



Matsui Securities Co., Ltd.

(First Section of TSE: 8628)

Annual Results for 1QFY2013

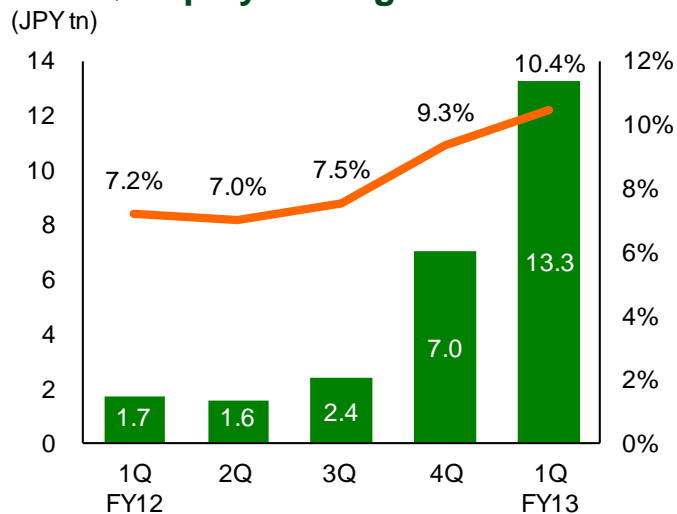
July 2013

Table of Contents

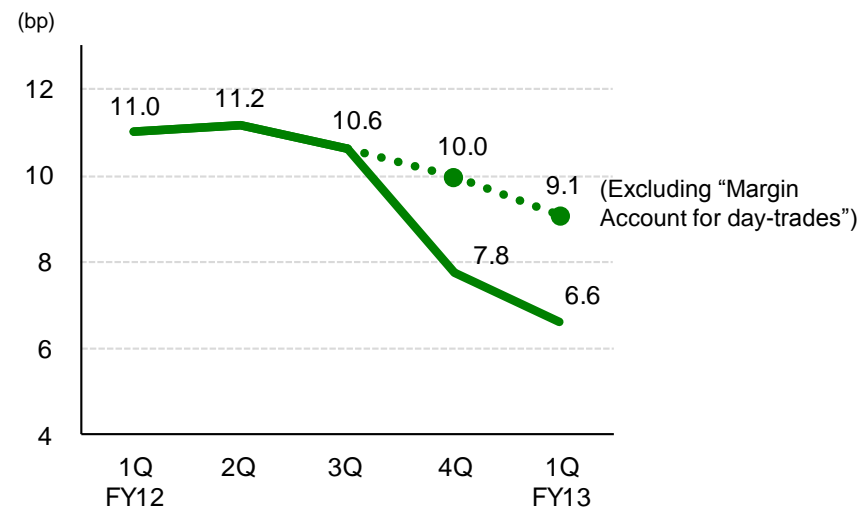
Section 1	Financial Summary	5
Section 2	Results of Operation	11
Section 3	Recent Developments	20

Results of Operation

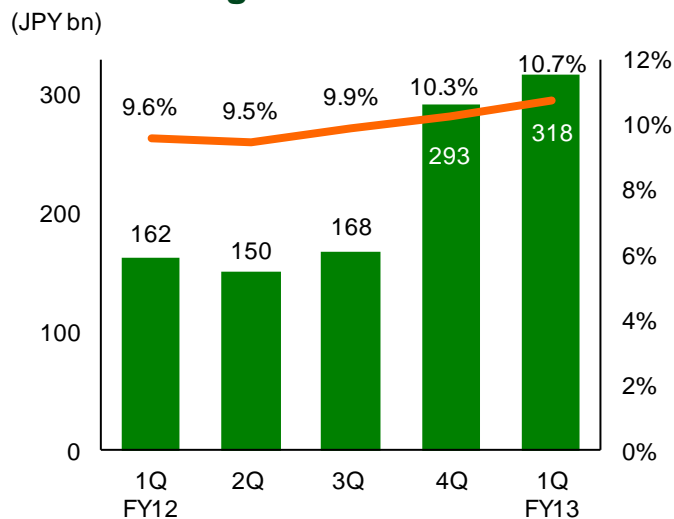
◆ Equity trading value



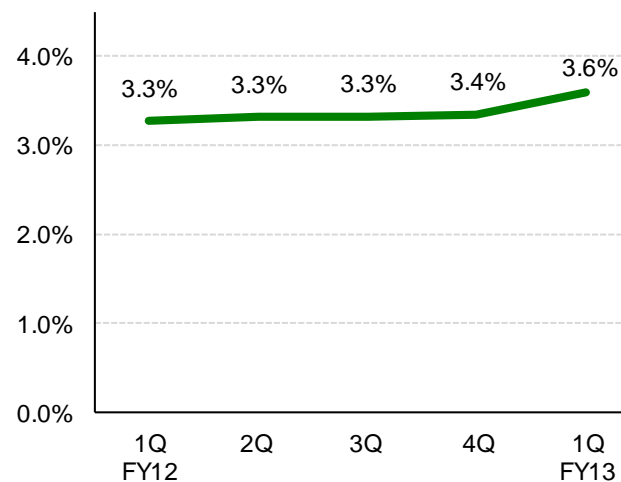
◆ Equity commission rate



◆ Margin balance

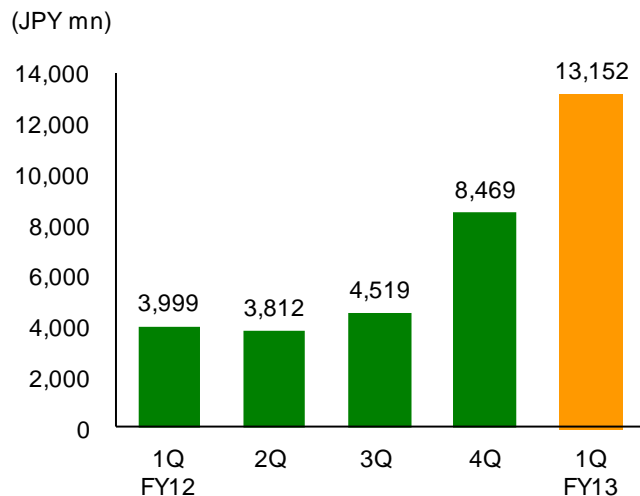


◆ Net interest income ratio

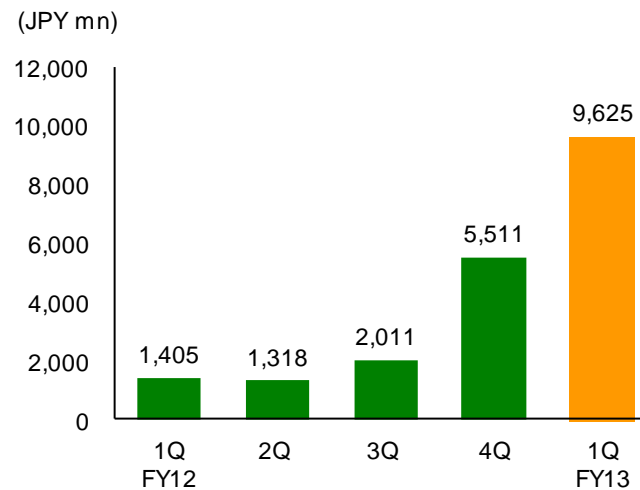


Financial Results

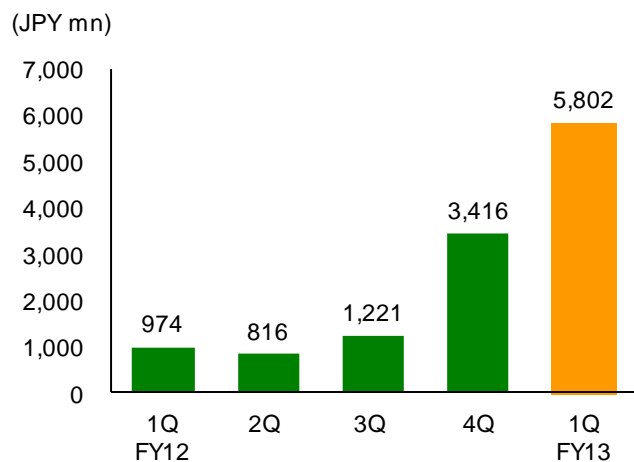
◆ Operating revenues



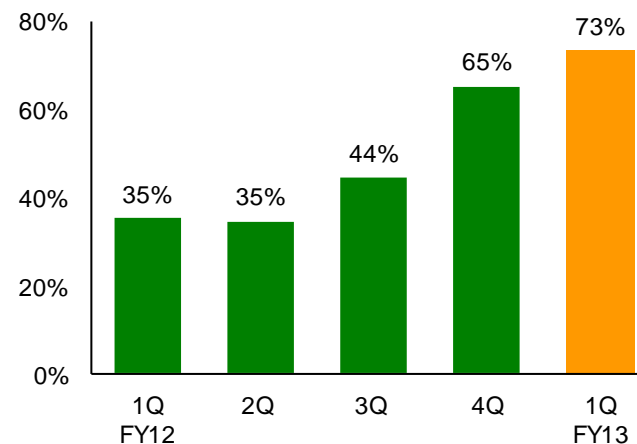
◆ Ordinary income



◆ Net income

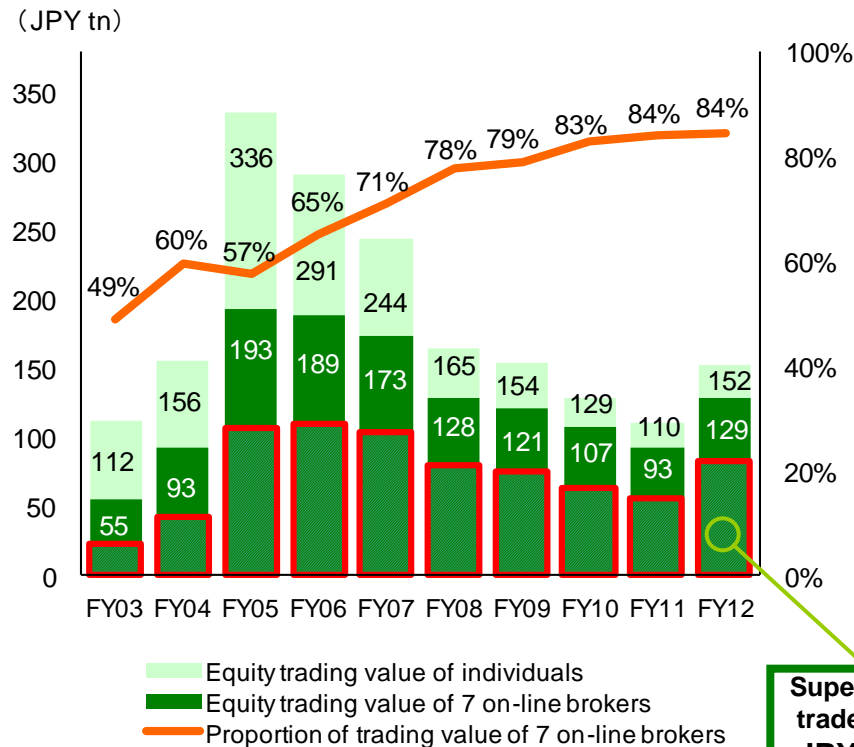


◆ Ordinary income ratio

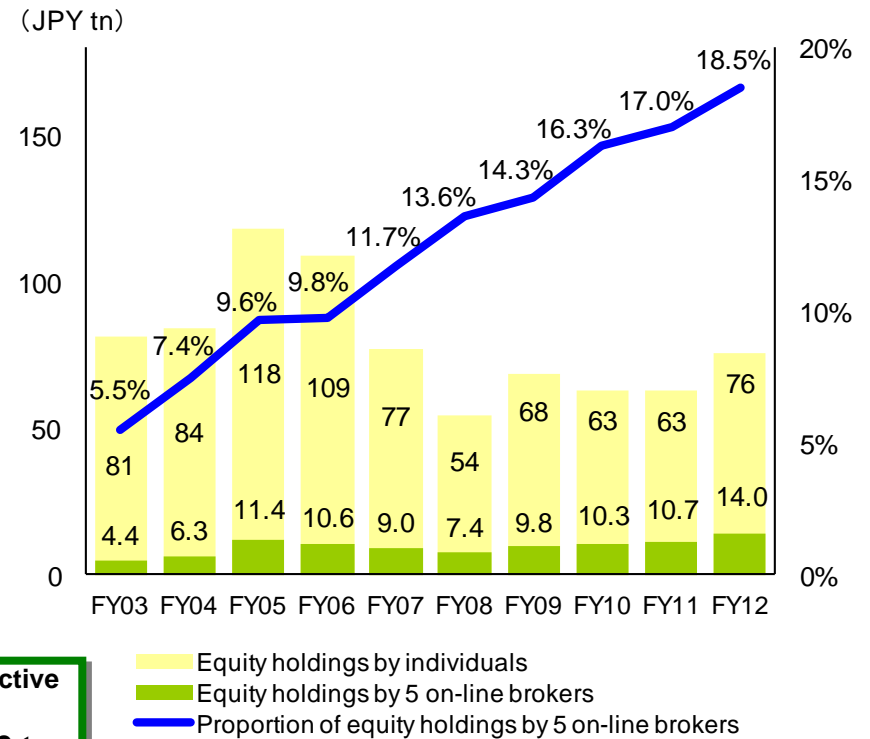


Overview of Retail Equity Trading Market

◆ Equity trading value of individuals¹ (FLOW)



◆ Equity holdings by individuals¹ (STOCK)



Super active traders
JPY 90 tn
(Estimate)

Financial Summary

Section 1

Summary of Financial Results (Quarterly)

(JPY mn)

	FY13	FY12	QoQ	FY12			YoY	FY12 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Operating Revenues	13,152	8,469	55%	4,519	3,812	3,999	3.3x	20,799
Commissions	9,925	6,389	55%	3,057	2,292	2,428	4.1x	14,165
Interest & dividend income	3,220	2,105	53%	1,461	1,519	1,570	2.1x	6,654
Interest expenses	352	228	54%	203	237	216	1.6x	884
Net operating revenues	12,800	8,241	55%	4,316	3,575	3,783	3.4x	19,915
SG&A	3,213	2,742	17%	2,307	2,264	2,407	1.3x	9,719
Operating income	9,587	5,499	74%	2,009	1,311	1,376	7.0x	10,195
Ordinary income	9,625	5,511	75%	2,011	1,318	1,405	6.9x	10,245
Net income	5,802	3,416	70%	1,221	816	974	6.0x	6,427
Ordinary income ratio	73%	65%	-	44%	35%	35%	-	49%
Matsui's trading value (JPY tn)	13.3	7.0	89%	2.4	1.6	1.7	7.8x	12.6
Daily average trading value on TSE (JPY tn)	3.5	2.5	43%	1.3	1.1	1.2	2.9x	1.5

Source: TSE

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY13	FY12	QoQ	FY12			YoY	FY12 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Commissions	9,925	6,389	55%	3,057	2,292	2,428	4.1x	14,165
Brokerage	9,634	6,026	60%	2,833	2,022	2,191	4.4x	13,072
Equity	8,807	5,479	61%	2,501	1,759	1,896	4.6x	11,635
Futures & Options	585	396	48%	251	207	220	2.7x	1,074
Others	291	363	-20%	223	264	237	1.2x	1,088
Net gain (loss) on trading	6	-26	-	0	1	-1	-	-26
Interest & dividend income (1)	3,220	2,105	53%	1,461	1,519	1,570	2.1x	6,654
Total operating revenues	13,152	8,469	55%	4,519	3,812	3,999	3.3x	20,799
Interest expenses (2)	352	228	54%	203	237	216	1.6x	884
Net operating revenues	12,800	8,241	55%	4,316	3,575	3,783	3.4x	19,915
Net interest income (1) - (2)	2,868	1,877	53%	1,257	1,281	1,355	2.1x	5,770
Average margin balance (JPY bn)	318	224	42%	151	155	165	1.9x	173

Breakdown of SG&A (Quarterly)

(JPY mn)

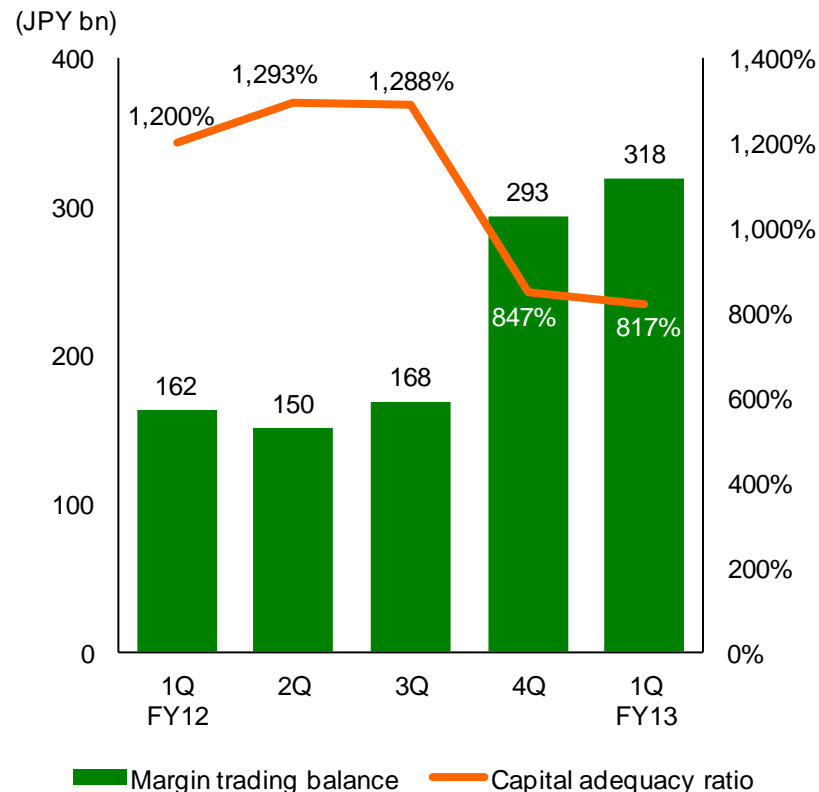
	FY13	FY12	QoQ	FY12			YoY	FY12 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Transaction related expenses	1,406	1,113	26%	770	700	773	82%	3,356
Advertisement	146	196	-25%	108	95	139	5%	538
Employees' compensation & benefits	506	466	9%	455	453	457	11%	1,832
Occupancy & rental	228	229	-0%	230	230	236	-3%	925
Data processing & office supplies	438	396	11%	406	402	422	4%	1,625
Depreciation	428	452	-5%	441	447	448	-4%	1,788
Duties & taxes other than income taxes	74	40	83%	22	19	35	110%	116
Provision of allowance for doubtful accounts	84	20	331%	-40	-6	-9	-	-36
Others	48	26	85%	24	18	46	4%	114
Total SG&A	3,213	2,742	17%	2,307	2,264	2,407	33%	9,719

Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 30 June 2013)

		(JPY mn)
Tier 1	(A)	79,308
Tier 2	Net unrealized gain on investment	2,579
	Statutory reserves	1,378
	Allowance for doubtful accounts	15
	Sub total (B)	3,972
Assets to be deducted from equity capital	(C)	5,038
Net Capital		
	(A) + (B) - (C) (D)	78,243
Total risk	Market risk	647
	Counterparty risk	6,762
	Basic risk	2,170
	Total (E)	9,580
Capital Adequacy ratio (D)/(E)		816.7%

◆ Margin trading balance and capital adequacy ratio



Policy of Profit Sharing with Shareholders

In accordance with the booming market conditions, we plan to pay interim dividend of 20 yen per share for FY13

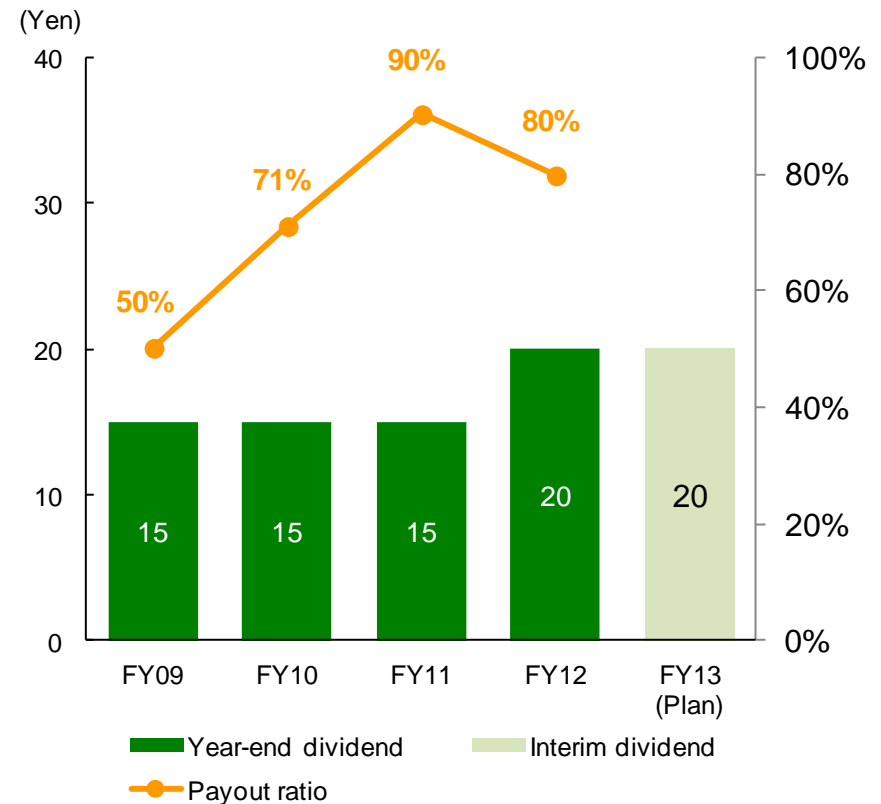
◆ Dividend policy

- Maintain the performance based return to the shareholders
- Target of payout ratio is “30% and above”

◆ Dividends for FY13

- Interim : Plan to pay 20 yen per share
- Year-end : Not yet determined

◆ Matsui’s dividend per share and payout ratio

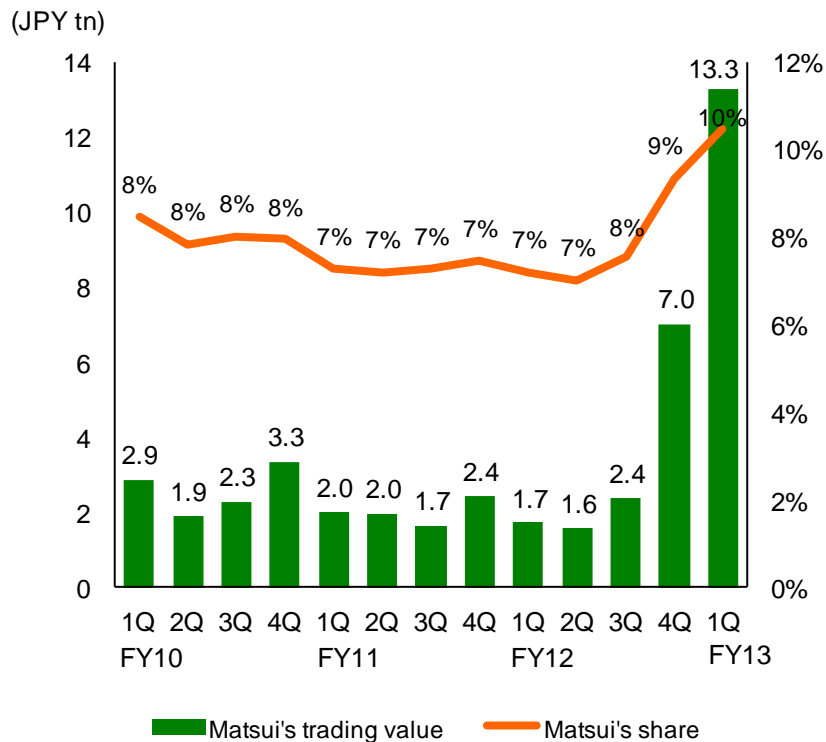


Results of Operation

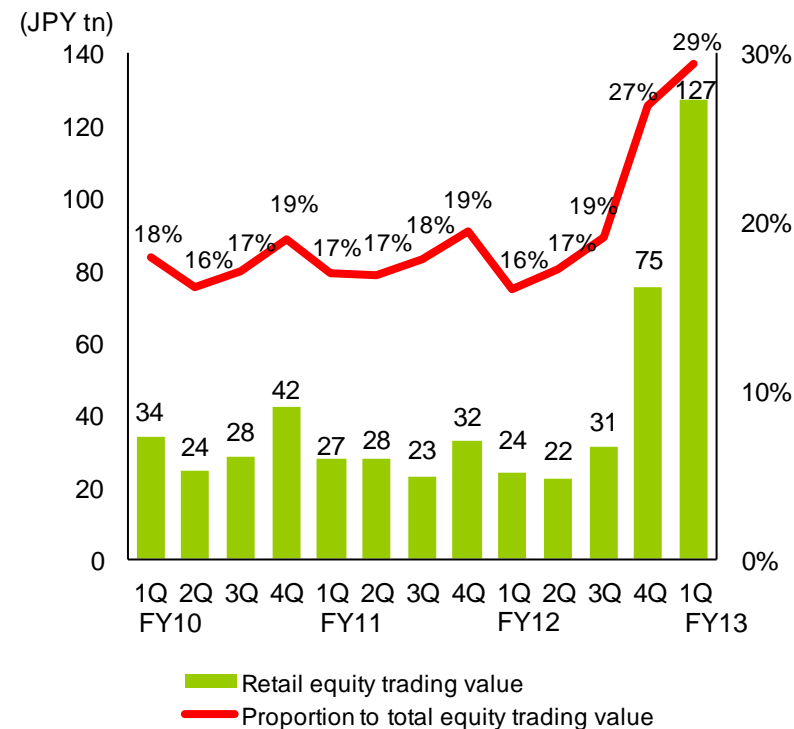
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

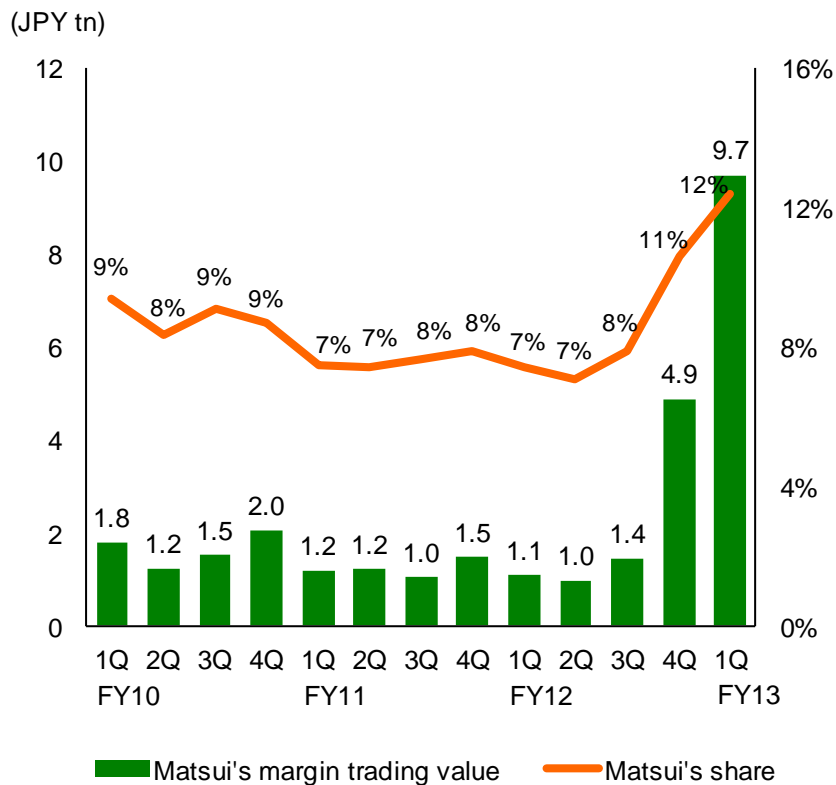


◆ Retail equity trading value¹ and proportion to total equity trading value

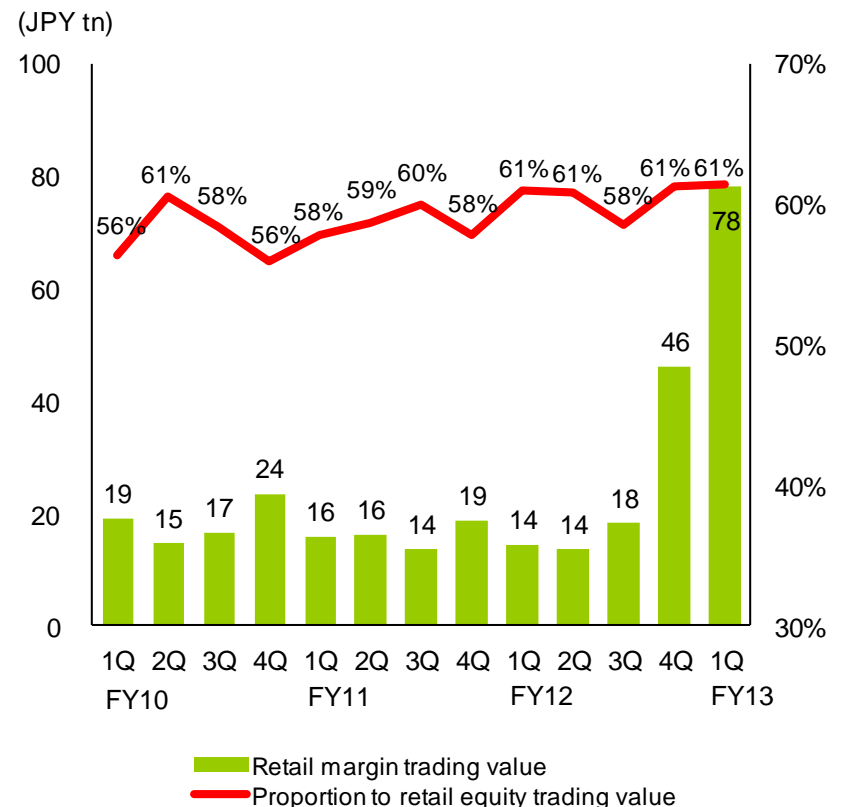


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

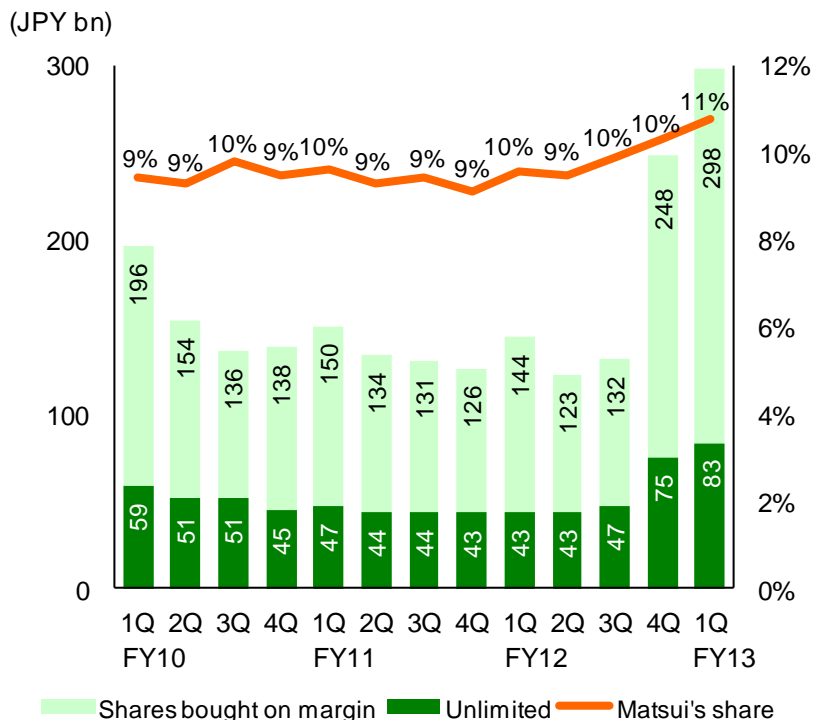


◆ Retail margin trading value¹ and proportion to total retail equity trading value

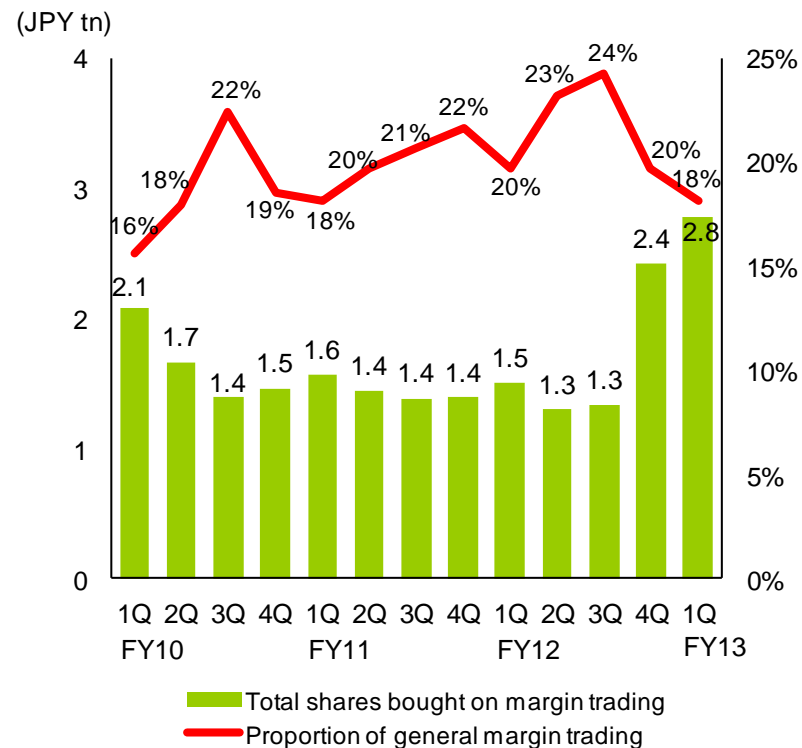


Margin Trading Balance

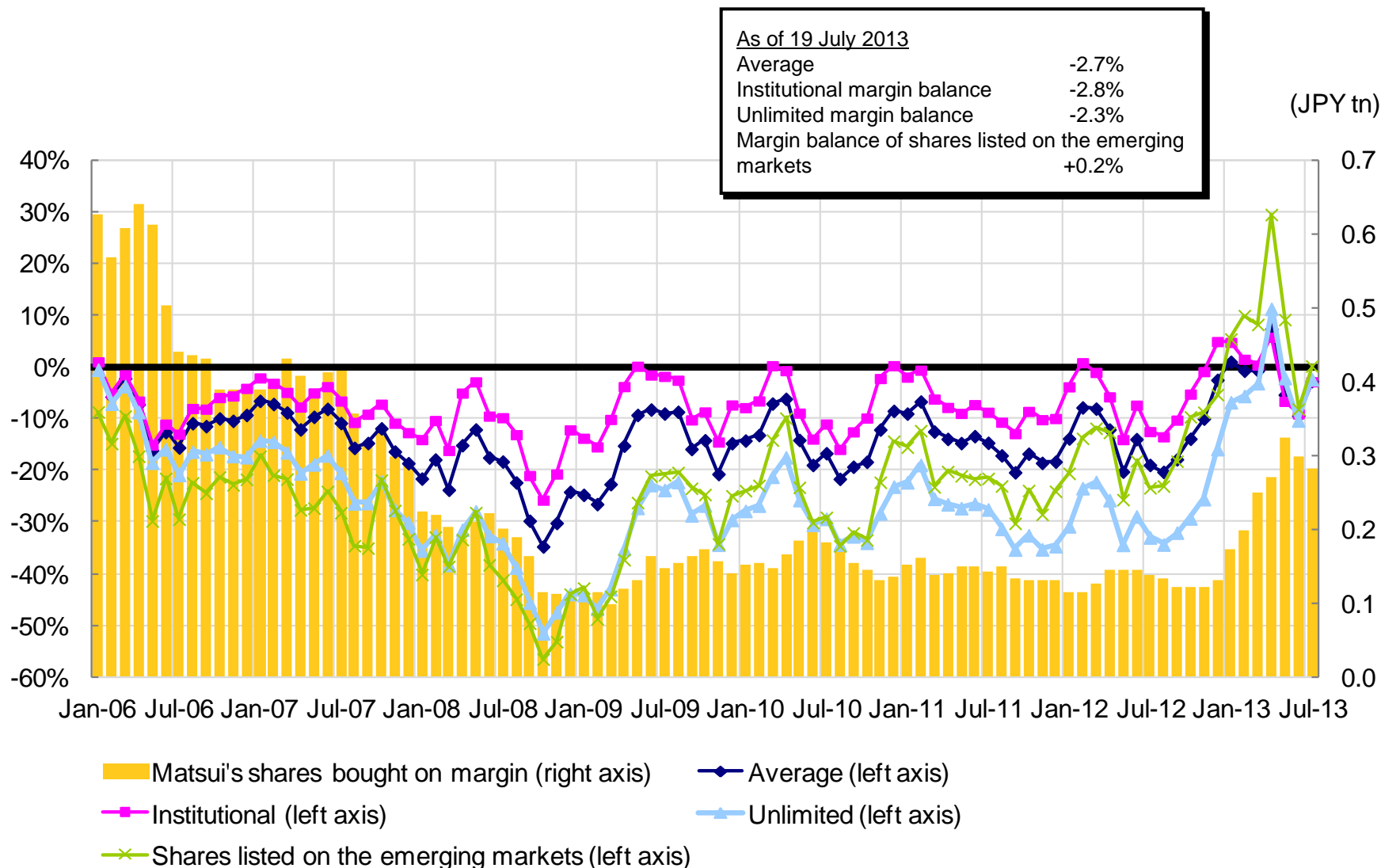
◆ Matsui's shares bought on margin¹ and its market share²



◆ Total shares bought on margin¹ and proportion of general margin trading

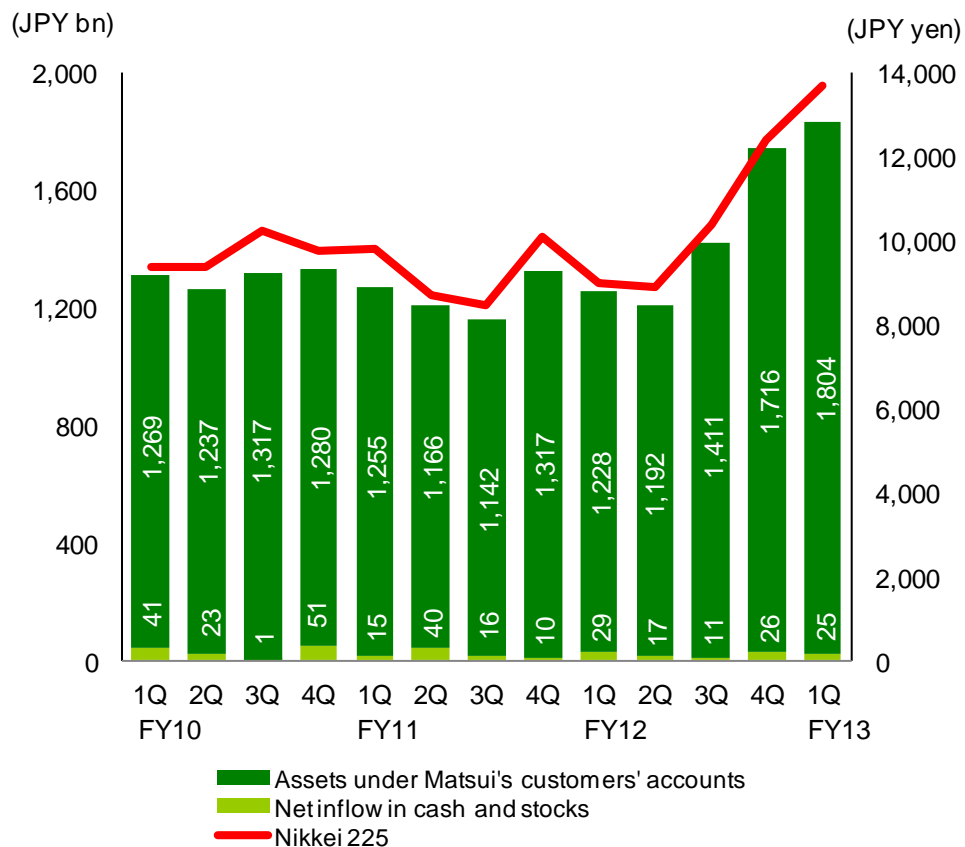


Unrealized Losses on Matsui's Margin Balance

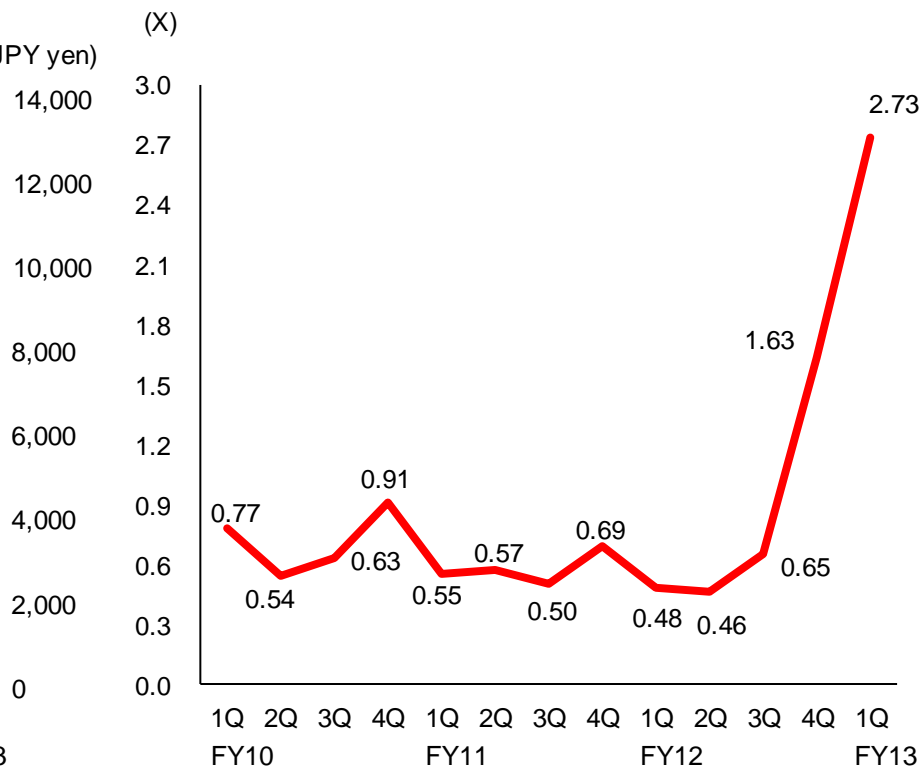


Assets under Customers' Accounts / Trading Turnover

◆ Assets under Matsui's customers' accounts



◆ Equity trading turnover¹ of Matsui's customers



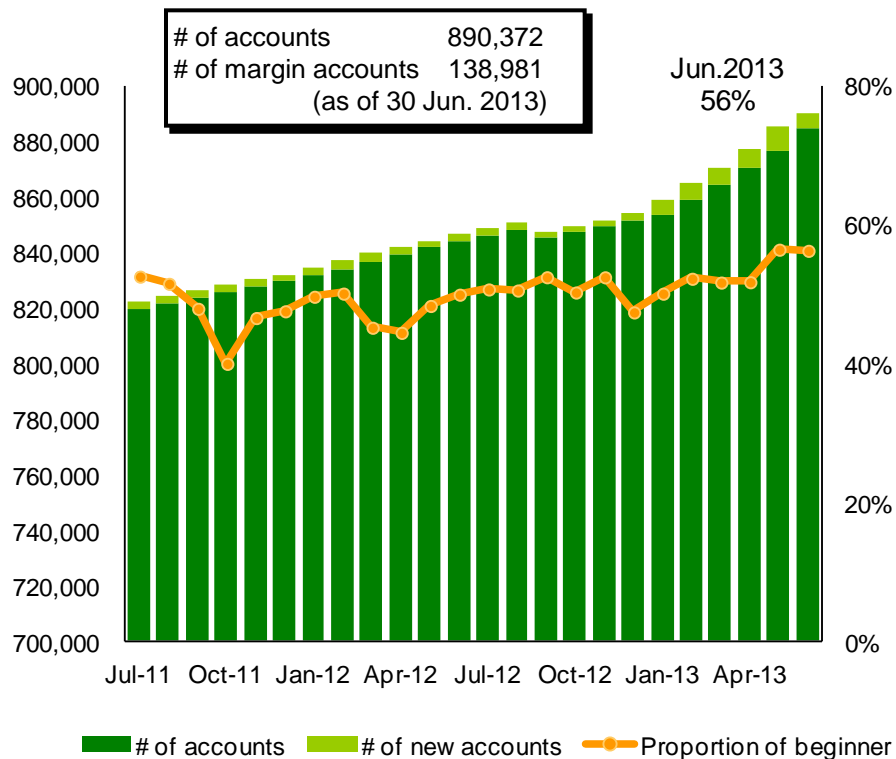
Note 1: Equity trading turnover = (monthly average trading value) / (quarterly average assets under customers' accounts*)

* assets under customers' accounts of Matsui's related persons are excluded

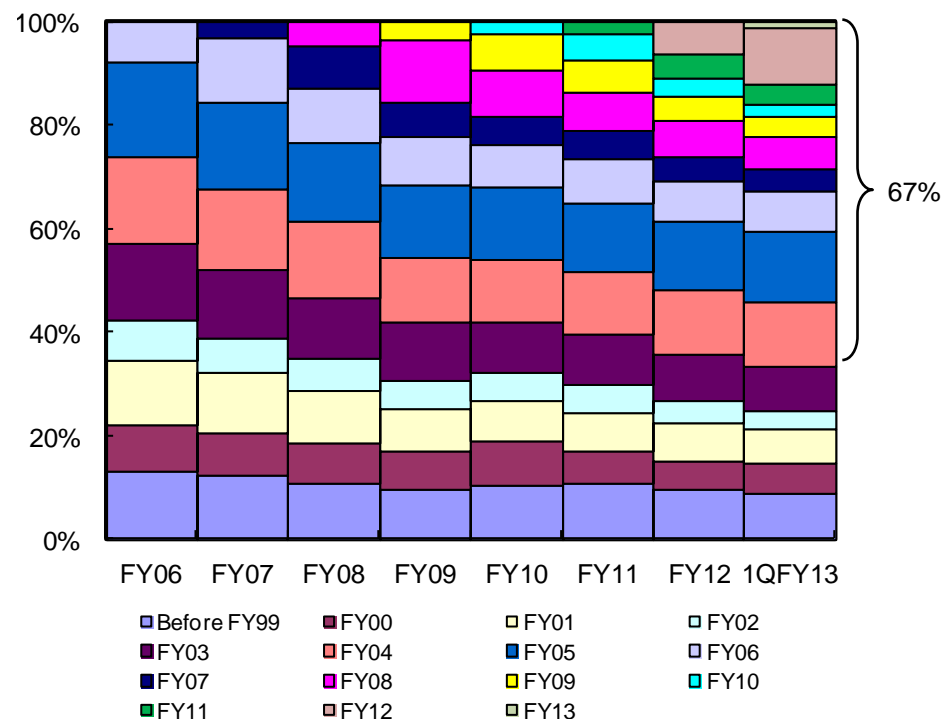
Note 2: Nikkei 225 is the closed price at the end of each quarter

Number of Accounts / Breakdown of Trading Value

◆ Number of accounts at Matsui¹

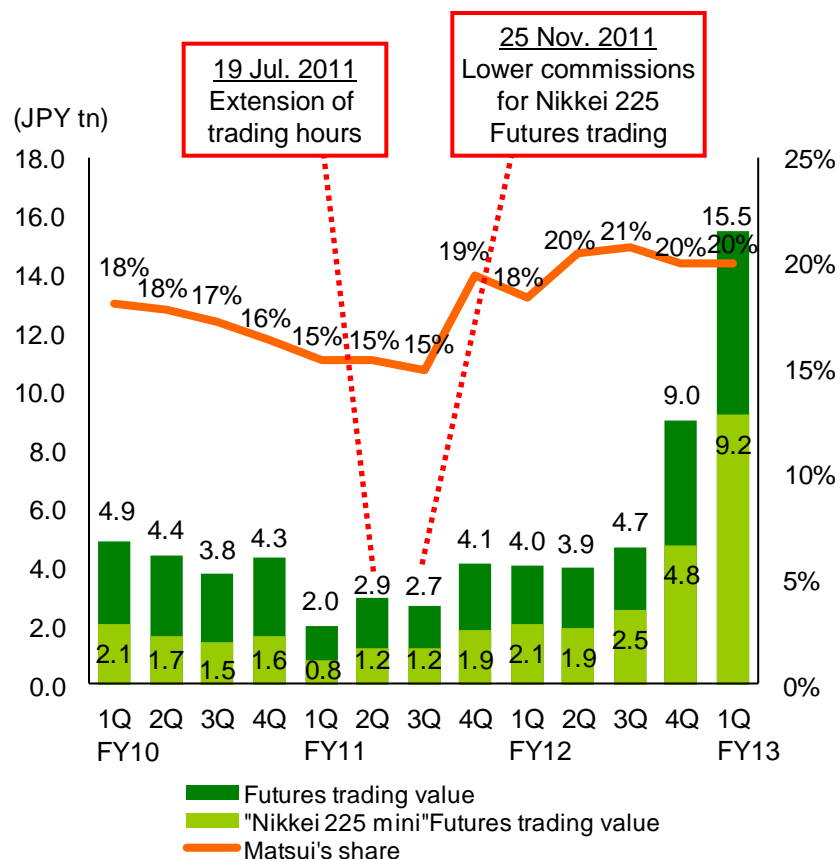


◆ Breakdown of trading value by customers opening the accounts in each fiscal year

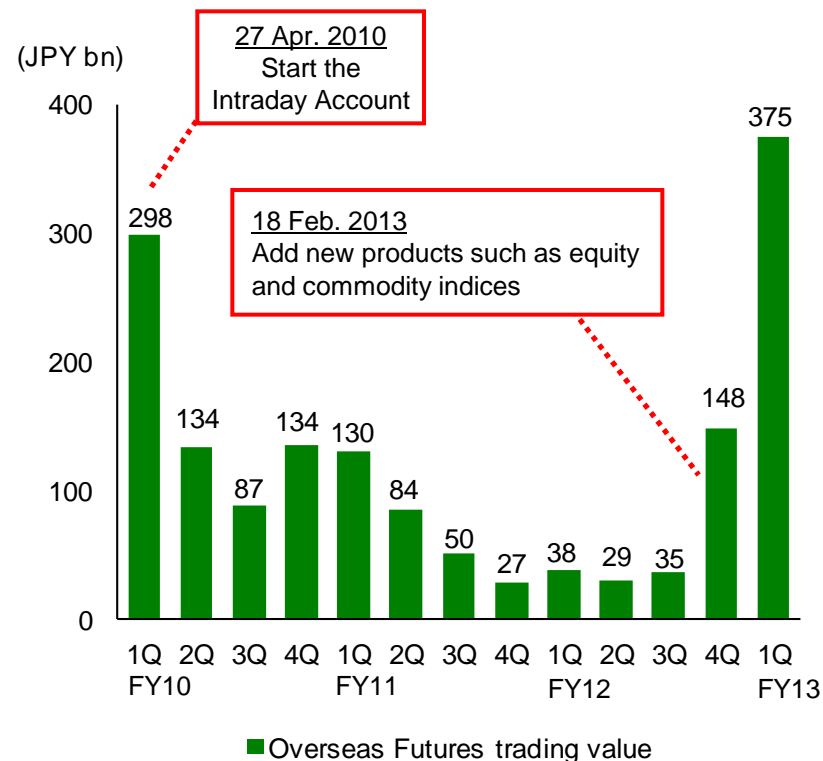


Futures trading value

◆ Matsui's OSE Nikkei 225 Futures trading value and its market share

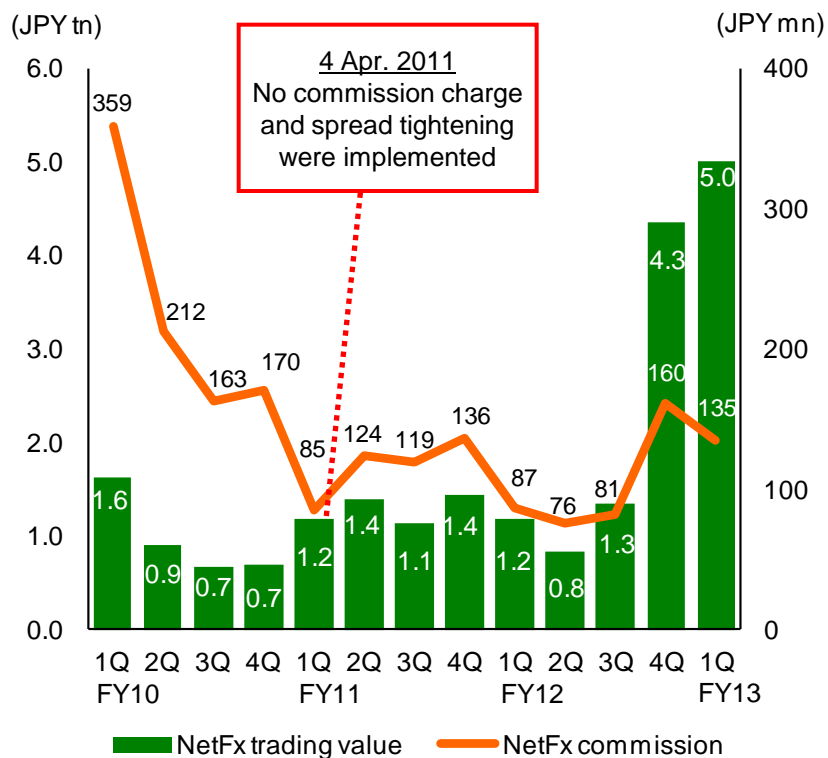


◆ Matsui's Overseas Futures trading value (CME)

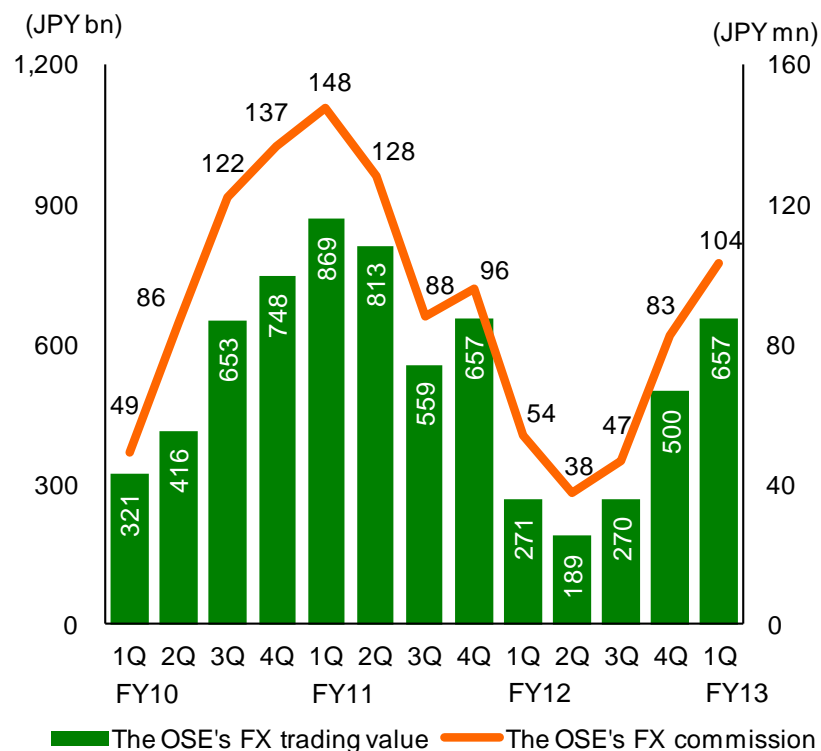


FX Margin Trading

◆ Matsui's OTC FX trading value and commission



◆ The OSE's FX trading value in Matsui and commission



Recent 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
- ◆ Pioneer in providing online margin trading in Japan
- ◆ "Box Rate" fee structure
- ◆ Pioneer in developing unlimited margin trading
- ◆ Pioneering approach to "NetFx" "Nikkei 225 futures and Nikkei 225 Options"
- ◆ Pioneer in providing specific application available for smartphone
- ◆ Introduced "Margin Account for Day-trades"

Our Direction

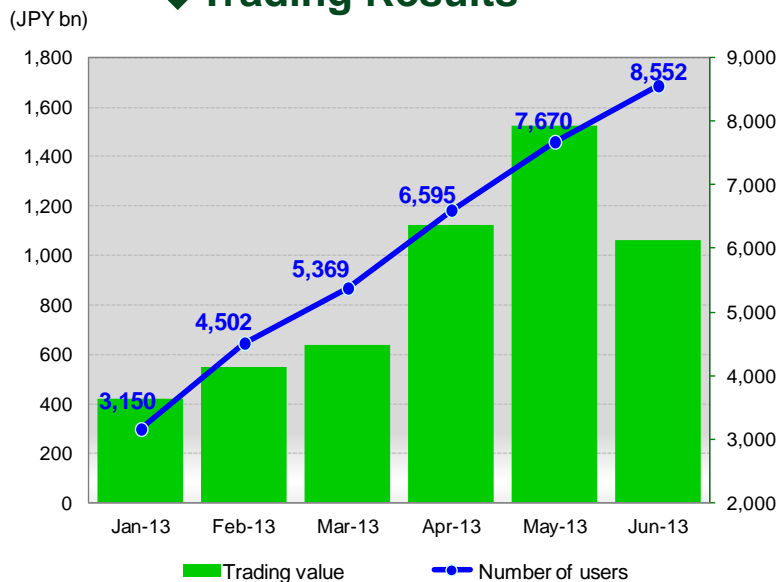
- ◆ Develop unique and innovative services
- ◆ Focus on brokerage business
- ◆ Pursue the services which expand brokerage (flow) business rather than asset gathering related (stock) services

Margin Account for Day-trades I

Introduced “Margin Account for Day-trades” from Jan. 2013

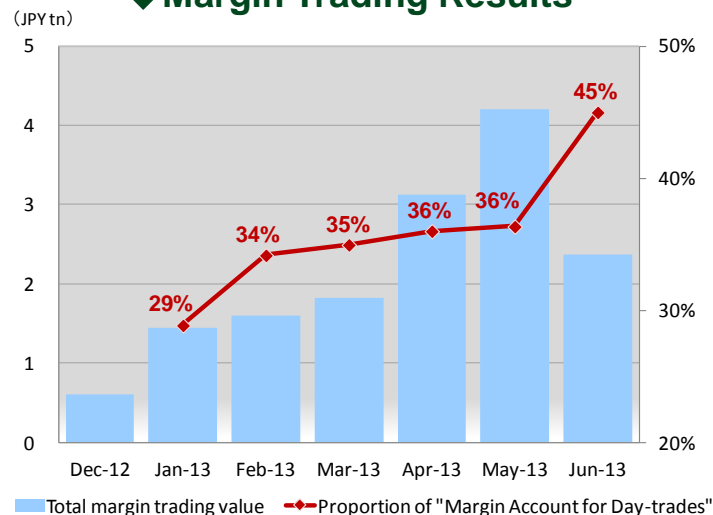
~ It is designed to take full advantage of the benefits under the newly relaxed deposit rules for margin trading and basically charges no commission and interest

◆ Trading Results

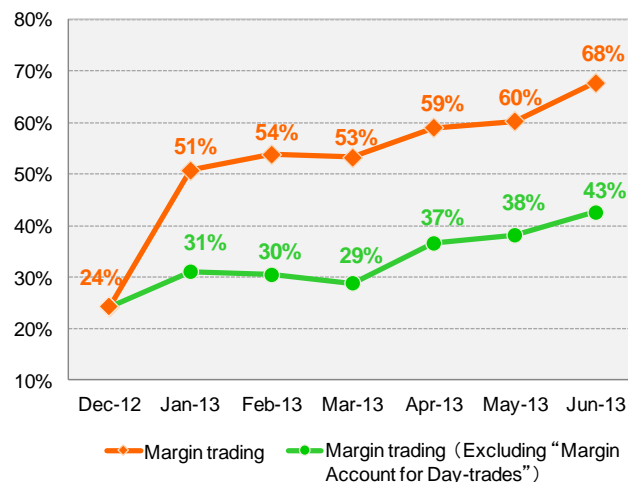


The trading value and the number of users of “Margin Account for Day-trades” have increased since Jan. 2013

◆ Margin Trading Results

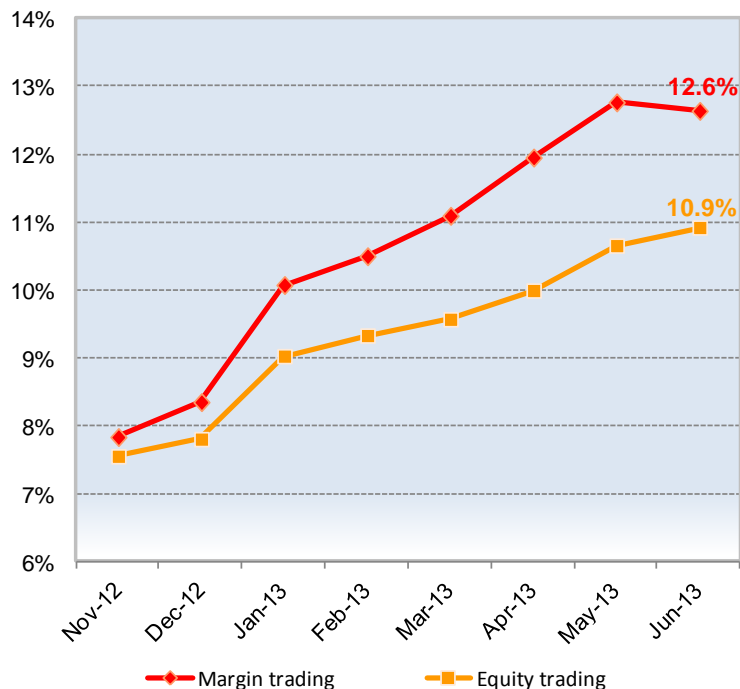


◆ Proportion of “Day -trades”



Margin Account for Day-trades II

◆ Matsui's market share



Matsui's market share has been improved by deregulation of margin trading and introduction of "Margin Account for Day-trades"

◆ Recent Developments

- Lower the commissions for settlement of the overdue positions*
- Add the conditional orders such as "market-on-close order", "stop order", etc.
- Add the trading function of "Margin Account for Day-trades" to "KABU touch", the trading application for smartphone
- Add 172 eligible shares for short-position
(698 shares as of Jul. 19)



◆ Future Developments

Plan to implement continuous improvements of the service, such as enhancement of order functions and expansion of eligible shares for short-position etc.

Details of Newly Offered Services

Campaign/Promotion	Improvement in Quality of Services to Customers
<ul style="list-style-type: none"> ◆ Cash back campaign for OSE FX trading (2013/5/1-6/29) ◆ Starting campaign for trading ETF (2013/6/3-7/31) ◆ Starting campaign for trading ETN (2013/6/24-8/30) ◆ Cash back campaign for OSE FX trading (2013/7/1-10/1) ~Discount commission charge for the customers who open new account 	<ul style="list-style-type: none"> ◆ Add the conditional orders for “Margin Account for Day-trades” (2013/4/1-) ~“market-on-close order”, “stop order”, etc. ◆ Add the trading function of “Margin Account for Day-trades” to “KABU touch” (2013/6/10-) ◆ Enhance the function for the trading tool “Netstock Trader Premium ” (2013/7/16-)

The material is intended to provide the financial results for the quarter ended 30 June 2013 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 2013. 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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