing cost control efforts, while variable expense portion increased reflecting growing revenue.
- Employee compensation and benefit increased from the previous quarter as bonus and performance-based-salary for FA & IFA increased, linked to business recovery.



(Billions of yen)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Brokerage, communication and other transaction related costs	4.8	5.2	4.9	4.7	4.1	4.0	3.2	2.8	2.5
Employee compensation and benefit	22.7	20.2	19.9	15.7	19.8	15.9	13.7	14.0	15.6
Occupancy	4.5	4.6	4.5	4.5	4.6	4.3	4.1	3.8	3.9
Outsourcing and office supplies	8.2	8.4	8.3	8.4	8.5	8.0	7.4	6.9	6.5
Other	4.3	3.8	3.8	4.2	3.7	3.2	3.1	3.2	2.8
SG&A	44.8	42.5	41.7	37.8	40.9	35.6	31.6	30.9	31.5
Fixed expense	[32.6]	[33.2]	[33.0]	[32.5]	[32.1]	[30.6]	[29.3]	[26.2]	[25.6]

Client Assets / Net Inflow (Outflow) of Assets

- Client assets increased 10% from the previous quarter to about 26 trillion yen.
- Net asset inflow turned positive for the first time in the past 3 quarters as product sales recovered.



(Trillions of yen)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	Jun. 07	Sep. 07	Dec. 07	Mar. 08	Jun. 08	Sep. 08	Dec. 08	Mar. 09	Jun. 09
Equity	19.4	17.7	16.2	13.8	14.6	12.2	10.4	9.4	11.1
Fixed income	8.9	9.2	9.3	9.3	9.6	9.8	9.8	9.6	9.7
Investment trusts	8.0	7.9	8.0	6.8	7.1	6.0	4.5	4.4	4.9
Others	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
Client assets	36.5	34.9	33.6	30.0	31.4	28.2	24.9	23.5	25.9

(Billions of yen)	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Net inflow (outflow) of assets	680.7	393.8	235.2	-112.4	311.9	34.9	-118.6	-588.8	117.5
Inflow of assets	2,913	2,973	3,331	2,793	3,387	3,234	2,346	2,402	1,833
Outflow of assets	-2,232	-2,579	-3,096	-2,906	-3,075	-3,199	-2,465	-2,990	-1,716

[Reference Data]

Business Results

(Millions of yen)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Operating revenue	67,158	58,219	56,321	41,110	56,561	41,871	35,177	30,524	42,496
Commissions	44,795	40,091	42,006	29,843	36,733	29,416	22,049	19,554	29,392
Brokerage commissions	9,655	7,869	8,207	5,652	6,414	4,653	6,282	3,683	5,224
Subscription and distribution commissions	15,902	12,737	13,493	6,903	11,522	7,828	3,402	6,509	14,572
Other commissions	19,236	19,484	20,305	17,288	18,797	16,934	12,365	9,361	9,596
Net gain on trading	19,916	15,699	11,947	9,374	17,290	10,449	11,562	10,074	12,170
Net gain on other trading	0	0	0	0	0	0	0	0	0
Interest and dividend income	2,445	2,428	2,366	1,892	2,537	2,005	1,565	895	933
[Net financial income]	[1,321]	[1,320]	[1,082]	[477]	[651]	[566]	[378]	[213]	[295]
Interest expense	1,124	1,108	1,284	1,414	1,886	1,438	1,186	681	637
Net operating revenue	66,034	57,111	55,036	39,695	54,675	40,433	33,990	29,842	41,859
SG&A	44,827	42,536	41,749	37,819	40,993	35,621	31,673	30,968	31,563
Operating income / loss	21,206	14,575	13,287	1,876	13,682	4,811	2,317	-1,126	10,295
Ordinary income / loss	21,798	14,454	13,455	1,473	14,120	6,895	2,177	-1,034	11,031
Net income / loss	12,147	8,070	7,589	-3,917	8,045	4,086	-12,981	-2,776	8,253

Market Share / Equity Brokerage

TSE Share (Based on Amount)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
TSE Share	0.3%	0.3%	0.3%	0.2%	0.3%	0.2%	0.3%	0.3%	0.3%

Retail Market Share (*)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Retail Market Share	1.7%	1.5%	1.5%	1.4%	1.6%	1.5%	1.7%	1.4%	1.4%

(*) Total of 1st and 2nd section of Tokyo, Osaka, Nagoya markets.

Direct Channel (*)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Based on number of transaction	74.7%	76.3%	74.7%	77.3%	78.8%	78.7%	77.1%	82.3%	82.1%
(Nikko EZ Trade)	(50.3%)	(52.0%)	(51.5%)	(53.9%)	(55.4%)	(56.4%)	(56.3%)	(63.8%)	(65.8%)
(Equity Advice Center)	(7.2%)	(6.2%)	(6.6%)	(5.7%)	(7.4%)	(5.0%)	(3.2%)	(2.5%)	(1.9%)
Based on commissions	59.7%	57.2%	55.9%	55.6%	58.4%	56.6%	52.7%	55.6%	46.9%
(Nikko EZ Trade)	(24.9%)	(25.5%)	(26.8%)	(28.3%)	(27.1%)	(30.1%)	(30.2%)	(34.5%)	(30.2%)
(Equity Advice Center)	(22.4%)	(19.0%)	(17.2%)	(14.7%)	(20.9%)	(14.0%)	(8.5%)	(7.6%)	(6.0%)

(*) Percentage of transaction via non-face-to-face channels in equity & CBs (brokerage & subscription) among individual clients.

Operational Indicator 1

Sales of Products (Billions of yen)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Investment trusts (excluding MRF)	879.5	713.9	754.2	519.9	555.2	468.5	269.7	290.4	514.7
Equity investment trusts	(708.2)	(486.4)	(572.1)	(286.6)	(317.4)	(294.4)	(113.3)	(106.6)	(223.5)
Foreign registered investment trust	(133.5)	(181.3)	(143.5)	(183.9)	(180.5)	(111.1)	(111.0)	(152.9)	(251.6)
Foreign bonds	213.8	209.4	224.2	257.8	652.0	275.5	234.5	178.6	293.4
Foreign currency bonds	(54.1)	(68.2)	(67.6)	(63.0)	(106.2)	(63.0)	(55.7)	(26.9)	(69.3)
Retail targeted JGB	128.6	71.8	47.0	12.0	18.9	7.5	5.0	2.7	5.2
Annuity/Insurance	27.9	31.5	28.2	24.2	60.7	31.9	21.6	10.6	10.9
Others	53.3	81.6	61.6	172.9	62.5	86.2	149.9	97.2	100.9
Domestic yen bonds	39.9	29.0	43.1	137.3	45.3	56.1	145.1	96.3	55.1
Equity etc.	13.4	52.6	18.5	35.6	17.1	30.1	4.8	0.9	45.8
Total	1,303.0	1,108.3	1,115.2	986.9	1,349.2	869.8	680.7	579.5	925.2

* Foreign bonds sales amount include already-issued bonds. Foreign bonds denominated in yen in foreign bonds.

Brokerage Share, Commissions Rate (Billions of yen, bp)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
Equity brokerage amounts	1,454.4	1,214.6	1,303.5	903.3	1,023.8	719.6	846.7	516.0	764.6
Equity brokerage commissions	9.5	7.7	7.7	5.4	6.2	4.5	5.7	3.3	4.7
Equity commissions rate	65.6bp	63.8bp	59.6bp	59.8bp	60.6bp	62.5bp	67.3bp	65.1bp	62.8bp

(*) "Equity brokerage amounts" and "Equity brokerage commissions" in the table represent the total of cash and margin transactions.

Operational Indicator 2

Number of Accounts

(Thousands of accounts)	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	Jun.07	Sep.07	Dec.07	Mar.08	Jun.08	Sep.08	Dec.08	Mar.09	Jun.09
Total accounts	2,276	2,305	2,340	2,360	2,398	2,384	2,440	2,461	2,470
Cash management accounts	1,787	1,814	1,847	1,864	1,879	1,853	1,904	1,919	1,927
Specialized accounts	1,119	1,146	1,109	1,128	1,148	1,179	1,117	1,130	1,156
Newly opened accounts	35	38	43	29	40	49	62	24	20

Number of Branches

	FY ended Mar. 2008				FY ended Mar. 2009				FY ending Mar. 2010
	Jun.07	Sep.07	Dec.07	Mar.08	Jun.08	Sep.08	Dec.08	Mar.09	Jun.09
Number of branches	110	110	110	110	111	111	111	109	109