



Matsui Securities Co., Ltd.

(First Section of TSE: 8628)

Annual Results for 1QFY2014

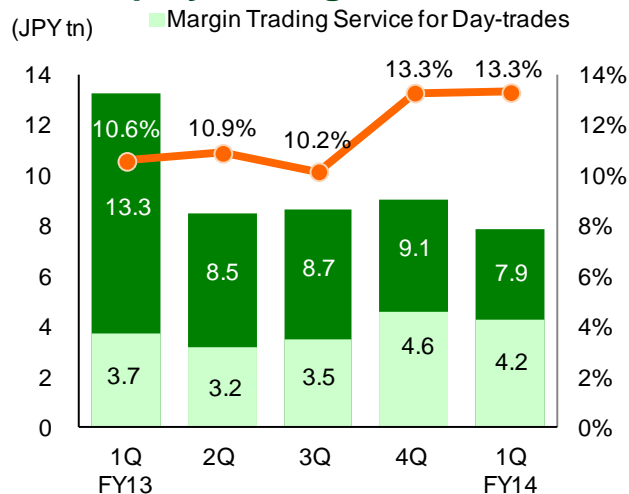
July 2014

Table of Contents

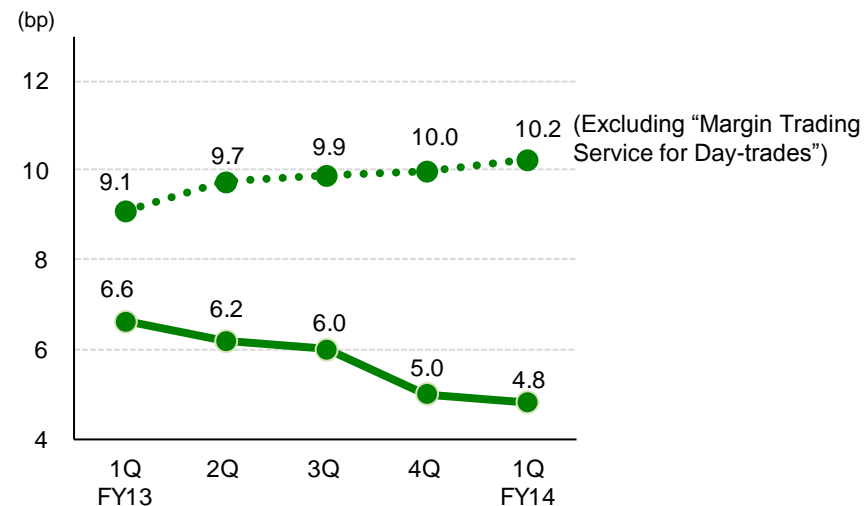
Section 1	Financial Summary	5
Section 2	Results of Operation	10
Section 3	Recent Developments	19

Results of Operation

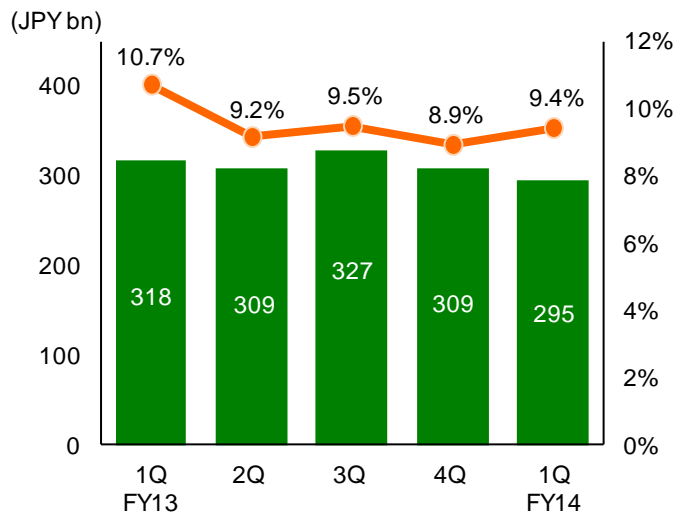
◆ Equity trading value / Market share



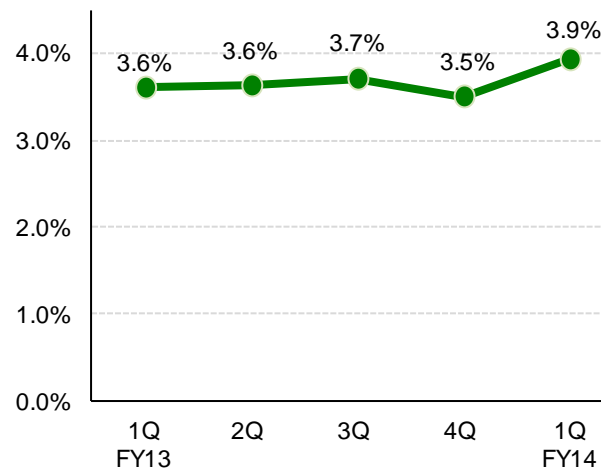
◆ Equity commission rate



◆ Margin balance / Market share

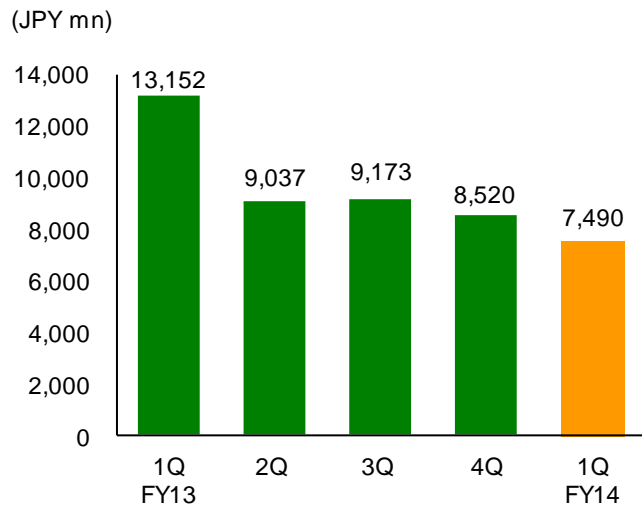


◆ Net interest income ratio

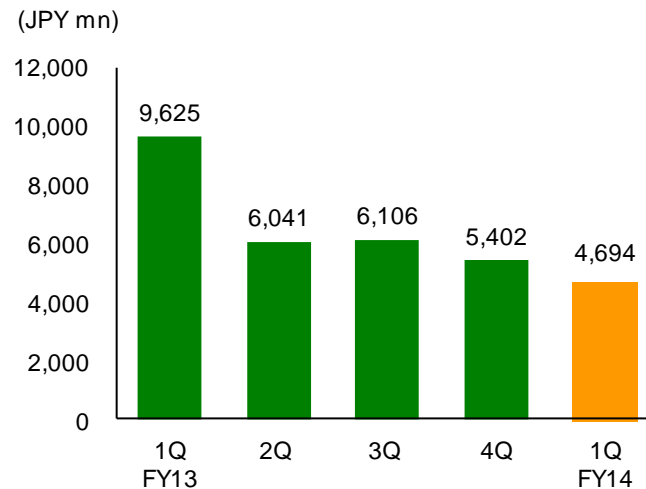


Financial Results

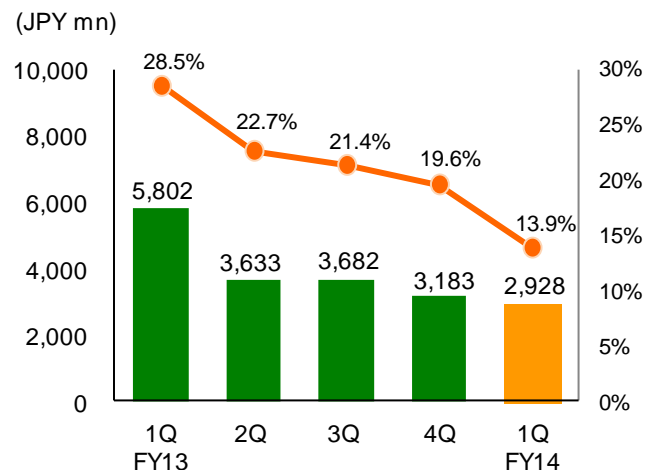
◆ Operating revenues



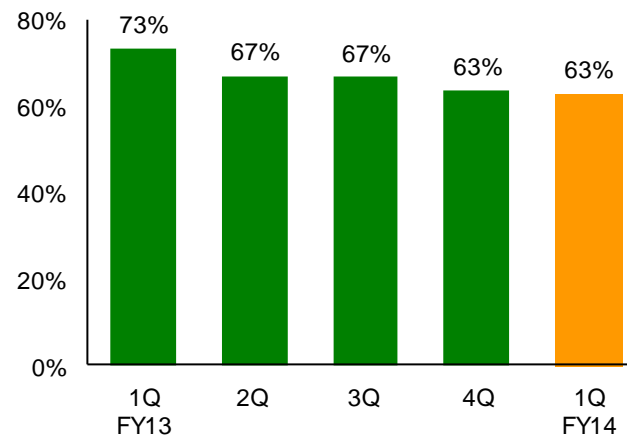
◆ Ordinary income



◆ Net income / ROE¹

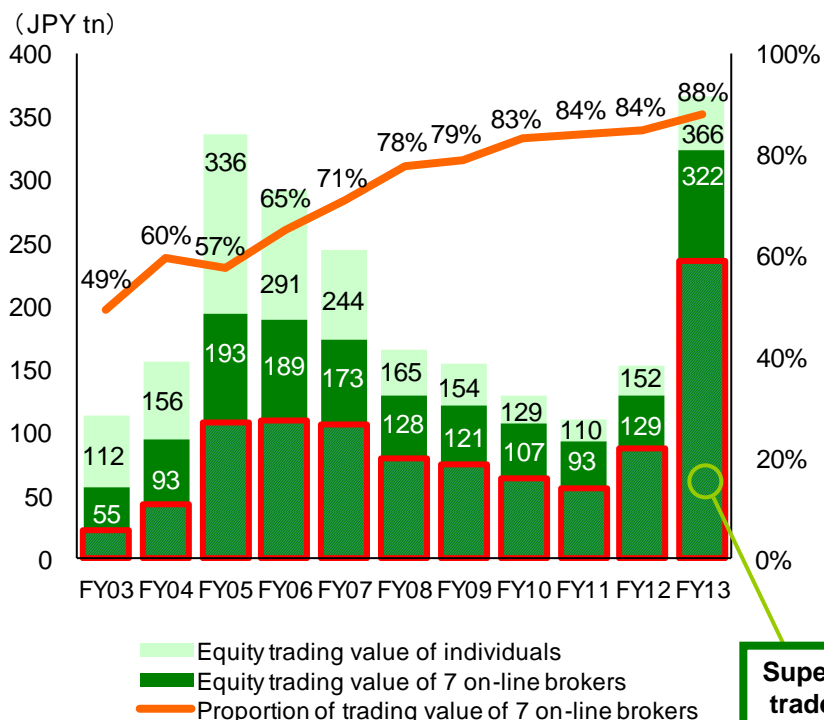


◆ Ordinary income ratio



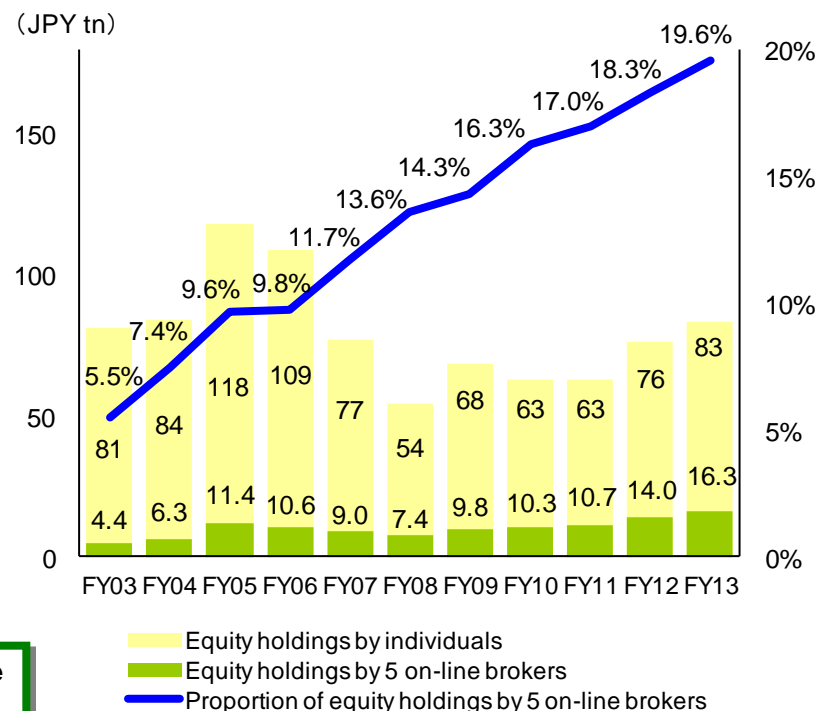
Overview of Retail Equity Trading Market

◆ Equity trading value of individuals¹ (FLOW)



Super active traders²
JPY 230 tn
(Estimate)

◆ Equity holdings by individuals¹ (STOCK)



Financial Summary

Section 1

Summary of Financial Results (Quarterly)

(JPY mn)

	FY14	FY13	QoQ	FY13			YoY	FY13 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Operating Revenues	7,490	8,520	-12%	9,173	9,037	13,152	-43%	39,883
Commissions	4,406	5,395	-18%	5,977	6,052	9,925	-56%	27,349
Interest & dividend income	3,082	3,123	-1%	3,192	2,983	3,220	-4%	12,519
Interest expenses	253	281	-10%	274	239	352	-28%	1,145
Net operating revenues	7,238	8,239	-12%	8,900	8,799	12,800	-43%	38,738
SG&A	2,604	2,838	-8%	2,825	2,771	3,213	-19%	11,648
Operating income	4,633	5,400	-14%	6,075	6,028	9,587	-52%	27,090
Ordinary income	4,694	5,402	-13%	6,106	6,041	9,625	-51%	27,175
Net income	2,928	3,183	-8%	3,682	3,633	5,802	-50%	16,300
Ordinary income ratio	63%	63%	-	67%	67%	73%	-	68%
Matsui's trading value (JPY tn)	7.9	9.1	-13%	8.7	8.5	13.3	-41%	39.5
Daily average trading value on TSE (JPY tn)	2.3	2.9	-20%	2.7	2.4	3.5	-34%	2.9

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY14	FY13	QoQ	FY13			YoY	FY13 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Commissions	4,406	5,395	-18%	5,977	6,052	9,925	-56%	27,349
Brokerage	4,200	5,069	-17%	5,728	5,749	9,634	-56%	26,180
Equity	3,807	4,547	-16%	5,238	5,276	8,807	-57%	23,867
Futures & Options	256	323	-21%	302	306	585	-56%	1,516
Others	203	326	-38%	249	298	291	-30%	1,164
Net gain (loss) on trading	1	1	-45%	3	1	6	-91%	11
Interest & dividend income (1)	3,082	3,123	-1%	3,192	2,983	3,220	-4%	12,519
Total operating revenues	7,490	8,520	-12%	9,173	9,037	13,152	-43%	39,883
Interest expenses (2)	253	281	-10%	274	239	352	-28%	1,145
Net operating revenues	7,238	8,239	-12%	8,900	8,799	12,800	-43%	38,738
Net interest income (1) - (2)	2,830	2,841	-0%	2,919	2,745	2,868	-1%	11,373
Average margin balance (JPY bn)	288	324	-11%	315	302	318	-10%	315

Breakdown of SG&A (Quarterly)

(JPY mn)

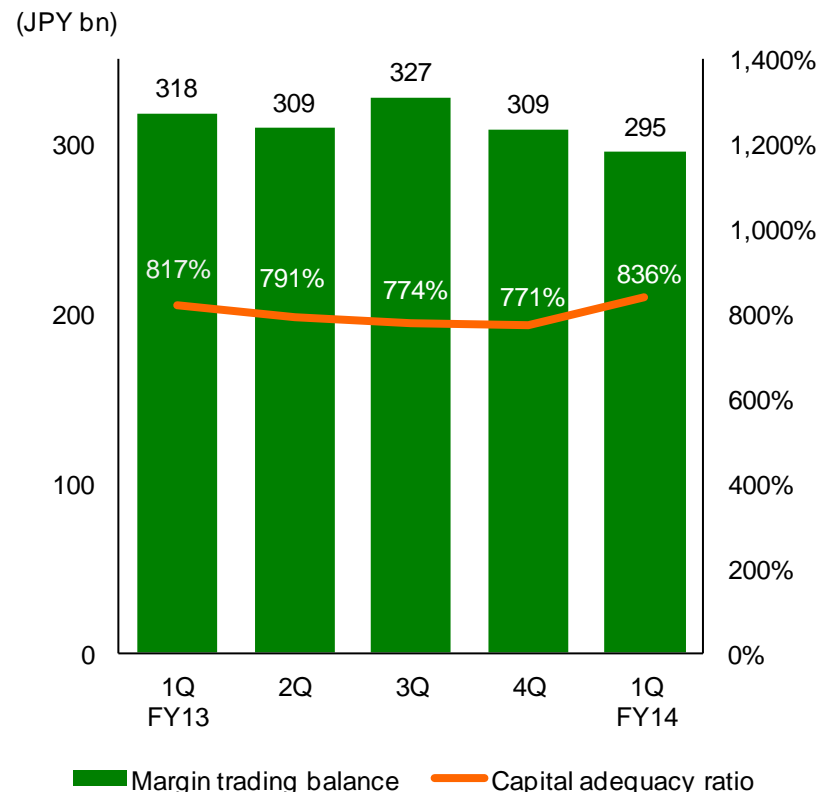
	FY14	FY13	QoQ	FY13			YoY	FY13 TOTAL
	1Q	4Q		3Q	2Q	1Q		
Transaction related expenses	1,115	1,240	-10%	1,158	1,154	1,406	-21%	4,957
Advertisement	119	183	-35%	126	139	146	-19%	594
Employees' compensation & benefits	465	468	-1%	616	485	506	-8%	2,075
Occupancy & rental	222	219	1%	235	222	228	-3%	905
Data processing & office supplies	427	420	2%	449	438	438	-3%	1,745
Depreciation	364	407	-10%	400	399	428	-15%	1,635
Duties & taxes other than income taxes	46	40	13%	45	68	74	-38%	226
Provision of allowance for doubtful accounts	-75	-4	-	-115	-32	84	-	-68
Others	41	49	-16%	38	39	48	-14%	173
Total SG&A	2,604	2,838	-8%	2,825	2,771	3,213	-19%	11,648

Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 30 June 2014)

		(JPY mn)
Tier 1	(A)	79,897
Tier 2	Net unrealized gain on investment	3,226
	Statutory reserves	2,085
	Allowance for doubtful accounts	10
	Sub total (B)	5,322
Assets to be deducted from equity capital	(C)	4,748
Net Capital		
	(A) + (B) - (C) (D)	80,471
Total risk	Market risk	806
	Counterparty risk	6,128
	Basic risk	2,687
	Total (E)	9,622
Capital adequacy ratio	(D)/(E)	836.3%

◆ Margin trading balance and capital adequacy ratio

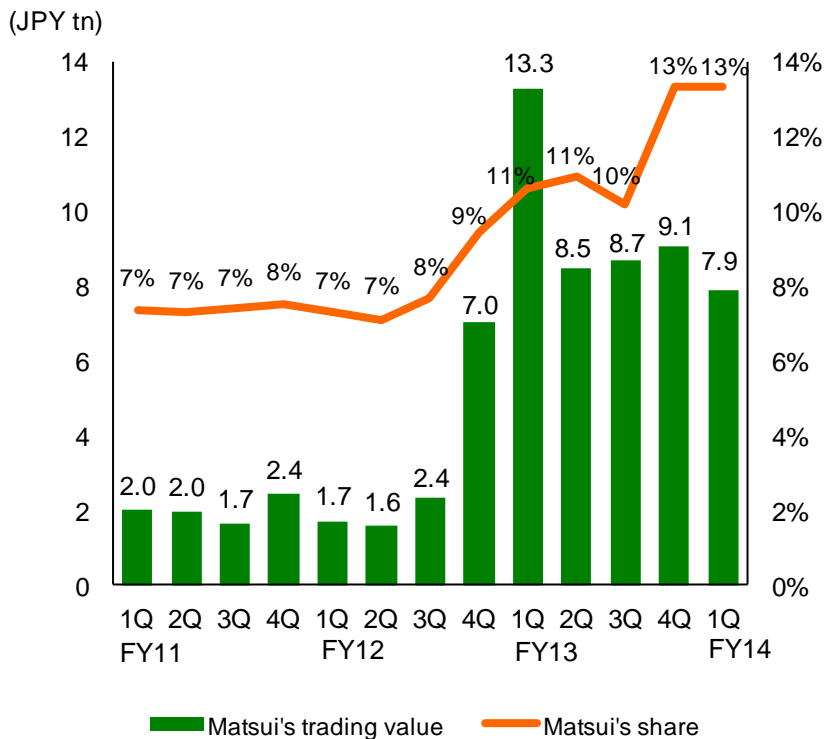


Results of Operation

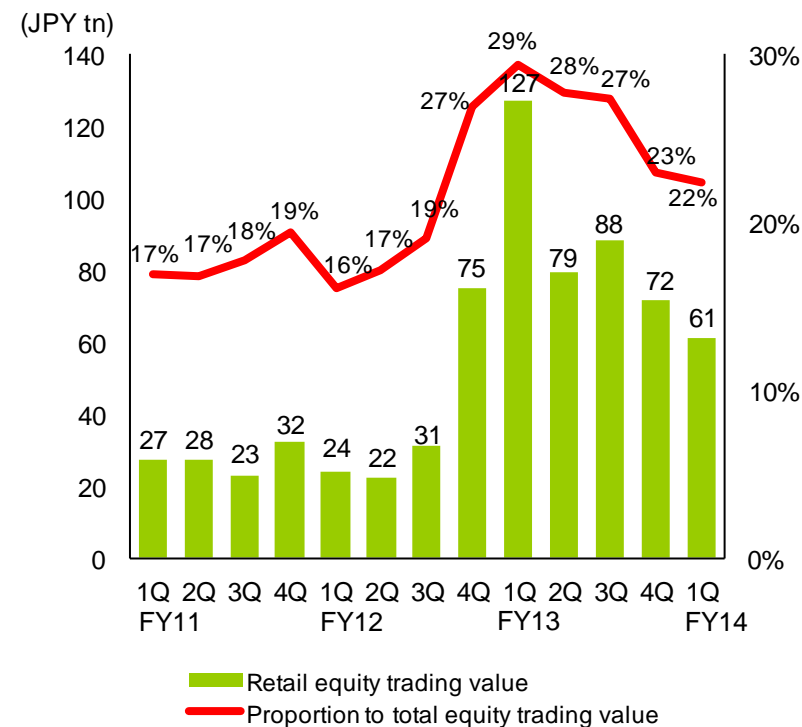
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

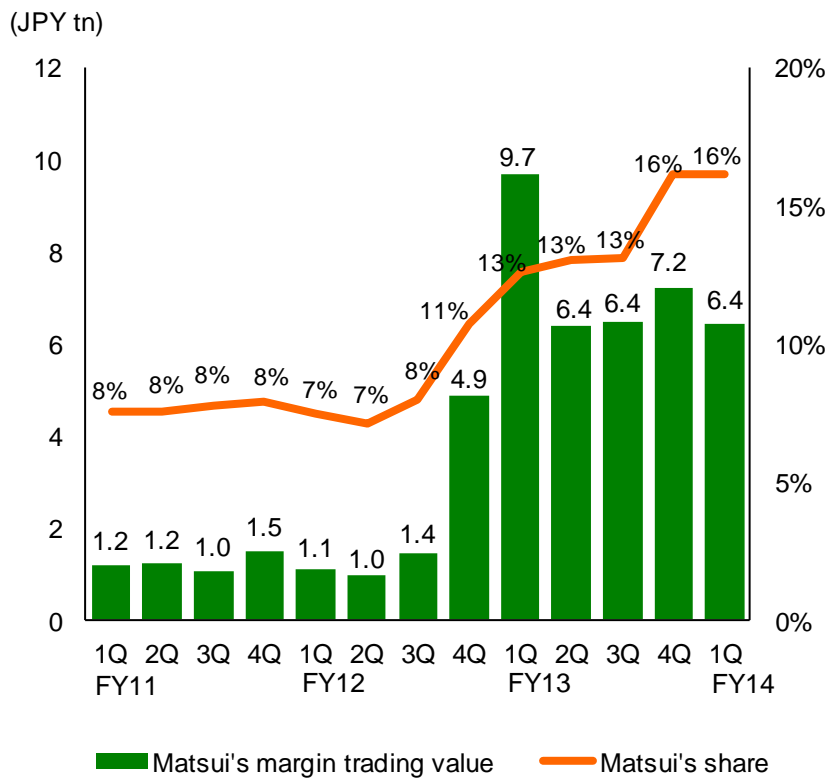


◆ Retail equity trading value¹ and proportion to total equity trading value

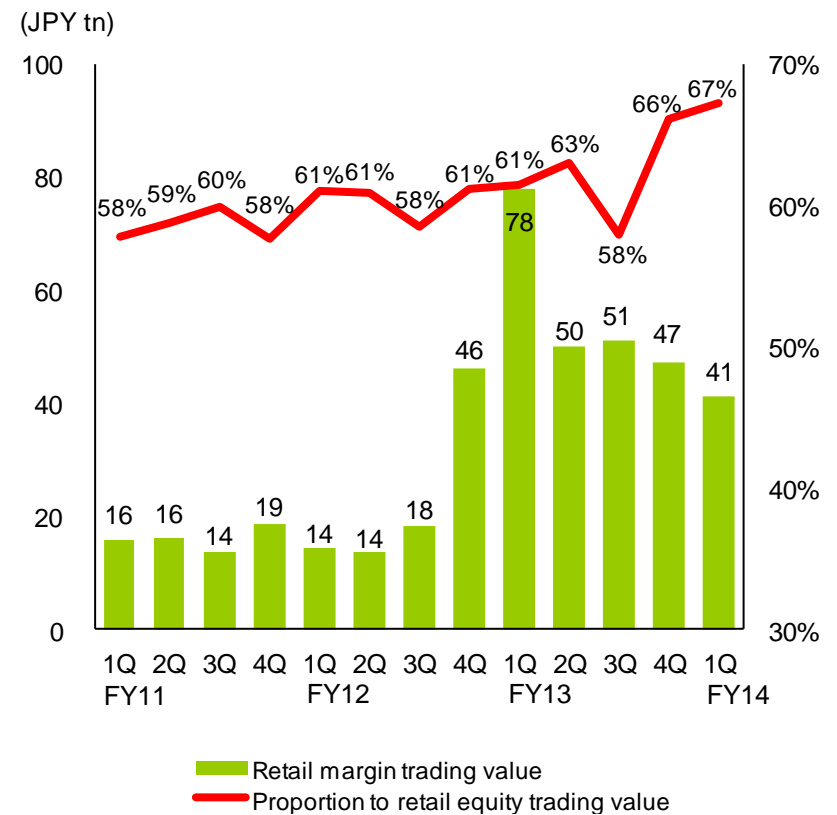


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

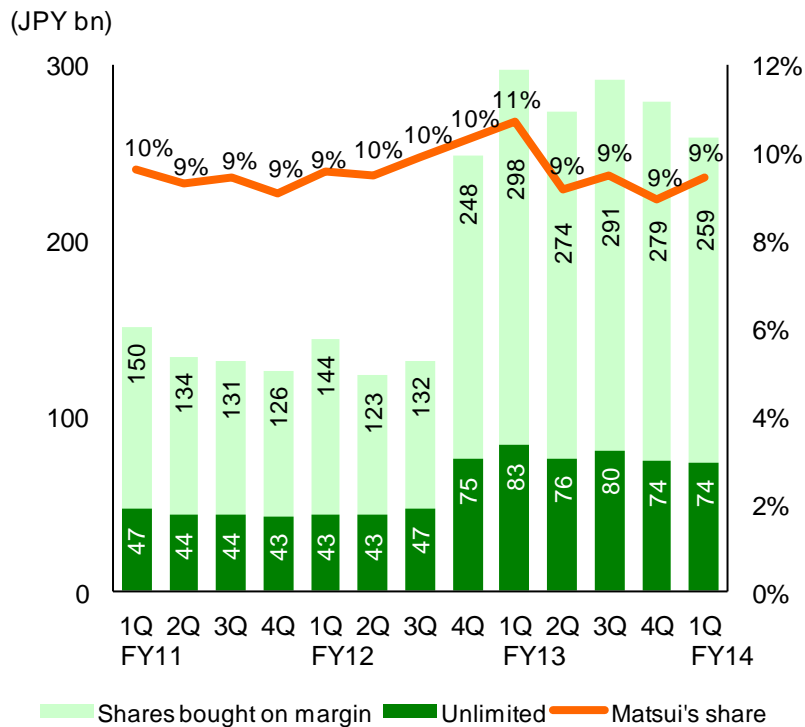


◆ Retail margin trading value¹ and proportion to total retail equity trading value

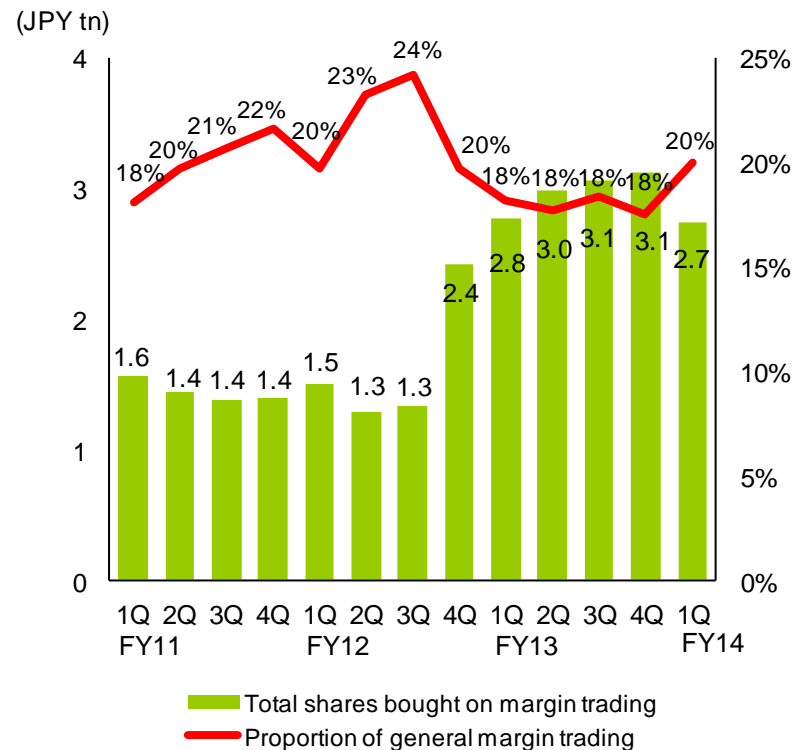


Margin Trading Balance

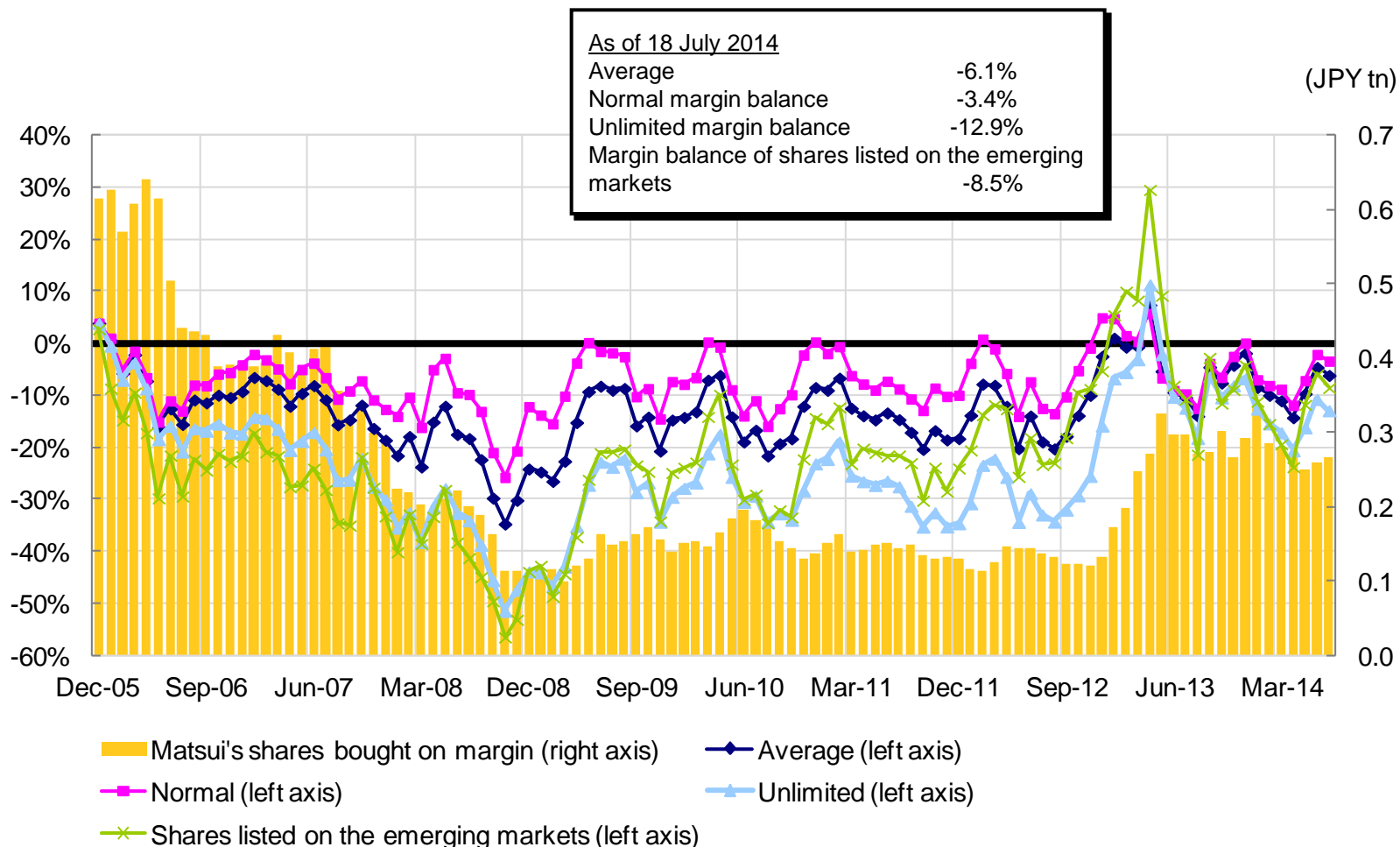
◆ Matsui's shares bought on margin¹ and its market share²



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

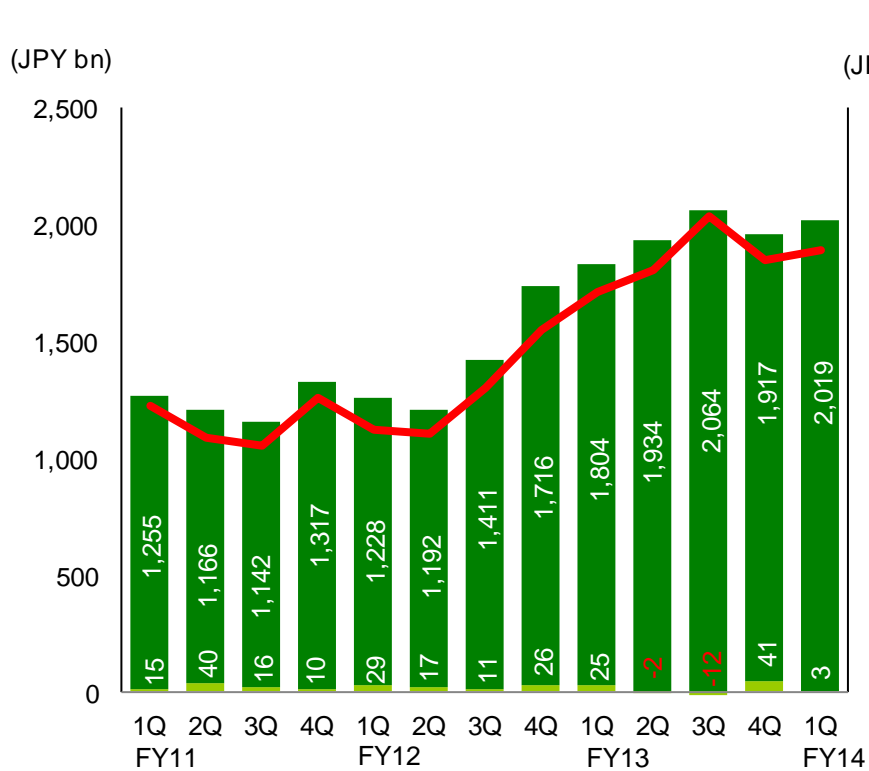


Unrealized Losses on Matsui's Margin Balance



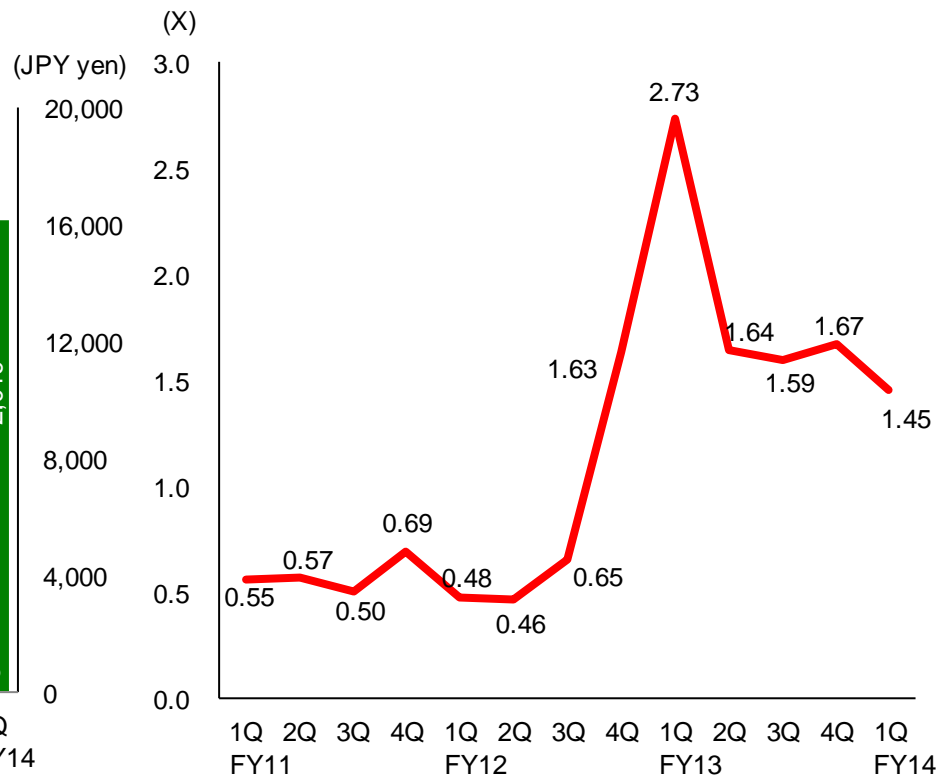
Assets under Customers' Accounts / Trading Turnover

◆ Assets under Matsui's customers' accounts



■ Assets under Matsui's customers' accounts
■ Net inflow in cash and stocks
— Nikkei 225

◆ Equity trading turnover¹ of Matsui's customers



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

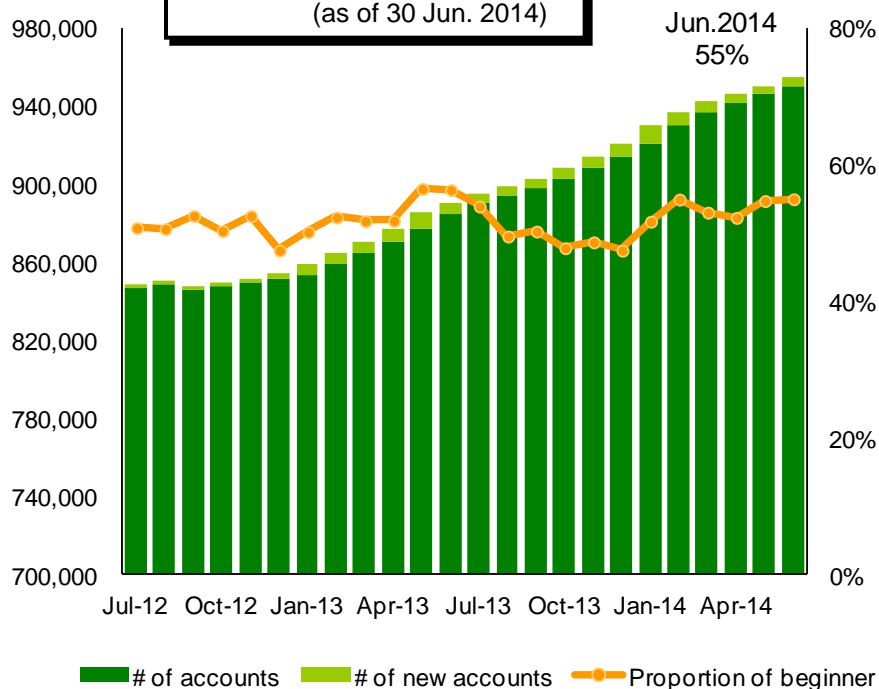
* assets under customers' accounts of Matsui's related persons are excluded

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

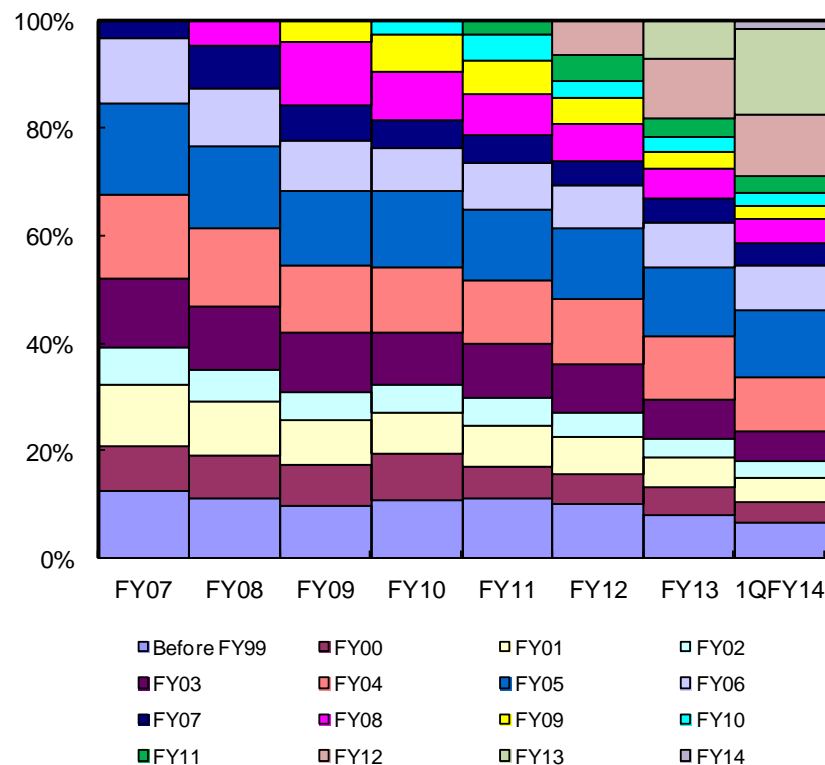
Number of Accounts / Breakdown of Trading Value

◆ Number of accounts at Matsui¹

of accounts 954,645
 # of margin accounts 150,449
 (as of 30 Jun. 2014)

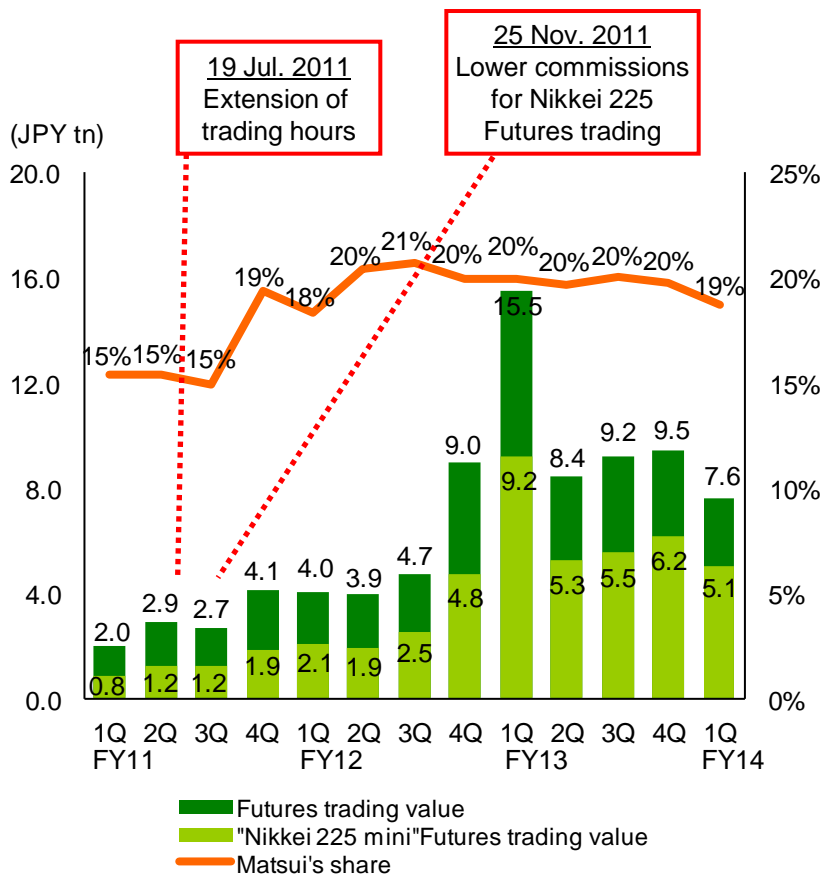


◆ Breakdown of trading value by customers opening the accounts in each fiscal year

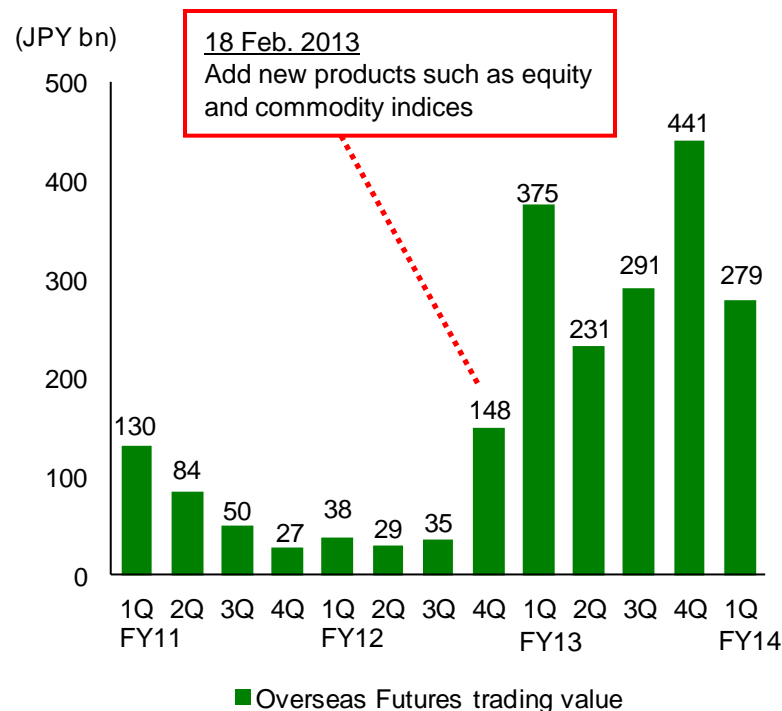


Futures trading value

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

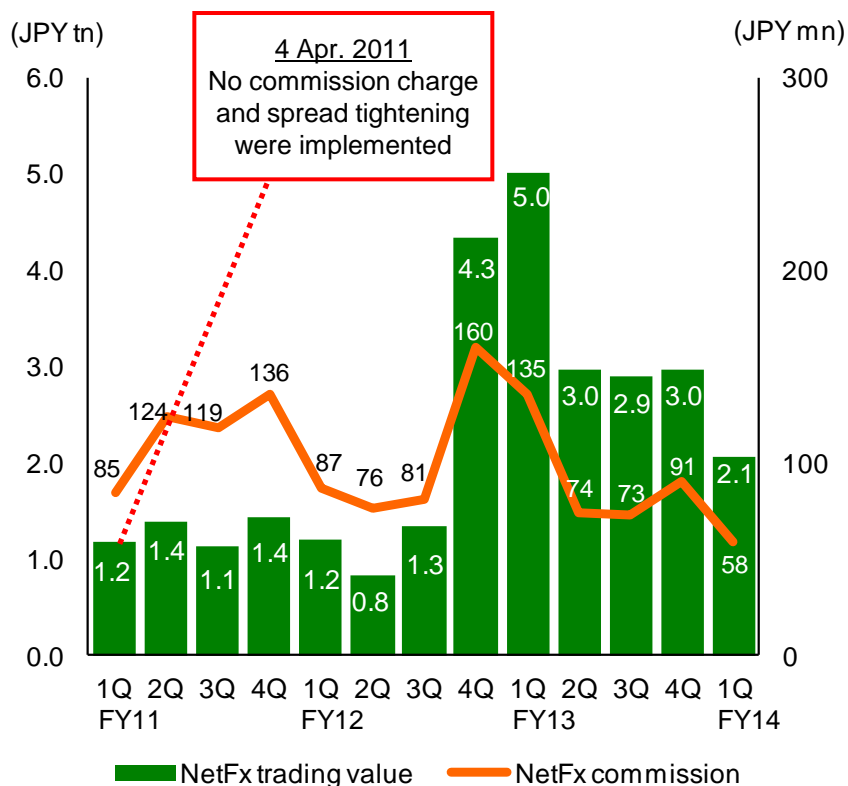


◆ Matsui's Overseas Futures trading value (CME)

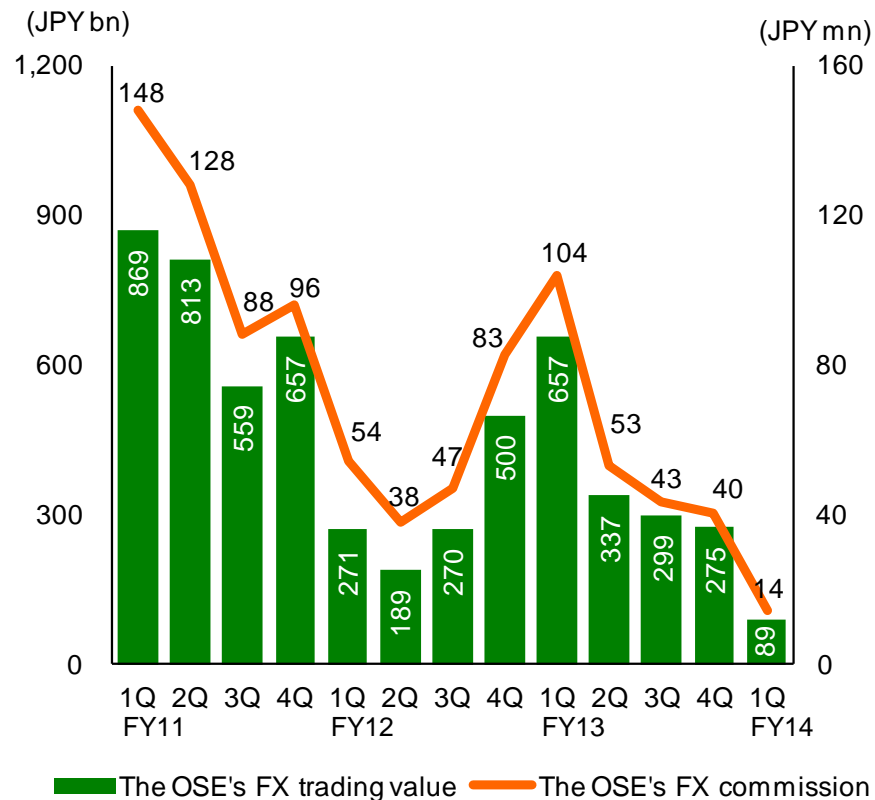


FX Margin Trading

◆ 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 Trading Service for Day-trades"

Our Direction

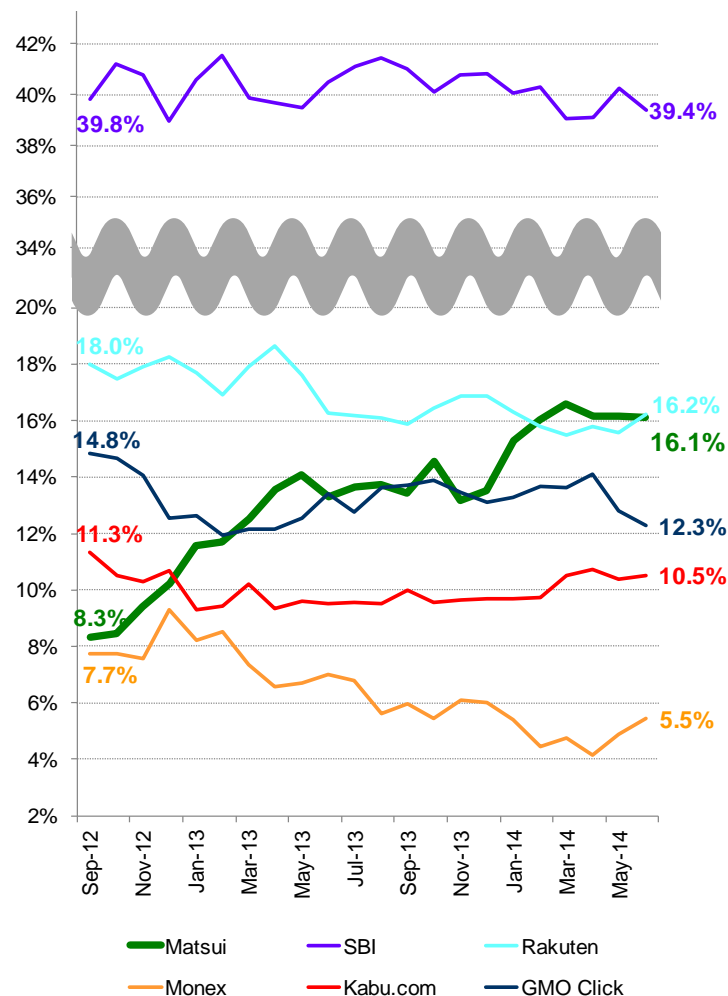
- ◆ Develop unique and innovative services
- ◆ Focus on brokerage business
- ◆ Pursue the services which expand brokerage (flow) business rather than asset gathering related (stock) services

Margin Trading Service for Day-trades I

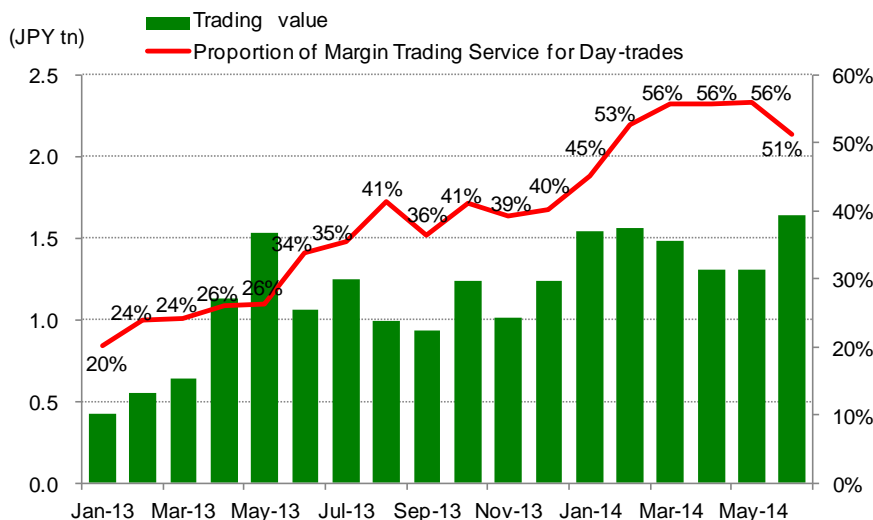
◆ Outline of Margin Trading Service for Day-trades

Commisson	0Yen	
Interest rate p.a.	Trading value per an order	rate
	JPY3mn or above	0%
	Under JPY3mn	2%
Due date	One day ¹	
Number of accounts	38,263(as of Jun. 30)	

◆ Market share² of margin trading



◆ Trading results



Margin Trading Service for Day-trades II

Introduced the Premium Short-Selling Service since Mar. 27, 2014

◆ Outline of the Premium Short-Selling Service

Number of eligible stocks	92 stocks(as of Jul. 24)
Commissions	Charge the stock lending fee
Upper limit on margin balance	100 unit per person in each stock

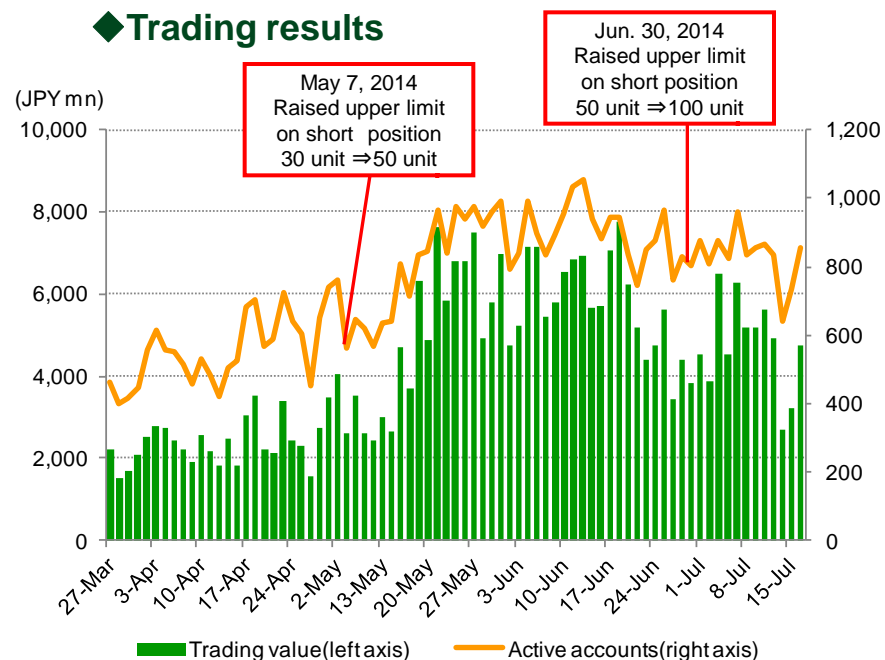
◆ Advantage

- Enable to do short-selling of unique stocks listed on the emerging markets which are not available for short-selling under the normal type of margin transaction at any online securities
- Charge additional stock lending fee which is approximately 10~20bp per each stock

◆ Top 10 ranking in trading value

Rank	April	May	June
1	MICRONICS JAPAN	mixi	mixi
2	CYBERDYNE	MICRONICS JAPAN	CYBERDYNE
3	DLE	Aplix IP Holdings	Adways
4	Hottolink	COLOPL	DDS
5	FreeBit	CYBERDYNE	MICRONICS JAPAN
6	Adways	FreeBit	ENERES
7	mixi	Japan Communications	FreeBit
8	Chiome Bioscience	Hottolink	Ateam
9	Japan Communications	Fixstars	Hottolink
10	COLOPL	Chiome Bioscience	Japan Communications

◆ Trading results



◆ Future Developments

Plan to implement continuous improvements of the service, such as increase number of eligible stocks for short-selling, expansion of the upper limit for the short-selling service, etc.

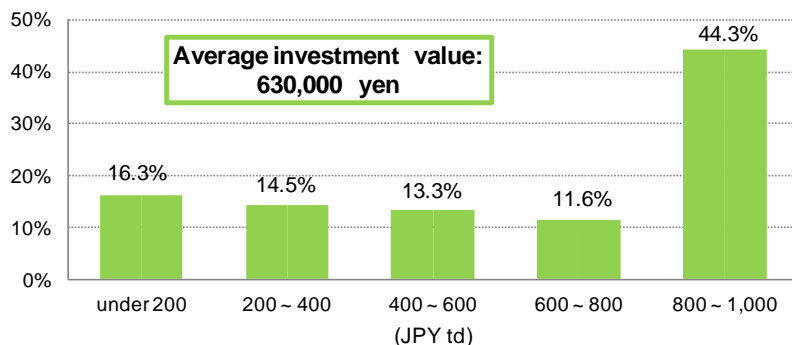
NISA I

Active account ratio for NISA¹ is 51.3%, one of the highest among Online Securities brokers

◆ Number of NISA accounts and customers' asset (as of Jun. 30, 2014)

Total number of accounts	69,332
Number of active accounts ²	35,541
Active account ratio	51.3%
Total investment value(JPY mn)	22,376
Assets(JPY mn)	17,519

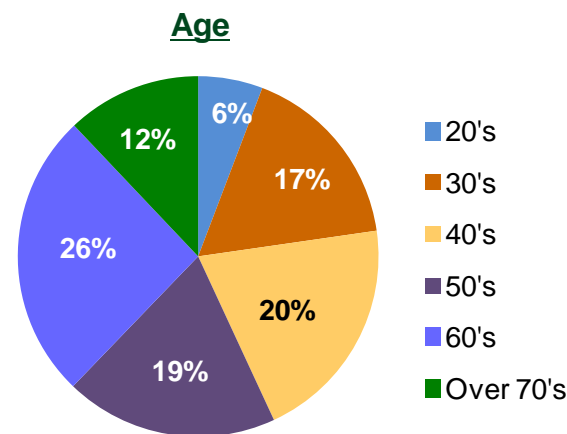
◆ Distribution of the invested amount(as of Jun. 30, 2014)



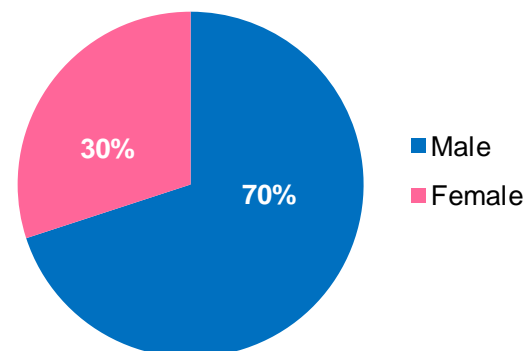
◆ Top 5 ranking in trading value(from Jan. to Jun. 2014)

Rank	Equity	ETF / REIT
1	Mizuho Financial Group	NEXT FUNDS Nikkei 225 Leveraged Index Exchange Traded Fund
2	Takeda Pharmaceutical	Nikkei 225 Exchange Traded Fund
3	Canon	TOPIX Exchange Traded Fund
4	Mitsubishi UFJ Financial Group	Japan Rental Housing Investments Inc.
5	Aeon	Nomura Real Estate Master Fund, Inc.

◆ Breakdown of NISA accounts



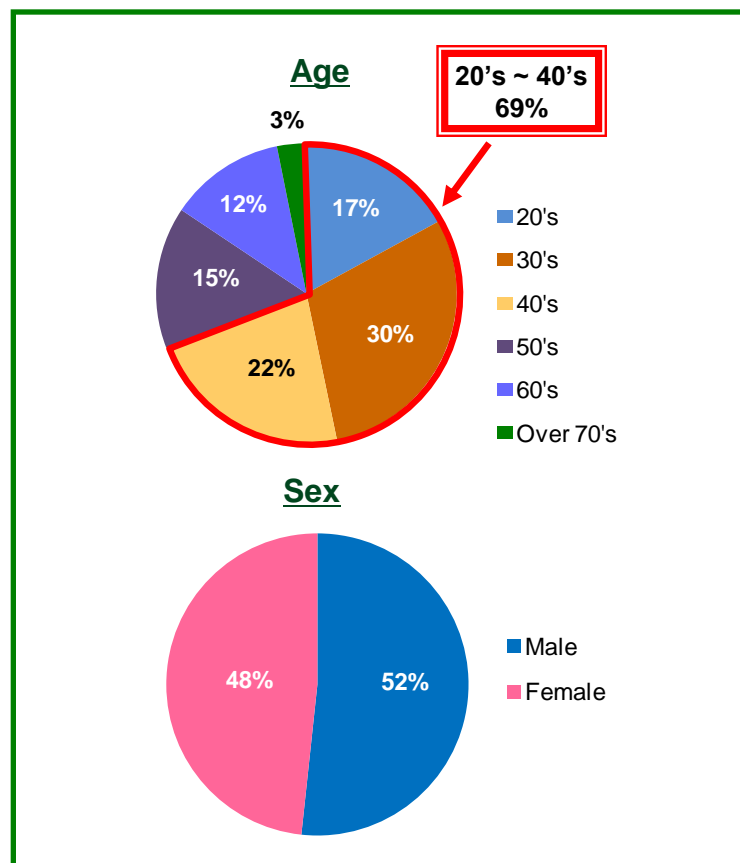
Sex



NISA II

Number of new customers¹⁾ accounts is 8,286 (as of Jun. 30, 2014), only 12% out of total number of NISA accounts

◆ Number of beginners, out of the new customers 4,693 accounts (as of Jun. 30, 2014)



◆ Situation of NISA

NISA has been introduced since January 2014, but many of the user is advanced and senior investors. “Junior NISA” is considered as NISA expansion measures.

◆ Commission free campaign for the infant accounts (2014/7/1-12/30)

Matsui has offered commission free campaign for the infant accounts and promoted the use of “Living Donation Support Service” ; it would be critical to promote the transfer of assets to future generations and to support to the generations for their investment management in order to shift individual financial assets from savings to investment.

◆ Outline of Campaign

Target period	from Jul. 1, to Dec. 30, 2014
Target account	Minor accounts
Target trading	Cash trading
Content	Cash back commission of 1,080 yen at most per month

The material is intended to provide the financial results for the quarter ended 30 June 2014 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 2014. 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.

This presentation may contain forward looking information. Please keep in mind that they are based on projections of the company and subject to changes depending on the situation. We will under no circumstances assume the obligation to revise this presentation in case such situation occurs.

Contact information

Matsui Securities Co., Ltd.

URL: <http://www.matsui.co.jp/ir/en/>

Tel: +81-3-5216-0784 Fax: +81-3-5216-8638

Mail: ir@matsui.co.jp

Akira WARITA, Managing Director : a-warita@matsui.co.jp

Shinji OIDA : s-oida@matsui.co.jp