



Matsui Securities Co., Ltd.

(First Section of Tokyo Stock Exchange: 8628)

Results for 1st Q FY2007

August 2007

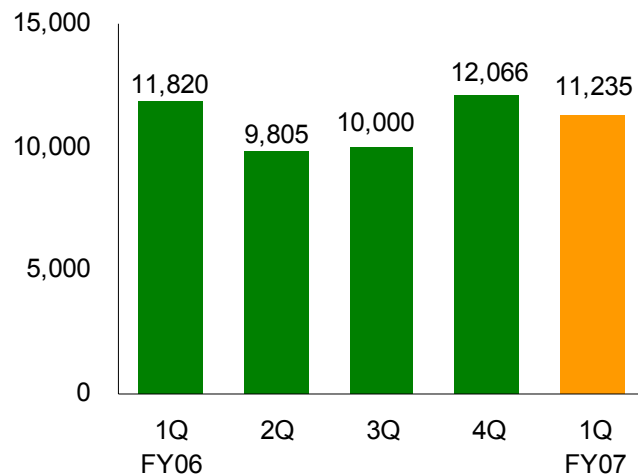
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Financial Results

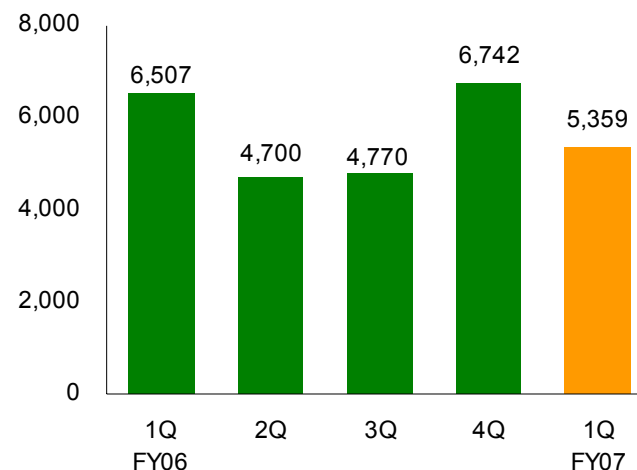
◆ Operating revenues

(JPY mn)



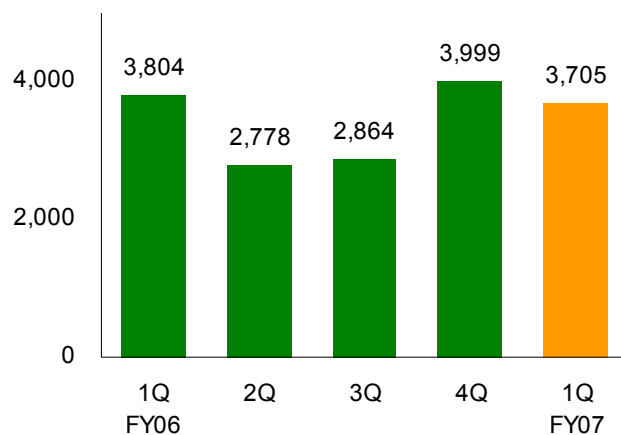
◆ Ordinary income

(JPY mn)

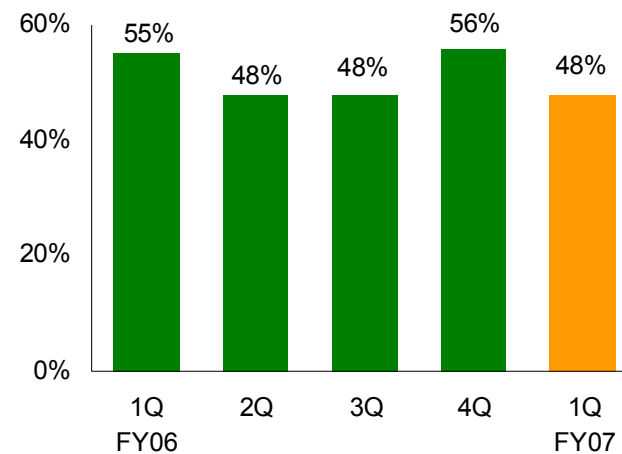


◆ Net income

(JPY mn)

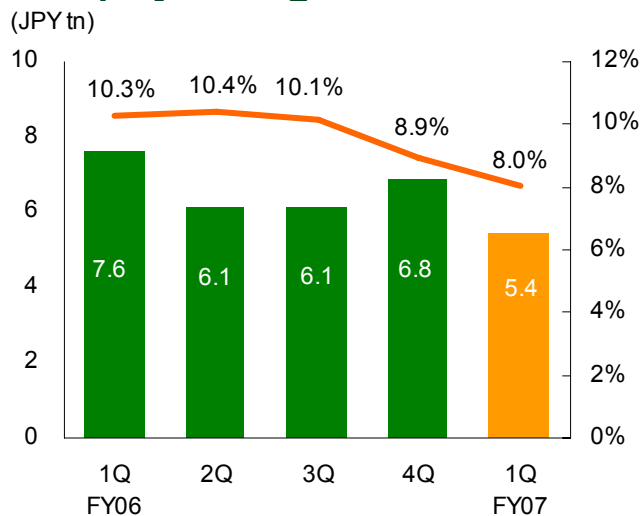


◆ Ordinary income ratio

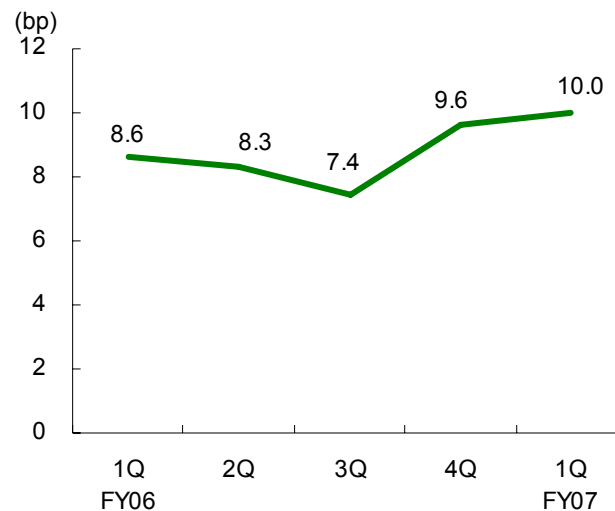


Results of Operation

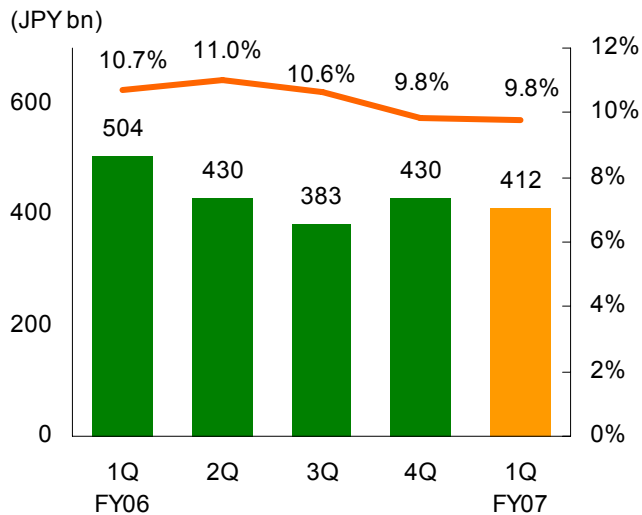
◆ Equity trading value



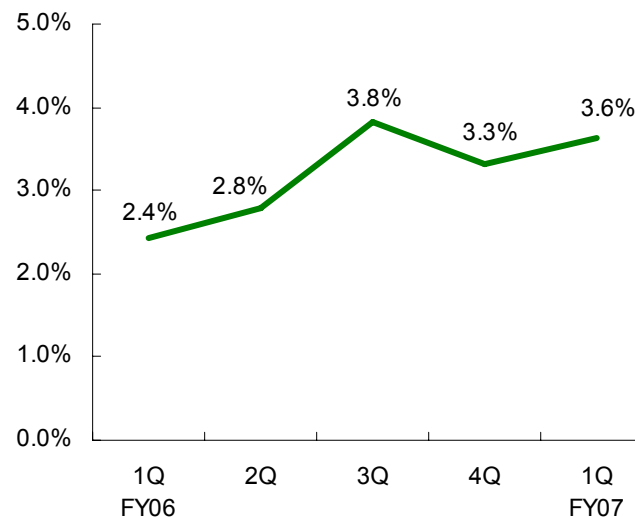
◆ Commission rate



◆ Shares bought on margin



◆ Net interest income ratio



Financial Summary

Section 1

Summary of Financial Results(Quarterly)

(JPY mn)

	FY07	FY06	QoQ	FY06			YoY	FY06 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Operating Revenues	11,235	12,066	-7%	10,000	9,805	11,820	-5%	43,691
Commissions	6,626	7,902	-16%	5,520	5,989	7,524	-12%	26,936
Interest & dividend income	4,607	4,162	11%	4,478	3,891	4,297	7%	16,828
Interest expenses	919	823	12%	689	771	700	31%	2,984
Net operating revenues	10,316	11,243	-8%	9,311	9,033	11,120	-7%	40,708
SG&A	5,034	4,520	11%	4,547	4,426	4,666	8%	18,160
Operating income	5,282	6,722	-21%	4,764	4,607	6,454	-18%	22,547
Ordinary income	5,359	6,742	-21%	4,770	4,700	6,507	-18%	22,720
Net income	3,705	3,999	-7%	2,864	2,778	3,804	-3%	13,444
Ordinary income ratio	48%	56%	-	48%	48%	55%	-	52%
Matsui's trading value (JPY tn)	5.4	6.8	-21%	6.1	6.1	7.6	-29%	26.7
Daily average trading value onTSE (JPY tn)	3.1	3.3	-8%	2.6	2.3	2.8	8%	11.1

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY07	FY06	QoQ	FY06			YoY	FY06 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Commissions	6,626	7,902	-16%	5,520	5,989	7,524	-12%	26,936
Brokerage	6,092	7,203	-15%	4,949	5,359	6,875	-11%	24,386
Underwriting & selling	3	6	-51%	14	18	19	-84%	58
Subscription & distribution	0	2	-98%	20	2	0	-93%	24
Others	531	691	-23%	537	611	629	-16%	2,468
Net gain (loss) on trading	2	2	-4%	2	△ 76	△ 1	-	△ 73
Interest & dividend income(1)	4,607	4,162	11%	4,478	3,891	4,297	7%	16,828
Total operating revenues	11,235	12,066	-7%	10,000	9,805	11,820	-5%	43,691
Interest expenses (2)	919	823	12%	689	771	700	31%	2,984
Net operating revenues	10,316	11,243	-8%	9,311	9,033	11,120	-7%	40,708
Net interest income (1) - (2)	3,688	3,339	10%	3,789	3,120	3,597	3%	13,844

Breakdown of SG&A (Quarterly)

(JPY mn)

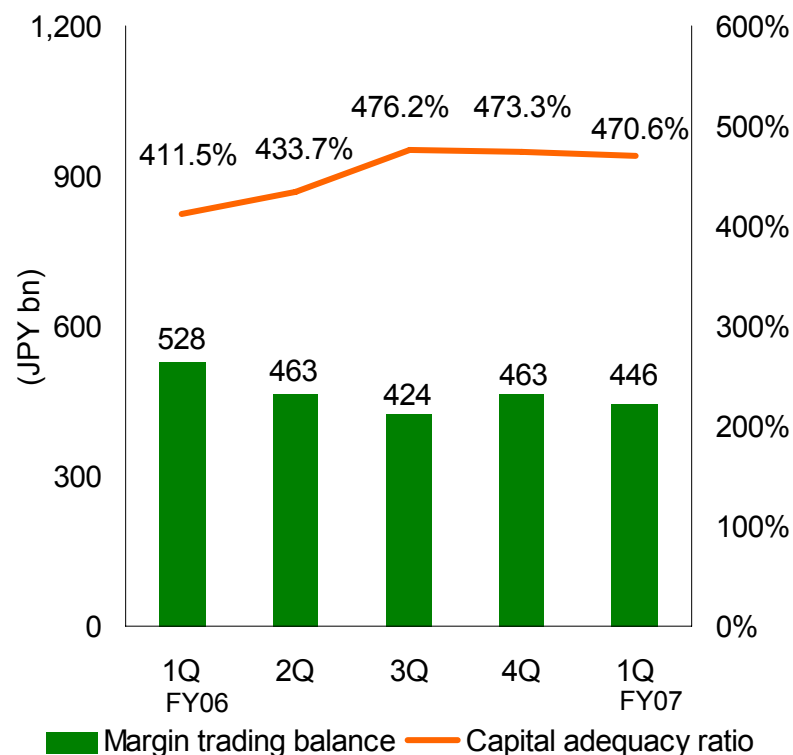
	FY07	FY06	QoQ	FY06			YoY	FY06 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Transaction related expenses	1,132	1,250	-9%	1,258	1,306	1,368	-17%	5,182
Advertisement	94	154	-39%	221	280	265	-65%	920
Employees' compensation & benefits	569	493	16%	555	499	452	26%	1,998
Occupancy & rental	110	117	-6%	110	93	90	23%	409
Data processing & office supplies	1,931	2,236	-14%	2,209	2,094	2,309	-16%	8,848
Depreciation	292	339	-14%	321	305	288	1%	1,252
Duties & taxes other than income taxes	76	67	15%	66	72	80	-5%	284
Provision of allowance for doubtful accounts	856	-	-	-	-	-	-	-
Others	67	19	247%	29	58	80	-16%	186
Total SG&A	5,034	4,520	11%	4,547	4,426	4,666	8%	18,160

Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 30 June 07)

			(JPY mn)
Tier 1	(A)		71,892
Tier 2	Net unrealized gain on investment		21
	Statutory reserves		3,486
	Allowance for doubtful accounts		542
	Sub total	(B)	4,051
Assets to be deducted from equity capital	(C)		7,105
Net Capital			
	(A)+(B)-(C)	(D)	68,838
Total risk	Market risk		7
	Counterparty risk		9,901
	Basic risk		4,717
	Total	(E)	14,627
Capital Adequacy ratio			(D)/(E) 470.6%

◆ Margin trading balance and capital adequacy ratio

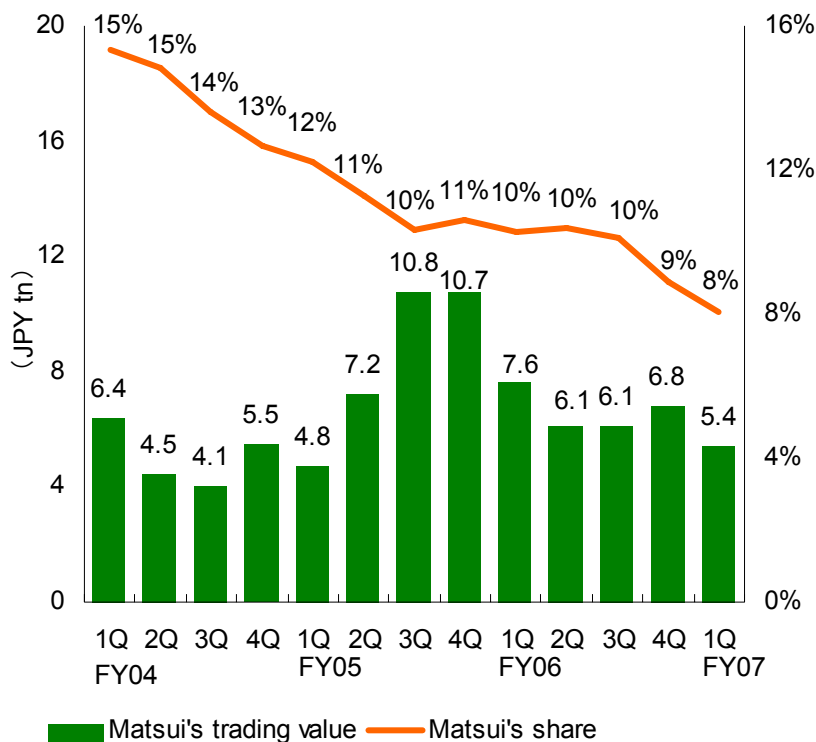


Results of Operation

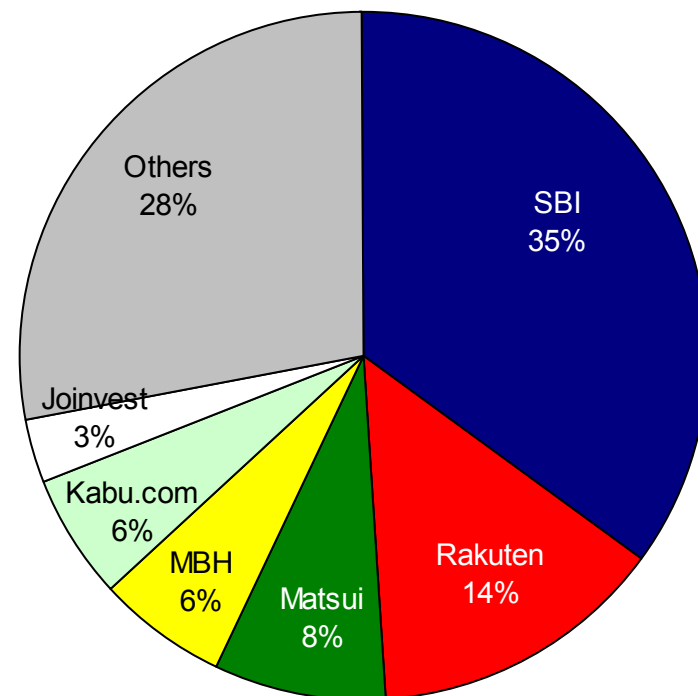
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

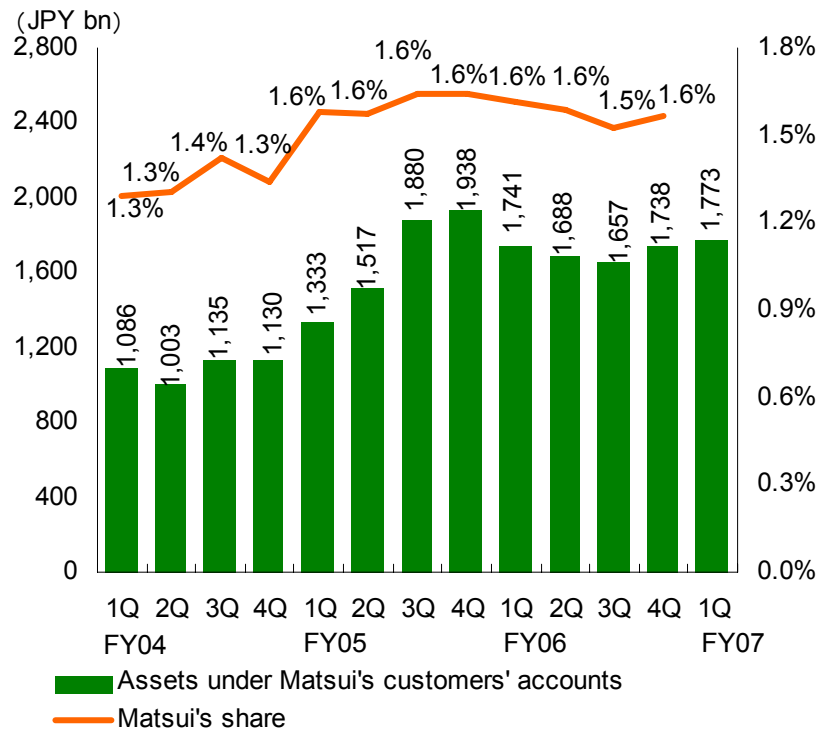


◆ Market share in retail equity trading value¹ for 1Q FY07

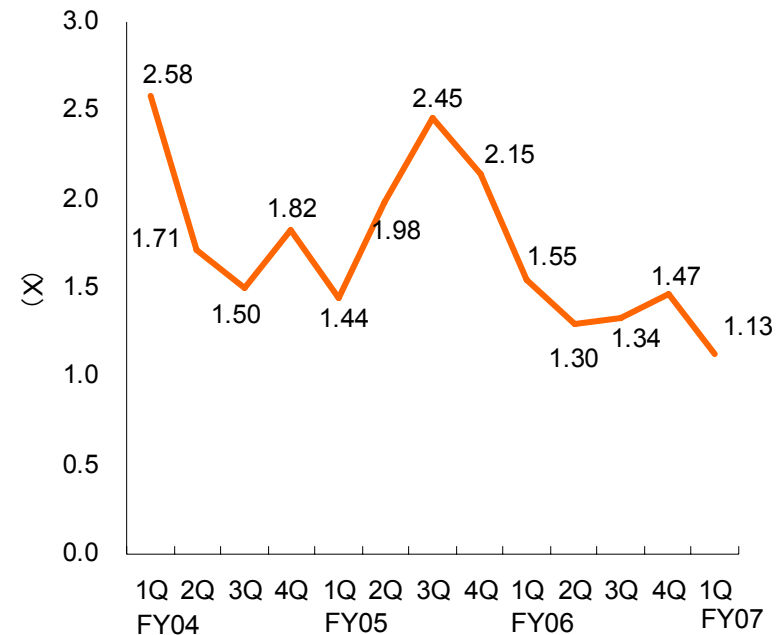


Assets under Customers' Accounts / Trading Turnover

◆ Assets under Matsui's customers' accounts and its market share

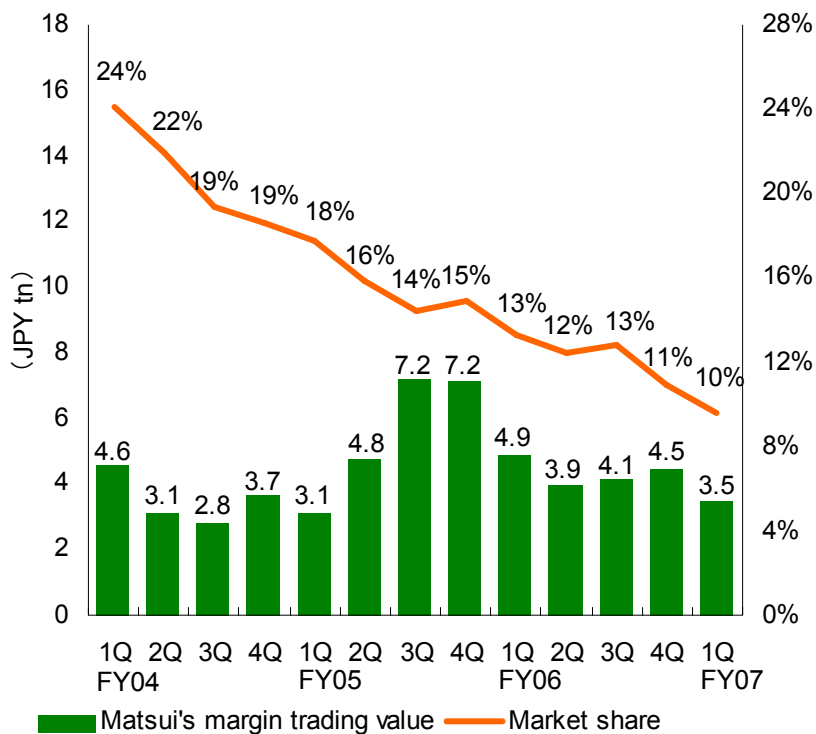


◆ Equity trading turnover¹ of Matsui's customers

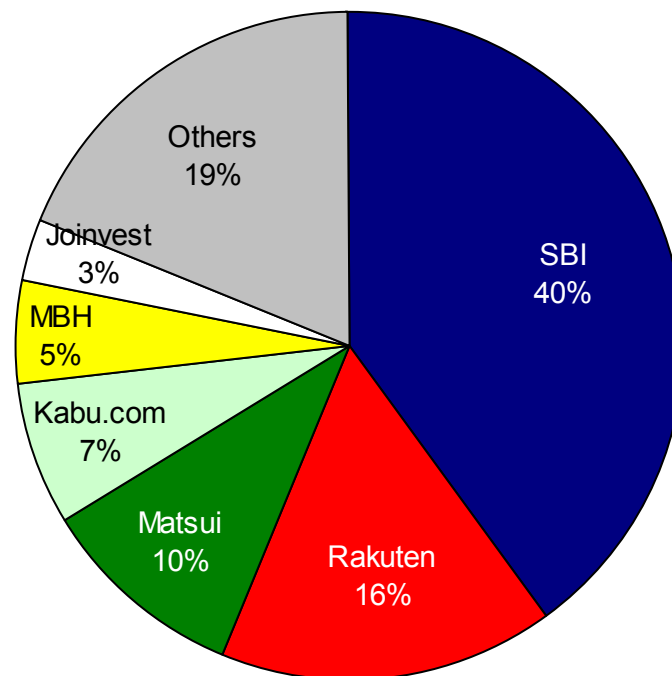


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

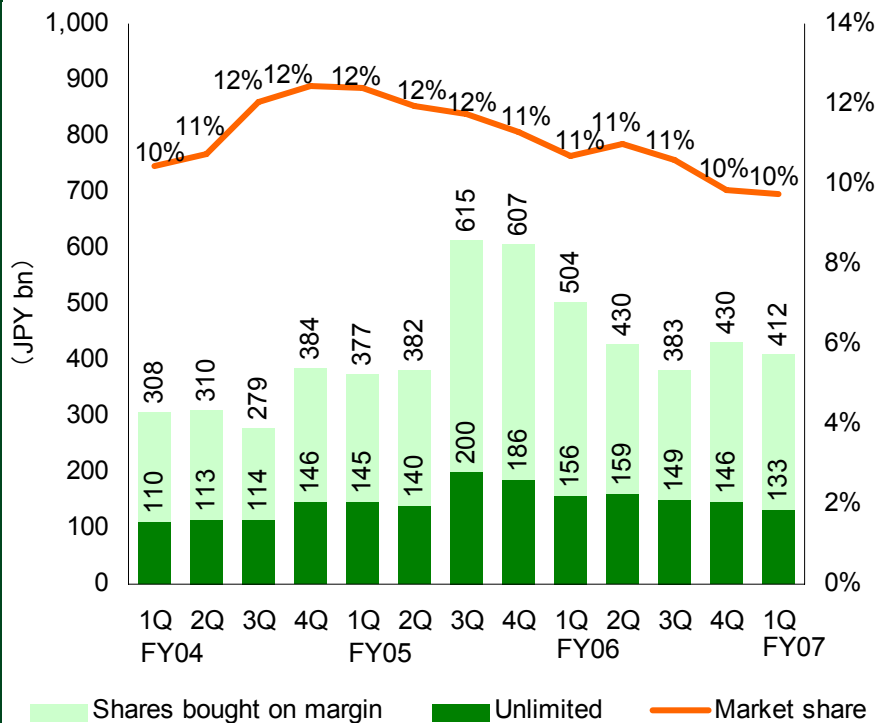


◆ Market share in retail margin trading value¹ for 1Q FY07

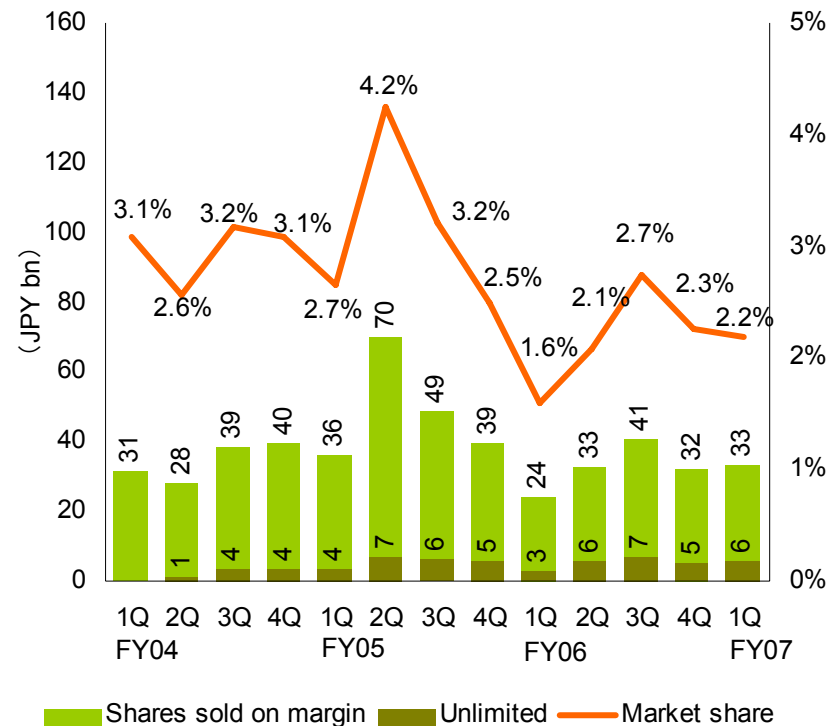


Margin Trading Balance

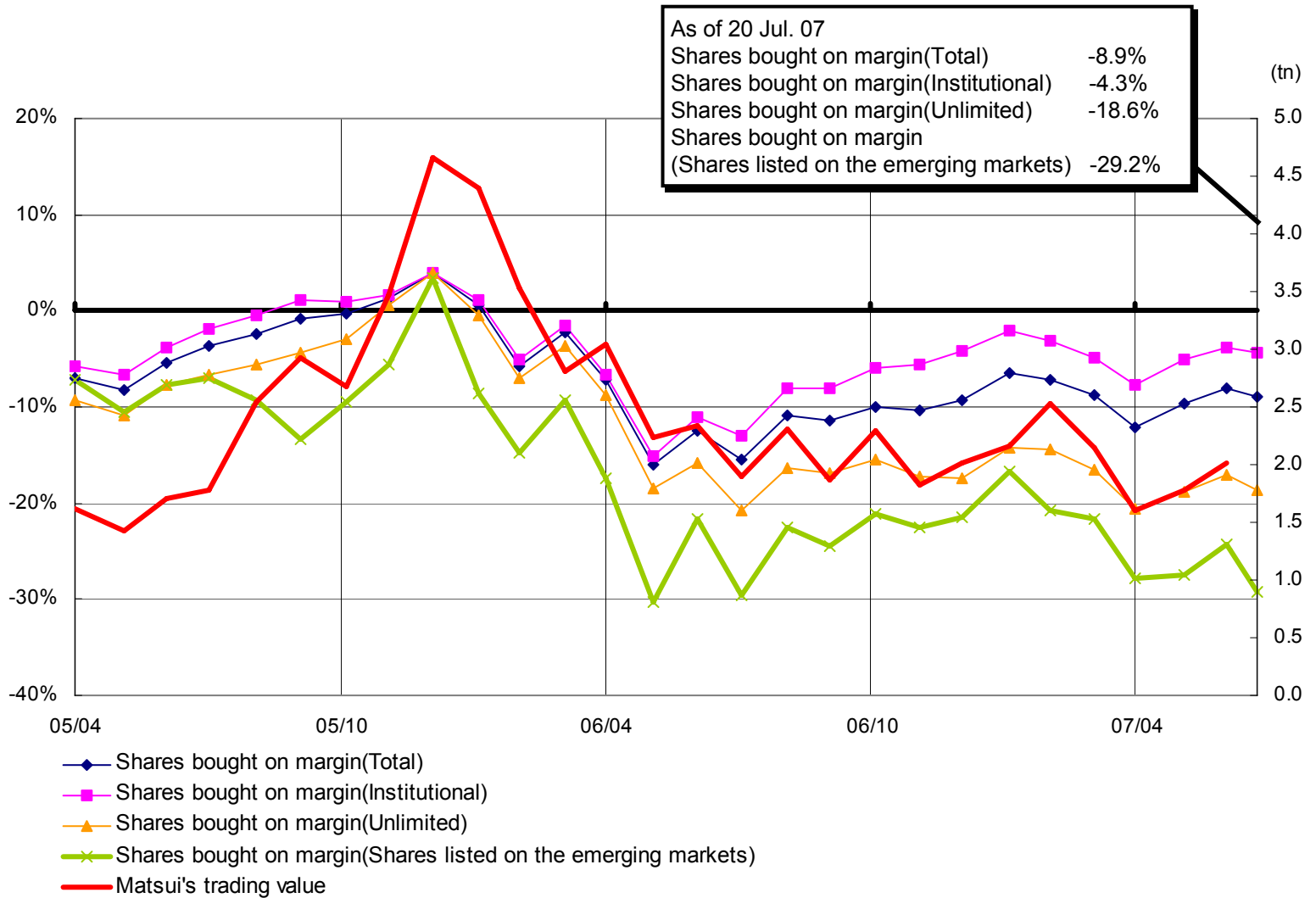
◆ Shares bought on margin¹ and its market share²



◆ Shares sold on margin¹ and its market share²

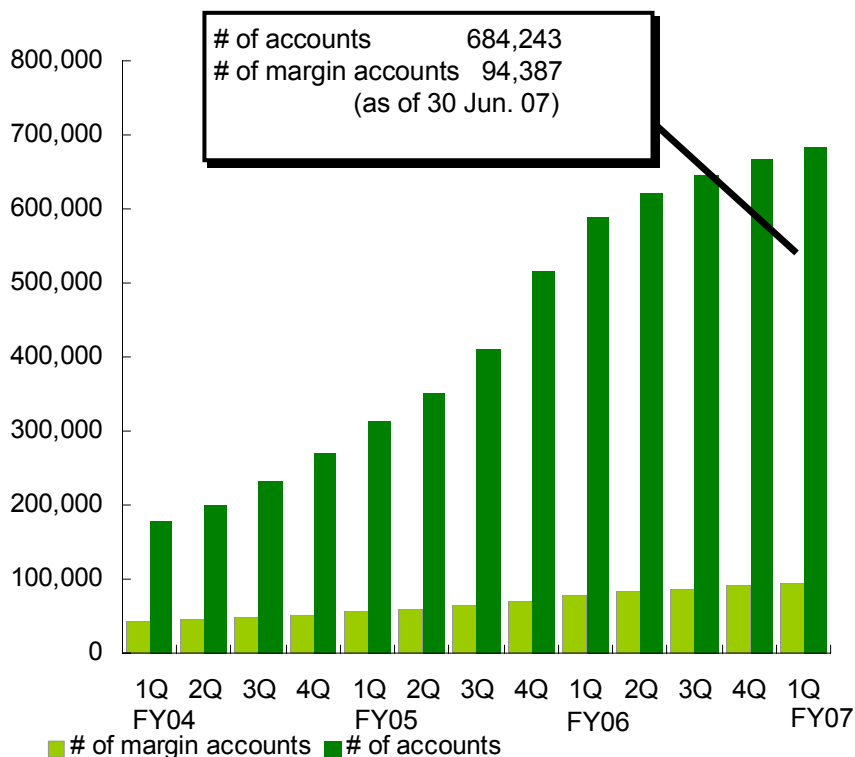


Evaluation Losses on Margin Balance

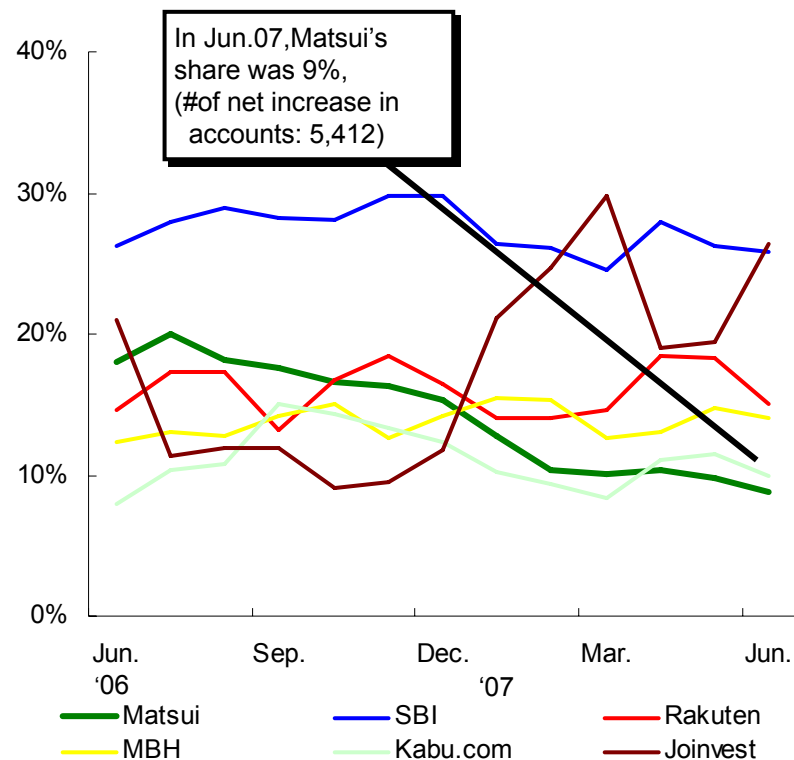


Number of Accounts

◆ Number of accounts at Matsui¹



◆ On-line brokers' share of the net increase in accounts²



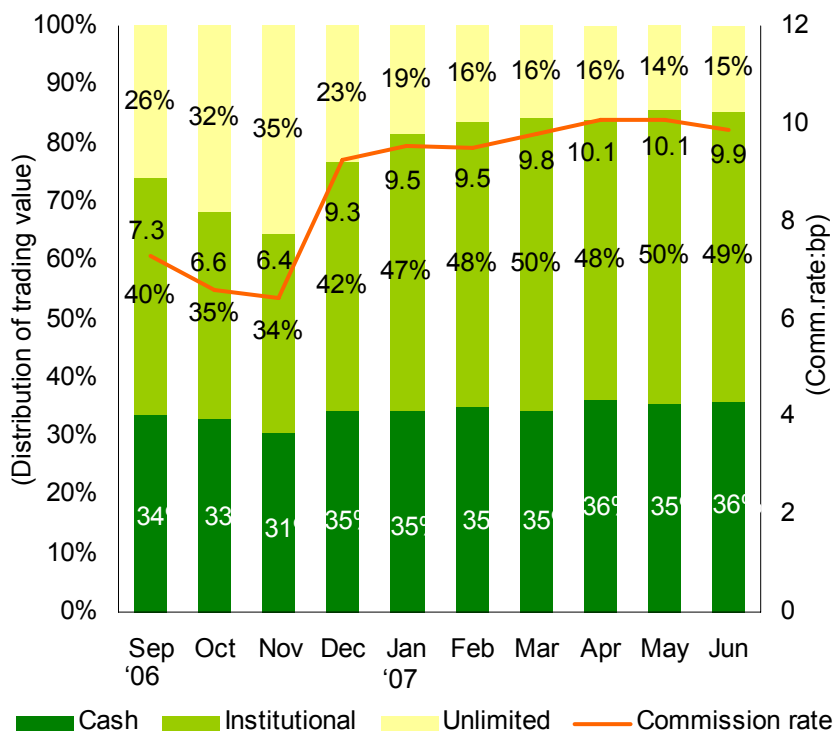
Source: Company websites

Note1: Number of accounts as of the end of each quarter

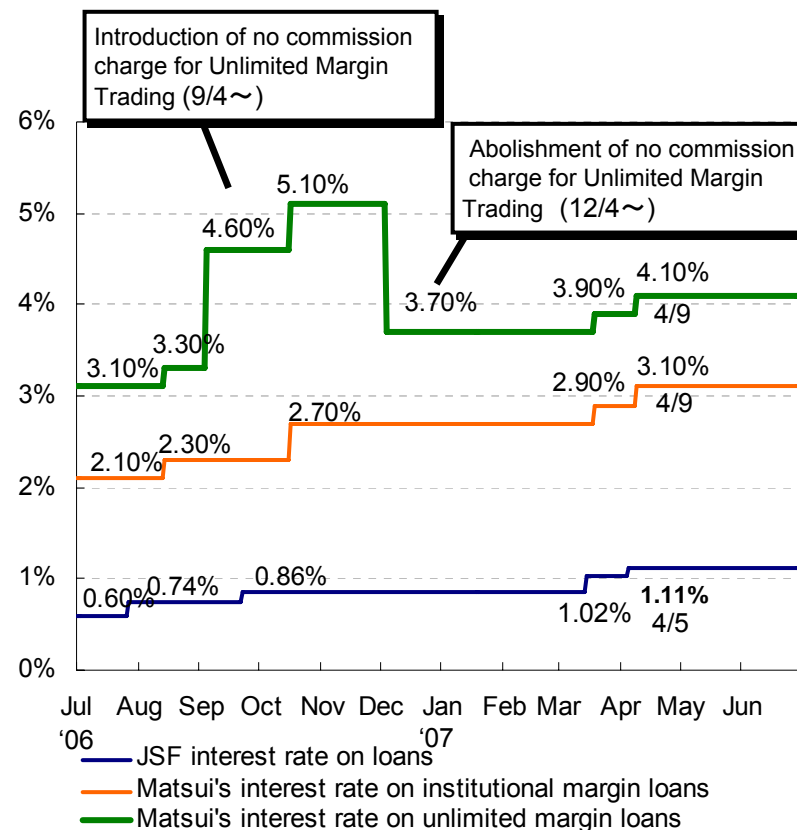
Note2: Share of net increase in accounts = # of net increase in accounts per month / Sum of net increase in accounts at 6 major on-line brokers.

Commission Rate / Interest Rate on Margin Loans

◆ Distribution of trading value and commission rate

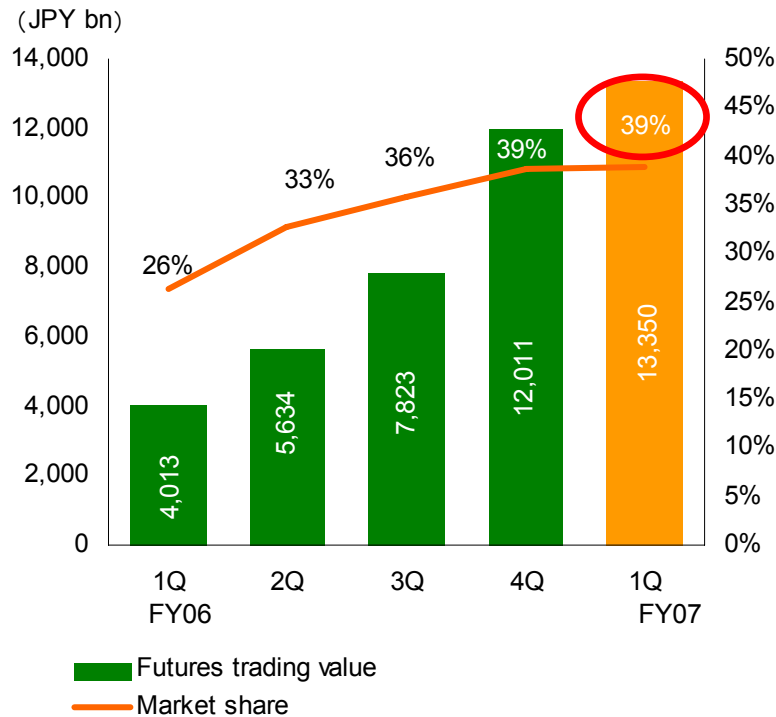


◆ JSF interest rate and Matsui's interest rate¹

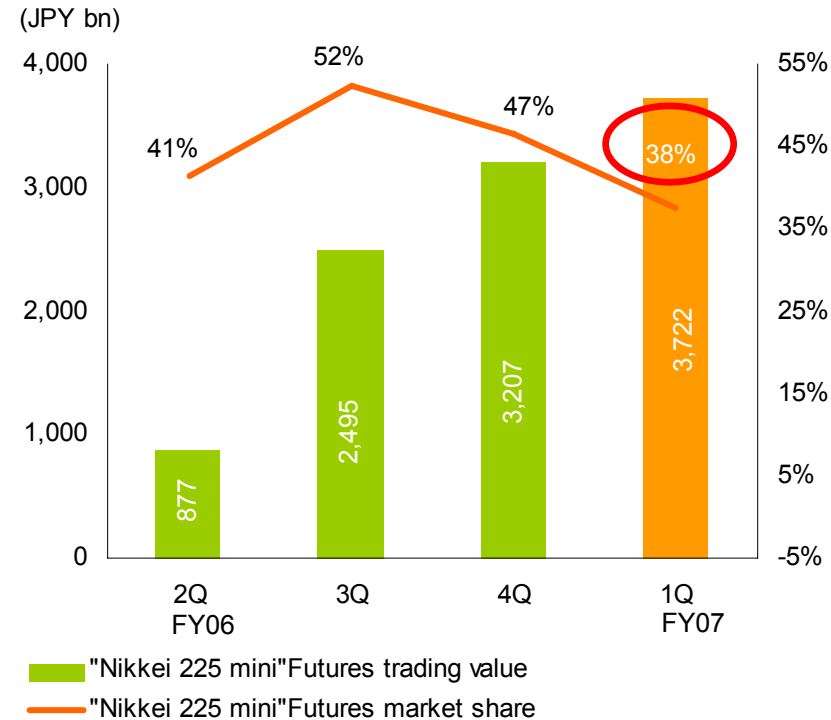


Nikkei 225 Futures

◆ Nikkei 225 Futures trading value and its market share¹

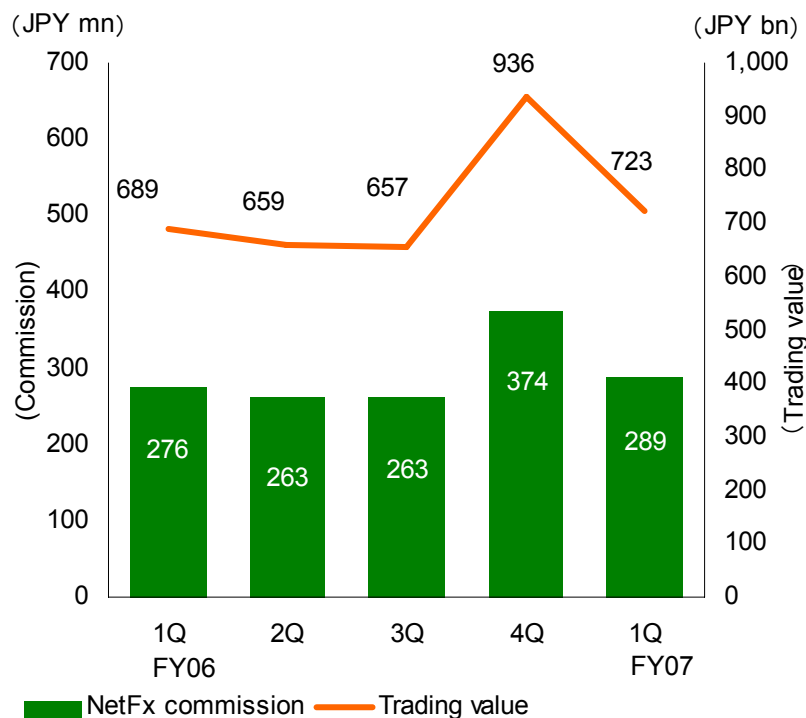


◆ “Nikkei 225 mini” Futures trading value and its market share²

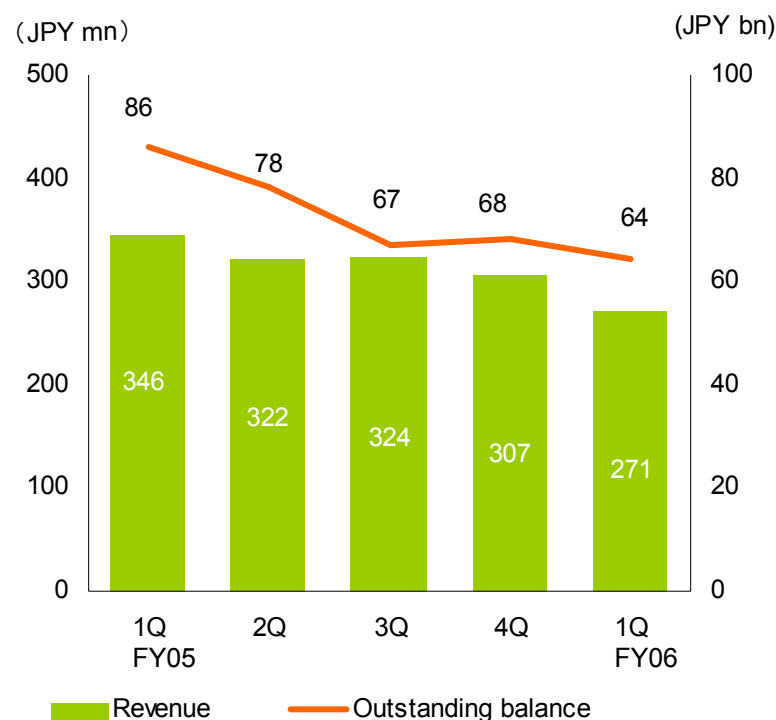


NetFx / Stock Lending Business

◆ NetFx commission income and trading value¹



◆ Lending business revenue² and outstanding balance



List of Newly Offered Services / Products

Starting in	Detail of services
April,2006	Change the commission rate (stock, future and option)
July	Launch trading of "Nikkei 225 mini" Futures
August	Introduce "Read Speaker", a function which read out text on the web site
September	Launch of "Netstock High-Speed"
October	Start accepting simple application for opening new securities account via Suruga Bank web site Introduce "High-Speed α", a trading tool for mobile phone
November	Renewal Matsui's web site Enhance the system security of members' web site(Introduce "Security board") Expand trigger mail function Launch the "Kabu-gokoro", a online community site about investments
December	Shorten the lead time for opening an account Launch trading of the listed foreign securities (a part)
January,2007	Add Futures and Options trading function on Netstock High-Speed Introduce "Matsui Com-stock Loan", a stock mortgage card loan
February	Offer the online cash transfer service to account holders at Seven Bank Start the notification service via e-mail for investors with regard to margin call Introduce "Stop order" function
March	Offer the online cash transfer service to account holders at Kyoto Bank
April	Launch the margin trading of foreign stock(institutional and unlimited)
May	Add the contents(column and novel) to "Kabu-gokoro"
July	Launch the VWAP guarantee trading Add dealing currencies(ZAR and HKD) on NetFX
Summer(Plan)	Add new carrier corresponding with "High-speed α"(au and softbank)
Subject to FSA approval	Plan to launch the "Real-Time-Settlement" service by establishment of the PTS

Future Developments

Section 3

Corporate Strategy

Our Purpose

We will provide superior quality of trading platform for retail investors based upon "customer-centered strategy"



Our achievements

- ◆ Pioneer in providing full-fledged online brokerage services in Japan
- ◆ Customer-oriented trading rule for margin trading
- ◆ "Box Rate" fee structure
- ◆ Pioneer in developing unlimited margin trading
- ◆ Pioneering approach to "NetFx" "Off-trading floor distributions" "Nikkei 225 futures and Nikkei 225 Options"

Our direction

- ◆ Develop unique and innovative services
- ◆ Focus on brokerage business
- ◆ Pursue the services which expand brokerage(Flow) business rather than asset gathering related(stock) services

Introduction of “Real-Time-Gross-Settlement” Service

◆Outline of RTGS

Settlement	Immediate(Real time)
Pricing Method	Crossing of mirror method
Service Hour	Conform to the trading time on TSE
Eligible Shares	Listed shares at 1st section of the TSE
Type of Trading	Cash trading
Commissions	Similar Box Rate structure (different Box from normal trade)

◆Advantages to customers

Improvement in trading capacity for "Day-Traders"

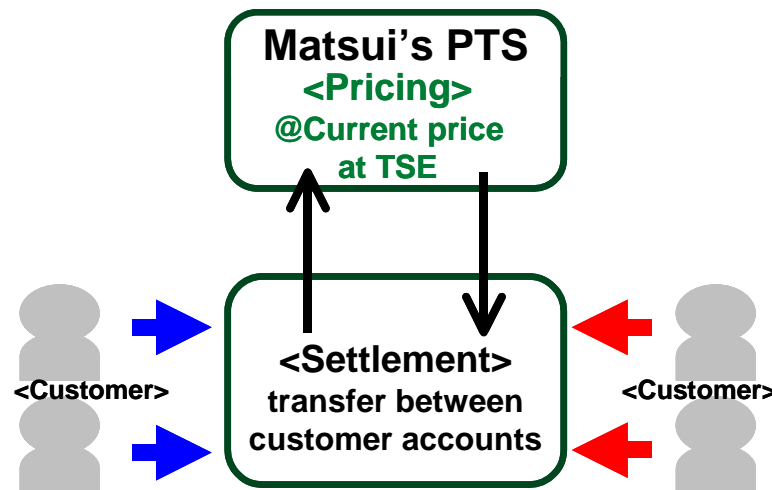
1. Cash trading

- Enable customers to do day-trading of the same stock several times on the same day

(e.g.) In case of 1 million yen in the account

	Current	RTGS
09:10am Buy A 1,000shares @1,000yen	○	○
09:50am Sell A 1,000shares @1,020yen	○	○
10:30am Buy A 1,000shares @1,000yen	×	○
10:45am Sell A 1,000shares @1,030yen	×	○
	×	○

◆PTS(Propriety Trading System)



Immediate evaluation of collateral (for margin trading)

- Increase in trading capacity of customers as result of increase in margin ratio immediately upon selling collateral securities.

(e.g.) In case of 1 million yen worth of collateral shares

	Current	RTGS
Balance of margin trades: 2.5million yen evaluation of collateral: 0.8 million yen	32%	32%
↓ Selling the collateral shares Balance of margin trades: 2.5million yen evaluation of collateral: 1.0 million yen	32%	40%

◆Future Plan

- Consider to introduce margin transaction

Newly Offered Services in 1Q FY07

"VWAP guarantee trading"

- ◆ First-ever services among major on-line brokers
- ◆ Mitigate unexpected volatility risk and ensure the execution of the order

Type of trading	Morning session VWAP / Afternoon session VWAP / Whole day VWAP
Marging trading	Available (Institutional / Unlimited)
Spread	0.30%
Commissions	None (only for on-line)
Eligible Shares	Shares employed on Nikkei225
Others	Available to receive the minimum trading unit

Addition of dealing currencies on "NetFX"

- ◆ Add currency pair-trading of "ZAR/JPY" and "HKD/JPY "

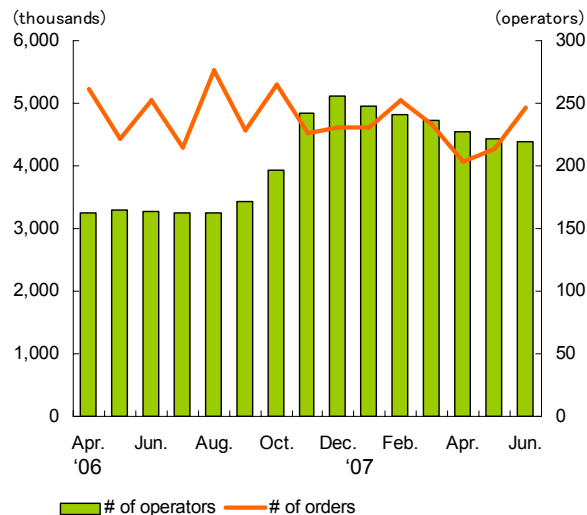
Currencies	ZAR/JPY	HKD/JPY
Minimum trading unit	100,000ZAR	100,000HKD
Spread	0.08JPY	0.04JPY
Swap-point	Buy 400JPY Sell 500JPY	Buy 100JPY Sell 200JPY
Commissions	Execution value (JPY) ×0.04%	

Improvement of Quality of Services to Customers

Enhancement of customer support

- ◆ Expansion of "Call-Center"
 - The capacity of the Call-Center has been expanded to accept max. 350 operators to deal with expected increase in # of transactions (219 staffs as of 30 Jun.07)
 - Start disclosing various operational information regarding Call-center including accessibility

◆ # of operators and # of orders



Reinforcement of the capacity of systems

- ◆ The system capacity has increased to a sufficient level through a continuous reinforcement by the end of FY06
- ◆ Improve the performance of the system through periodic maintenance



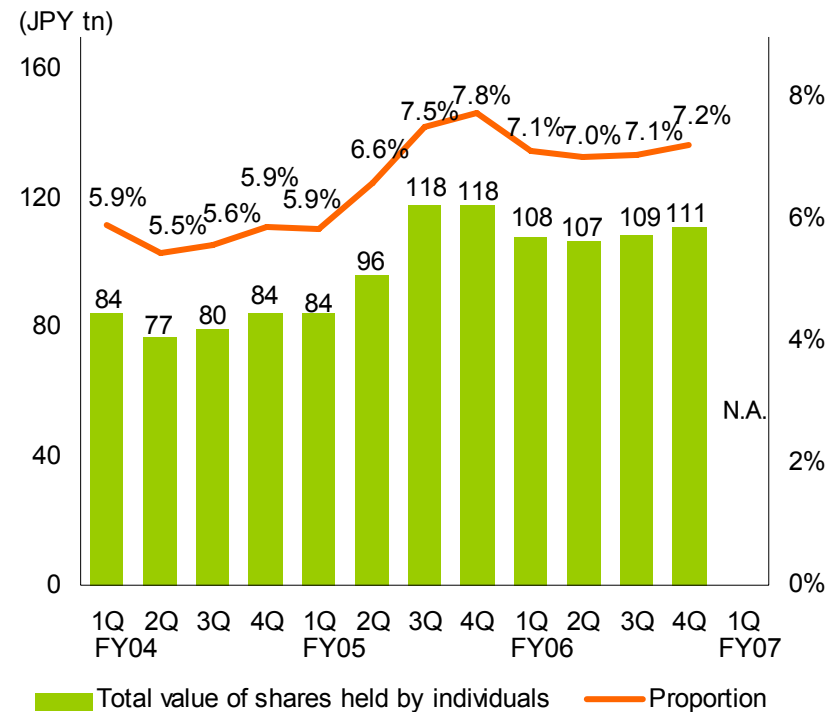
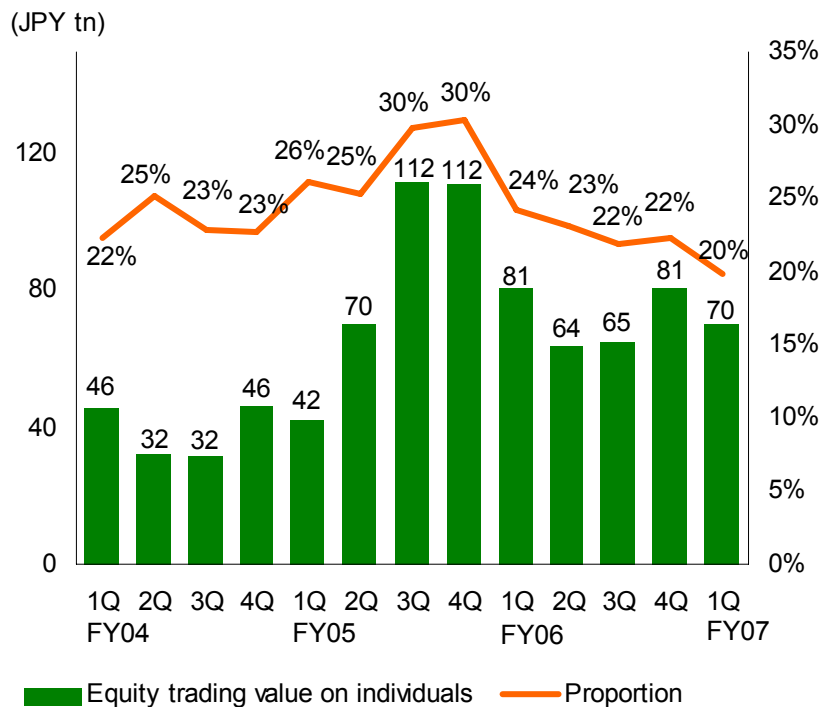
Market Information

Appendix A

Overview of Retail Equity Trading Market

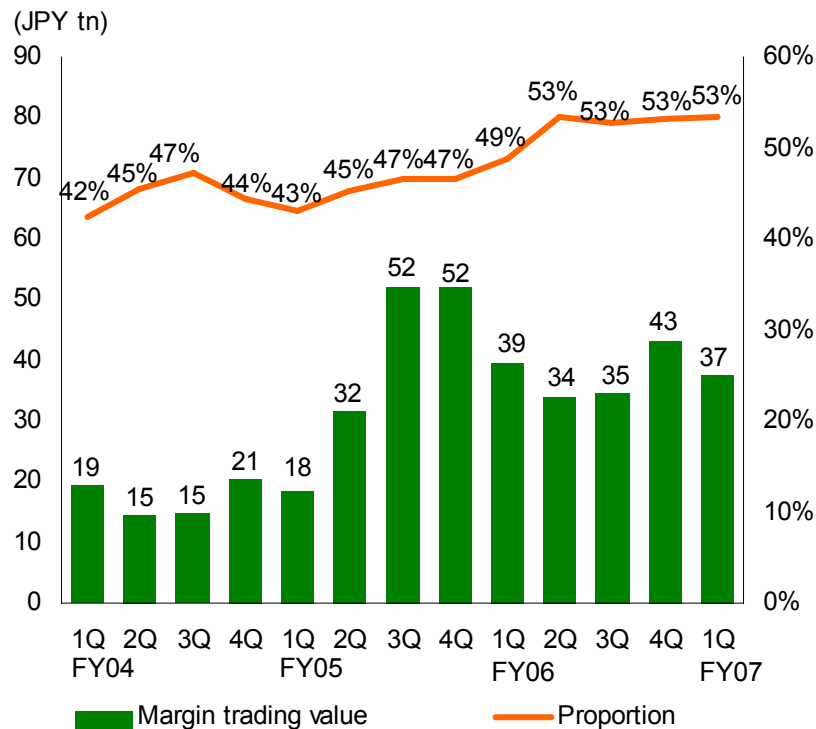
- ◆ Equity trading value of individuals¹
- ◆ Proportion to total equity trading value

- ◆ Total value of shares held by individuals
- ◆ Proportion to total financial assets of individuals

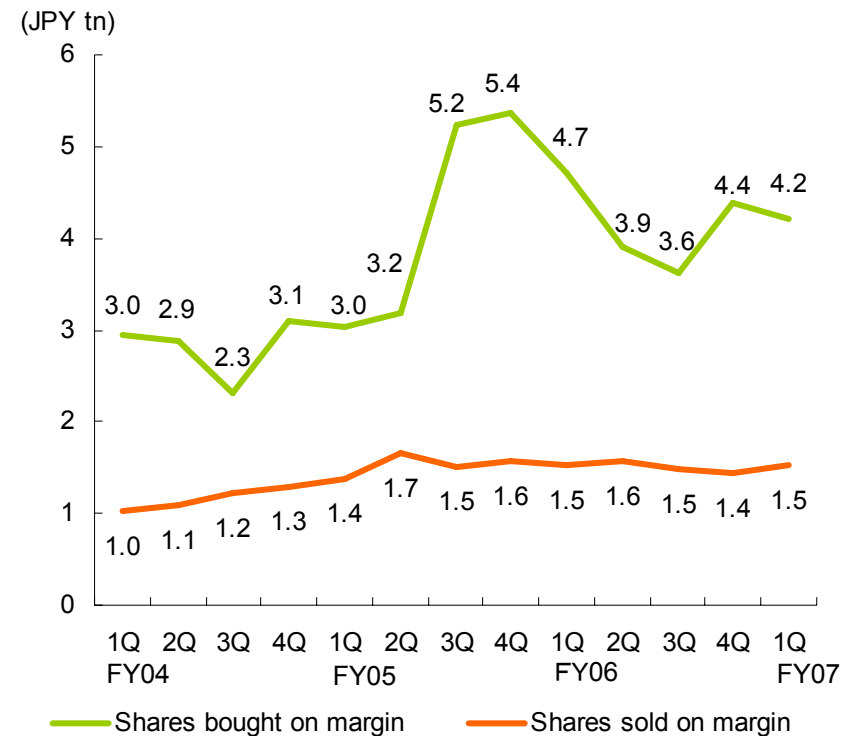


Overview of Retail Margin Trading Market

- ◆ Margin trading value of individuals¹
- ◆ Proportion to total equity trading by individuals

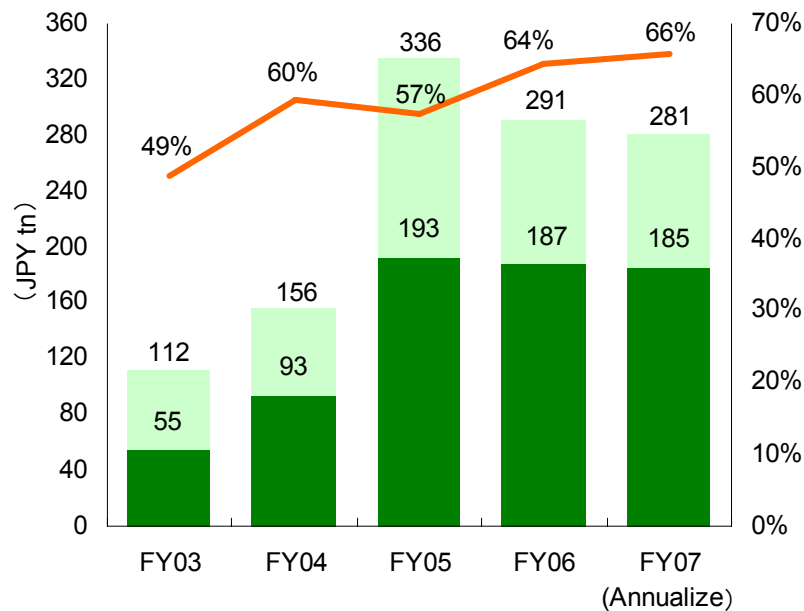


- ◆ Margin trading balance²



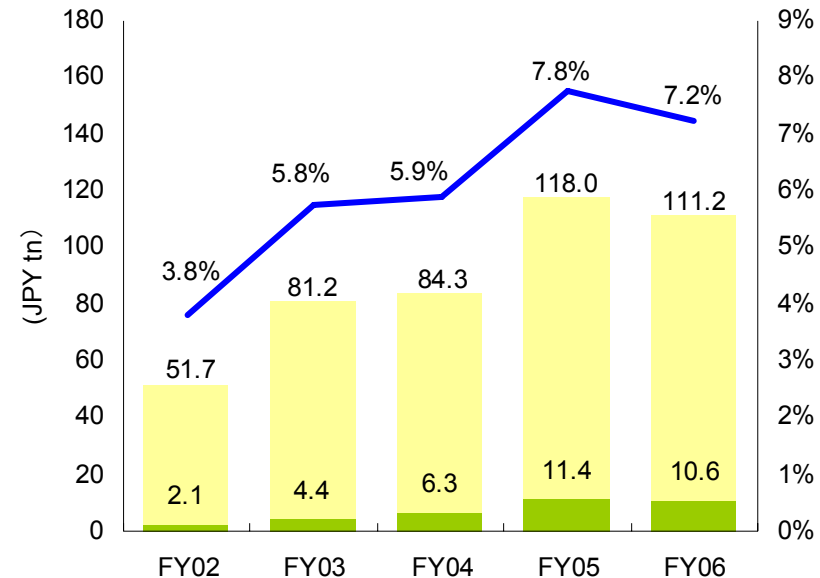
Growth Potential in On-line trading

◆ Equity trading value of individuals (FLOW)



■ Equity trading value of individuals
■ Equity trading value of 5 major on-line brokers
— Proportion to trading value of 5 major on-line brokers

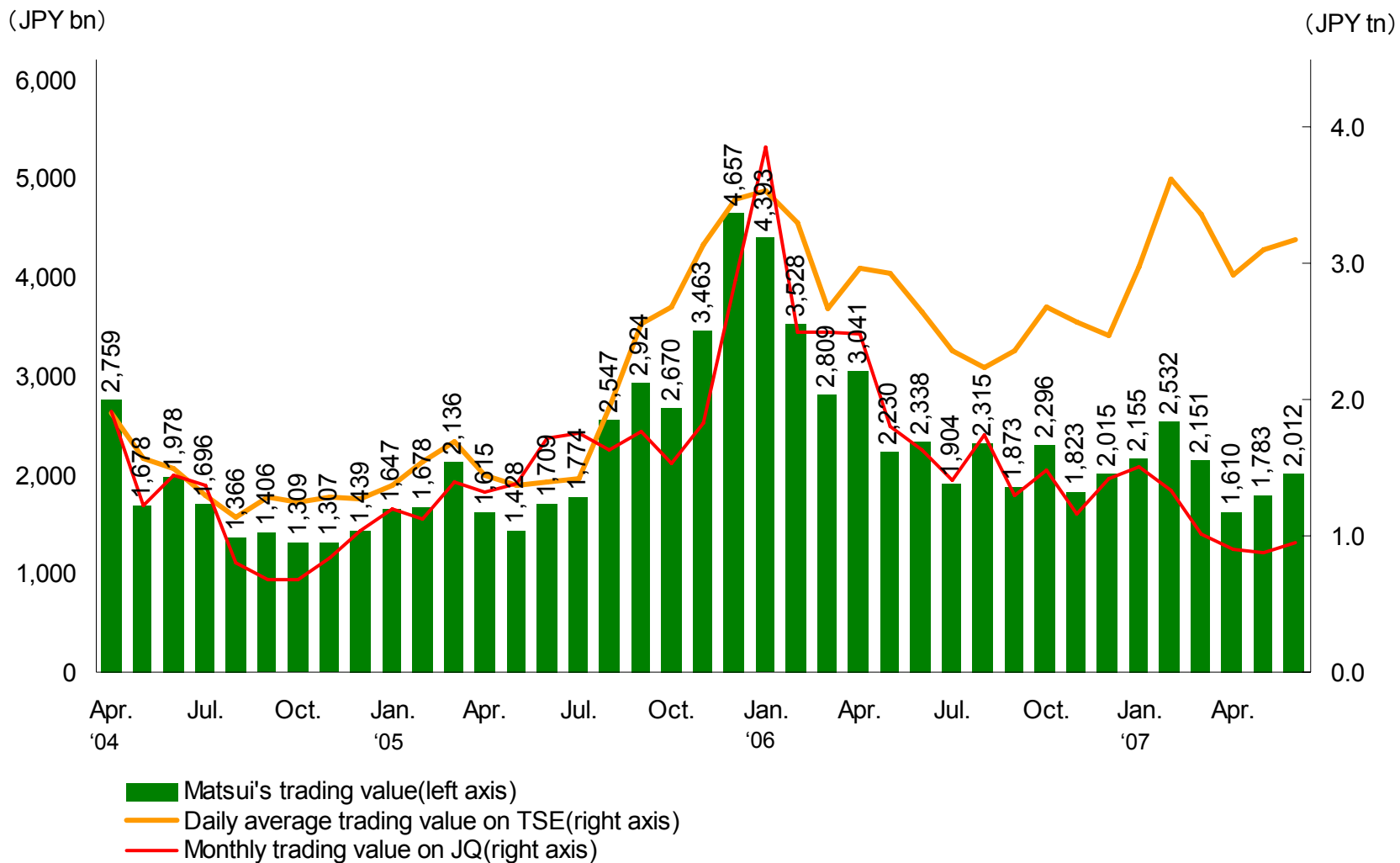
◆ Total value of shares held by individuals (STOCK)



■ Total value of shares held by individuals
■ Total value of shares held by 5 major on-line brokers
— Proportion to total financial assets of individuals

Equity Trading Value

◆ Equity trading value (Monthly)



Corporate Profile

Appendix B

Corporate Profile

Corporate name	Matsui Securities Co.,Ltd.
Representative	Michio Matsui, President & CEO
Date of Establishment	May 1918
Date of Incorporation	March 1931
Capital Stock	11,922,067,936JPY
Head Office	1-4, Kojimachi, Chiyoda-ku, Tokyo, 102-8516
Number of Employees	109
Shares Outstanding	269,182,502
Unit of Shares	100
Member of Stock Exchange	First Section of Tokyo Stock Exchange: 8628

Source: as of March 31, 2007

Historical performance

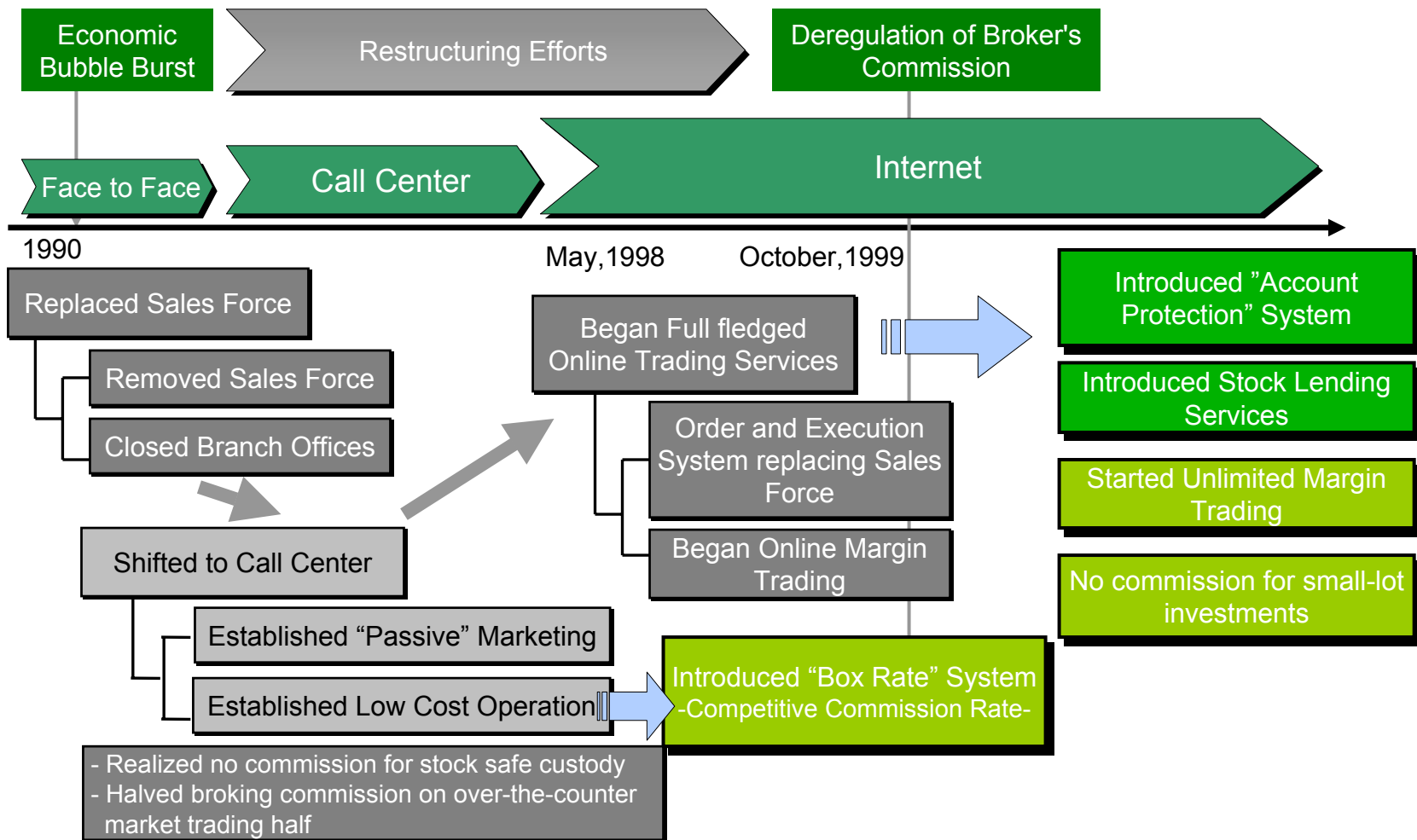
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	FY2003	FY2004	FY2005	FY2006
Operating Revenue	25,036	36,918	57,072	43,691
Operating Income	14,285	22,607	37,116	22,547
Ordinary Income	14,016	22,571	37,062	22,720
Net Income	7,280	12,645	20,650	13,444

Matsui Securities as an Innovator

Pioneer in providing full-fledged online trading services ("Net Stock").

- Matsui Securities have undertaken restructuring efforts since the economic bubble burst in 1990 -



The material is intended to provide the financial results for the quarter ended 30 June 2007 and the company's business strategy, and does not constitute a solicitation of an offer to buy the securities issued by the company. The material is created based upon information as of July 2007. The information herein identifies our views at the time of creation of the material, and the company does not make any representation or warranty as to its accuracy or completeness, therefore, the information may be changed without any notices. The company does not assume responsibility for any omissions or errors of any data and descriptions in the material.

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