



Matsui Securities Co., Ltd.

(First Section of Tokyo Stock Exchange: 8628)

Results for 1st Half FY2007

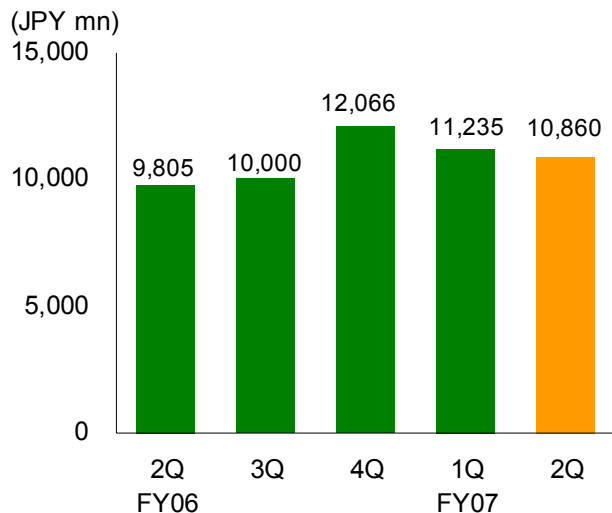
October 2007

Table of Contents

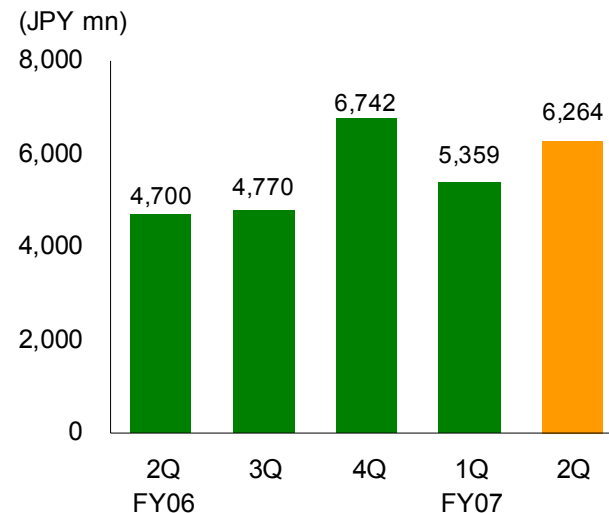
Section 1	Financial Summary	4
Section 2	Results of Operation	12
Section 3	Future Developments	23

Financial Results

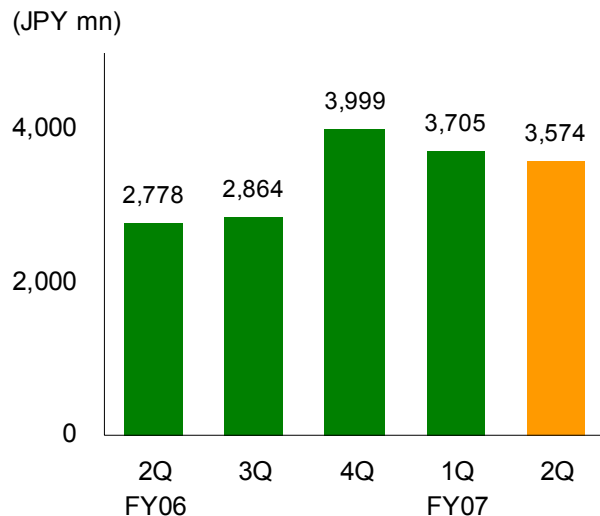
◆ Operating revenues



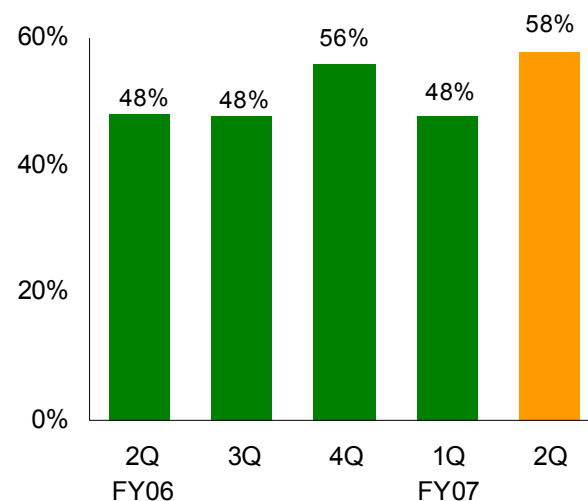
◆ Ordinary income



◆ Net income

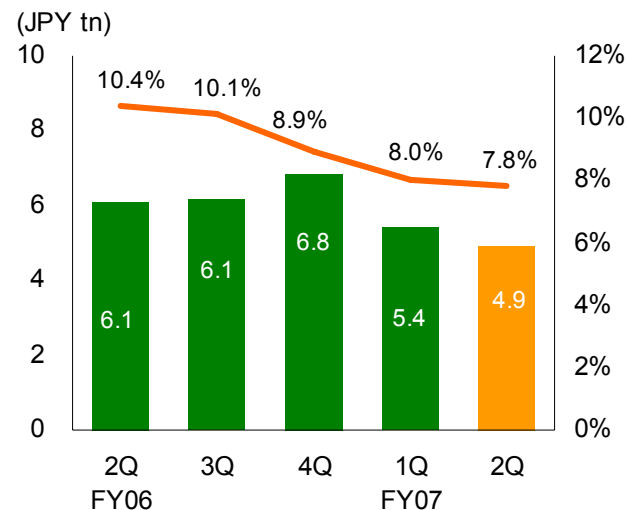


◆ Ordinary income ratio

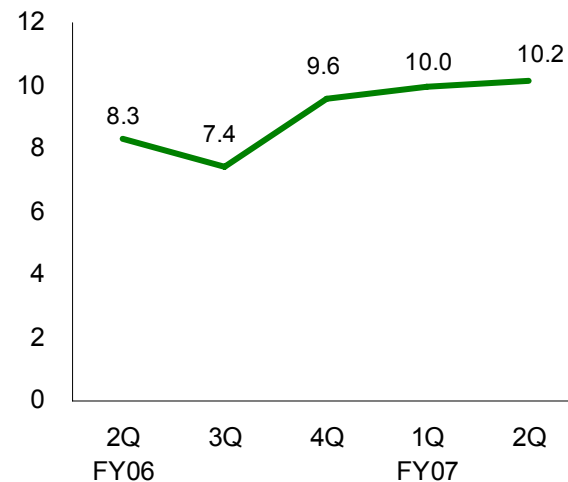


Results of Operation

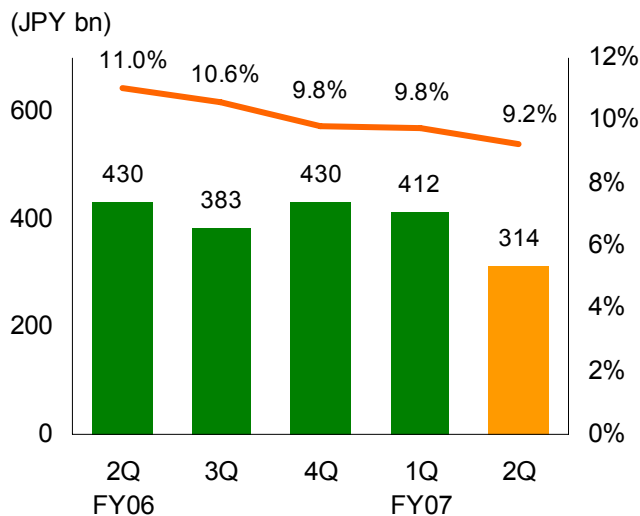
◆ Equity trading value



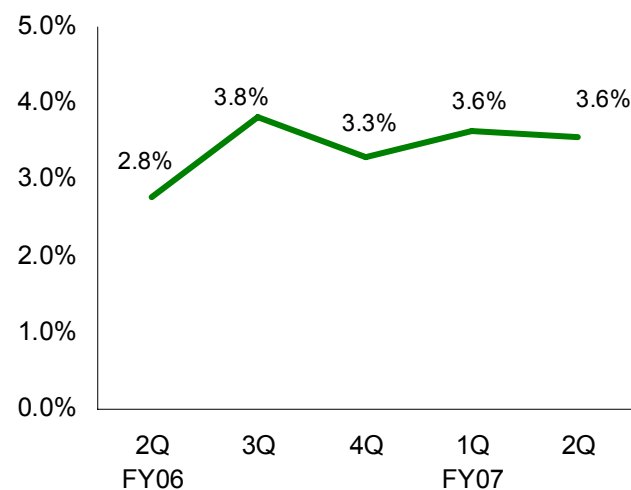
◆ Commission rate



◆ Shares bought on margin



◆ Net interest income ratio



Financial Summary

Section 1

Summary of Financial Results(1HF FY07)

(JPY mn)

	FY07	FY06			YoY	FY06 TOTAL
	1HF	2HF	HFoHF	1HF		
Operating Revenues	22,095	22,067	0%	21,625	2%	43,691
Commissions	13,125	13,423	-2%	13,513	-3%	26,936
Interest & dividend income	8,968	8,640	4%	8,188	10%	16,828
Interest expenses	1,886	1,513	25%	1,471	28%	2,984
Net operating revenues	20,209	20,554	-2%	20,154	0%	40,708
SG&A	8,662	9,068	-4%	9,092	-5%	18,160
Operating income	11,547	11,486	1%	11,061	4%	22,547
Ordinary income	11,623	11,513	1%	11,207	4%	22,720
Net income	7,279	6,862	6%	6,582	11%	13,444
Ordinary income ratio	53%	52%	-	52%	-	52%
Matsui's trading value (JPY tn)	10.3	13.0	-20%	13.7	-25%	26.7
Daily average trading value onTSE (JPY tn)	3.1	2.9	4%	2.6	19%	2.8

Source: TSE

Breakdown of Net Operating Revenues (1HF FY07)

(JPY mn)

	FY07	FY06			YoY	FY06 TOTAL
	1HF	2HF	HFoHF	1HF		
Commissions	13,125	13,423	-2%	13,513	-3%	26,936
Brokerage	11,838	12,152	-3%	12,234	-3%	24,386
Underwriting & selling	7	21	-66%	37	-81%	58
Subscription & distribution	1	22	-94%	2	-39%	24
Others	1,279	1,228	4%	1,240	3%	2,468
Net gain (loss) on trading	2	4	-36%	△ 77	-	△ 73
Interest & dividend income(1)	8,968	8,640	4%	8,188	10%	16,828
Total operating revenues	22,095	22,067	0%	21,625	2%	43,691
Interest expenses (2)	1,886	1,513	25%	1,471	28%	2,984
Net operating revenues	20,209	20,554	-2%	20,154	0%	40,708
Net interest income (1) - (2)	7,082	7,127	-1%	6,717	5%	13,844

Breakdown of SG&A (1HF FY07)

(JPY mn)

	FY07	FY06			YoY	FY06 TOTAL
	1HF	2HF	HfHf	1HF		
Transaction related expenses	2,291	2,508	-9%	2,674	-14%	5,182
Advertisement	252	375	-33%	545	-54%	920
Employees' compensation & benefits	1,125	1,048	7%	951	18%	1,998
Occupancy & rental	219	227	-3%	182	20%	409
Data processing & office supplies	3,542	4,445	-20%	4,403	-20%	8,848
Depreciation	557	660	-16%	593	-6%	1,252
Duties & taxes other than income taxes	141	133	6%	152	-7%	284
Provision of allowance for doubtful accounts	687	-	-	-	-	-
Others	99	48	104%	138	-28%	186
Total SG&A	8,662	9,068	-4%	9,092	-5%	18,160

Summary of Financial Results(Quarterly)

(JPY mn)

	FY07	FY07	QoQ	FY06			YoY	FY06 TOTAL
	2Q	1Q		4Q	3Q	2Q		
Operating Revenues	10,860	11,235	-3%	12,066	10,000	9,805	11%	43,691
Commissions	6,499	6,626	-2%	7,902	5,520	5,989	9%	26,936
Interest & dividend income	4,361	4,607	-5%	4,162	4,478	3,891	12%	16,828
Interest expenses	967	919	5%	823	689	771	25%	2,984
Net operating revenues	9,893	10,316	-4%	11,243	9,311	9,033	10%	40,708
SG&A	3,628	5,034	-28%	4,520	4,547	4,426	-18%	18,160
Operating income	6,265	5,282	19%	6,722	4,764	4,607	36%	22,547
Ordinary income	6,264	5,359	17%	6,742	4,770	4,700	33%	22,720
Net income	3,574	3,705	-4%	3,999	2,864	2,778	29%	13,444
Ordinary income ratio	58%	48%	-	56%	48%	48%	-	52%
Matsui's trading value (JPY tn)	4.9	5.4	-9%	6.8	6.1	6.1	-19%	26.7
Daily average trading value onTSE (JPY tn)	3.1	3.1	0%	3.3	2.6	2.3	32%	2.8

Source: TSE

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY07	FY07	QoQ	FY06			YoY	FY06 TOTAL
	2Q	1Q		4Q	3Q	2Q		
Commissions	6,499	6,626	-2%	7,902	5,520	5,989	9%	26,936
Brokerage	5,746	6,092	-6%	7,203	4,949	5,359	7%	24,386
Underwriting & selling	4	3	26%	6	14	18	-78%	58
Subscription & distribution	1	0	-	2	20	2	-23%	24
Others	748	531	41%	691	537	611	22%	2,468
Net gain (loss) on trading	1	2	-71%	2	2	△ 76	-	△ 73
Interest & dividend income(1)	4,361	4,607	-5%	4,162	4,478	3,891	12%	16,828
Total operating revenues	10,860	11,235	-3%	12,066	10,000	9,805	11%	43,691
Interest expenses (2)	967	919	5%	823	689	771	25%	2,984
Net operating revenues	9,893	10,316	-4%	11,243	9,311	9,033	10%	40,708
Net interest income (1) - (2)	3,394	3,688	-8%	3,339	3,789	3,120	9%	13,844

Breakdown of SG&A (Quarterly)

(JPY mn)

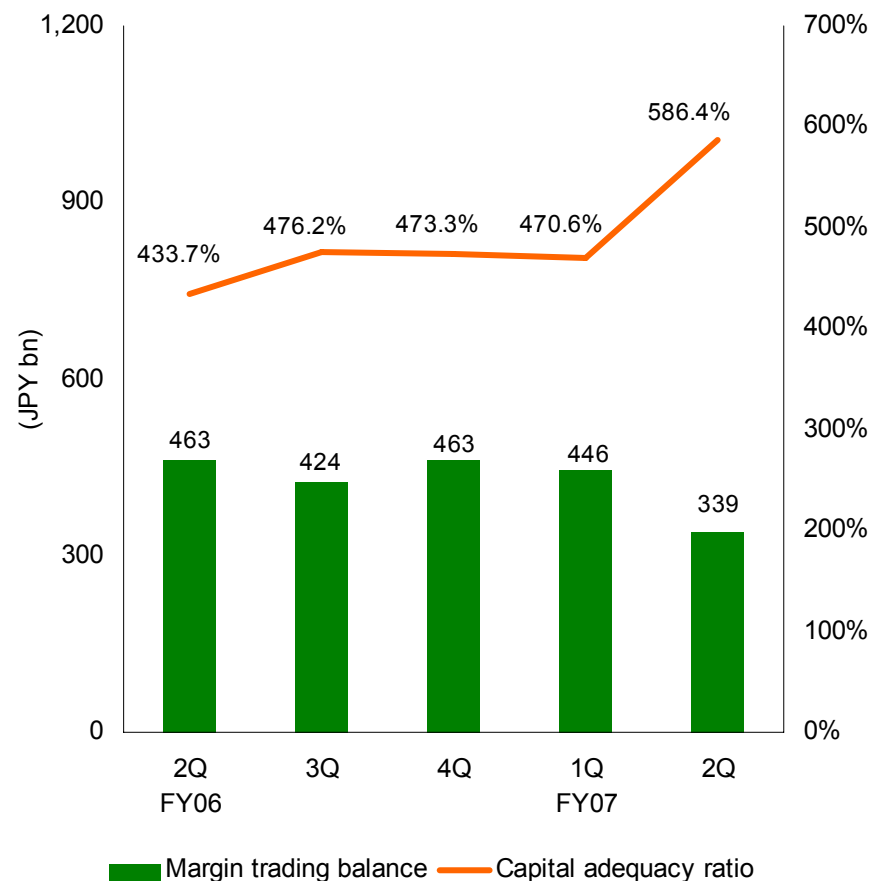
	FY07	FY07	QoQ	FY06			YoY	FY06 TOTAL
	2Q	1Q		4Q	3Q	2Q		
Transaction related expenses	1,159	1,132	2%	1,250	1,258	1,306	-11%	5,182
Advertisement	158	94	69%	154	221	280	-44%	920
Employees' compensation & benefits	556	569	-2%	493	555	499	11%	1,998
Occupancy & rental	109	110	-1%	117	110	93	17%	409
Data processing & office supplies	1,610	1,931	-17%	2,236	2,209	2,094	-23%	8,848
Depreciation	265	292	-9%	339	321	305	-13%	1,252
Duties & taxes other than income taxes	65	76	-16%	67	66	72	-10%	284
Provision of allowance for doubtful accounts	△ 169	856	-	-	-	-	-	-
Others	32	67	-52%	19	29	58	-45%	186
Total SG&A	3,628	5,034	-28%	4,520	4,547	4,426	-18%	18,160

Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 30 September 07)

(JPY mn)		
Tier 1	(A)	75,468
Tier 2	Net unrealized gain on investment	6
	Statutory reserves	3,577
	Allowance for doubtful accounts	379
	Sub total	(B) 3,963
Assets to be deducted from equity capital	(C)	7,731
Net Capital	(A)+(B)-(C) (D)	71,700
Total risk	Market risk	11
	Counterparty risk	7,575
	Basic risk	4,638
	Total	(E) 12,225
Capital Adequacy ratio	(D)/(E)	586.4%

◆ Margin trading balance and capital adequacy ratio

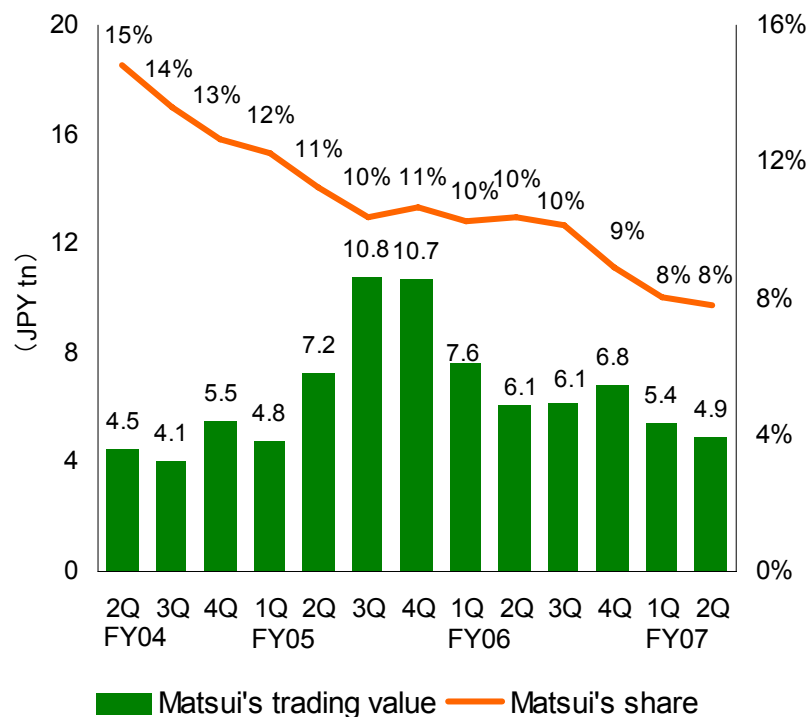


Results of Operation

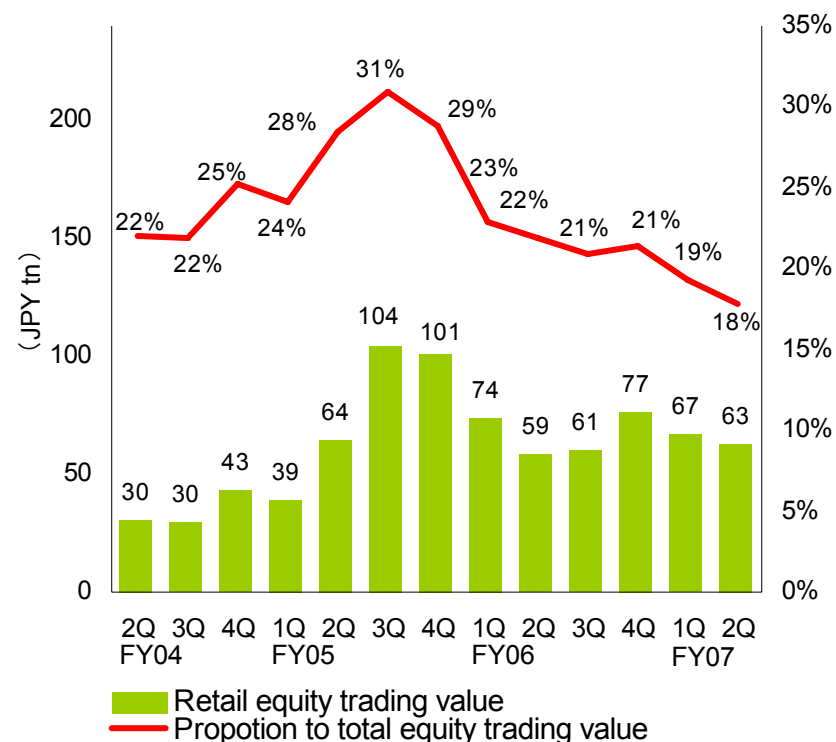
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

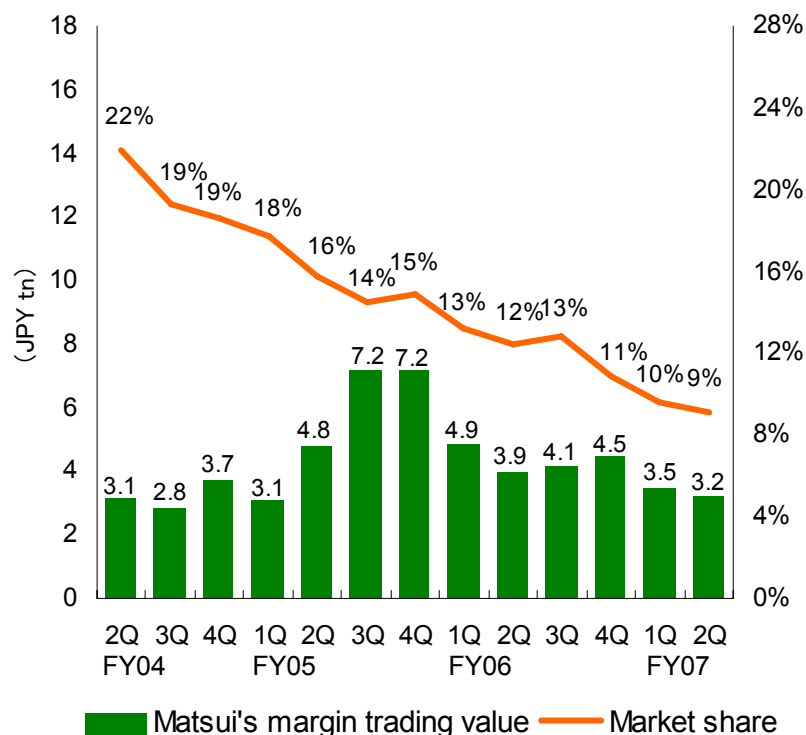


◆ Retail equity trading value¹ and proportion to total equity trading value

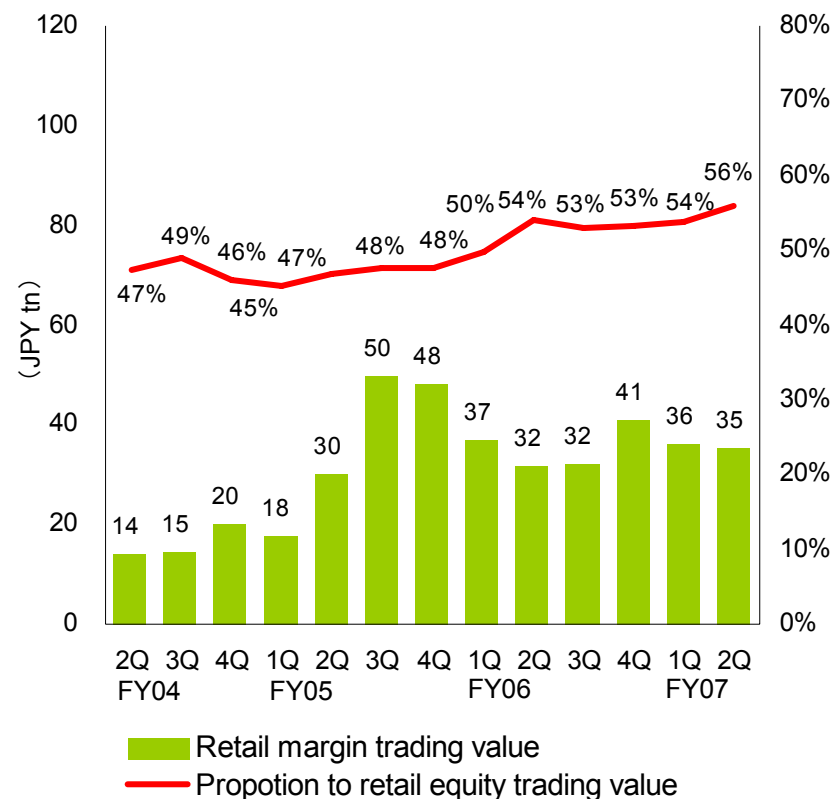


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

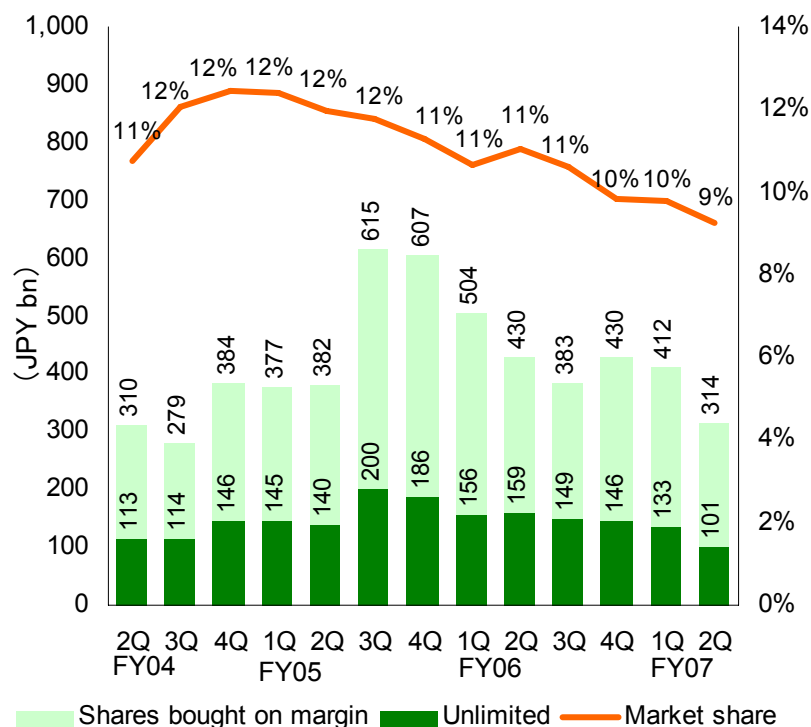


◆ Retail margin trading value¹ and proportion to total retail equity trading value

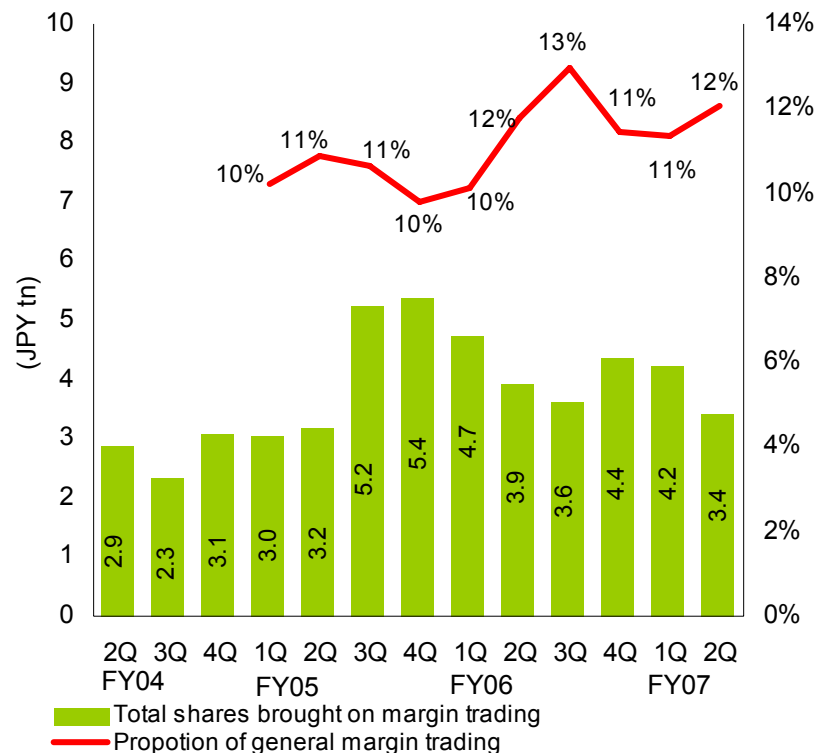


Margin Trading Balance

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

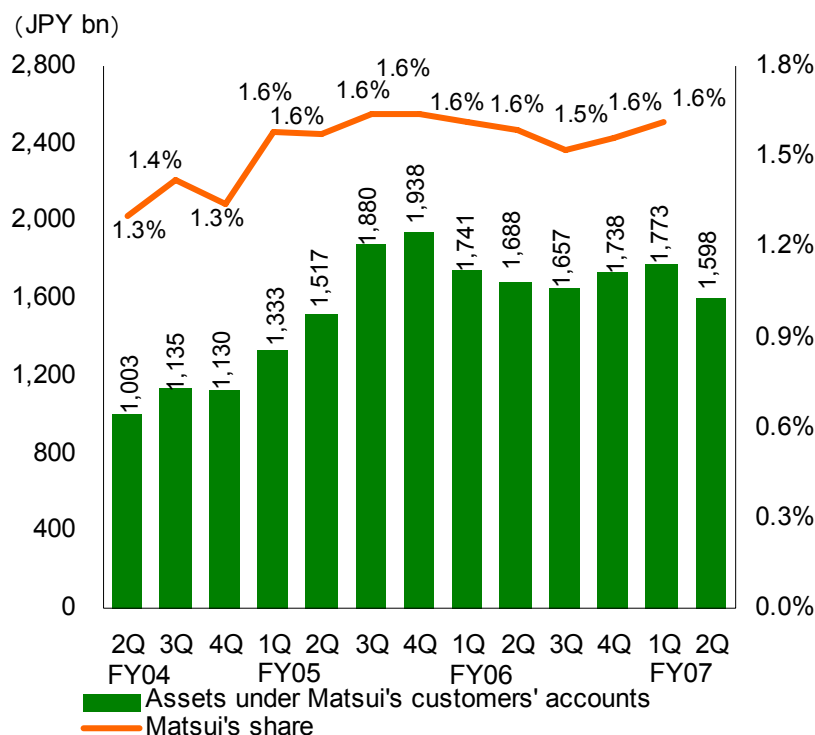


◆ Total shares bought on margin trading¹ and proportion of general margin trading³

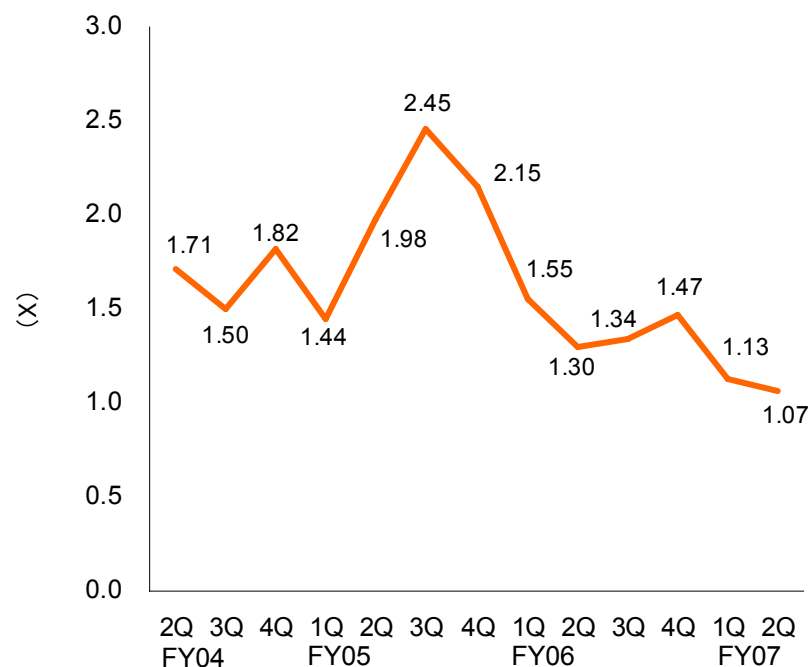


Assets under Customers' Accounts / Trading Turnover

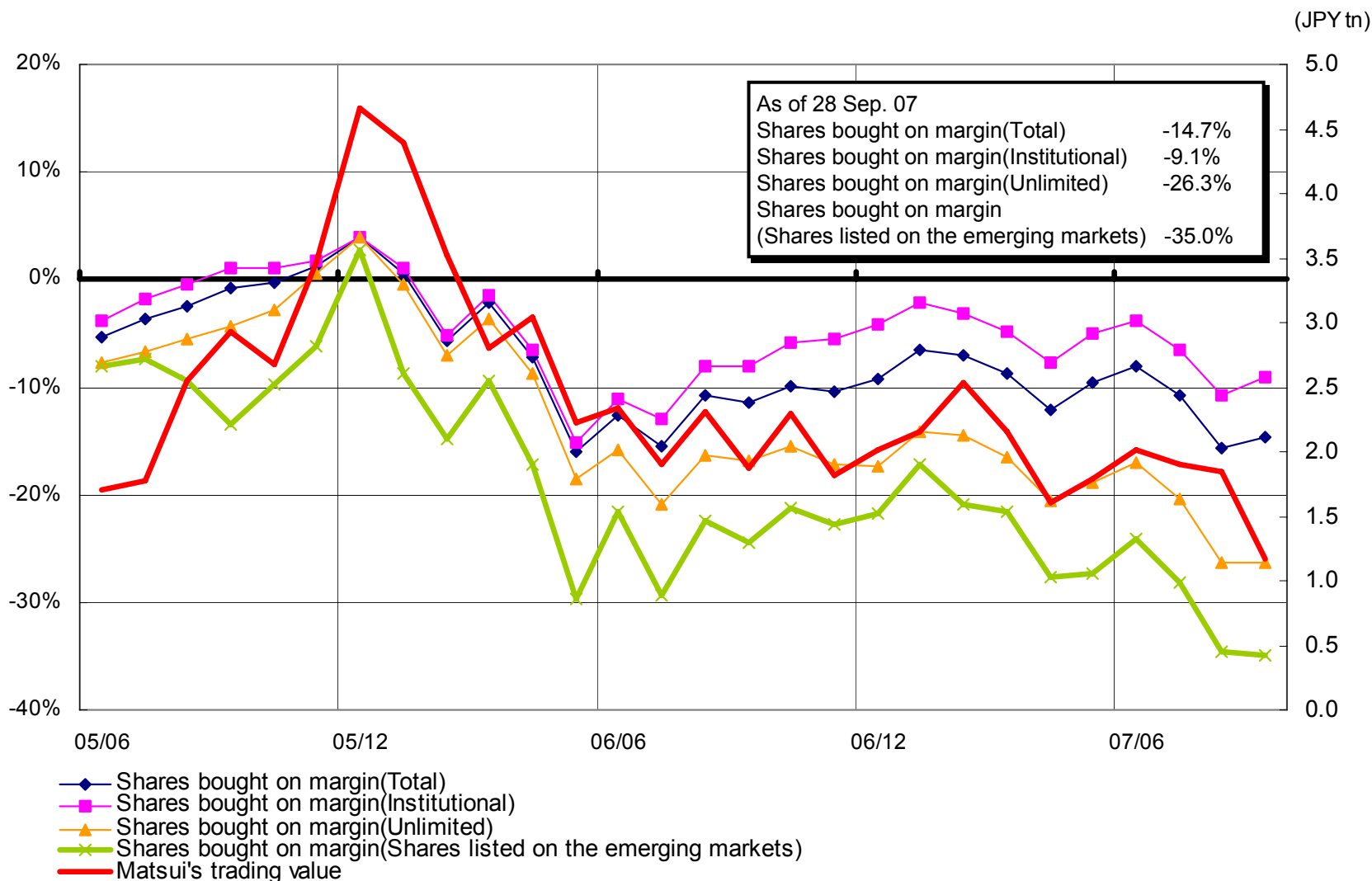
◆ Assets under Matsui's customers' accounts and its market share



◆ Equity trading turnover¹ of Matsui's customers

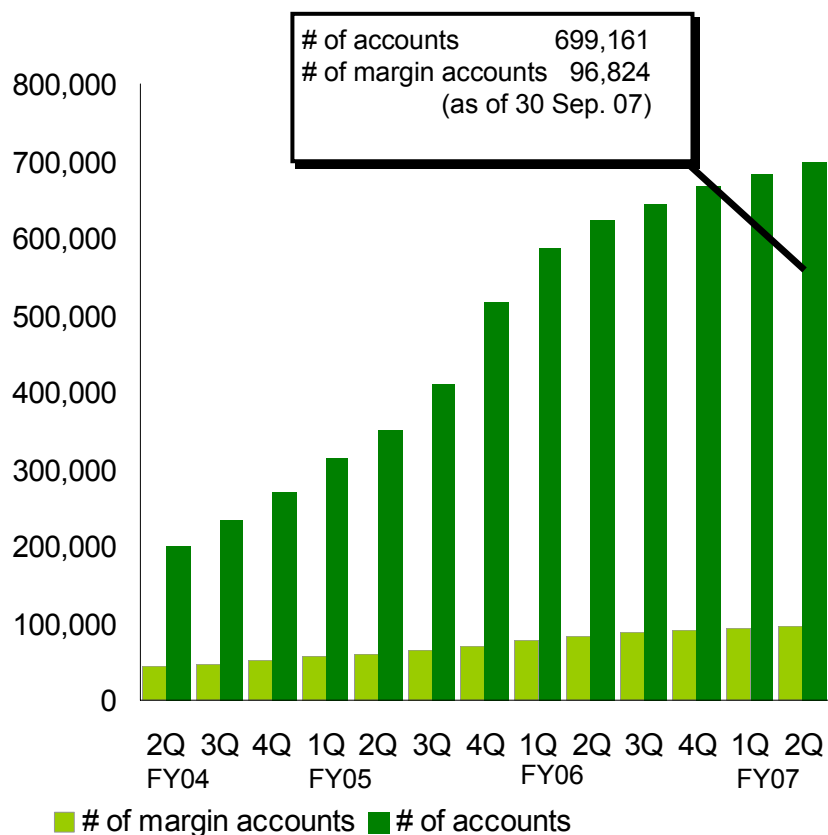


Evaluation Losses on Matsui's Margin Balance

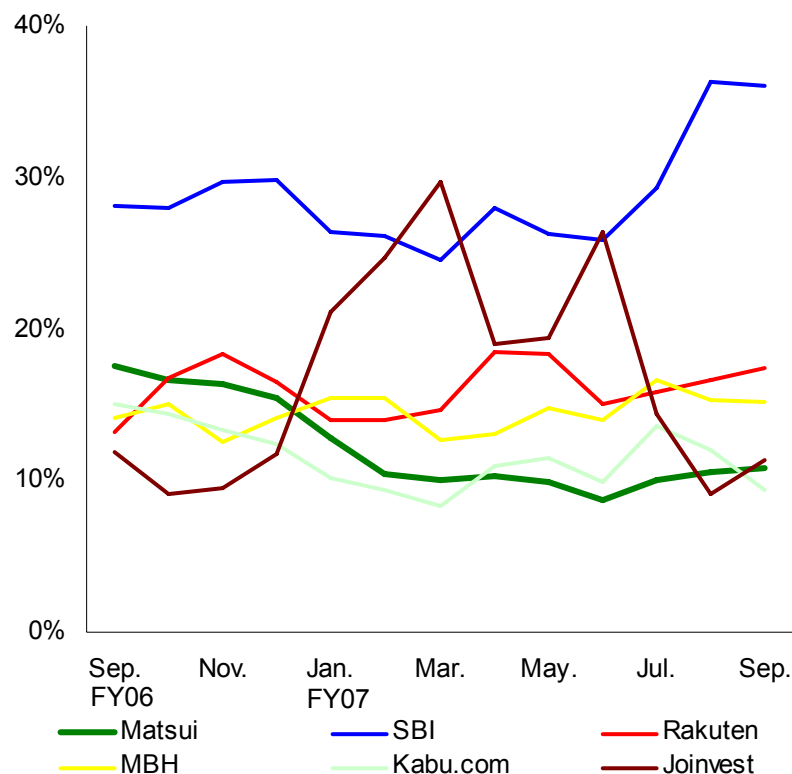


Number of Accounts

◆ Number of accounts at Matsui¹



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



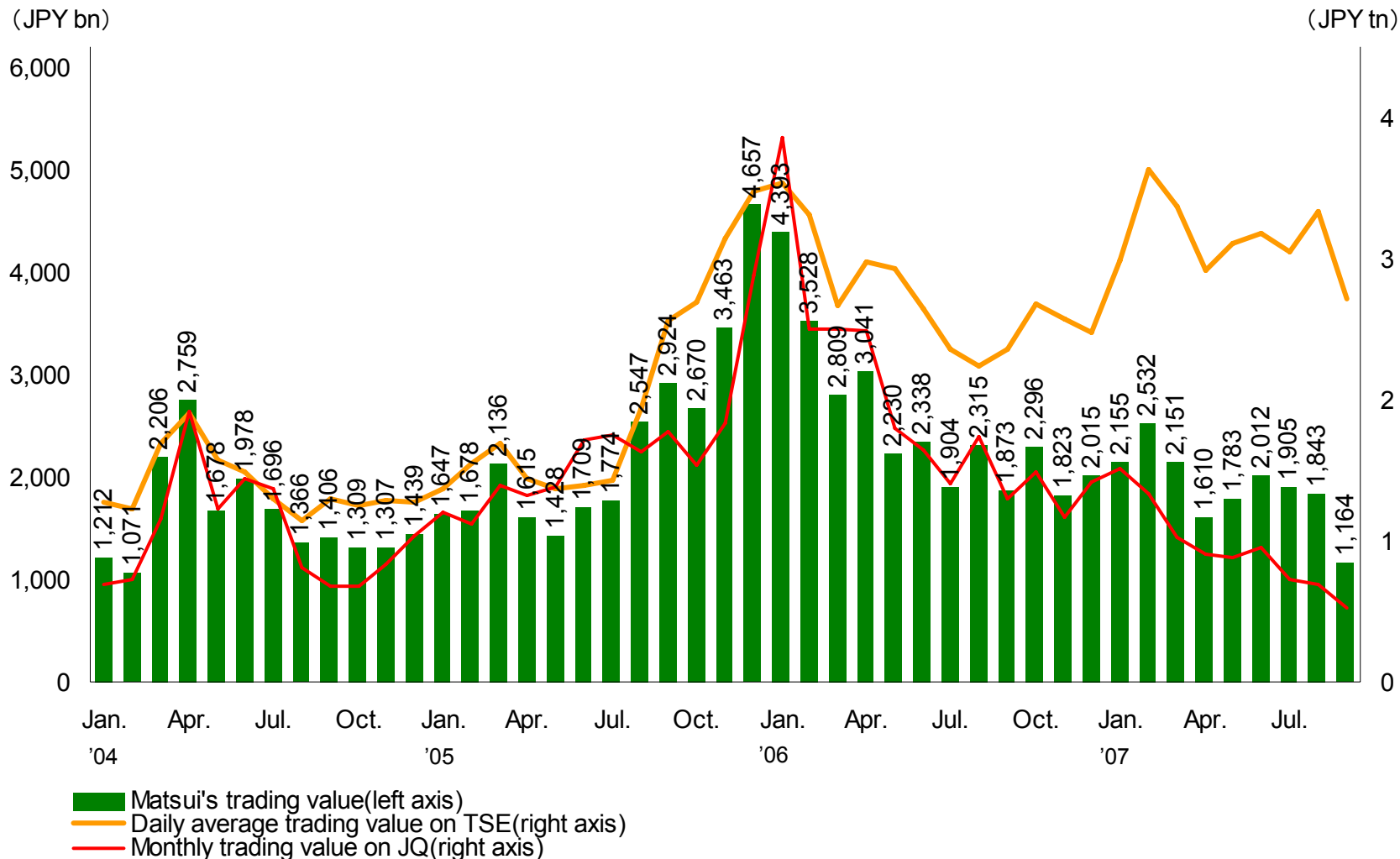
Source: Company websites

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

2: 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.

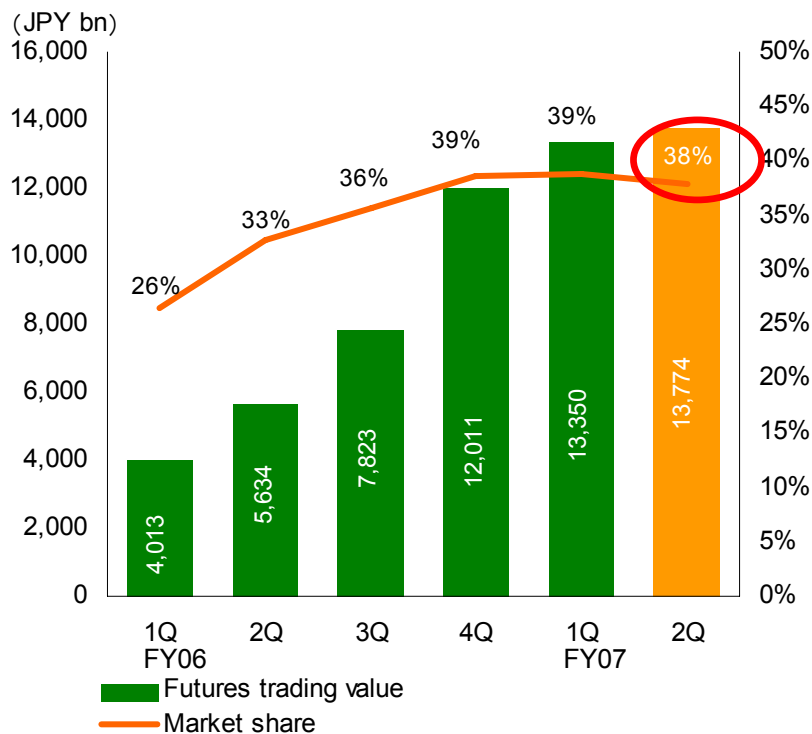
Equity Trading Value

◆ Matsui's equity trading value (Monthly)

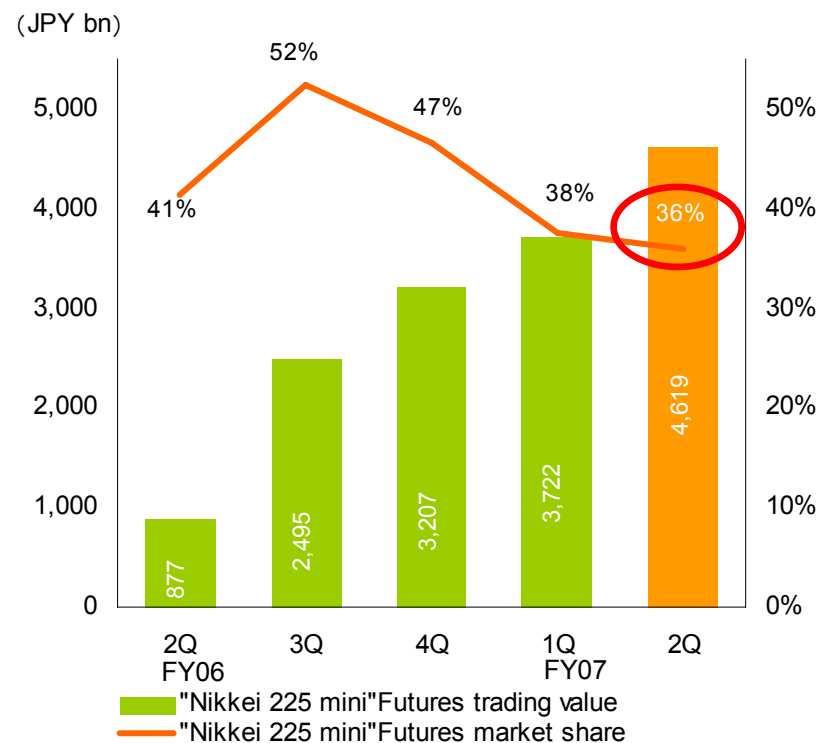


Nikkei 225 Futures

◆ Matsui's Nikkei 225 Futures trading value and its market share¹

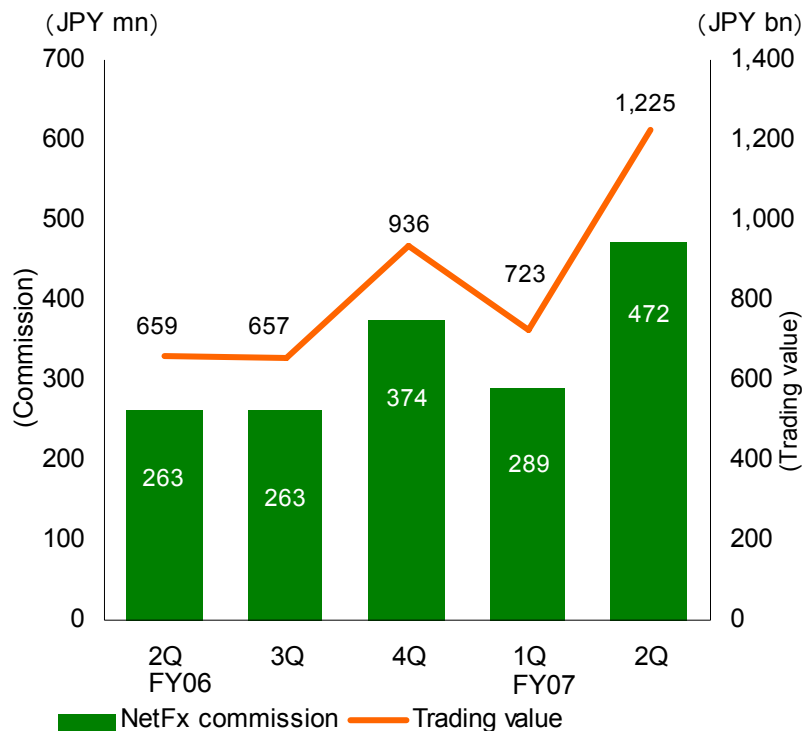


◆ Matsui's "Nikkei 225 mini" Futures trading value and its market share²

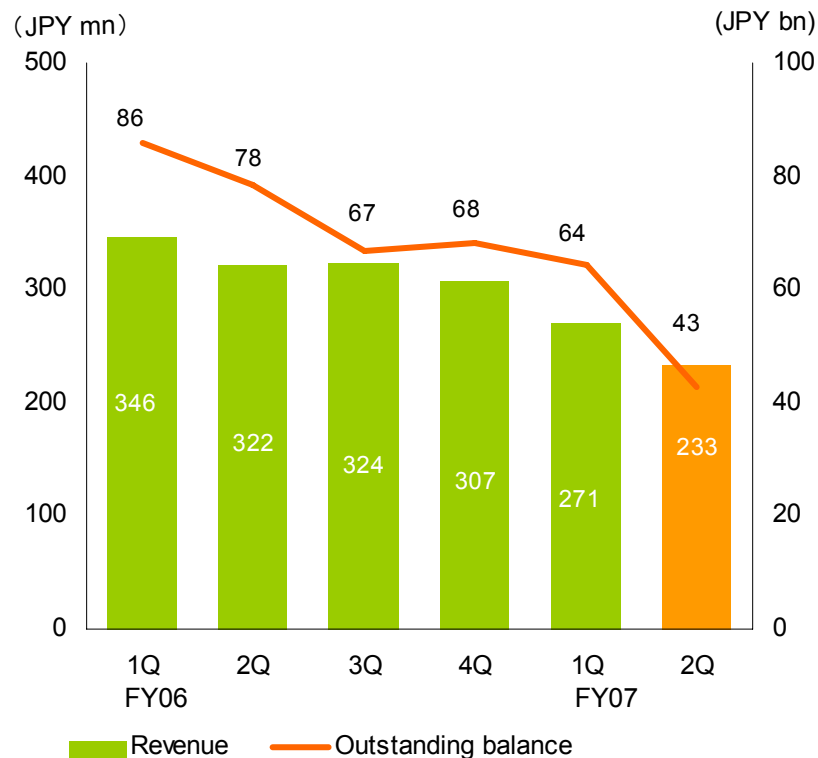


NetFx / Stock Lending Business

◆ Matsui's NetFx commission income and trading value¹



◆ Matsui's 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	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	Start the notification service via e-mail for investors with reagard to margin call Introduce "Stop order" function
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
August	Implement "High-Speed α" with Softbank Mobile
September	Implement "High-Speed α" with au
November(Plan)	Start dealing with "Nikkei 225" Futures in the "Evening-Session" Start the real-time disbursement service
Subject to FSA approval	Plan to launch the RTGS 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

◆Advantages to customers

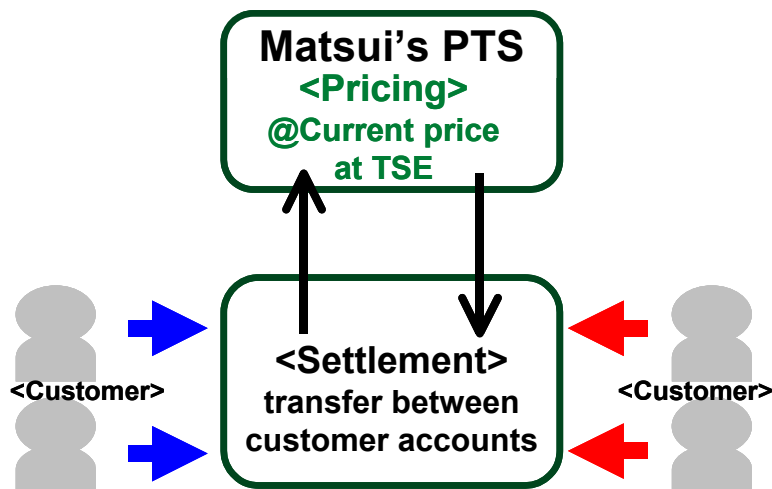
Improvement in trading capacity for "Day-Traders"

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		Margin Ratio	
		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

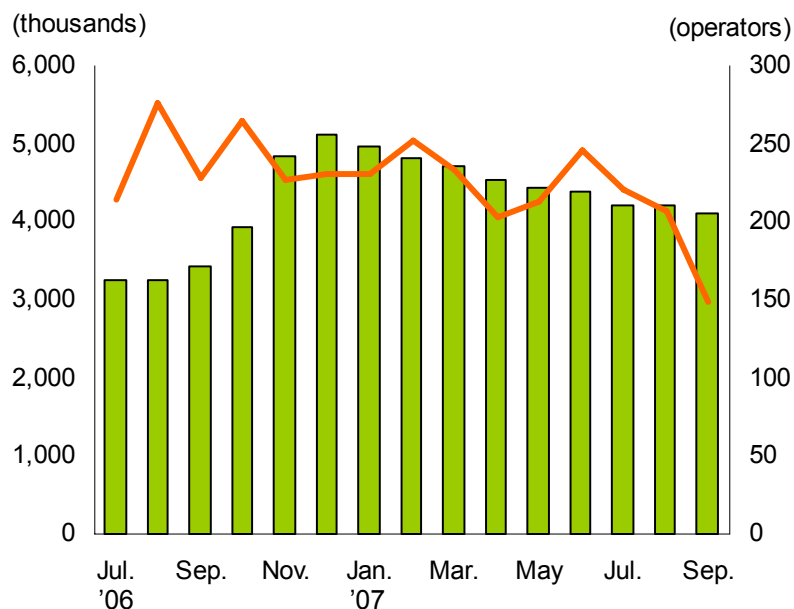
Plan to launch the real-time disbursement service in advance(November 07)

Improvement of Quality of Services to Customers

◆ Expansion of "Call-Center"

- The capacity of the Call-Center has been expanded to accept max. 350 operators (205 staffs as of 30 Sep.07)
- Start disclosing various operational information regarding Call-Center including accessibility

◆ # of operators and # of orders



■ # of operators — # of orders

◆ Enhancement of mobile phone services

- Add "au" and "Softbank" as the carrier corresponding with "High-Speed α" (Aug. Sep.07)
- Enhance the information function (such as index chart, multi-quotation of futures, etc.) for members site (Sep.07)
- Implement mobile promotion (Oct.07)

◆ Image of "High-Speed α"



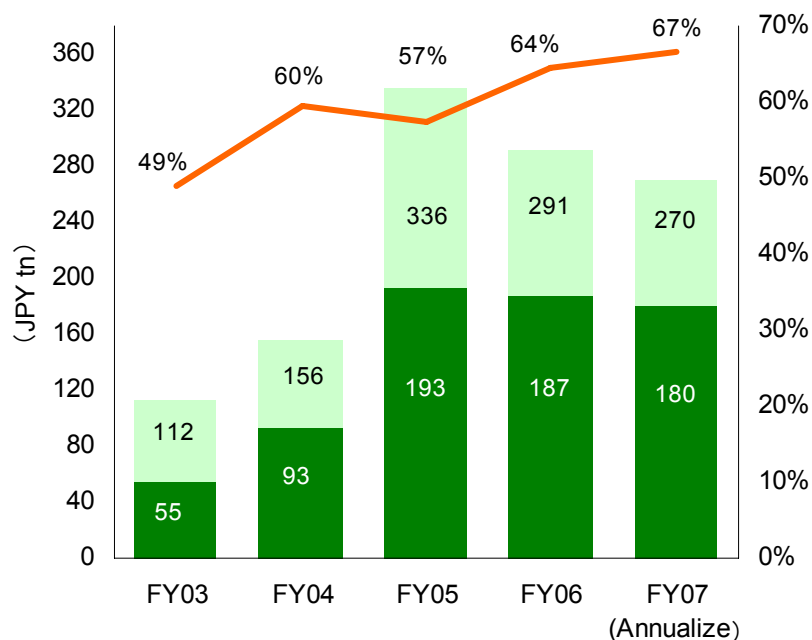
【Speed order function】



【Price board】

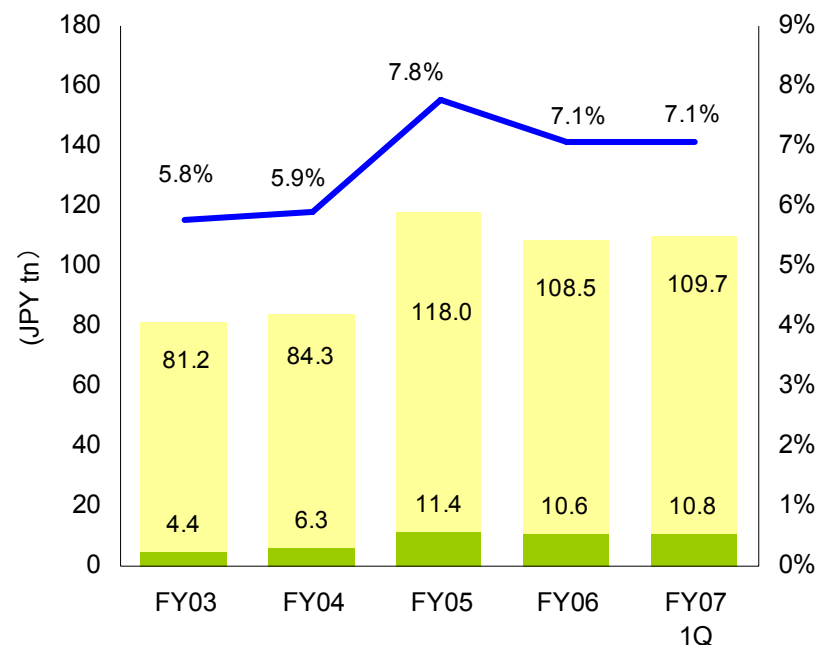
Growth Potential in On-line trading

◆ Equity trading value of individuals (FLOW)



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

The material is intended to provide the financial results for the six months ended 30 September 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 October 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.

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.

Tel: +81-3-5216-0784 Fax: +81-3-5216-8640

Mail: ir@matsui.co.jp

Akira WARITA, General Manager of IR Office: a-warita@matsui.co.jp

Tachiki JIBU, Manager of IR Office: jibu@matsui.co.jp

Makoto SAKURAI, Assistant manager of IR Office: m-sakurai@matsui.co.jp

Miki AOKI, IR Office :mi-aoki@matsui.co.jp

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