

(Summary translation)

Quarterly Securities Report
Including Financial Statements
Under Japanese GAAP
For the Nine Months
Ended December 31, 2008

Matsui Securities Co., Ltd.

1-4, Kojimachi, Chiyoda-ku, Tokyo, Japan

Filed with the Director of the Kanto Local Finance Bureau

On February 13, 2009

1 Information on the Company

Part 1 Company Financial Outlook

1 Major Business Indices

Consolidated Business Indices

		Nine months Ended December 31, 2008	Three months Ended December 31, 2008	Year Ended March 31, 2008
Operating revenues	(Millions of Yen)	21,403	6,381	39,915
Net operating revenues	(Millions of Yen)	19,638	5,848	36,689
Ordinary income	(Millions of Yen)	8,653	2,114	20,744
Net income	(Millions of Yen)	5,184	1,261	12,781
Net assets	(Millions of Yen)	—	67,325	81,044
Total assets	(Millions of Yen)	—	460,692	513,369
Net assets per share	(Yen)	—	262.24	301.03
Earnings per share	(Yen)	19.68	4.91	47.48
Fully diluted earnings per share	(Yen)	17.46	4.34	42.43
Equity ratio	(%)	—	14.6	15.8
Cash flows from operating activities	(Millions of Yen)	88,938	—	127,957
Cash flows from investing activities	(Millions of Yen)	(1,325)	—	(77)
Cash flows from financing activities	(Millions of Yen)	(54,802)	—	(154,736)
Cash and cash equivalents at end of period	(Millions of Yen)	—	81,793	48,981
Number of employees		—	108	109

2 Company's Business

There have not been significant changes in the business of the Company's group in the three months ended December 31, 2008. There have not been significant changes in the business of the Company's major affiliates for the three months ended December 31, 2008 either.

3 Affiliated Companies

There have not been changes in the composition of the affiliate companies in the three months ended December 31, 2008.

4 Employees

(1) Consolidated basis

The Company and its consolidated subsidiaries employ 108 employees (This number includes five employees on maternity leave and other types of leave) and 194 temporary employees.

(2) Stand-alone basis

The Company employs 108 employees (This number includes five employees on maternity leave and other types of leave) and 190 temporary employees.

Part 2 Business Outlook of the Company

Significant Contracts for the Company's Business

The company entered into the contract summarized in the table below in November 2008 which will be effective for the period from June 2009 to May 2011. This contract succeeds the "Contract on the Information Processing" which will conclude in May 2009 disclosed in the Annual Securities Report dated June 23, 2008. The "Contract on the Back-Office Operations" disclosed in the same Annual Securities Report stays effective. Details on the latter contract will not be shown in the future Annual and Quarterly Securities Reports considering that this contract is an accompanying contract with the present and future "Contract on the Information Processing".

Contract term	Title	Counterparty	Content
From June 2009 to May 2011	Contract on the Information Processing	CSK Securities Service Co., Ltd.	Information processing services on securities services

Part 3 Equipment

1 Major Equipment

There have not been significant changes in the Company's equipment in the three months ended December 31, 2008.

2 Plans for Equipment Purchase or Disposal

There have not been significant changes nor completion of the plans during the three months ended December 31, 2008 to purchase or dispose equipment as of September 30, 2008.

There have not been any significant plans newly introduced in the three months ended December 31, 2008.

Part 4 Corporate Profiles

1 Number of Shares

(1) Total Number of Shares

Number of Shares Authorized	
Common Stock	1,050,000,000 shares
Total	1,050,000,000 shares

	Number of Shares Outstanding		Stock Exchange(s) Listed at	Details
	As of December 31, 2008 (End of the quarterly period)	As of February 13, 2009 (Date of filing this Report)		
Common Stock	269,260,202 shares	269,260,202 shares	Tokyo Stock Exchange (First Section)	1 unit consists of 100shares
Total	269,260,202 shares	269,260,202 shares	—	—

Note: The number of shares outstanding as of February 13, 2009 does not include those shares issued as a result of the exercise of new-share purchase rights in the period from February 1, 2009 to February 13, 2009.

(2) New-Share Purchase Rights

(i) New-share purchase rights

Special resolution from general shareholders' meeting (June 16, 2002)	
	As of December 31, 2008
Number of new-share purchase rights	15
Number of new-share purchase rights held by the Company	—
Shares on which the new-share purchase rights will be exercised	Common Stock 1unit: 100shares
Number of shares to be issued by the new-share purchase rights	4,500
Total value of payment	Total: 2,515,500 Yen (559 Yen per share)
Period of exercise of rights	From July 15, 2005 to July 14, 2010
Price of issuance and value to be capitalized as common stock	Price of Issuance: 559 Yen Value to be capitalized as common stock: 280 Yen
Conditions of exercise	※Note
Restrictions on assignment of rights	Assignments of rights require the approval by the board of directors.
Alternative payment on the exercise of the rights	—
Grant of rights due to corporate reorganization	—

Note: (1) Person granted with new-share purchase right must be in the position of directors, auditors, or employees of the Company or its subsidiaries at the time of the exercise of the rights. The exemption of this is the case where the persons have retired from directors, auditors or employees of the Company or its subsidiaries by the expiration of their term or reaching their retiring age.

(2) In case where the holder of the right deceases, its heir is entitled to exercise the rights.

(3) Disposition of the rights including pawning is to be denied.

(4) Other conditions are provided in the stock option contracts.

Special resolution from general shareholders' meeting (June 27, 2004)	
	As of December 31, 2008
Number of new-share purchase rights	1,580
Number of new-share purchase rights held by the Company	—
Shares on which the new-share purchase rights will be exercised	Common Stock 1unit: 100shares
Number of shares to be issued by the new-share purchase rights	474,000
Total value of payment	Total: 576,858,000 Yen (1,217 Yen per share)
Period of exercise of rights	From July 15, 2006 to July 14, 2009
Price of issuance and value to be capitalized as common stock	Price of Issuance: 1,217 Yen Value to be capitalized as common stock: 609 Yen
Conditions of exercise	※Note
Restrictions on assignment of rights	Assignments of rights require the approval by the board of directors.
Alternative payment on the exercise of the rights	—
Grant of rights due to corporate reorganization	—

Note: (1) Person granted with new-share purchase right must be in the position of directors, auditors, or employees of the Company or its subsidiaries at the time of the exercise of the rights. The exemption of this is 1) the case where the persons have retired from directors, auditors or employees of the Company or its subsidiaries by the expiration of their term or reaching their retiring age and 2) the case where the persons have reasonable conditions.

(2) In case where the holder of the right deceases, its heir is entitled to exercise the rights.

(3) Disposition of the rights including pawning is to be denied.

(4) Other conditions are determined by the resolution of the board of directors.

(ii) Bonds with new-share purchase rights

Zero Coupon Convertible Bond due 2011 (Issued on November 17, 2003)	
	As of December 31, 2008
Number of new-share purchase rights	19,900
Number of new-share purchase rights held by the Company	—
Shares on which the new-share purchase rights will be exercised	Common Stock 1unit: 100shares
Number of shares to be issued by the new-share purchase rights	33,459,436
Total value of payment	39,800,000,000 Yen (2 million yen per one new-share purchase right 1,189.5 Yen per share)
Period of exercise of rights	From December 1, 2003 to March 17, 2011
Price of issuance and value to be capitalized as common stocks	Price of Issuance: 1,189.5 Yen Value to be capitalized as common stock: 595 Yen
Conditions of exercise	New-share purchase rights of each bond cannot be exercised partially.
Restrictions on assignment of rights	The new-share purchase rights can not be assigned separately from the bonds.
Alternative payment on the exercise of the rights	The amount equivalent to the bonds issued is to be treated as the fulfillment of the payment on the exercise of the rights.
Grant of rights due to corporate reorganization	—
Outstanding balance of bonds with new-share purchase rights (Millions of yen)	39,800

(3) Rights Plan

No relevant items

(4) Total Number of Shares Outstanding and Capital Stock

	Shares Outstanding		Capital Stock		Additional Paid in Capital	
	Change (thousands of shares)	Shares outstanding (thousands of shares)	Change (Millions of Yen)	Outstanding Balance (Millions of Yen)	Change (Millions of Yen)	Outstanding Balance (Millions of Yen)
From October 1, 2008 to December 31, 2008	—	269,260	—	11,944	—	9,792

(5) Principal Shareholders

The Company has not obtained information on the changes of the principal shareholders for the quarter ended December 31, 2008.

Purchase of treasury stock in accordance with the resolution passed at the board of directors meeting of the Company held on July 31, 2008, was completed on October 31, 2008. Consequently, the outstanding number of treasury stock as of December 31, 2008 is 12,533 thousand shares (4.65% of the total number of outstanding shares).

(6) Voting Rights

Following tables show the status of voting rights as of September 30, 2008 instead of those as of December 31, 2008 for the Company is not able to settle the list of shareholders as of December 31, 2008.

(i) Outstanding shares

(As of September 30, 2008)

	Number of shares	Number of voting rights
Shares without voting rights	—	—
Shares with limited voting rights (Treasury stock)	—	—
Shares with limited voting rights (Other than treasury stock)	—	—
Shares with full voting rights (Treasury stock)	(Treasury stock) Common stock 8,483,300	—
Shares with full voting rights (Other than treasury stock)	Common stock 260,763,600	2,607,251
Odd lot shares (1 lot = 100 shares)	Common stock 13,302	—
Total number of shares outstanding	269,260,202	—
Total number of voting rights	—	2,607,251

Note:

- 1,000 shares under the title of Japan Securities Depository Center Inc. and 37,500 shares of securities bought by customers using money loaned from the Company's own fund are included in "Shares with full voting rights (Other than treasury stock)." 10 voting rights under the title of Japan Securities Depository Center Inc. and 375 voting rights of securities bought by customers using money loaned from the Company's own fund are not included in "Shares with full voting rights (Other than treasury stock)".
- 45 treasury stock are included in odd-lot shares.

(ii) Treasury Stock

(As of September 30, 2008)

Name of shareholders	Address	Treasury stock held under the Company's own name	Treasury stock held under others' name	Total Number of shares	Percentage of shares to the total number of outstanding shares (%)
(Treasury stock held by the Company) Matsui Securities Co., Ltd.	1-4, Kojimachi, Chiyoda-ku, Tokyo, Japan	8,483,300	—	8,483,300	3.15
Total	—	8,483,300	—	8,483,300	3.15

2 Share Price

Monthly Highest and Lowest Prices for the nine months ended December 31, 2008		April 2008	May 2008	June 2008	July 2008	August 2008	September 2008	October 2008	November 2008	December 2008
	Highest (Yen)	745	834	830	796	883	835	774	692	756
	Lowest (Yen)	537	695	633	588	732	692	476	561	590

Note: The highest and lowest prices are quoted in the 1st section of the Tokyo Stock Exchange.

3 Executives

Followings are the changes in the executive titles after June 23, 2008 when the Company filed its Annual Securities report for the year ended March 31, 2008;

Change of directors' title

New title	Former title	Name	Date of change
Director, General Manager of Customer Support Center	Director, General Manager of Customer Support Department	Ayumi Sato	August 1, 2008
Director, General Manager of RTGS Operation Department and Director in charge of Marketing Department (In charge of Business Development Unit)	Director, General Manager of RTGS Operation Department and Director in charge of Business Development Department	Takashi Moribe	August 1, 2008
Director, General Manager of Marketing Department (In charge of CS Planning Unit and Corporate Services Unit)	Director, General Manager of Corporate Services Department	Akihiro Ichimura	August 1, 2008
Director, General Manager of System Department	Director, General Manager of System Department and Director in charge of System Management Department	Kunihiko Sato	August 1, 2008
Director, General manager of Marketing Department (In charge of Marketing Planning Unit)	Director in charge of Marketing Department	Akira Warita	August 1, 2008
Director, General Manager of Finance Department	Director, General Manager of Finance Department	Shinichi Uzawa	August 1, 2008

4 Operations of Business

(1) Commissions

(Millions of Yen)

	Item	Stocks	Bonds	Beneficiary Certificates	Others	Total
Three months ended December 31, 2008	Brokerage commissions	3,924	—	49	18	3,990
	Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	0	—	—	—	0
	Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	—	—	—	0
	Others	111	—	2	568	681
	Total	4,035	—	51	586	4,672

(2) Net Gain on Trading

(Millions of Yen)

	Three months ended December 31, 2008		
	Realized gain and loss	Evaluation gain and loss	Total
Net gain on trading of stocks	(0)	—	(0)
Net gain on trading of bonds and others	2	(0)	2
Bonds	—	—	—
Others	2	(0)	2
Total	2	(0)	2

(3) Operations of Securities Trading**[1] Trading of securities excluding futures****i) Stocks**

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Three months ended December 31, 2008	3,091,780	200	3,091,980

(Margin Trading)

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Three months ended December 31, 2008	1,945,023	—	1,945,023

ii) Bonds

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Three months ended December 31, 2008	—	—	—

iii) Beneficiary Certificates

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Three months ended December 31, 2008	46,350	—	46,350

iv) Others

(Millions of Yen)

	New-share purchase rights	Commercial paper	Others	Total
	Three months ended December 31, 2008	—	—	2,467

※"Others" are covered warrants

(Brokerage trading)

(Millions of Yen)

	New-share purchase rights	Commercial paper	Others	Total
	Three months ended December 31, 2008	—	—	2,467

※"Others" are covered warrants

[2] Futures Trading

i)Stock-based

(Millions of Yen)

	Futures trading		Option trading		Total
	Brokerage	Proprietary trading	Brokerage	Proprietary trading	
Three months ended December 31, 2008	4,751,988	—	7,227,833	—	11,979,821

ii)Bond-based

(Millions of Yen)

	Futures trading		Option trading		Total
	Brokerage	Proprietary trading	Brokerage	Proprietary trading	
Three months ended December 31, 2008	—	—	—	—	—

[3] Underwriting and selling, Underwriting and selling for professional investors, Subscription and distribution, Private offering, and Subscription and distribution for professional investors

i)Stocks

(Millions of Yen)

	Underwriting	Selling	Underwriting and selling for professional investors	Subscription	Distribution	Private offerings	Subscription and distribution for professional investors
Three months ended December 31, 2008	—	—	—	11	—	—	—

ii)Bonds

(Millions of Yen)

	Item	Underwriting	Selling	Underwriting and selling for professional investors	Subscription	Distribution	Private offerings	Subscription and distribution for professional investors
Three months ended December 31, 2008	Government Bonds	—	—	—	—	—	—	—
	Municipal Bonds	—	—	—	—	—	—	—
	Special Bonds	—	—	—	—	—	—	—
	Corporate Bonds	—	—	—	—	—	—	—
	Foreign Bonds	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—

iii)Beneficiary certificates

(Millions of Yen)

	Underwriting	Selling	Underwriting and selling for professional investors	Subscription	Distribution	Private offerings	Subscription and distribution for professional investors
Three months ended December 31, 2008	—	—	—	684	—	—	—

iv)Others

(Millions of Yen)

	Products	Underwriting	Selling	Underwriting and selling for professional investors	Subscription	Distribution	Private offerings	Subscription and distribution for professional investors
Three months ended December 31, 2008	Commercial Paper	—	—	—	—	—	—	—
	Foreign certificates	—	—	—	—	—	—	—
	Others	—	—	—	—	—	—	—

(4) Capital Adequacy Ratio

(Millions of Yen)

		As of December 31, 2008
Tier I Capital	①	67,250
Tier II Capital	Net unrealized gain on investment	—
	Statutory reserves	3,745
	Allowance for doubtful accounts	180
	Long-term Subordinated debts	—
	Short-term Subordinated debts	—
	Total ②	3,926
Assets to be deducted from equity capital	③	7,858
Equity capital after deduction	① + ② - ③ (A)	63,317
Risk	Market risk	2
	Counterparty risk	3,596
	Basic risk	3,813
	Total (B)	7,412
Capital adequacy ratio	(A) / (B)×100	854.1%

Note: Values are rounded down to the nearest million yen.

Part 5 Financial Status

1 Presentation of Quarterly Consolidated Financial Statements

Pursuant to Article 61 and 82 of the “Regulations of Quarterly Consolidated Financial Statements” (Cabinet Office Ordinance No. 64, 2007), the quarterly consolidated financial statements of the Company are prepared in accordance with the “Cabinet Office Ordinance concerning Financial Instruments Business” (Cabinet Office Ordinance No. 52, 2007) and the “Uniform Accounting Standards of Securities Business” (set by the board of directors of the Japan Securities Dealers’ Association, November 14, 1974) along with the “Regulations of Quarterly Consolidated Financial Statements”.

2 Audit Report

The quarterly consolidated financial statements for the three months ended December 31, 2008 (From October 1, 2008 to December 31, 2008) and for the nine months ended December 31, 2008 (From April 1, 2008 to December 31, 2008) were reviewed by PricewaterhouseCoopers Aarata in accordance with the Article 193-2-1 of Financial Instruments and Exchange Law.

Notice to readers:

The accompanying quarterly consolidated financial statements were prepared in accordance with the provision set forth in the Corporation Law of Japan and the Financial Instruments and Exchange Law, and in conformity with accounting principles and practices generally accepted in Japan, which are different from International Financial Reporting Standards in the certain aspects of application and disclosure requirements.

The quarterly consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries or jurisdictions other than Japan.

1 Quarterly Consolidated Financial Statements

[1] Quarterly Consolidated Balance Sheets

(Millions of Yen)

	December 31, 2008	March 31, 2008
Assets		
Current Assets		
Cash and bank deposits	15,733	22,978
Cash segregated as deposits	231,955	208,012
Cash in trust	82,209	41,503
Trading assets:	2,544	3,059
Trading securities and others	0	—
Derivatives	2,544	3,059
Net receivables arising from pre-settlement date trades	17	1
Margin account assets:	113,068	207,232
Loans receivable from customers	106,367	203,823
Cash deposited as collateral for securities borrowed from securities finance companies	6,701	3,408
Receivables on collateralized securities transactions:		
Cash deposits collateral for securities borrowed	1,897	708
Receivables from customers and others	24	65
Short-term guarantee deposits	999	15,349
Others	5,048	7,501
Allowance for doubtful accounts	(181)	(279)
Total current assets	453,315	506,129
Fixed assets		
Tangible fixed assets	※1 1,145	※1 965
Intangible assets	3,360	3,291
Software	3,348	3,274
Others	12	16
Investments and others	2,871	2,984
Investment securities	328	343
Others	3,466	3,845
Allowance for doubtful accounts	(924)	(1,204)
Total fixed assets	7,376	7,240
Total assets	460,692	513,369

(Millions of Yen)

	December 31, 2008	March 31, 2008
Liabilities		
Current liabilities		
Trading liabilities:	114	175
Derivatives	114	175
Margin account liabilities:	37,920	29,720
Loans from securities finance companies	※2 8,095	※2 5,679
Proceeds of securities sold on customers' account	29,825	24,041
Payables on collateralized securities transactions:	5,859	22,278
Cash deposits as collateral for securities loaned	5,859	22,278
Deposits received	123,324	119,965
Guarantee money received	134,868	128,036
Suspense account for undelivered securities	—	16
Short-term borrowings	5,032	36,050
Bonds due within one year	40,000	20,000
Accrued income taxes	751	4,761
Accrued bonuses	102	136
Others	1,579	2,435
Total current liabilities	<u>349,548</u>	<u>363,572</u>
Long-term liabilities		
Bonds	—	20,000
Convertible bonds	39,800	39,800
Long-term borrowings	68	5,000
Reserve for retirement bonuses for directors and auditors	204	206
Others	0	0
Total long-term liabilities	<u>40,073</u>	<u>65,006</u>
Statutory reserves		
Reserve for securities transactions	—	3,746
Reserve for financial products transaction liabilities	3,746	—
Total statutory reserves	<u>3,746</u>	<u>3,746</u>
Total liabilities	<u>393,367</u>	<u>432,324</u>

(Millions of Yen)

	December 31, 2008	March 31, 2008
Net assets		
Shareholders' equity		
Common stock	11,944	11,942
Capital surplus	9,792	9,790
Earned surplus	55,099	59,337
Treasury stock	(9,474)	(22)
Total shareholders' equity	67,360	81,046
Valuation and translation adjustments		
Net unrealized gain (loss) on investment securities, net of taxes	(35)	(2)
Total valuation and translation adjustments	(35)	(2)
Total net assets	67,325	81,044
Total liabilities and net assets	460,692	513,369

[2] Quarterly Consolidated Statements of Income
Nine months ended December 31, 2008

	(Millions of Yen)
	Nine months ended December 31, 2008
Operating revenues	
Commissions	14,487
Brokerage commissions	12,731
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0
Others	1,754
Net gain (loss) on trading	5
Interest and dividend income	6,911
Total operating revenues	<u>21,403</u>
Interest expenses	<u>1,765</u>
Net operating revenues	<u>19,638</u>
Selling, general and administrative expenses	
Transaction related expenses	3,150
Employees' compensation and benefits	※1 1,579
Occupancy and rental	377
Data processing and office supplies	4,777
Depreciation	930
Duties and taxes other than income taxes	129
Others	102
Total selling, general and administrative expenses	<u>11,042</u>
Operating income	<u>8,595</u>
Non-operating income	
Dividend income	51
Others	23
Total non-operating income	<u>74</u>
Non-operating expenses	
Others	17
Total non-operating expenses	<u>17</u>
Ordinary income	<u>8,653</u>
Special profits	
Reversal of allowance for doubtful accounts	26
Gain on sales of investment securities	13
Others	0
Total Special profits	<u>39</u>
Special losses	
Loss on sales and disposals of property and equipment	5
Total Special losses	<u>5</u>
Income before income taxes	<u>8,686</u>
Income taxes - current	3,102
Income taxes - deferred	400
Income taxes	<u>3,502</u>
Net income	<u>5,184</u>

Three months ended December 31, 2008

(Millions of Yen)

	Three months ended December 31, 2008
Operating revenues	
Commissions	4,672
Brokerage commissions	3,990
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	0
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0
Others	681
Net gain (loss) on trading	2
Interest and dividend income	1,707
Total operating revenues	6,381
Interest expenses	532
Net operating revenues	5,848
Selling, general and administrative expenses	
Transaction related expenses	1,073
Employees' compensation and benefits	※1 512
Occupancy and rental	137
Data processing and office supplies	1,635
Depreciation	322
Duties and taxes other than income taxes	34
Others	26
Total selling, general and administrative expenses	3,740
Operating income	2,109
Non-operating income	
Dividend income	0
Others	11
Total non-operating income	11
Non-operating expenses	
Others	6
Total non-operating expenses	6
Ordinary income	2,114
Special profits	
Reversal of allowance for doubtful accounts	(44)
Gain on sales of investment securities	13
Others	0
Total Special profits	(31)
Special losses	
Loss on sales and disposals of property and equipment	5
Total Special losses	5
Income before income taxes	2,077
Income taxes - current	705
Income taxes - deferred	111
Income taxes	816
Net income	1,261

[3] Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine months ended December 31, 2008
Cash flows from operating activities	
Income before income taxes	8,686
Depreciation and amortization	930
Net change in allowance for doubtful accounts	(379)
Net change in accrued bonuses	(34)
Interest and dividend income	(6,923)
Interest expenses	1,717
Gain or loss on sales and disposals of property and equipment	5
Gain or loss on sales of investment securities	(13)
Net change in cash segregated as deposits	(23,988)
Net change in cash in trust	(650)
Net change in trading assets and liabilities	454
Net change in net receivables and payables arising from pre-settlement date trades	(16)
Net change in margin assets and liabilities	102,364
Net change in receivables on collateralized securities transactions	(1,189)
Net change in deposits received and receivables from customers and others	3,399
Net change in payables on collateralized securities transactions	(16,418)
Net change in guarantee money received	6,832
Net change in short-term guarantee deposits	14,349
Others	652
Sub total	89,779
Interest and dividend received	8,078
Interest paid	(1,872)
Income taxes paid	(7,047)
Net cash flows from operating activities	88,938
Cash flows from investing activities	
Payments for purchases of property and equipment	(249)
Payments for purchases of intangible assets	(1,091)
Proceeds from sales of investment securities	14
Others	2
Net cash flows from investing activities	(1,325)
Cash flows from financing activities	
Net change in short-term borrowings	(5,500)
Proceeds from long-term borrowings	100
Repayments of long-term borrowings	(30,550)
Proceeds from issuance of shares on the exercise of new-share purchase rights	3
Payments for purchase of treasury stock	(0)
Dividends paid	(9,398)
Payments made to trust account for purchase of treasury stock	(10,018)
Proceeds transferred from trust account for purchase of treasury stock	561
Net cash flows from financing activities	(54,802)
Translation difference of cash and cash equivalent	(0)
Net change in cash and cash equivalent	32,812
Cash and cash equivalents at beginning of period	48,981
Cash and cash equivalents at end of period	※1 81,793

Changes in Significant Accounting Policies for the Quarterly Consolidated Financial Statements

Nine months ended December 31, 2008

Financing lease transactions other than those where title of the property is transferred to lessee have been accounted for as ordinary lease transactions for the year ended March 31, 2008 and previous years. From this first quarterly period, the Company accounts for these transactions as purchasing transactions according to "Accounting Standard on Lease Transactions (Accounting Standard No.13, revised on March 30, 2007. Originally implemented on June 17, 1993 by the Meeting No.1 of Accounting Standard Board)" and "Guideline for the Application of Accounting Standard on Lease Transactions (Guideline for the Application of Accounting Standard No.16, revised on March 30, 2007, Originally implemented on January 18, 1994 by the Accounting System Committee, the Japanese Institute of Certified Public Accountants)".

The impact of the change above on operating income, ordinary income and net income is immaterial.

Those transactions which started on and before March 31, 2008 are accounted for according to the previous rules.

Adoption of the simplified accounting policies for preparation of the quarterly consolidated financial statements

(Nine months ended December 31, 2008)

No relevant items.

Adoption of the typical accounting procedures for preparation of the quarterly consolidated financial statements

(Nine months ended December 31, 2008)

No relevant items.

Additional Information

Nine months ended December 31, 2008

Reserve for Securities Transactions which was accounted for as of March 31, 2008 according to the Article 51 of the former Securities Exchange Law based on the Article 40 of the supplementary provision of the Financial Instruments and Exchange Law has been changed into Reserve for Financial Products Transaction Liabilities according to the Article 46-5 of the Financial Instruments and Exchange Law.

Notes to Quarterly Consolidated Financial Statements

Notes to Quarterly Consolidated Balance Sheet

As of December 31, 2008	As of March 31, 2008																																								
<p>※1 Accumulated depreciation deducted from tangible fixed assets is as follows.</p> <p style="text-align: right;">676 Million Yen</p>	<p>※1 Accumulated depreciation deducted from tangible fixed assets is as follows.</p> <p style="text-align: right;">622 Million Yen</p>																																								
<p>※2 Assets collateralized: None of the assets is collateralized.</p> <p>Note: The securities bought by customers using money loaned from the Company's own fund, of which fair value amounted to 788 million yen are collateralized for the loans from securities finance companies. 11,784 million yen of the guarantee securities received from customers are collateralized for loans from securities finance companies.</p>	<p>※2 Assets collateralized: None of the assets is collateralized.</p> <p>Note: The securities bought by customers using money loaned from the Company's own fund, of which fair value amounted to 2,256 million yen are collateralized for the loans from securities finance companies. 9,199 million yen of the guarantee securities received from customers are collateralized for loans from securities finance companies.</p>																																								
<p>3 Fair value of securities received and deposited are as follows.</p> <p>(1) Securities deposited (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">① Securities lent for customers' short positions in margin trading</td> <td style="text-align: right;">32,301</td> </tr> <tr> <td>② Collateralized securities for loans from securities finance companies</td> <td style="text-align: right;">8,360</td> </tr> <tr> <td>③ Securities loaned out in securities loaned vs. cash transactions</td> <td style="text-align: right;">6,914</td> </tr> <tr> <td>④ Long-term guarantee securities deposited</td> <td style="text-align: right;">5,881</td> </tr> <tr> <td>⑤ Securities pledged as collateral for short-term guarantee</td> <td style="text-align: right;">6,486</td> </tr> </table> <p>(2) Securities received (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">① Securities received for customers' long positions in margin trading</td> <td style="text-align: right;">83,773</td> </tr> <tr> <td>② Securities borrowed from securities finance companies</td> <td style="text-align: right;">6,828</td> </tr> <tr> <td>③ Securities received in securities borrowed vs. cash transactions</td> <td style="text-align: right;">1,811</td> </tr> <tr> <td>④ Guarantee securities received from customers</td> <td style="text-align: right;">201,560</td> </tr> <tr> <td>⑤ Securities received from customers as collateral for short-term guarantee</td> <td style="text-align: right;">1,832</td> </tr> </table>	① Securities lent for customers' short positions in margin trading	32,301	② Collateralized securities for loans from securities finance companies	8,360	③ Securities loaned out in securities loaned vs. cash transactions	6,914	④ Long-term guarantee securities deposited	5,881	⑤ Securities pledged as collateral for short-term guarantee	6,486	① Securities received for customers' long positions in margin trading	83,773	② Securities borrowed from securities finance companies	6,828	③ Securities received in securities borrowed vs. cash transactions	1,811	④ Guarantee securities received from customers	201,560	⑤ Securities received from customers as collateral for short-term guarantee	1,832	<p>3 Fair value of securities received and deposited are as follows.</p> <p>(1) Securities deposited (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">① Securities lent for customers' short positions in margin trading</td> <td style="text-align: right;">24,502</td> </tr> <tr> <td>② Collateralized securities for loans from securities finance companies</td> <td style="text-align: right;">5,513</td> </tr> <tr> <td>③ Securities loaned out in securities loaned vs. cash transactions</td> <td style="text-align: right;">29,610</td> </tr> <tr> <td>④ Long-term guarantee securities deposited</td> <td style="text-align: right;">6,391</td> </tr> <tr> <td>⑤ Securities pledged as collateral for short-term guarantee</td> <td style="text-align: right;">9,010</td> </tr> </table> <p>(2) Securities received (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">① Securities received for customers' long positions in margin trading</td> <td style="text-align: right;">157,640</td> </tr> <tr> <td>② Securities borrowed from securities finance companies</td> <td style="text-align: right;">3,407</td> </tr> <tr> <td>③ Securities received in securities borrowed vs. cash transactions</td> <td style="text-align: right;">678</td> </tr> <tr> <td>④ Guarantee securities received from customers</td> <td style="text-align: right;">274,464</td> </tr> <tr> <td>⑤ Securities received from customers as collateral for short-term guarantee</td> <td style="text-align: right;">2,529</td> </tr> </table>	① Securities lent for customers' short positions in margin trading	24,502	② Collateralized securities for loans from securities finance companies	5,513	③ Securities loaned out in securities loaned vs. cash transactions	29,610	④ Long-term guarantee securities deposited	6,391	⑤ Securities pledged as collateral for short-term guarantee	9,010	① Securities received for customers' long positions in margin trading	157,640	② Securities borrowed from securities finance companies	3,407	③ Securities received in securities borrowed vs. cash transactions	678	④ Guarantee securities received from customers	274,464	⑤ Securities received from customers as collateral for short-term guarantee	2,529
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Notes to Quarterly Consolidated Statements of Income

Nine months ended December 31, 2008

Nine months ended December 31, 2008

※1 Employees' compensation and benefit reported in the quarterly consolidated statements of income include 102 million yen of accrued bonuses.

Three months ended December 31, 2008

Three months ended December 31, 2008

※1 Employees' compensation and benefit reported in the quarterly consolidated statements of income include 34 million yen of accrued bonuses.

Notes to Quarterly Consolidated Statements of Cash Flows

Nine months ended December 31, 2008

※1 The reconciliation between cash and cash equivalents and the balance of cash in hand and at banks presented in the quarterly consolidated balance sheet is as follows.

	(Millions of Yen)
Cash and bank deposits	15,733
Cash in trust	82,209
Cash in trust which is held to segregate guarantee money	(16,150)
Cash and cash equivalents	81,793

Notes Concerning Net Assets

(As of December 31, 2008 and nine months ended December 31, 2008)

1. Outstanding shares

(Number of shares)

Type of share	Number of shares as of December 31, 2008
Common stock	269,260,202

2. Treasury stock

(Number of shares)

Type of shares	Number of shares as of December 31, 2008
Common stock	12,532,650

3. New-share purchase rights

No relevant items.

4. Dividends

(1) Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 22, 2008
Type of Shares	Common stock
Amount of dividend payment	9,423 million yen
Dividends per share	35.00 yen
Date of record for dividends	March 31, 2008
Effective date	June 23, 2008
Source of dividends	Earned surplus

(2) Dividends for which effective date is after the December 31, 2008

No relevant items

5. Significant changes in net assets

In accordance with the resolution passed at the board of directors meeting of the Company held on July 31, 2008, the Company made share repurchases during the nine months ended December 31, 2008. Consequently, treasury stock has increased by 9,452 million Yen (Net assets have decreased), and the outstanding amount of treasury stock as of December 31, 2008 is 9,474 million Yen.

Dividend payment are shown in "4. Dividends".

Notes to Lease Transactions

Finance lease transactions which started on and before March 31, 2008 are accounted for according to the previous rules. There have not been significant changes during three months ended December 31, 2008, compared to fiscal year ended March 31, 2008.

Notes to Securities

There have not been significant change in securities during nine months ended December 31, 2008, compared to fiscal year ended March 31, 2008.

Notes to Derivative Transactions

There have not been any significant derivative transactions in the three months ended December 31, 2008.

Notes to Stock Options

No relevant items.

Segment Information

(Three/Nine months ended December 31, 2008)

Information relating to operations in different industries is omitted as the Company and its consolidated subsidiary operate predominately in investment and financing service industry. The Company's primary business activities include brokerage, underwriting and distribution and trading of securities, and over 90% of the revenue or operating income of the Company and its consolidated subsidiary are related to the investment and financing services industry.

Information relating to geographic area and export sales has been omitted, as the Company and its consolidated subsidiary do not have overseas branch nor earns overseas revenue.

Per Share Information

1. Net assets per share

Nine months ended December 31, 2008		Year ended March 31, 2008	
Net assets per share	262.24 Yen	Net assets per share	301.03 Yen

Note: Calculation basis of net assets per share information is as follows:

Items	Nine months ended December 31, 2008	Year ended March 31, 2008
Total net assets on the balance sheets (Millions of Yen)	67,325	81,044
Net assets attributed to common stock (Millions of Yen)	67,325	81,044
Breakdown of difference (Millions of Yen)	—	—
Number of common stock outstanding (Thousands of shares)	269,260	269,254
Number of common stock held in treasury (Thousands of shares)	12,533	32
Number of common stock included in the calculation of net assets per share (Thousands of shares)	256,728	269,222

2. Earnings per share and fully diluted earnings per share

Nine months ended December 31, 2008

Nine months ended December 31, 2008	
Earnings/share	19.68 Yen
Fully diluted earnings/share	17.46 Yen

Note: Calculation basis of Earnings per share and fully diluted earnings per share information is as follows;

Items	Nine months ended December 31, 2008
Net income on the statements of income (Millions of Yen)	5,184
Net income attributed to common stock (Millions of Yen)	5,184
Net income not attributed to common stock (Millions of Yen)	—
Average number of common stock outstanding (Thousands of shares)	263,391
Increase of common stock considered in the calculation of fully diluted earnings per share (Thousands of shares)	33,461
Significant changes in the residual securities which are not considered in the calculation of fully diluted earnings per share	—

Three months ended December 31, 2008

Three months ended December 31, 2008	
Earnings/share	4.91 Yen
Fully diluted earnings/share	4.34 Yen

Note: Calculation basis of Earnings per share and fully diluted earnings per share information is as follows;

Items	Three months ended December 31, 2008
Net income on the statements of income (Millions of Yen)	1,261
Net income attributed to common stock (Millions of Yen)	1,261
Net income not attributed to common stock (Millions of Yen)	—
Average number of common stock outstanding (Thousands of shares)	256,875
Increase of common stock considered in the calculation of fully diluted earnings per share (Thousands of shares)	33,460
Significant changes in the residual securities which are not considered in the calculation of fully diluted earnings per share	—

Subsequent Events

No relevant items

[2] Others

No relevant items

2. Information on the Surety of the Company

No relevant items

Note: The Original Quarterly Securities Report includes the quarterly review by PricewaterhouseCoopers Aarata for the quarterly consolidated financial statements for the three months ended December 31, 2008 and for the nine months ended December 31, 2008.