

# Annual Results for 1QFY2022

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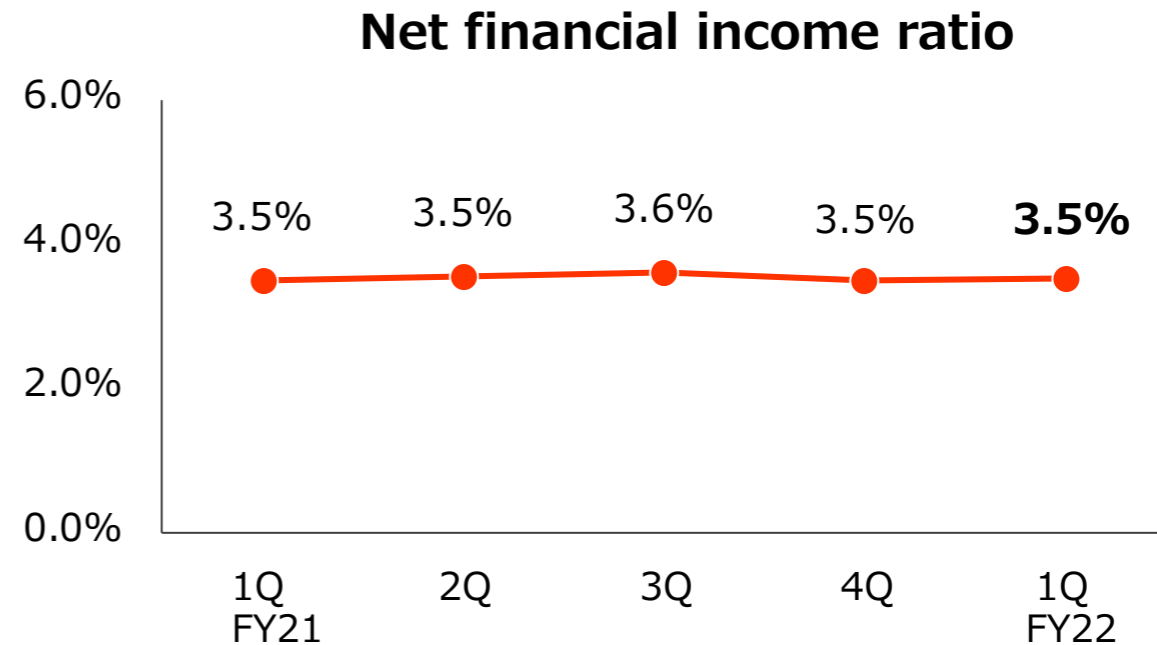
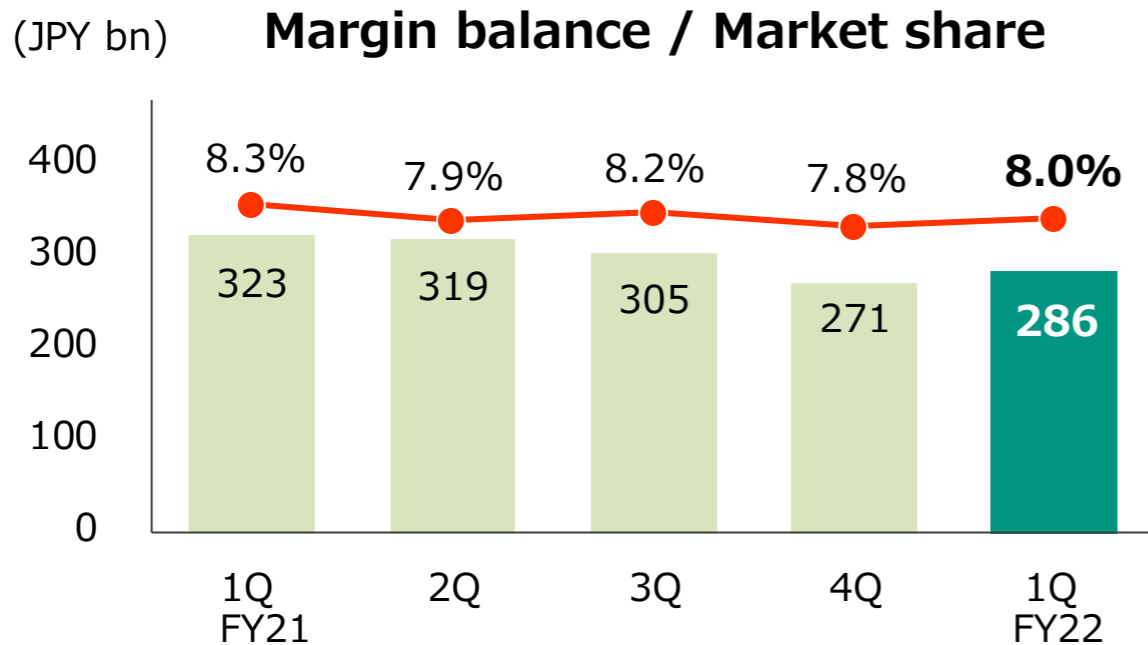
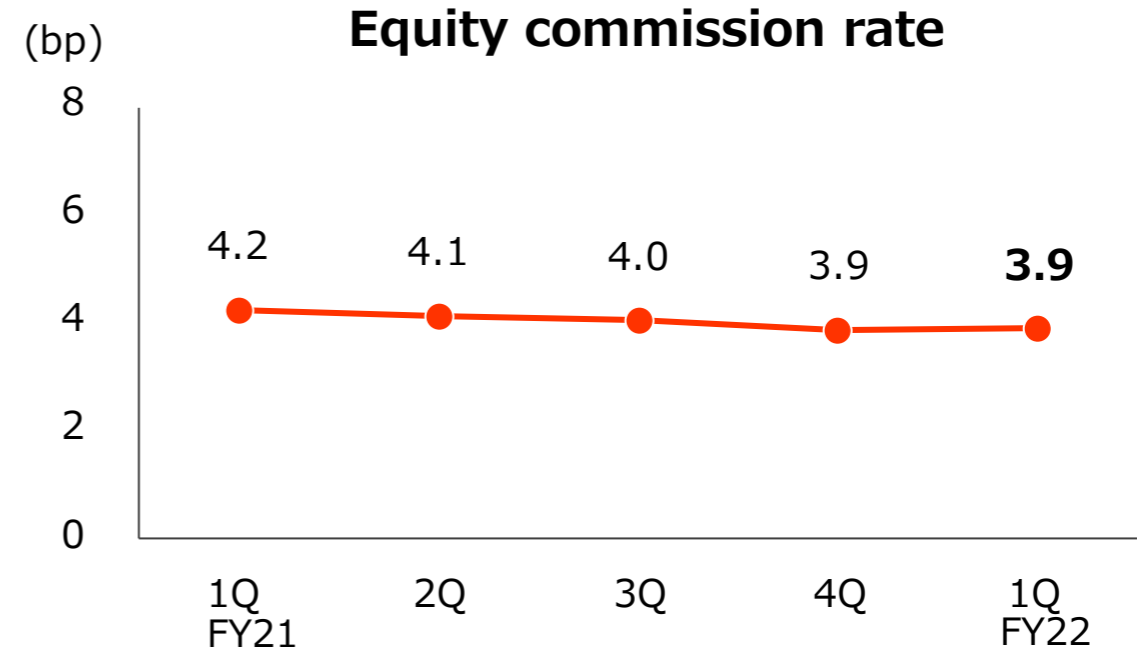
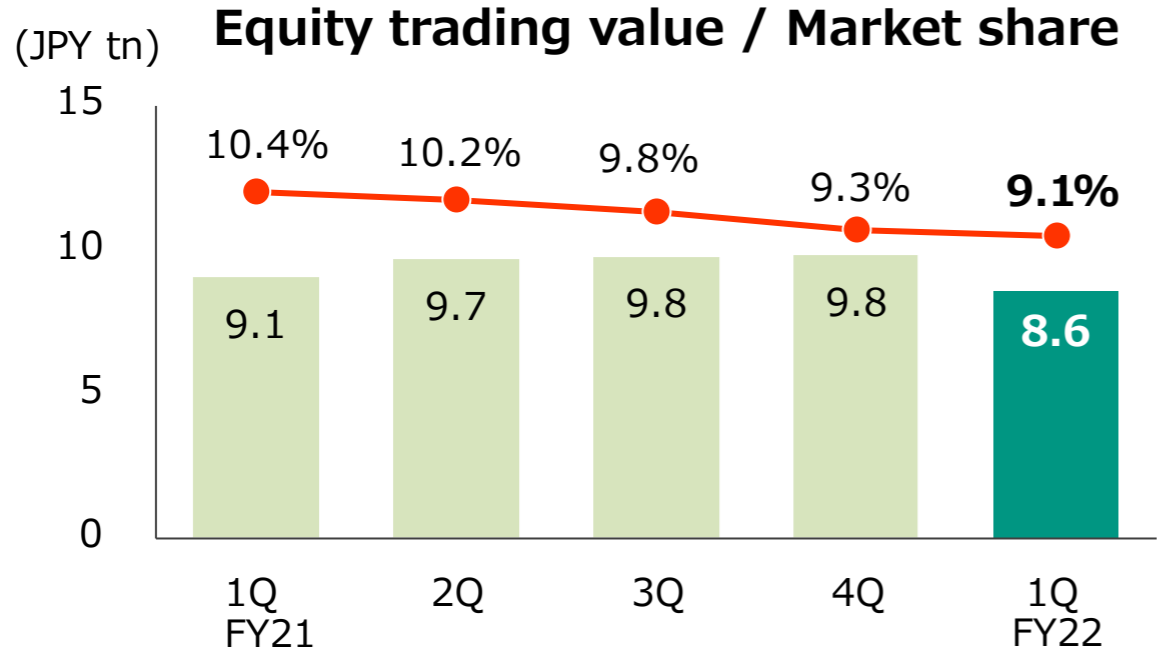
**Matsui Securities Co., Ltd.**

July 28, 2022

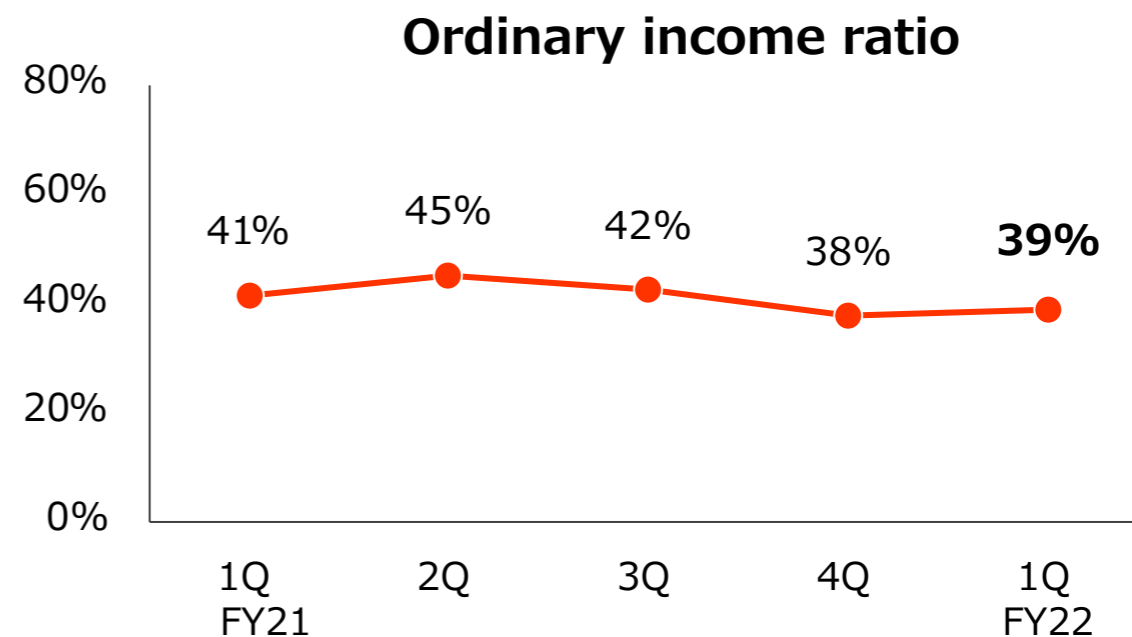
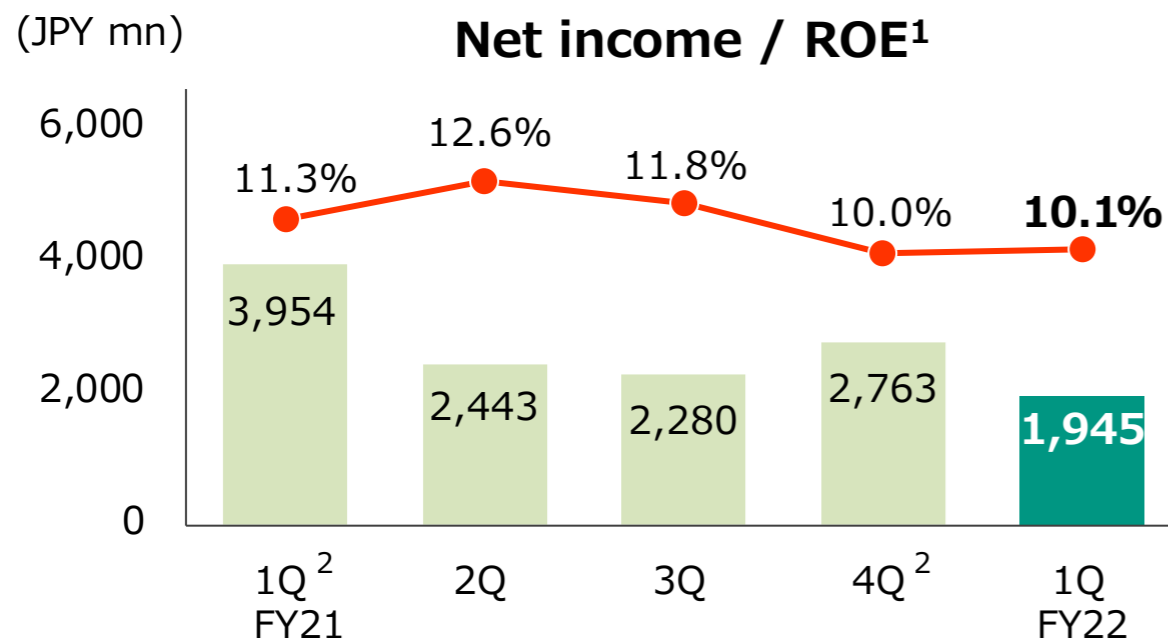
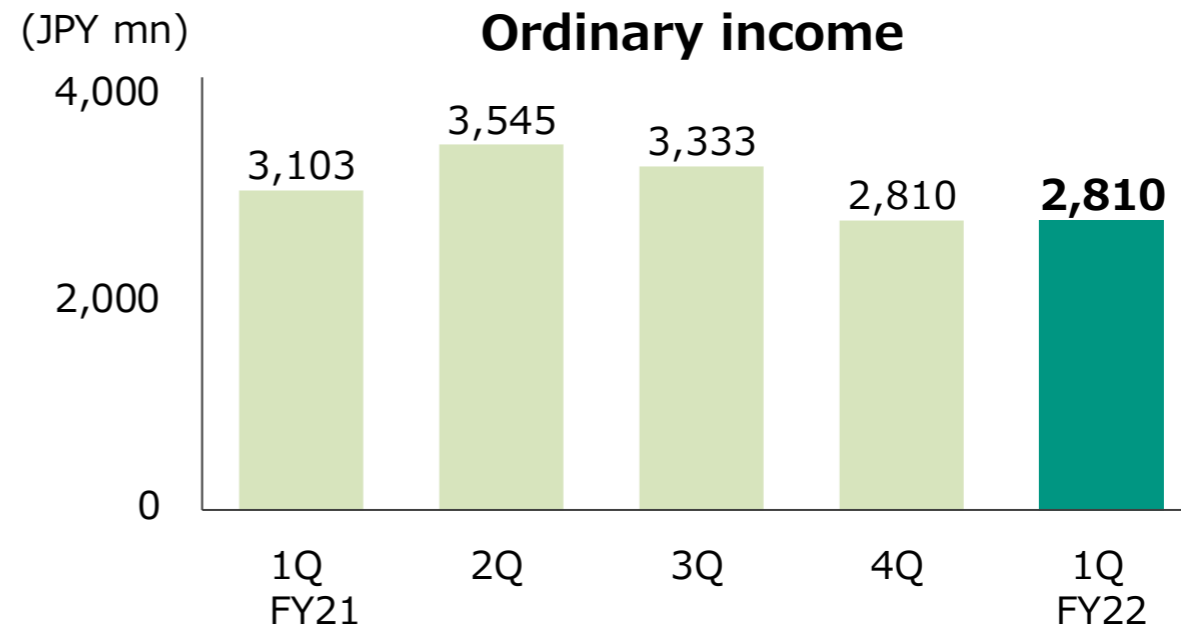
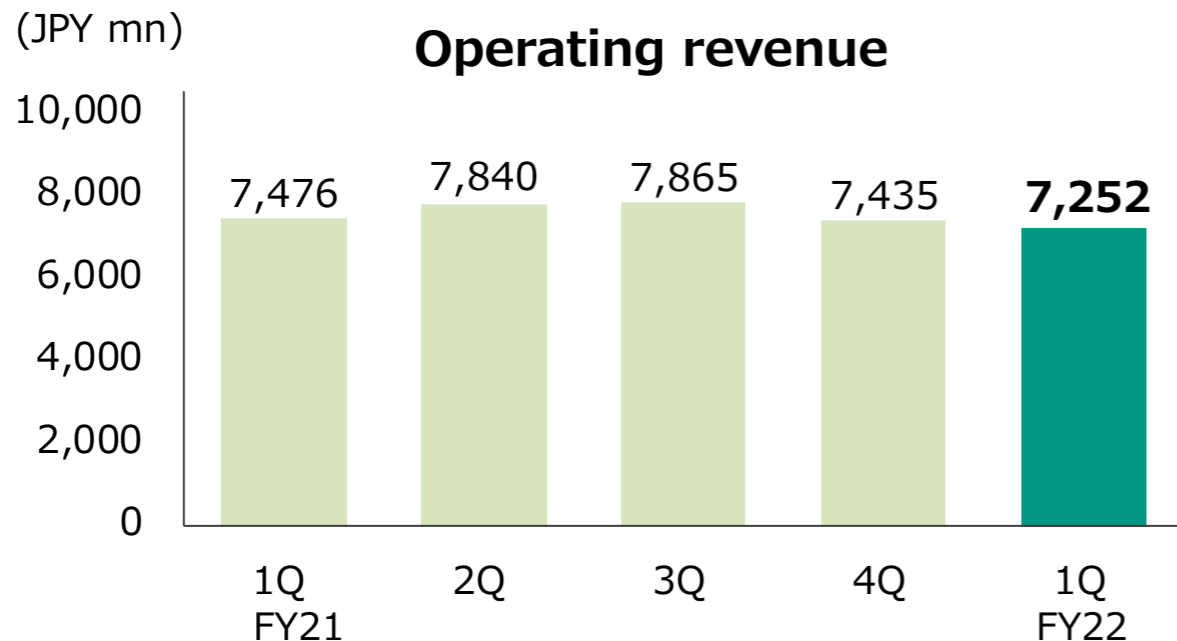
- 1. Financial Summary**
- 2. Business Results**
- 3. Management Strategy  
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## Appendix

# Business Results



# Financial Results



Note 1: Annualized on each quarter

Note 2: Net income of 1QFY21 and 4QFY21 includes 2.6 billion yen and 1.2 billion yen respectively in extraordinary profit and loss (before tax). ROE excludes the impact of this change.

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Appendix

# Summary of Financial Results

## 1Q FY2022

(JPY mn)

	1Q(Apr.-Jun.) FY2021	1Q(Apr.-Jun.) FY2022	YoY
Operating Revenues	7,476	7,252	-3%
Net operating revenues	7,181	6,858	-4%
SG&A	4,122	4,032	-2%
Operating income	3,060	2,826	-8%
Ordinary income	3,103	2,810	-9%
Net income	3,954	1,945	-51%
Ordinary income ratio	41%	39%	-
Matsui's trading value (JPY tn)	9.1	8.6	-6%
Average margin balance (JPY bn)	321	281	-12%

**Net income of 1QFY21 includes 2.6 billion yen in extraordinary profit (Gain on Sale of Investment Securities)**

# Breakdown of Revenues

## 1Q FY2022

(JPY mn)

	1Q(Apr.-Jun.) FY2021	1Q(Apr.-Jun.) FY2022	YoY
Commissions	4,249	3,933	-7%
Brokerage	4,062	3,734	-8%
Equity & ETF	3,851	3,372	-12%
Futures & Options	211	362	71%
Others	177	195	10%
Net trading income	137	454	231%
Interest & dividend income	3,090	2,865	-7%
Interest expenses	295	394	34%
Net interest income	2,795	2,471	-12%

# Breakdown of SG&A

## 1Q FY2022

(JPY mn)

	1Q(Apr.-Jun.) FY2021	1Q(Apr.-Jun.) FY2022	YoY
Trading related expenses	1,564	1,366	-13%
Stock exchanges and securities	354	351	-1%
Communications expenses	483	479	-1%
Advertisement	492	304	-38%
Personnel expenses	706	778	10%
Occupancy & rental	256	224	-13%
Data processing & office supplies	805	902	12%
Depreciation	588	609	4%
Taxes and dues	163	114	-30%
Provision of allowance for doubtful accounts	△ 22	△ 33	-
Others	62	72	16%
<b>Total SG&amp;A</b>	<b>4,122</b>	<b>4,032</b>	<b>-2%</b>



# Summary of Financial Results

## Quarterly

(JPY mn)

	4Q FY2021	1Q FY2022	QoQ
Operating Revenues	7,435	7,252	-2%
Net operating revenues	7,098	6,858	-3%
SG & A	4,279	4,032	-6%
Operating income	2,819	2,826	0%
Ordinary income	2,810	2,810	-0%
Net income	2,763	1,945	-30%
Ordinary income ratio	38%	39%	-
Matsui's trading value (JPY tn)	9.8	8.6	-13%
Average margin balance (JPY bn)	293	281	-4%

**Net income of 4QFY21 includes 1.3 billion yen in extraordinary profit (Gain on Sale of Non-current Assets)**

# Breakdown of Revenues

## Quarterly

(JPY mn)

	4Q FY2021	1Q FY2022	QoQ
Commissions	4,325	3,933	-9%
Brokerage	4,131	3,734	-10%
Equity & ETF	3,800	3,372	-11%
Futures & Options	331	362	9%
Others	194	195	0%
Net trading income	218	454	108%
Interest & dividend income	2,892	2,865	-1%
Interest expenses	337	394	17%
Net interest income	2,555	2,471	-3%

# Breakdown of SG&A

## Quarterly

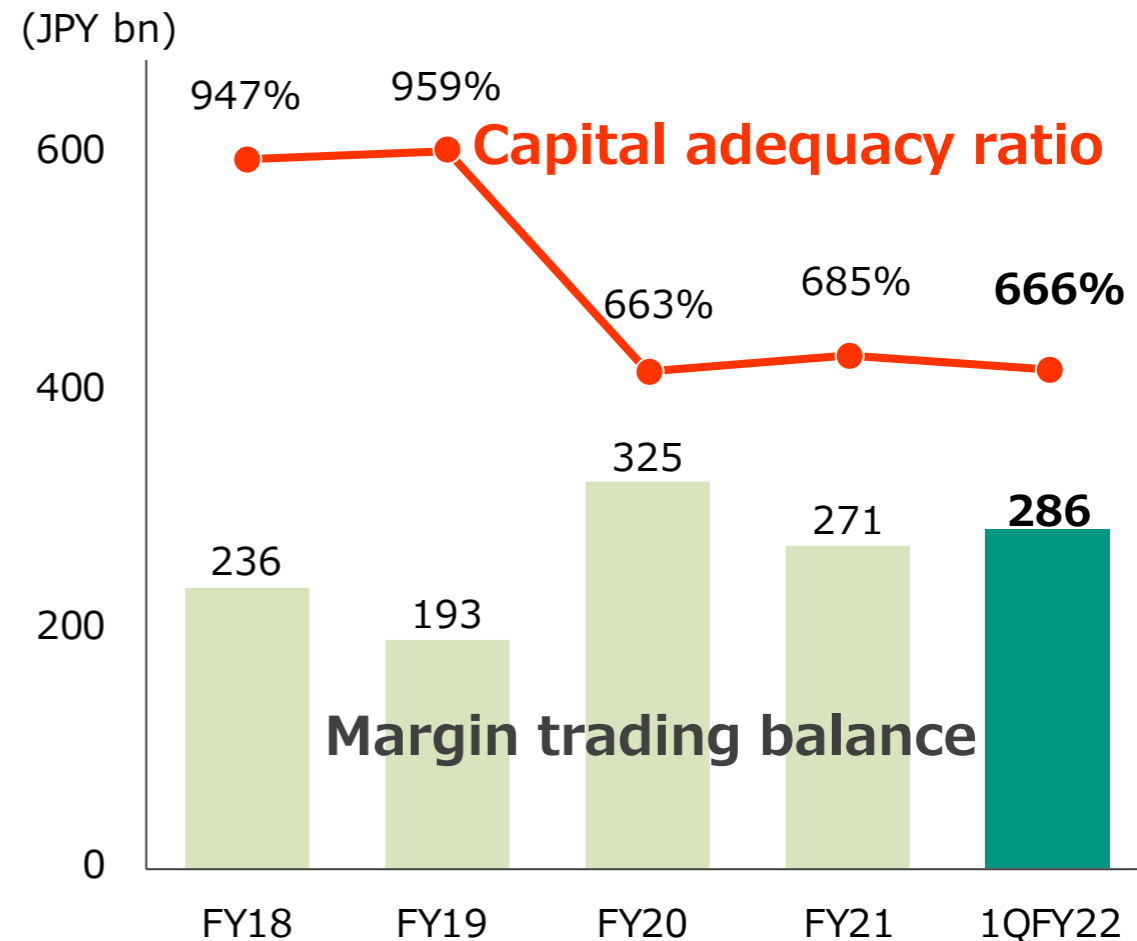
(JPY mn)

	4Q FY2021	1Q FY2022	QoQ
Trading related expenses	1,501	1,366	-9%
Stock exchanges and securities	376	351	-7%
Communications expenses	492	479	-3%
Advertisement	399	304	-24%
Personnel expenses	850	778	-9%
Occupancy & rental	318	224	-30%
Data processing & office supplies	876	902	3%
Depreciation	609	609	0%
Taxes and dues	103	114	11%
Provision of allowance for doubtful accounts	△ 19	△ 33	-
Others	42	72	73%
<b>Total SG &amp; A</b>	<b>4,279</b>	<b>4,032</b>	<b>-6%</b>

## Capital adequacy ratio (As of 30 June 2022)

		(JPY mn)
Tier 1	(A)	75,269
Tier 2	Net unrealized gain on investment	269
	Statutory reserves	3,092
	Allowance for doubtful accounts	26
	Sub total	(B) 3,387
Assets to be deducted from equity capital	(C)	12,755
Net Capital		
	(A) + (B) - (C)	(D) 65,901
Total risk	Market risk	5
	Counterparty risk	6,088
	Basic risk	3,792
	Total	(E) 9,887
Capital Adequacy ratio		(D)/(E) <b>666%</b>

## Margin trading balance and capital adequacy ratio

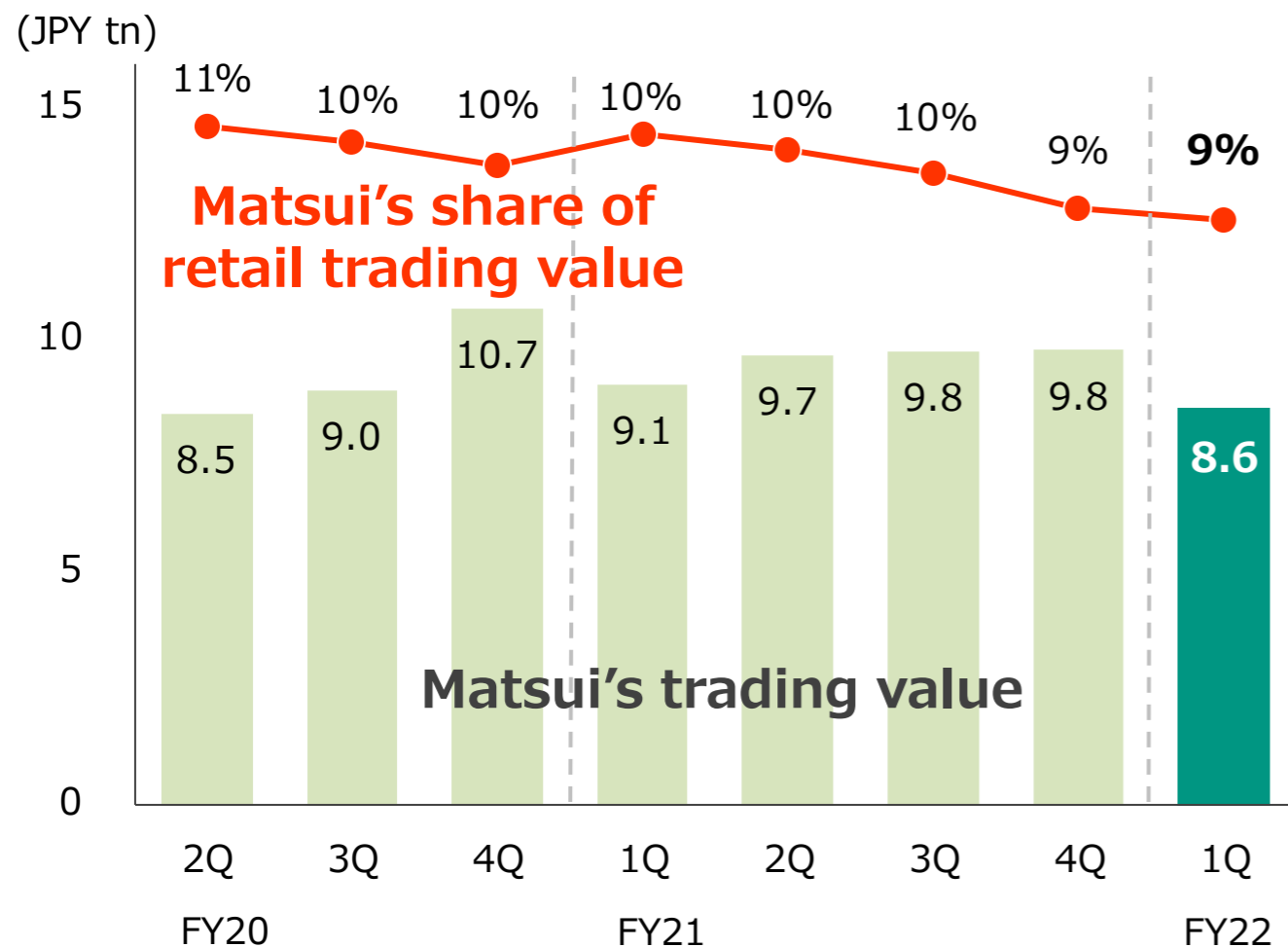


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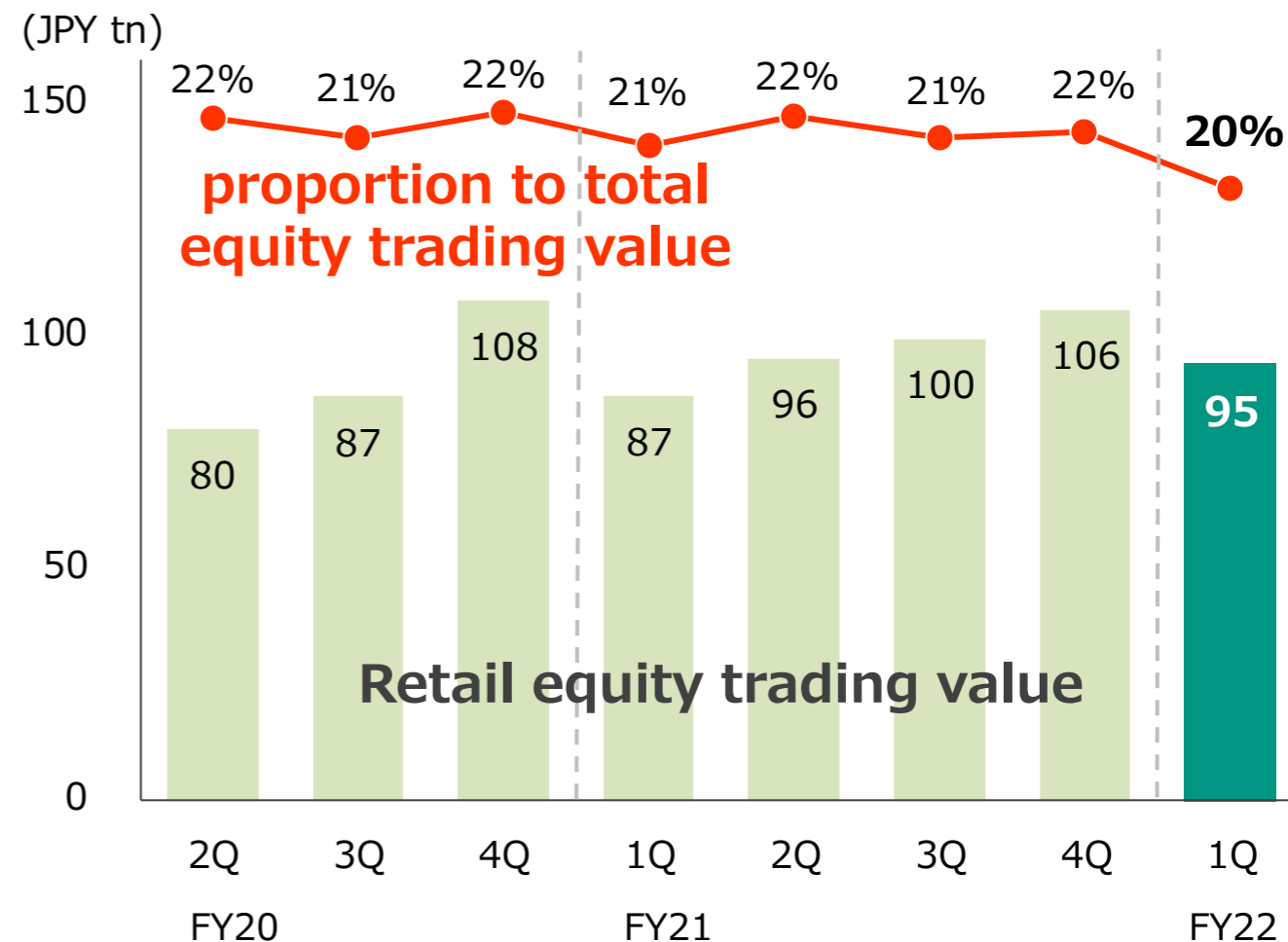
Appendix

# Equity Trading Value

**Matsui's equity trading value and its market share<sup>1</sup>**



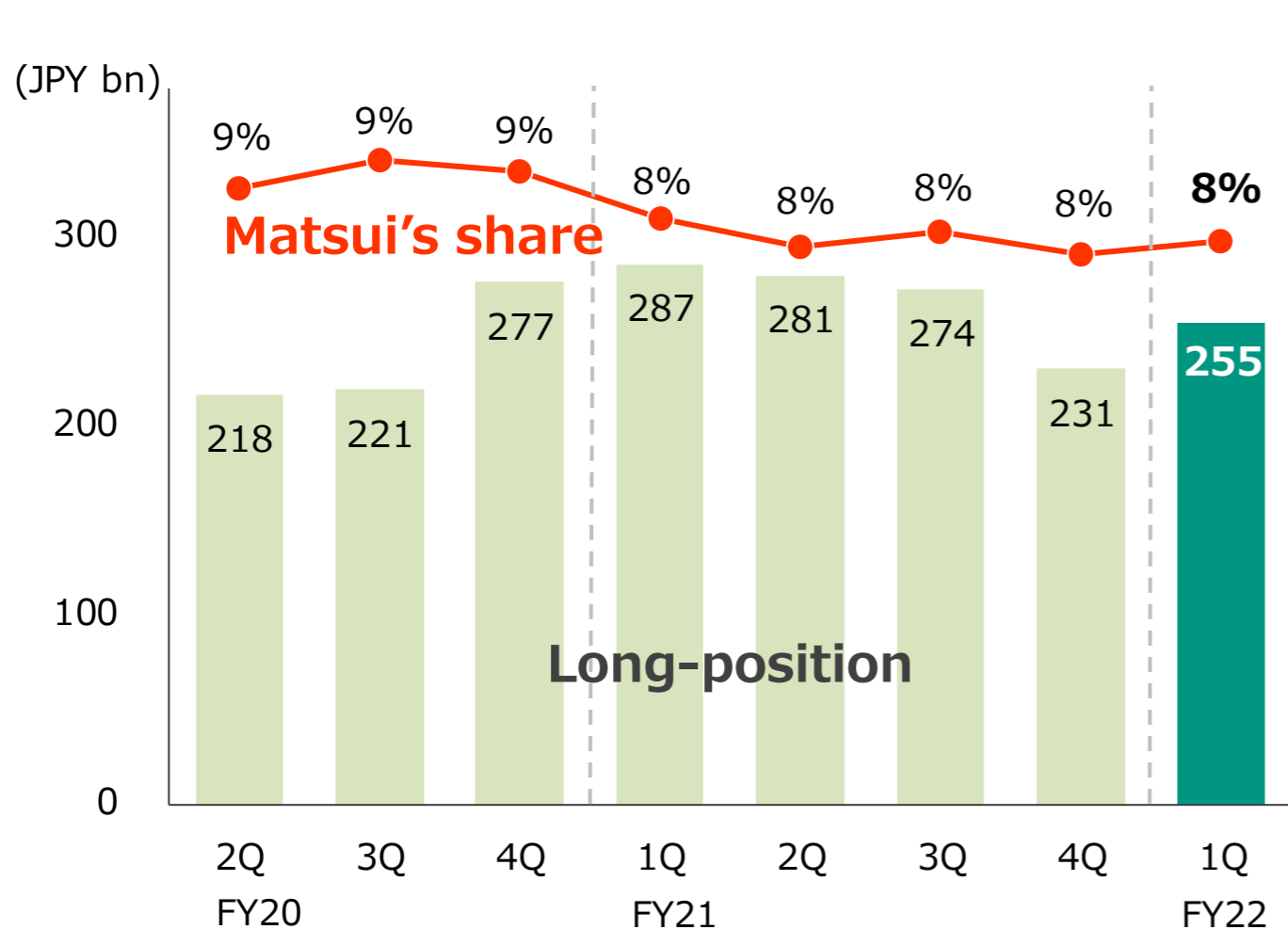
**Retail equity trading value<sup>1</sup> and proportion to total equity trading value**



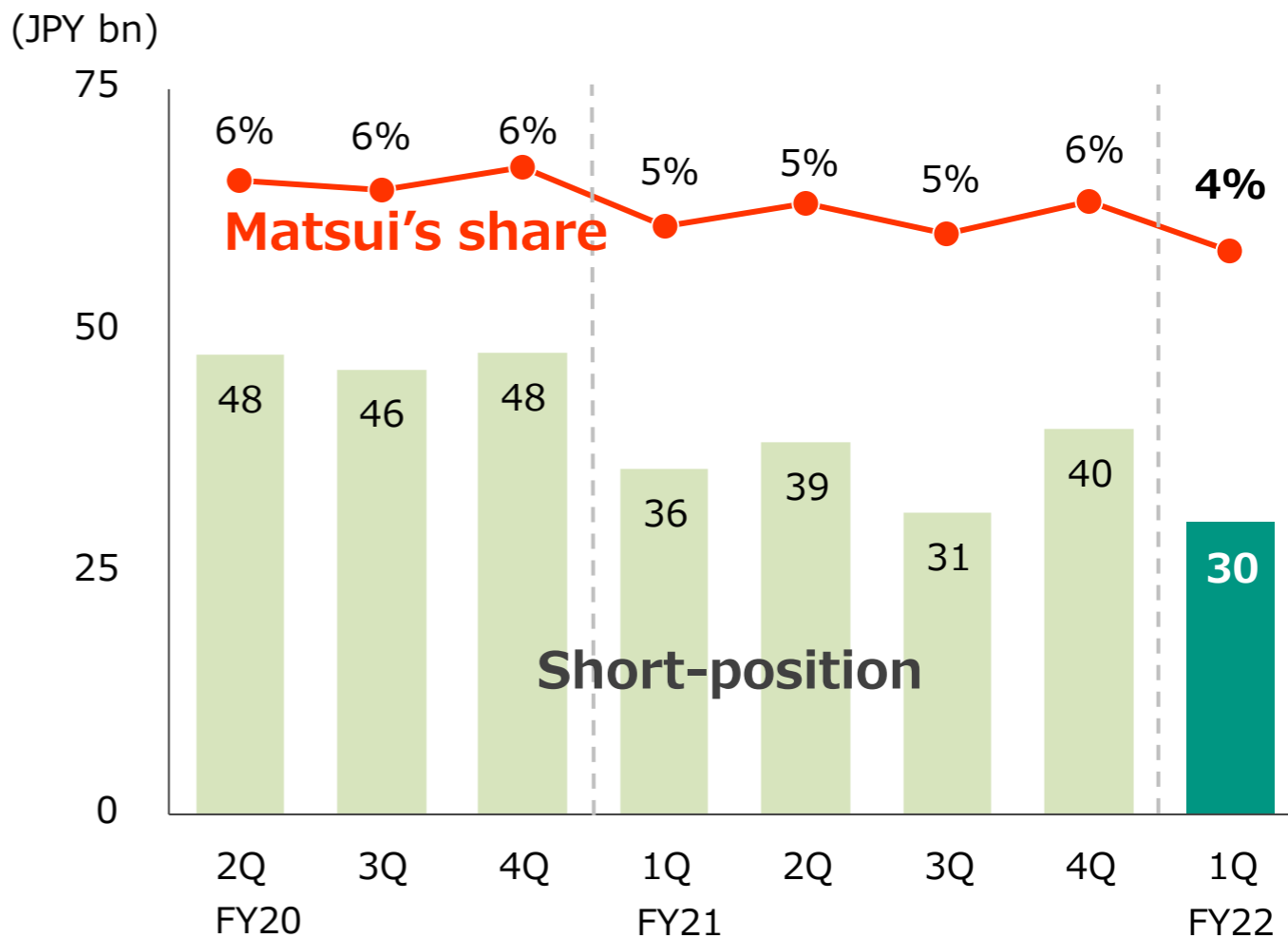
Source: TSE  
Note 1: Sum of the retail equity trading value on 2 major stock exchanges

# Margin Trading Balance

Matsui's long-position on margin<sup>1</sup> and its market share<sup>2</sup>



Matsui's short-position on margin<sup>1</sup> and its market share<sup>2</sup>

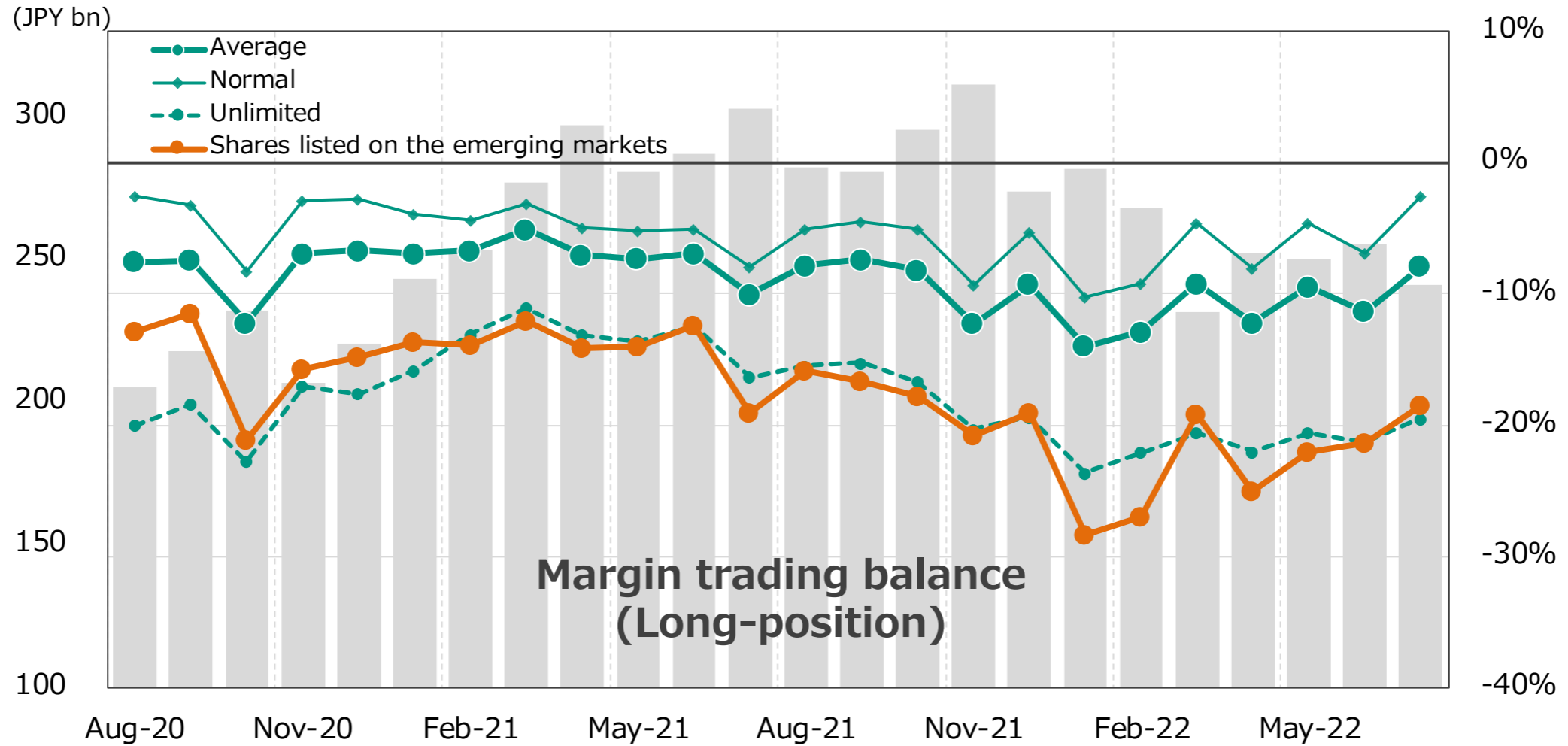


Source: TSE, Company Websites

Note1 : Balance as of the end of each quarter

Note2 : Total market share in 2 major stock exchanges

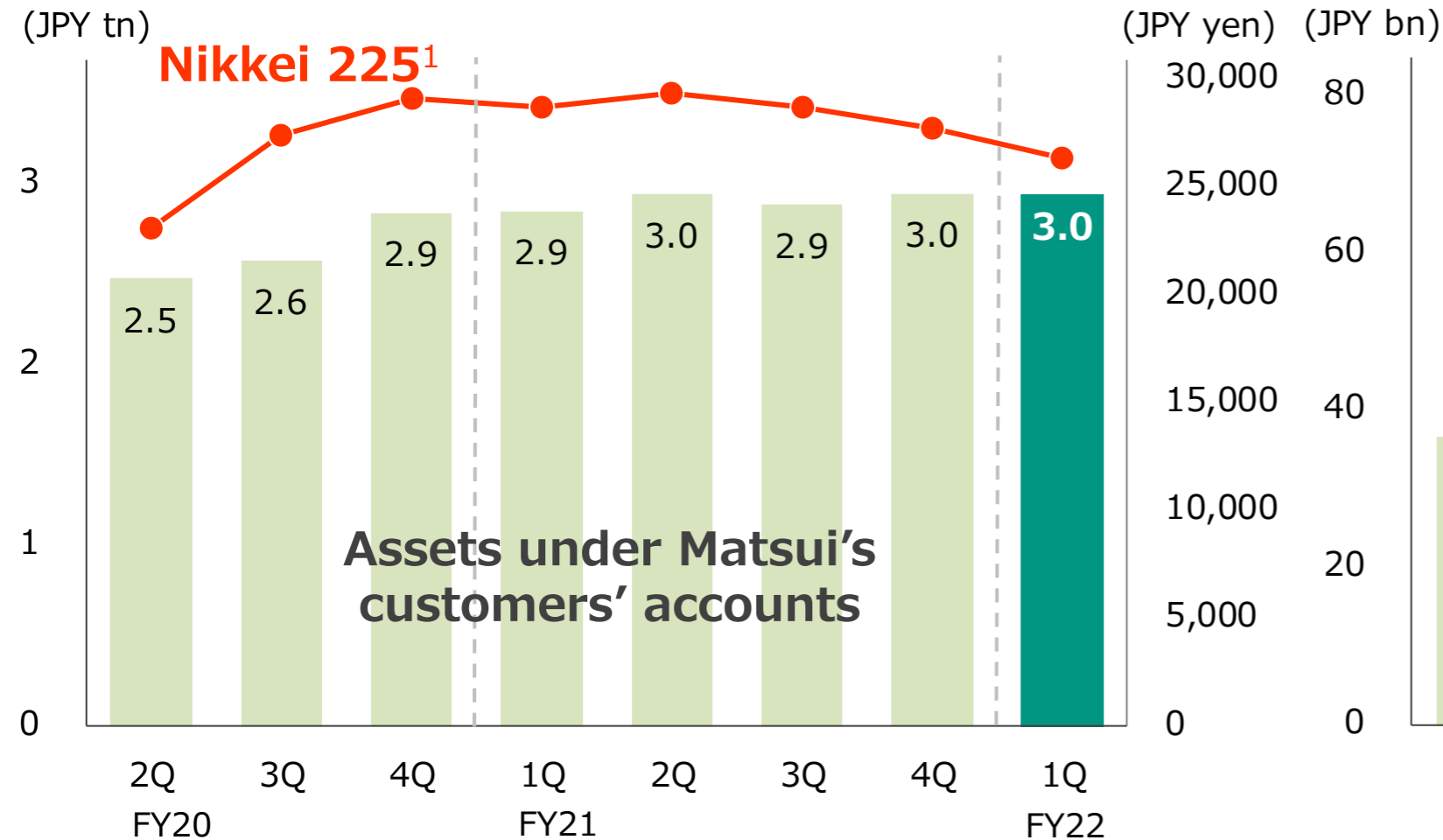
# Unrealized Losses (Long-position)



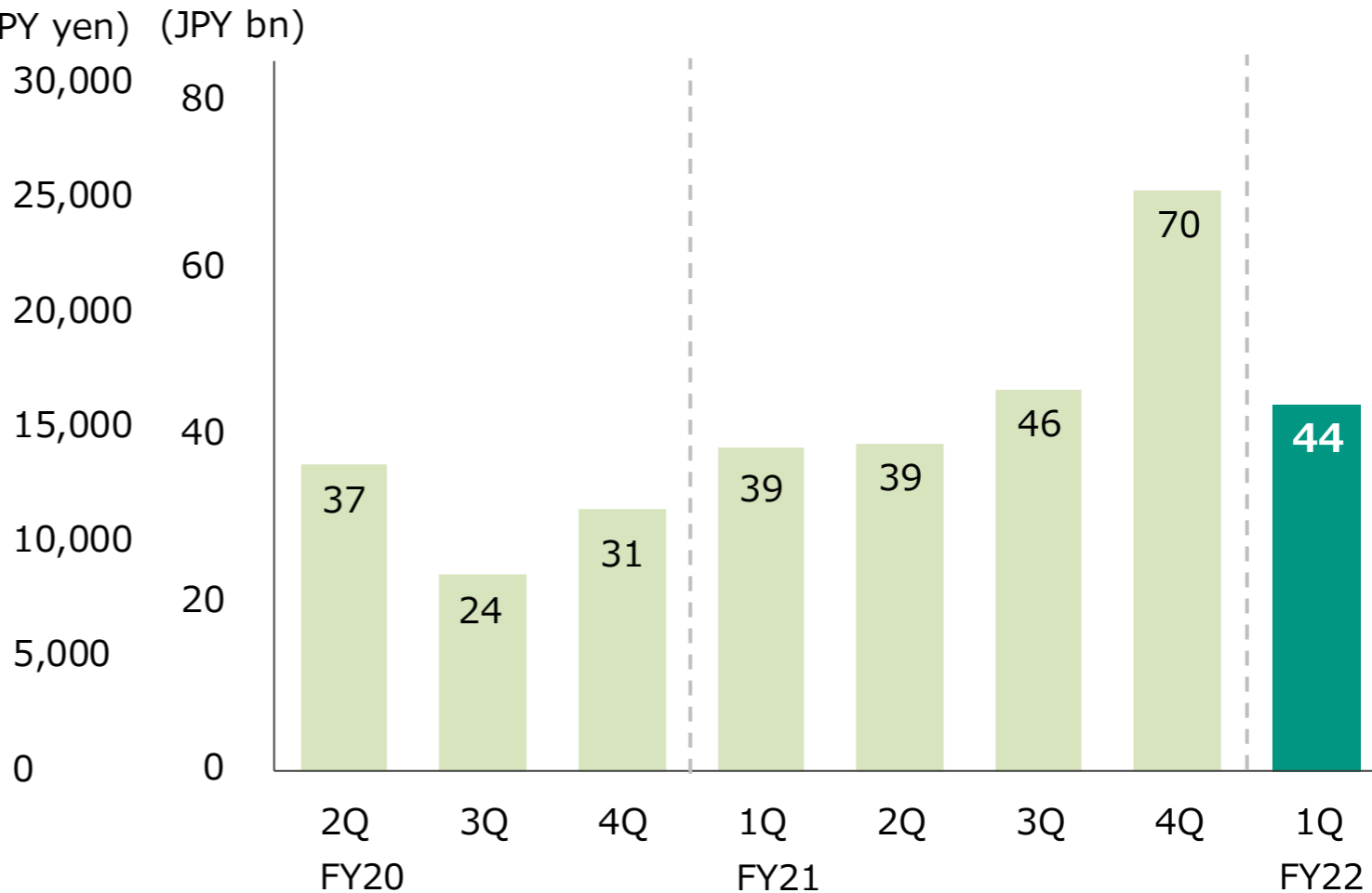


# Assets under Customers' Accounts

## Assets under Matsui's customers' accounts



## Net inflow in cash and stocks<sup>2</sup>

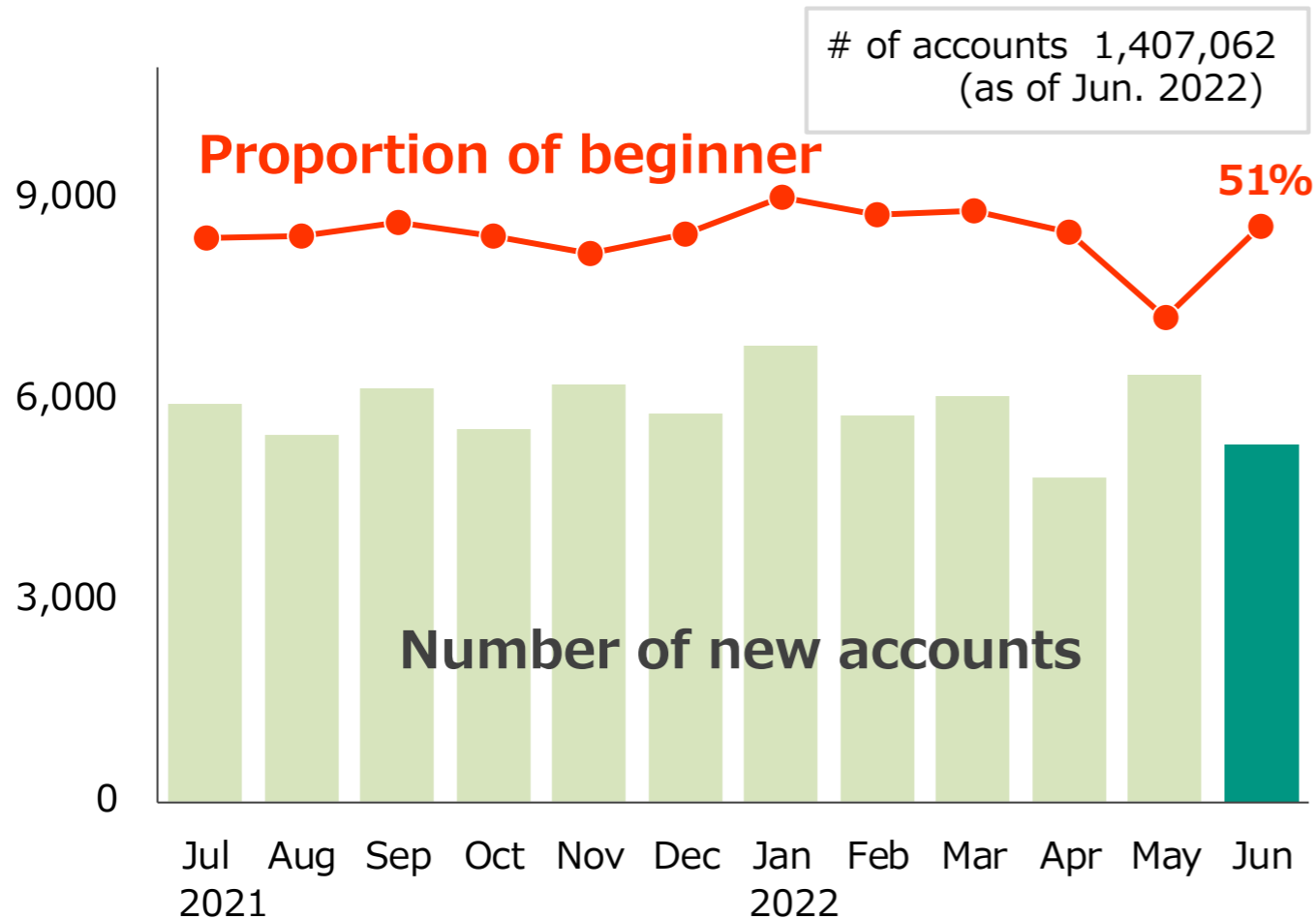


Note 1: Nikkei 225 is the closed price at the end of each quarter

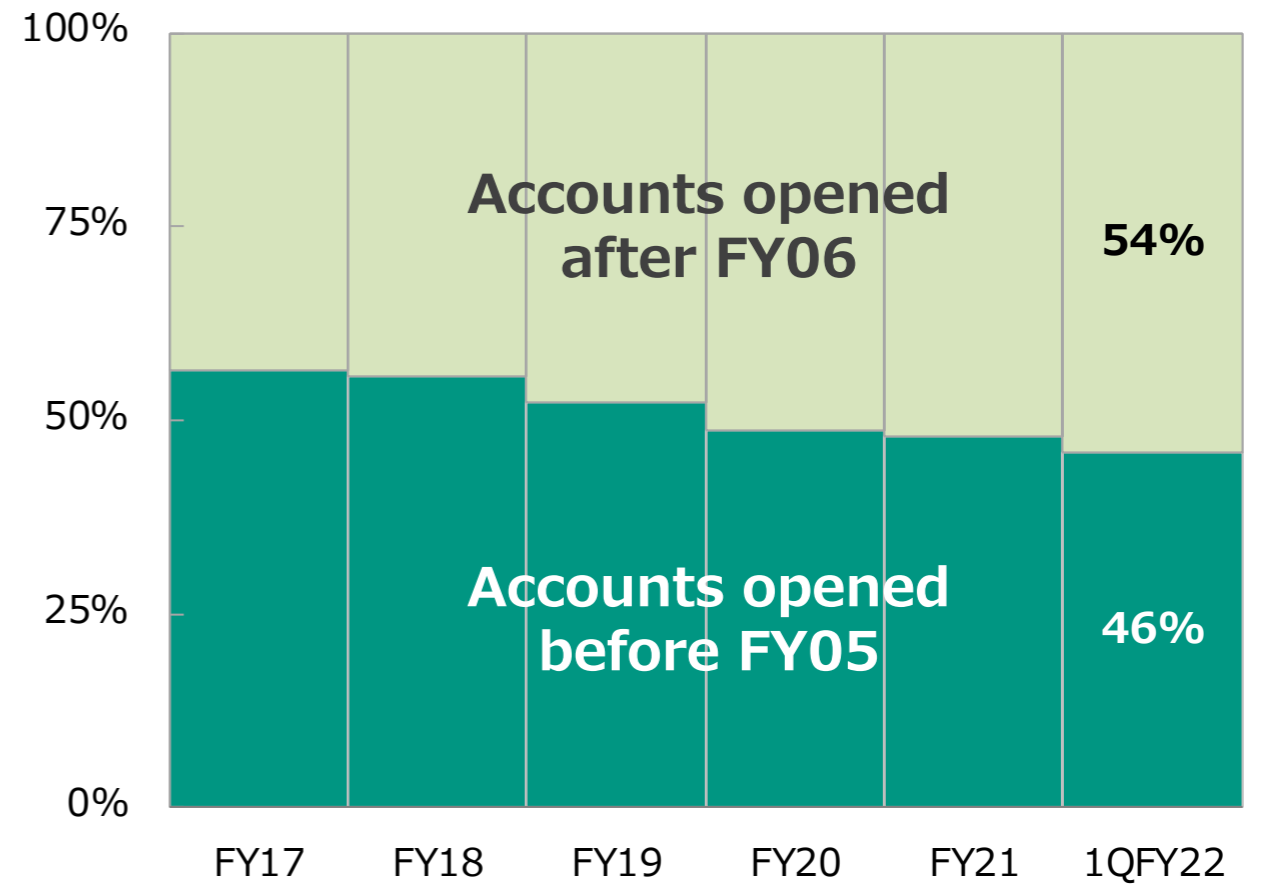
Note 2: Including the net inflow in mutual funds

# Number of Accounts

Number of accounts at Matsui

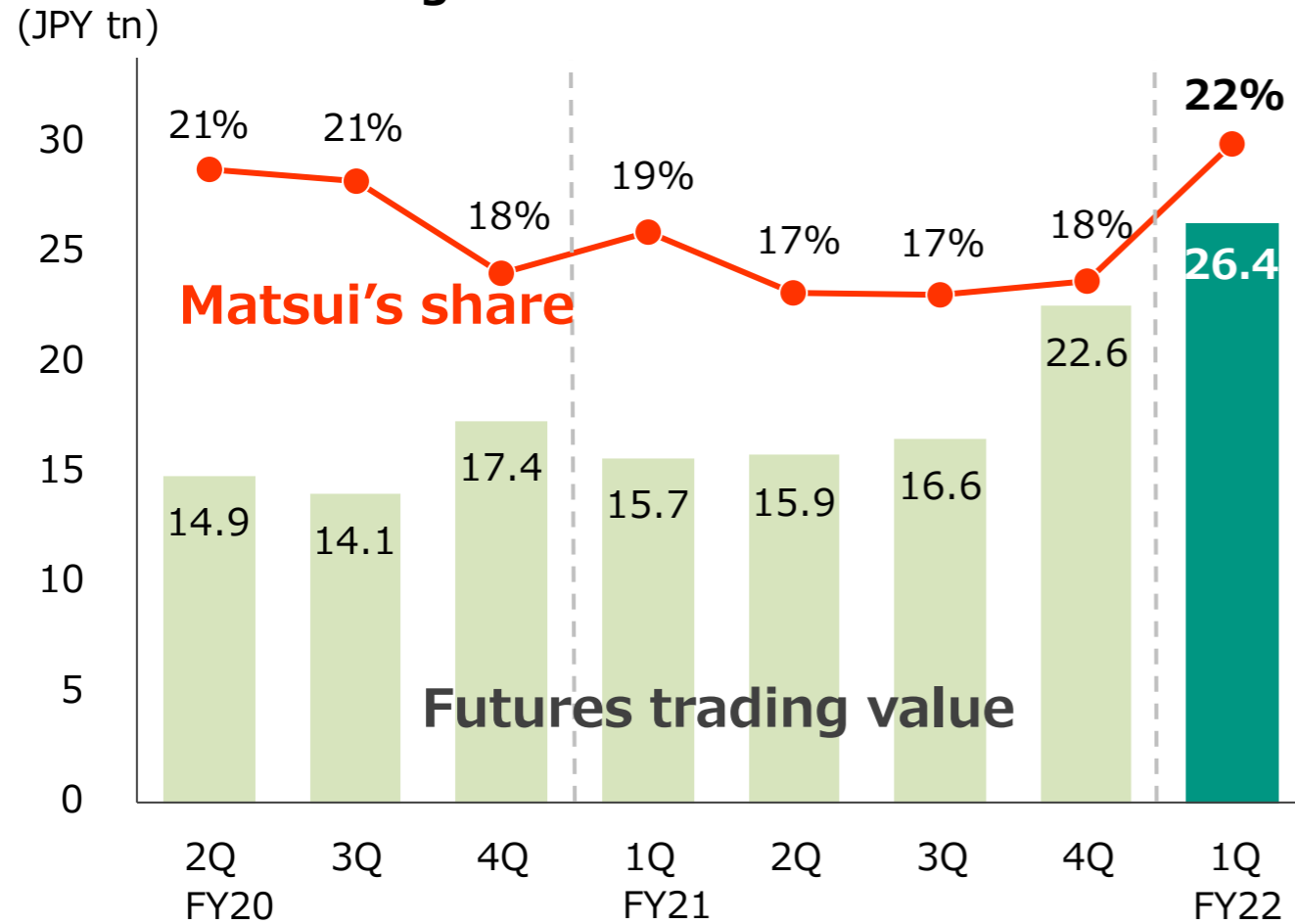


Breakdown of trading value<sup>1</sup> by customers opening the accounts in each fiscal year

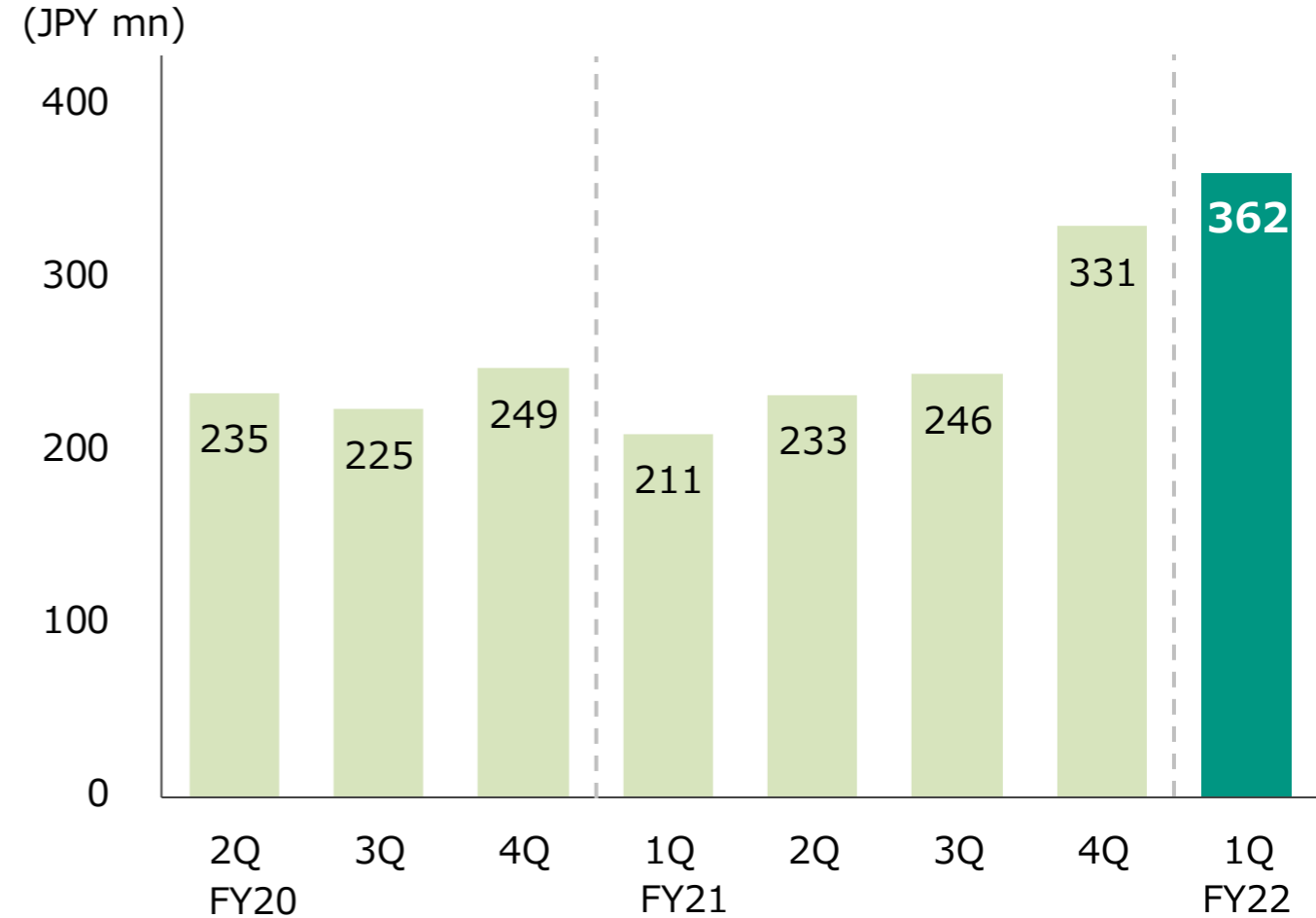


Note 1 : Excluding "Margin Trading Service for Day-trades"

**Matsui's OSE Nikkei 225 Futures trading value<sup>1</sup> and its market share<sup>1</sup>**

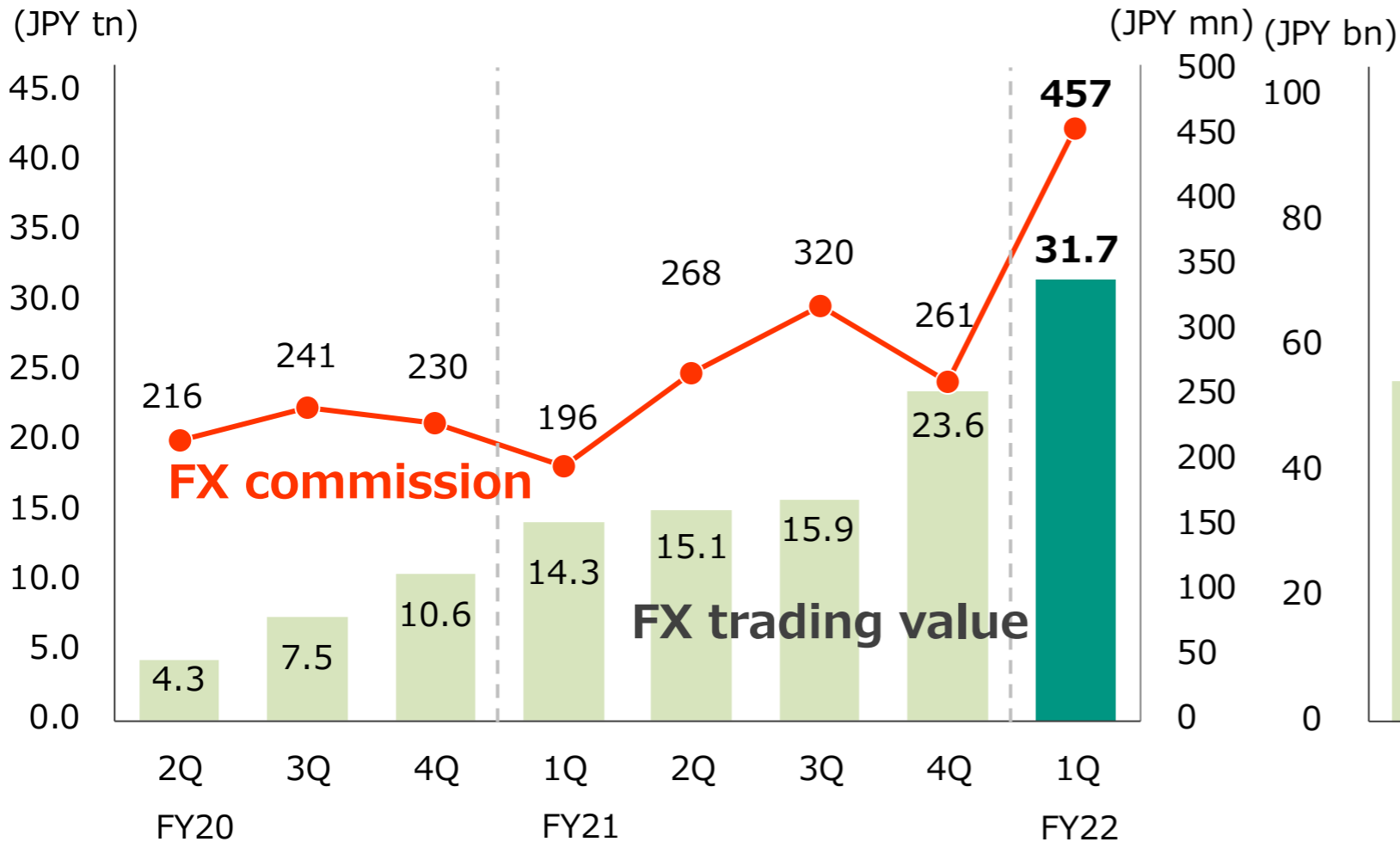


**Commissions of Futures and Options**

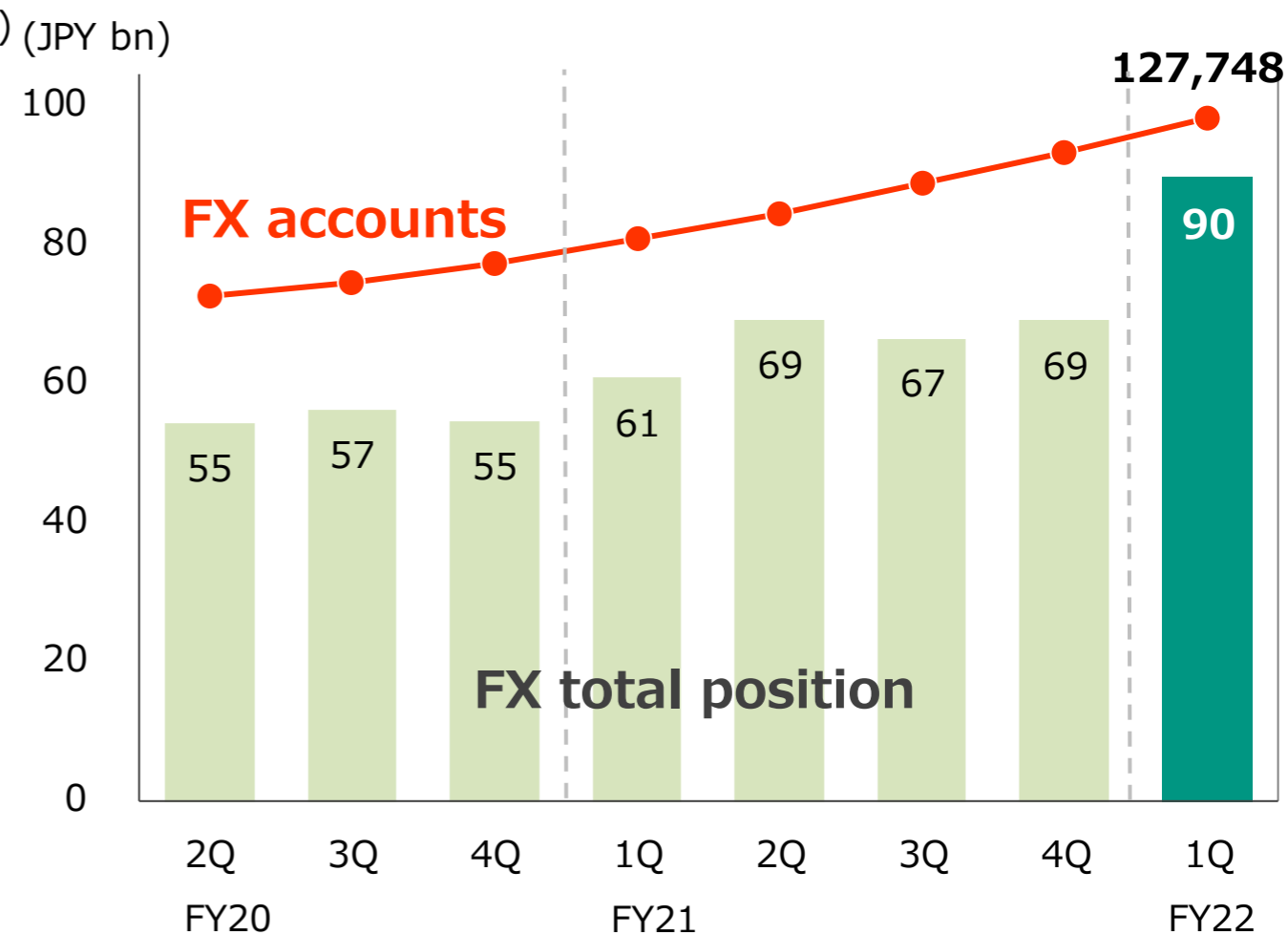


# FX Margin Trading

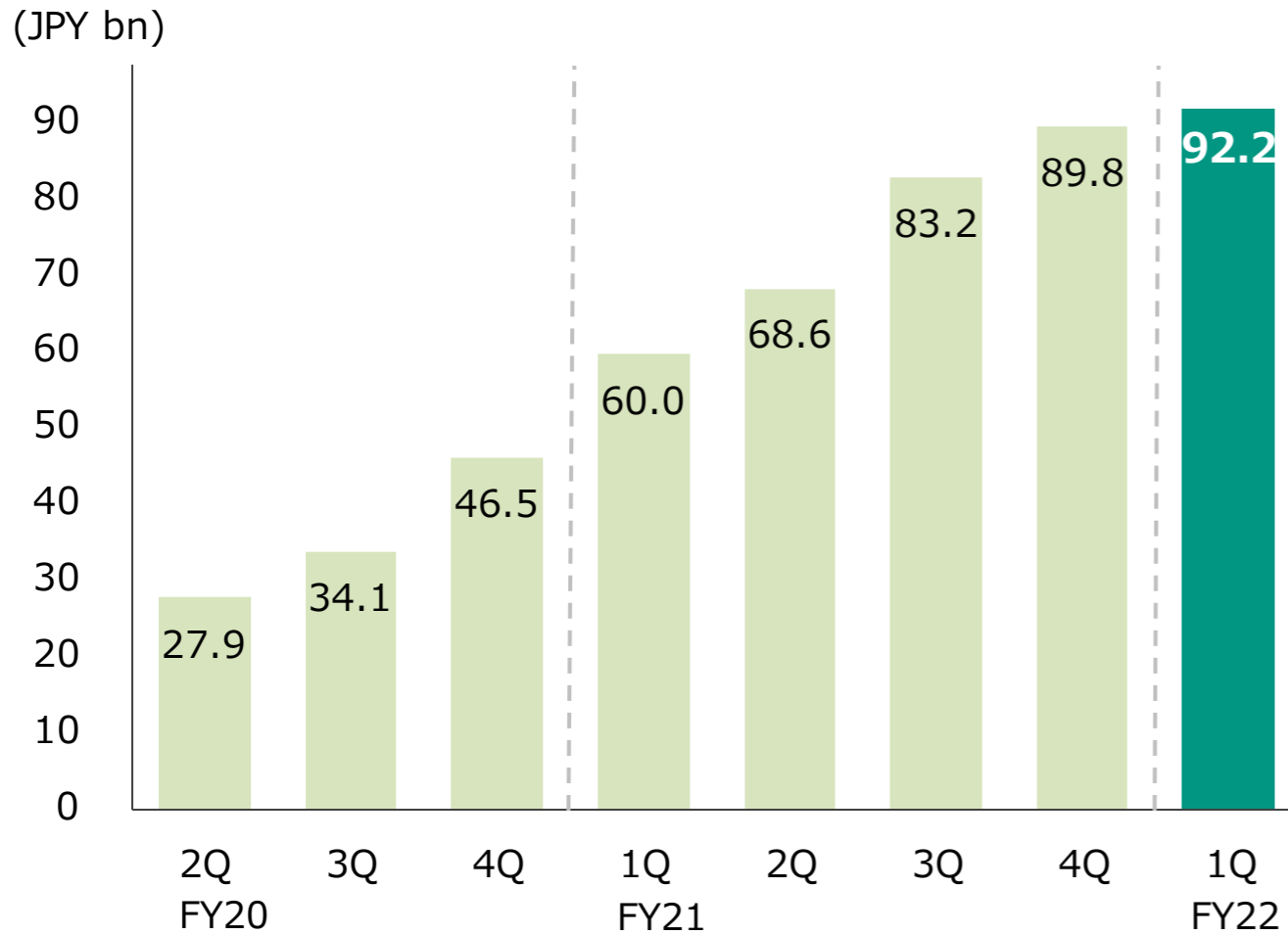
## FX trading value and commission



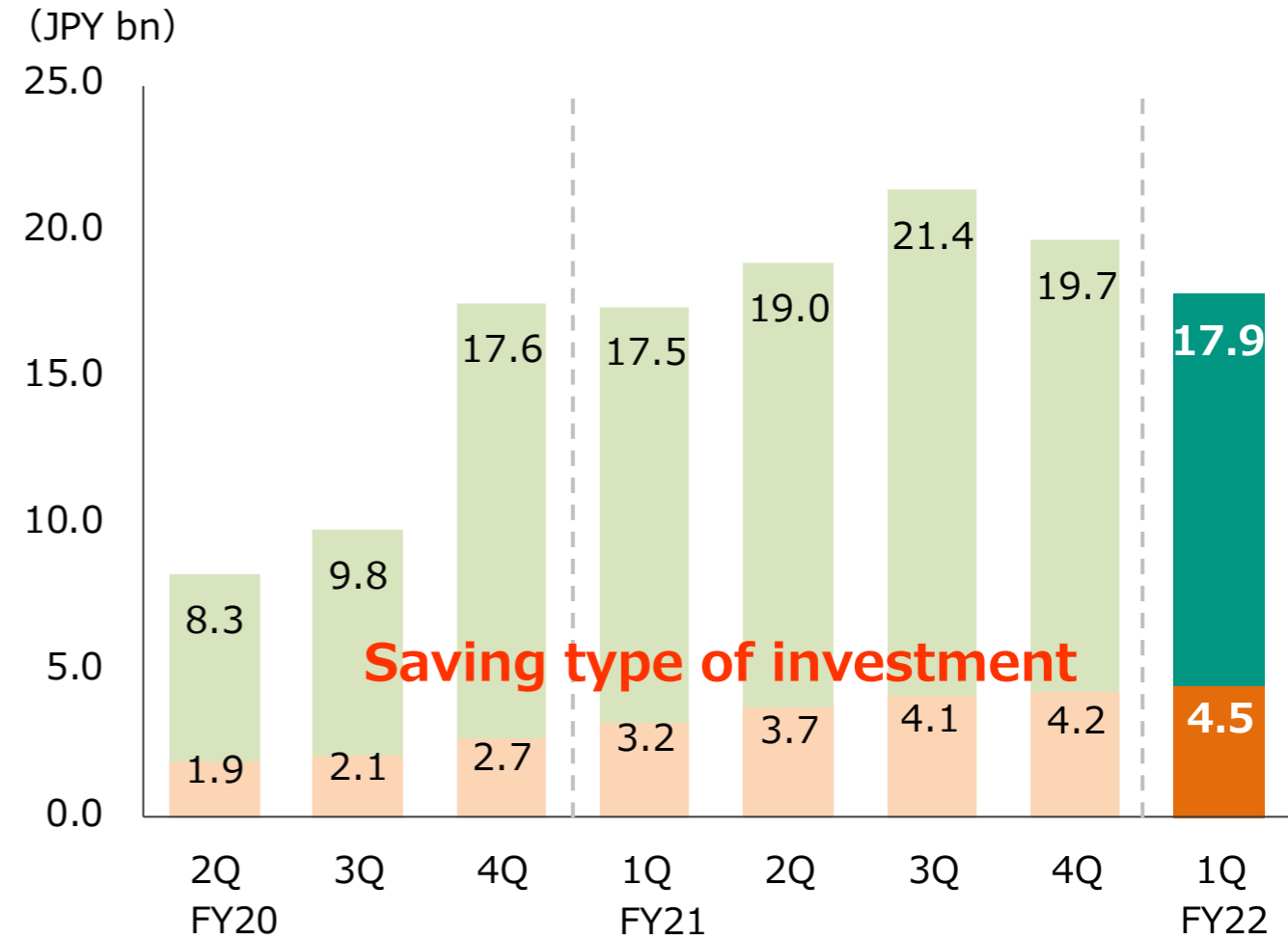
## FX total position and accounts



## Matsui's AUM of mutual fund



## Matsui's mutual fund sales



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Appendix



Corporate  
Principle

**Support to enrich the life of customers**  
by providing valuable products and services  
for retail investors

Management  
Goals

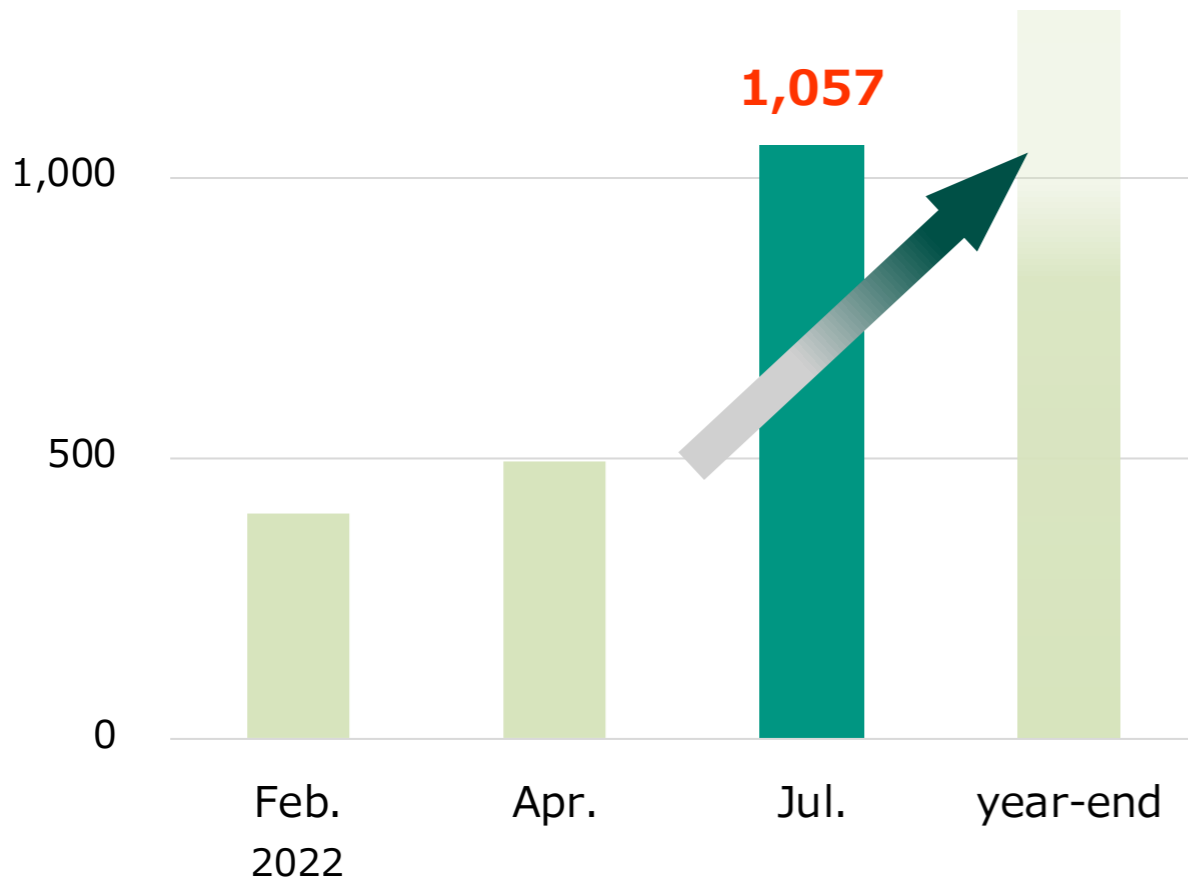
Provide superior **customer experience value**

Management  
Strategy

- ✓ Expand the lineup of products and services
- ✓ Improve the service quality continuously
- ✓ Enhance our communication with customers

## Develop into a new revenue source

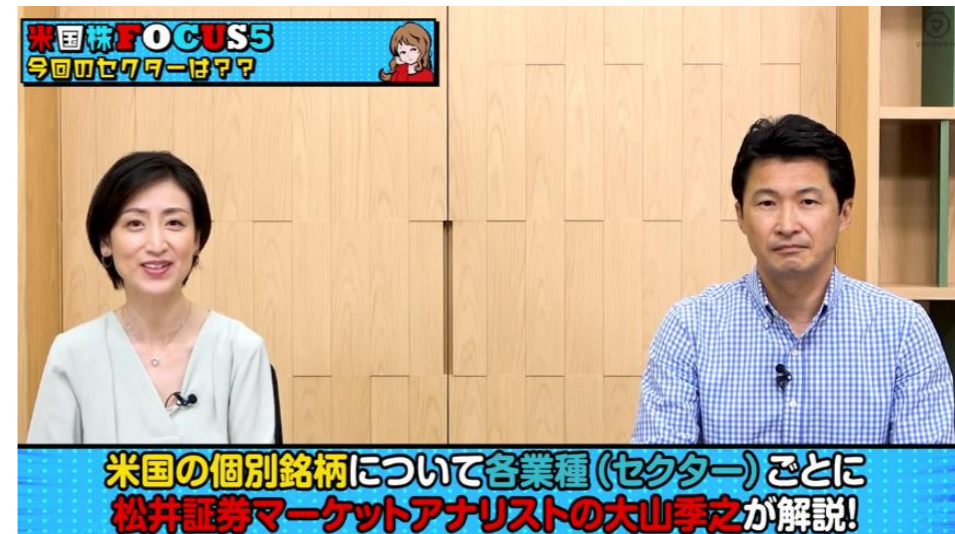
### ◆ Expand # of tradable stocks



### ◆ Future development

- ✓ Introduce foreign currency settlement (March 2023)
- ✓ Introduce margin transaction (within 2023)

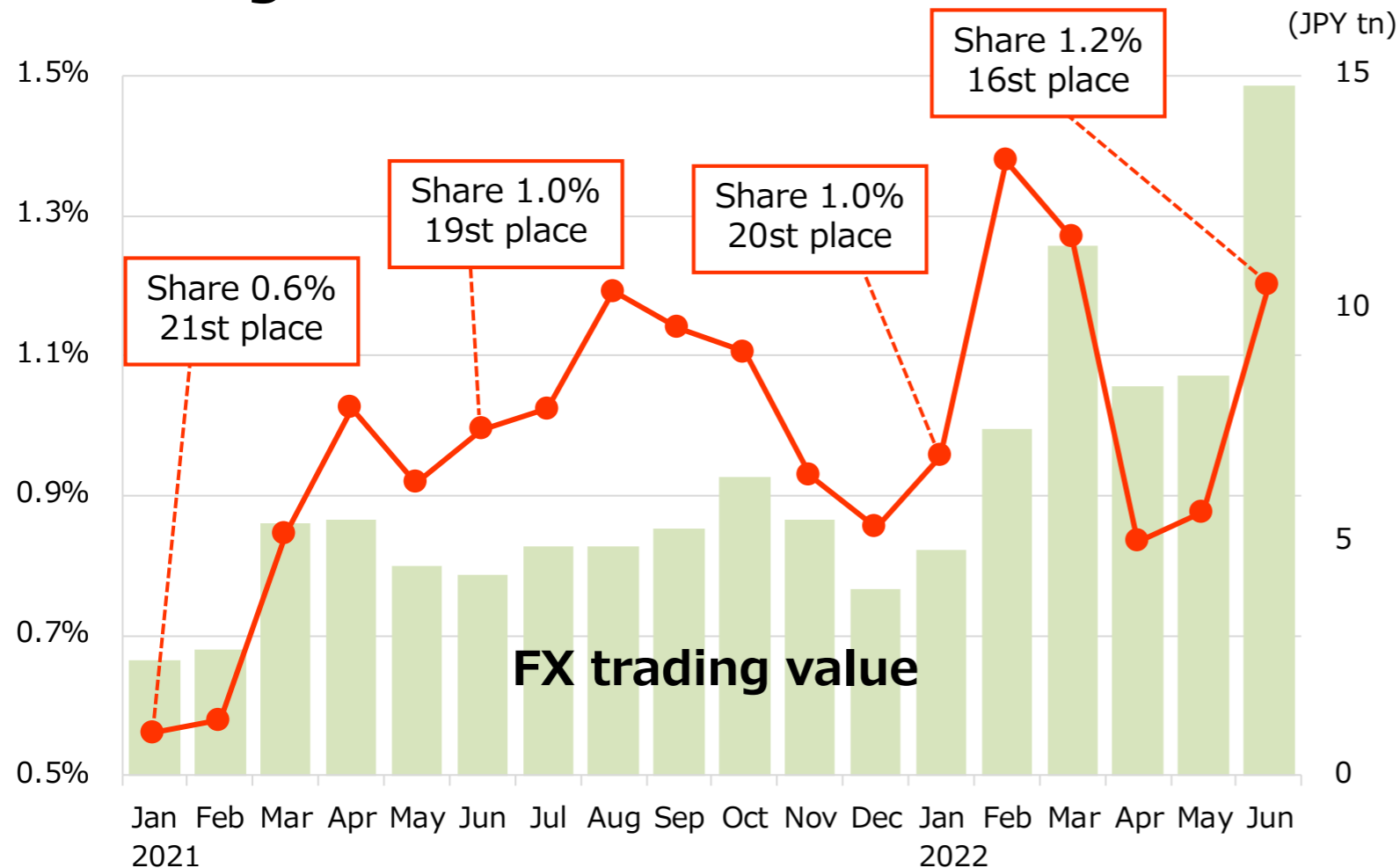
### ◆ Video contents related to US stocks





## Increase share of trading value in line with customer acquisition

### ◆ Trading results

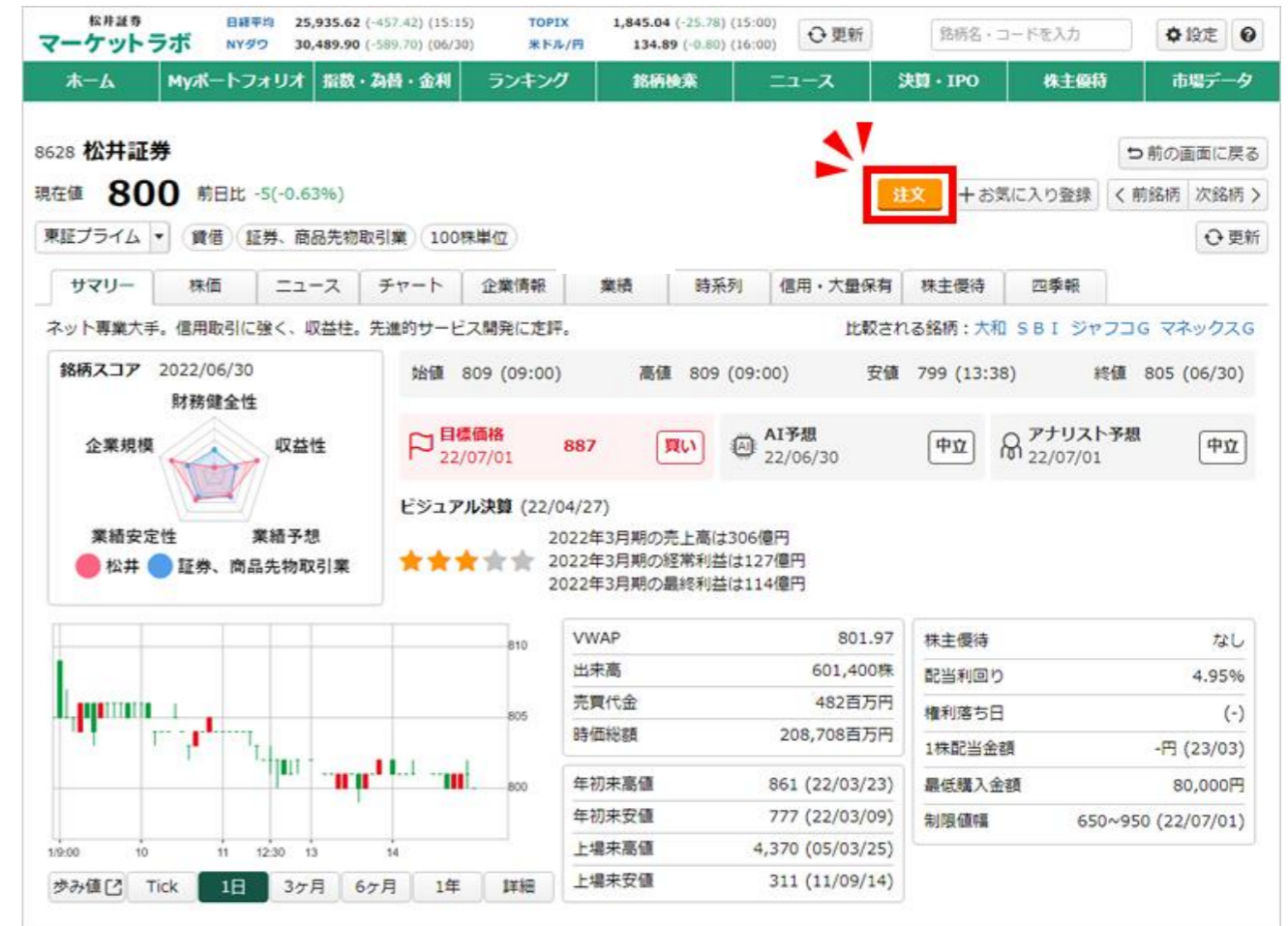


**Target; 10th place  
in market share**

## Improve the service quality

### ◆ Market Lab (from end of July) **NEW**

- ✓ New tool to check useful information for investment
- ✓ Easy interface to use



## Participation rate of IPO achieved the target of 50% in 1Q

### ◆ Rise to 5<sup>th</sup> place in the ranking among the industry

			No.	Participation Ratio
1	(1)	SBI	22	100%
2	(4)	RAKUTEN	15	68%
3	(10)	DAIWA	13	59%
4	(6)	MONEX	12	54%
5	(7)	<b>MATSUI</b>	<b>11</b>	<b>50%</b>
5	(3)	SMBC NIKKO	11	50%
7	(5)	NOMURA	10	46%
7	(2)	MIZUHO	10	46%



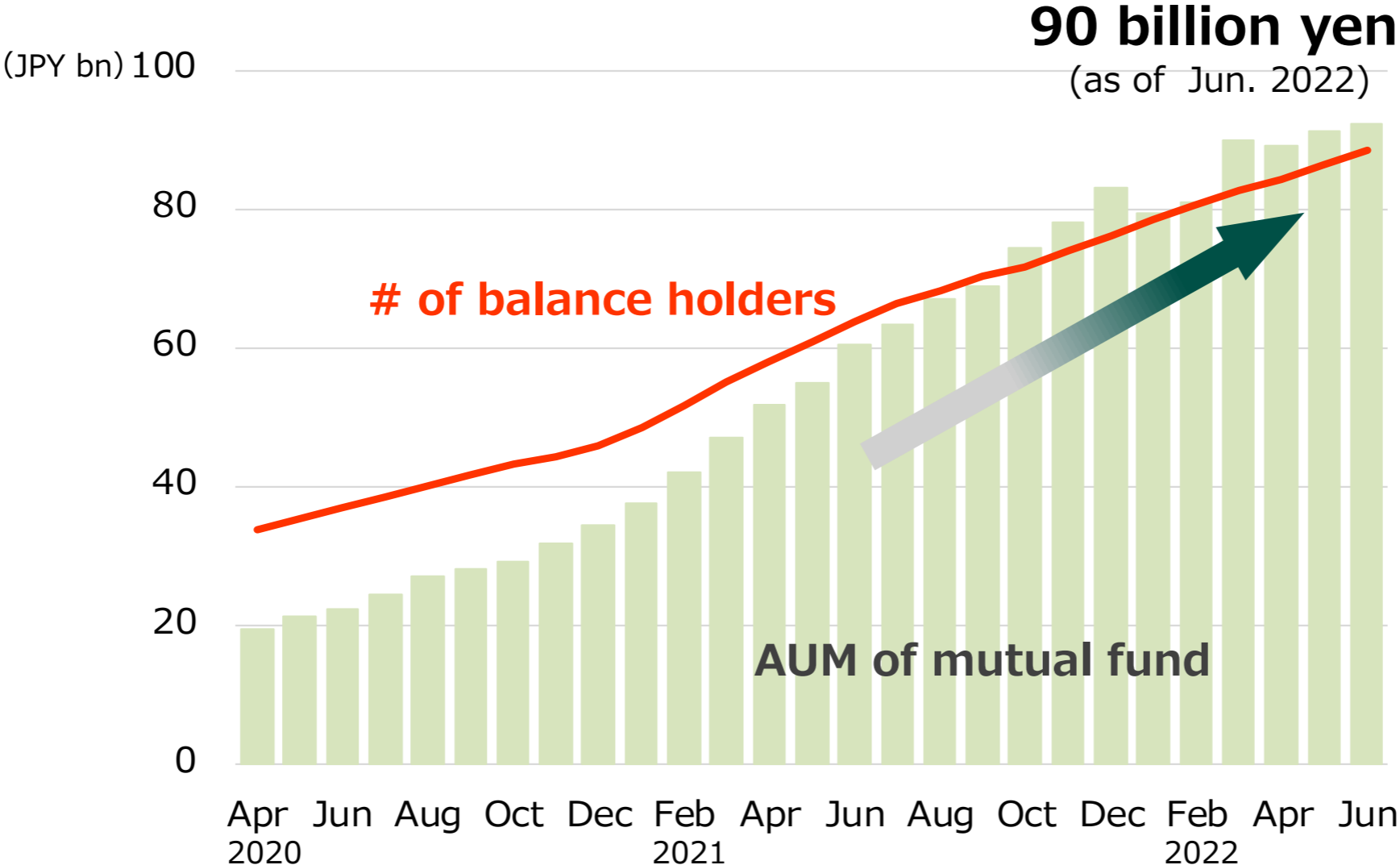
### ◆ Initiatives for IPO underwriting

- ✓ Build various networks and expand contacts with IPO candidate companies
- ✓ Support IR activities after IPO (55 companies)

(as of July 2022)

## Continue efforts to increase balances and customers

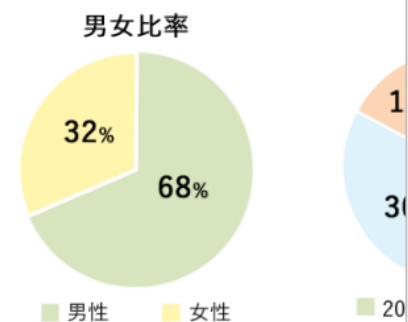
### ◆ AUM and # of balance holders



## Expand disclosure of non-financial information

### 役職員のダイバーシティ

当社は、役員、従業員の多様化を図り、個性を活かす組織づくりが重要であると考えています。年齢・性別・国籍・職歴等を問わず、個々の能力や適性を十分見極め、必要な人材を採用しています。



また、管理職への登用においても、同様の考え方を8.6%/中途入社比率：22.9%(2021年11月末時点)と  
役員のダイバーシティについてはこちらをご覧ください

### 取締役会のスキルマトリクス

#### 社内取締役

氏名 役職	委員会		経験						
	指名 報酬	監査	企業 経営	金融 業界	マーケ ティン グ	IT DX 情報セ キュリ ティ	財務 会計 企業 金融	法務 コンプ ライア ンス	人事 労務
和里田 聡 代表取締役社長	◎		●	●	●		●		
綿澤 慎一 常務取締役			●	●			●	●	
佐藤 邦彦 取締役			●	●			●		
雑賀 基夫 取締役			●	●				●	
柴田 誠史 取締役			●	●			●		●
芳賀 真名子 取締役			●	●			●		●
田中 豪 取締役			●	●	●			●	
松井 道太郎 取締役			●	●					

### ◆ Main contents in FY2021

- ✓ Evaluation of the effectiveness of the Board of Directors
- ✓ Skill matrix of the Board
- ✓ Power consumption / greenhouse gas emissions

### ◆ Contents to be disclosed in FY2022

- ✓ Key sustainability issues (materiality)
- ✓ Information in line with TCFD

<https://www.matsui.co.jp/company/sustainability/>

- ◆ **Expand the lineup of products and services**
  - ✓ **U.S. stocks (expand # of tradable stocks, foreign currency settlement, margin transaction)**

- ◆ **Improve the service quality continuously**
  - ✓ **Expand investment information**
  - ✓ **Enhance UI/UX**

- ◆ **Enhance our communication with customers**
  - ✓ **Expand video contents for support trading**
  - ✓ **Promote DX at customer call center**

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# Summary of Financial Results

(JPY mn)

	FY2020			FY2021				FY2022
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
<b>Operating Revenues</b>	7,024	7,381	8,512	7,476	7,840	7,865	7,435	7,252
<b>Net operating revenues</b>	6,610	7,042	8,190	7,181	7,566	7,594	7,098	6,858
<b>SG &amp; A</b>	3,717	3,811	4,464	4,122	4,002	4,265	4,279	4,032
<b>Operating income</b>	2,893	3,232	3,726	3,060	3,564	3,329	2,819	2,826
<b>Ordinary income</b>	2,878	3,260	3,747	3,103	3,545	3,333	2,810	2,810
<b>Net income</b>	3,381	2,258	2,536	3,954	2,443	2,280	2,763	1,945
<b>Ordinary income ratio</b>	41%	44%	44%	41%	45%	42%	38%	39%
<b>Matsui's trading value (JPY tn)</b>	8.5	9.0	10.7	9.1	9.7	9.8	9.8	8.6
<b>Average margin balance (JPY bn)</b>	252	265	289	321	322	322	293	281



# Breakdown of Revenues

(JPY mn)

	FY2020			FY2021				FY2022
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
<b>Commissions</b>	4,118	4,421	5,347	4,249	4,470	4,410	4,325	3,933
<b>Brokerage</b>	3,908	4,240	5,147	4,062	4,247	4,199	4,131	3,734
<b>Equity &amp; ETF</b>	3,674	4,015	4,898	3,851	4,014	3,953	3,800	3,372
<b>Futures &amp; Options</b>	235	225	249	211	233	246	331	362
<b>Others</b>	184	155	188	177	192	175	194	195
<b>Net trading income</b>	189	197	217	137	237	284	218	454
<b>Interest &amp; dividend income</b>	2,717	2,763	2,948	3,090	3,132	3,171	2,892	2,865
<b>Interest expenses</b>	415	339	322	295	274	271	337	394
<b>Net interest income</b>	2,302	2,424	2,626	2,795	2,858	2,900	2,555	2,471

# Breakdown of SG&A

(JPY mn)

	FY2020			FY2021				FY2022
	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q
<b>Trading related expenses</b>	1,306	1,418	1,828	1,564	1,500	1,649	1,501	1,366
<b>Stock exchanges and securities</b>	367	367	405	354	359	370	376	351
<b>Communications expenses</b>	466	470	503	483	466	488	492	479
<b>Advertisement</b>	258	342	661	492	450	563	399	304
<b>Personnel expenses</b>	652	677	801	706	733	765	850	778
<b>Occupancy &amp; rental</b>	240	241	255	256	240	239	318	224
<b>Data processing &amp; office supplies</b>	769	778	832	805	777	864	876	902
<b>Depreciation</b>	547	535	544	588	592	588	609	609
<b>Taxes and dues</b>	157	114	117	163	124	125	103	114
<b>PROVISION OR allowance for doubtful accounts</b>	3	△ 6	42	△ 22	△ 5	△ 9	△ 19	△ 33
<b>Others</b>	41	54	45	62	41	44	42	72
<b>Total SG &amp; A</b>	3,717	3,811	4,464	4,122	4,002	4,265	4,279	4,032

The material is intended to provide the financial results for the quarter ended 30 June 2022 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 28 July 2022. 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.

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