



Matsui Securities Co., Ltd.

(First Section of Tokyo Stock Exchange: 8628)

Annual Results for 2Q FY2009

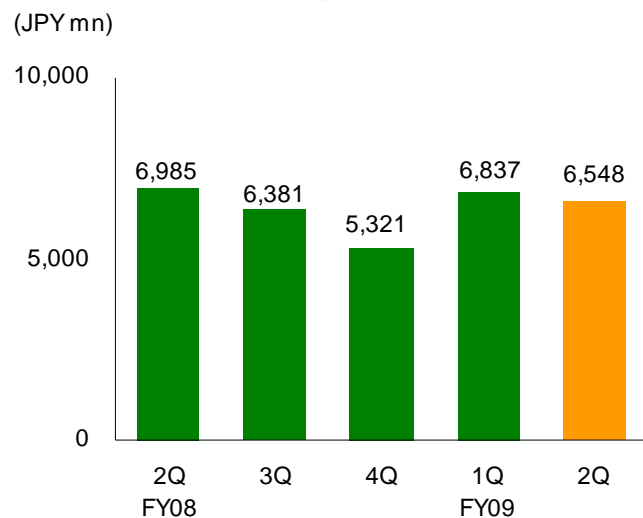
October 2009

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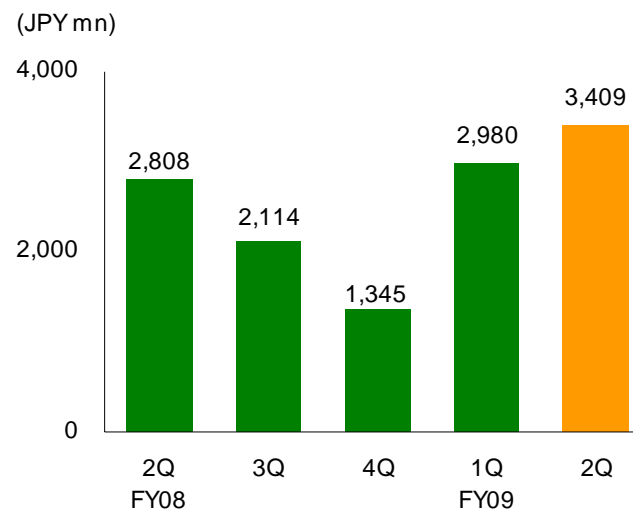
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Financial Results

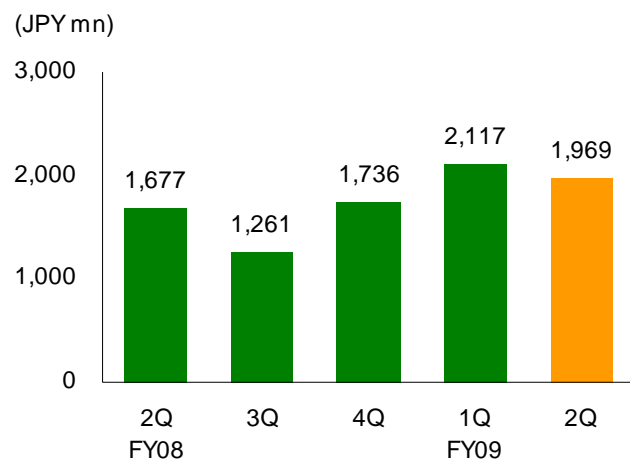
◆ Operating revenues



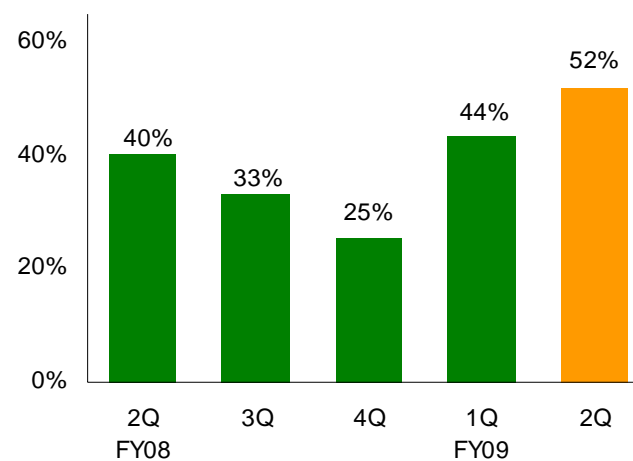
◆ Ordinary income



◆ Net income

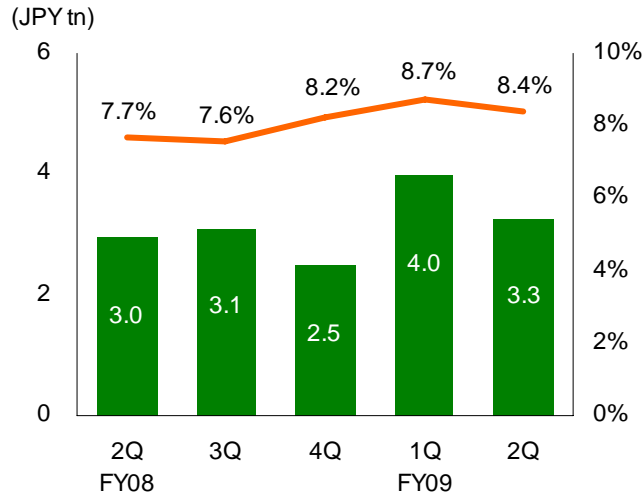


◆ Ordinary income ratio

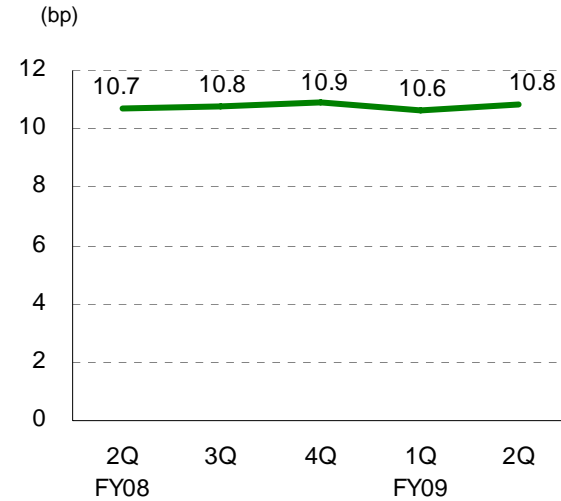


Results of Operation

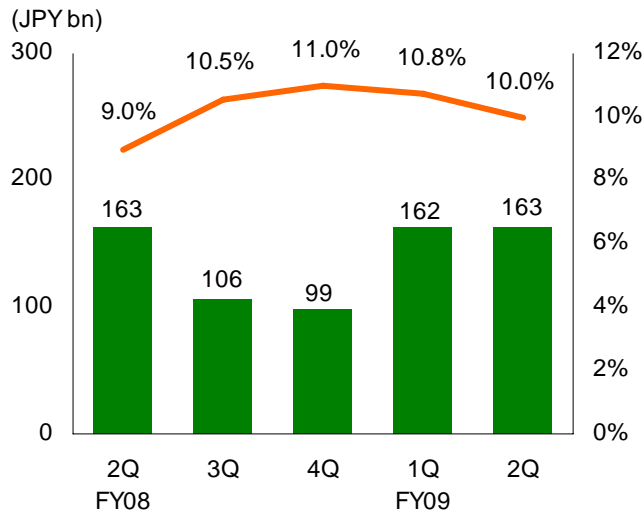
◆ Equity trading value



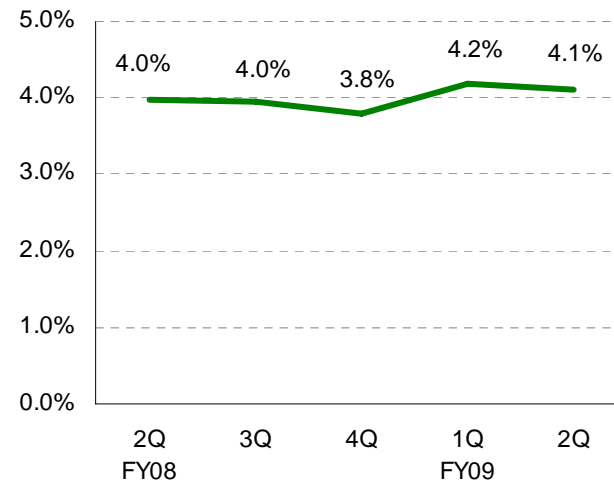
◆ Equity commission rate



◆ Shares bought on margin

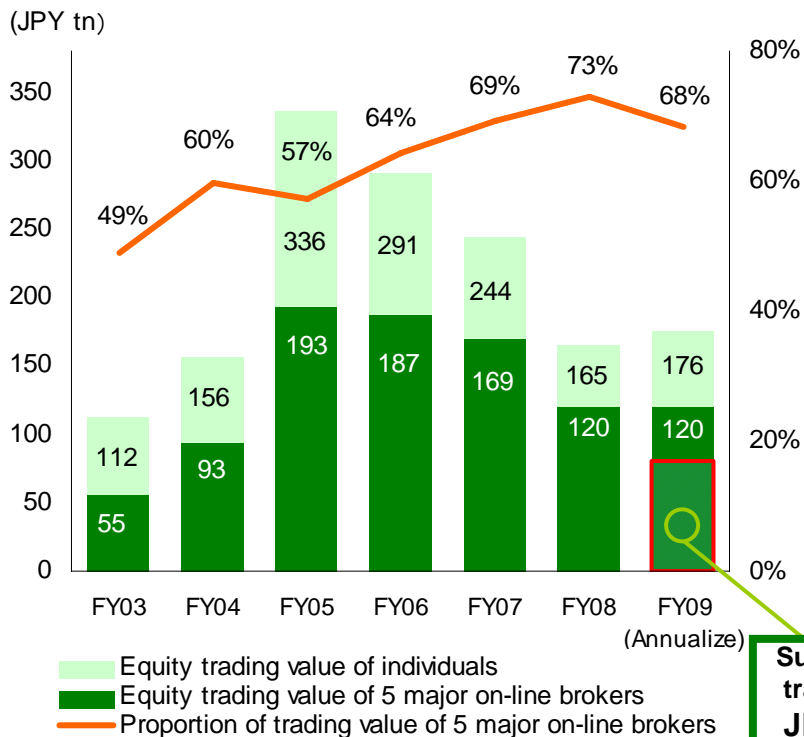


◆ Net interest income ratio

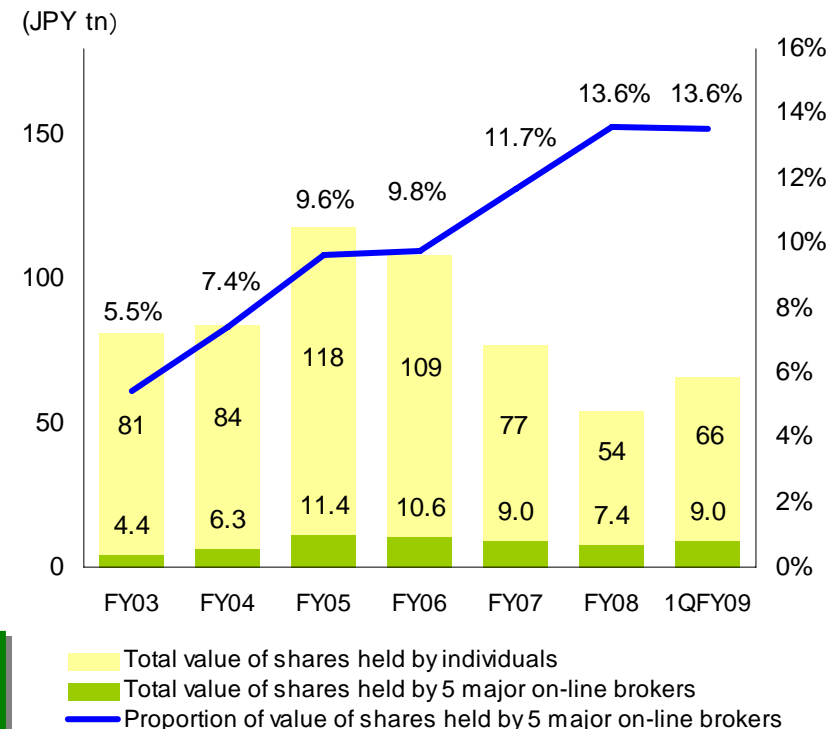


Overview of Retail Equity Trading Market

◆ Equity trading value of individuals¹ (FLOW)



◆ Total value of shares held by individuals¹ (STOCK)



Financial Summary

Section 1

Summary of Financial Results (1HF FY09)

(JPY mn)

	FY09	FY08			YoY	FY08
	1HF	2HF	HFoHF	1HF		TOTAL
Operating Revenues	13,386	11,702	14%	15,022	-11%	26,724
Commissions	9,811	8,449	16%	9,815	-0%	18,263
Interest & dividend income	3,571	3,252	10%	5,204	-31%	8,456
Interest expenses	635	1,027	-38%	1,233	-48%	2,260
Net operating revenues	12,750	10,675	19%	13,789	-8%	24,464
SG&A	6,370	7,218	-12%	7,303	-13%	14,521
Operating income	6,380	3,456	85%	6,487	-2%	9,943
Ordinary income	6,389	3,459	85%	6,539	-2%	9,998
Net income	4,086	2,998	36%	3,923	4%	6,921
Ordinary income ratio	48%	30%	-	44%	-	37%
Matsui's trading value (JPY tn)	7.2	5.6	30%	7.1	2%	12.6
Daily average trading value on TSE (JPY tn)	1.6	1.7	-3%	2.4	-32%	2.0

Breakdown of Net Operating Revenues (1HF FY09)

(JPY mn)

	FY09	FY08			YoY	FY08 TOTAL
	1HF	2HF	HFoHF	1HF		
Commissions	9,811	8,449	16%	9,815	-0%	18,263
Brokerage	8,850	7,147	24%	8,741	1%	15,888
Underwriting & selling	-	0	-	1	-	1
Subscription & distribution	0	1	-89%	0	-14%	1
Others	962	1,301	-26%	1,073	-10%	2,374
Net gain (loss) on trading	3	1	218%	3	-4%	4
Interest & dividend income (1)	3,571	3,252	10%	5,204	-31%	8,456
Total operating revenues	13,386	11,702	14%	15,022	-11%	26,724
Interest expenses (2)	635	1,027	-38%	1,233	-48%	2,260
Net operating revenues	12,750	10,675	19%	13,789	-8%	24,464
Net interest income (1) - (2)	2,936	2,225	32%	3,971	-26%	6,196

Breakdown of SG&A (1HF FY09)

~IT related expenses were reduced by 0.8bn compared to 1HF 08
as the result of updating the outsource contract since June 09

(JPY mn)

	FY09	FY08			YoY	FY08 TOTAL
	1HF	2HF	HFoHF	1HF		
Transaction related expenses	1,874	2,019	-7%	2,077	-10%	4,096
Advertisement	186	306	-39%	293	-36%	599
Employees' compensation & benefits	985	958	3%	1,067	-8%	2,024
Occupancy & rental	460	262	75%	239	92%	501
Data processing & office supplies	1,916	3,212	-40%	3,141	-39%	6,353
Depreciation	836	654	28%	607	38%	1,261
Duties & taxes other than income taxes	86	65	31%	95	-10%	160
Provision of allowance for doubtful accounts	149	-	-	-	-	-
Others	65	49	32%	76	-15%	125
Total SG&A	6,370	7,218	-12%	7,303	-13%	14,521

Summary of Financial Results (Quarterly)

(JPY mn)

	FY09	FY09	QoQ	FY08			YoY	FY08 TOTAL
	2Q	1Q		4Q	3Q	2Q		
Operating Revenues	6,548	6,837	-4%	5,321	6,381	6,985	-6%	26,724
Commissions	4,622	5,189	-11%	3,777	4,672	4,453	4%	18,263
Interest & dividend income	1,924	1,646	17%	1,545	1,707	2,531	-24%	8,456
Interest expenses	288	347	-17%	495	532	614	-53%	2,260
Net operating revenues	6,260	6,490	-4%	4,826	5,848	6,371	-2%	24,464
SG&A	2,848	3,522	-19%	3,479	3,740	3,565	-20%	14,521
Operating income	3,412	2,968	15%	1,347	2,109	2,807	22%	9,943
Ordinary income	3,409	2,980	14%	1,345	2,114	2,808	21%	9,998
Net income	1,969	2,117	-7%	1,736	1,261	1,677	17%	6,921
Ordinary income ratio	52%	44%	-	25%	33%	40%	-	37%
Matsui's trading value (JPY tn)	3.3	4.0	-18%	2.5	3.1	3.0	10%	12.6
Daily average trading value on TSE (JPY tn)	1.5	1.7	-12%	1.4	1.9	2.2	-32%	2.0

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY09	FY09	QoQ	FY08			YoY	FY08 TOTAL
	2Q	1Q		4Q	3Q	2Q		
Commissions	4,622	5,189	-11%	3,777	4,672	4,453	4%	18,263
Brokerage	4,102	4,747	-14%	3,157	3,990	3,865	6%	15,888
Underwriting & selling	-	-	-	-	0	1	-	1
Subscription & distribution	-	0	-	0	0	0	-	1
Others	520	442	17%	620	681	587	-11%	2,374
Net gain (loss) on trading	2	1	23%	△ 1	2	1	31%	4
Interest & dividend income (1)	1,924	1,646	17%	1,545	1,707	2,531	-24%	8,456
Total operating revenues	6,548	6,837	-4%	5,321	6,381	6,985	-6%	26,724
Interest expenses (2)	288	347	-17%	495	532	614	-53%	2,260
Net operating revenues	6,260	6,490	-4%	4,826	5,848	6,371	-2%	24,464
Net interest income (1) - (2)	1,637	1,299	26%	1,050	1,175	1,917	-15%	6,196

Breakdown of SG&A (Quarterly)

~IT related expenses were reduced by 0.5bn compared to 1Q
as the result of updating the outsource contract since June 09

(JPY mn)

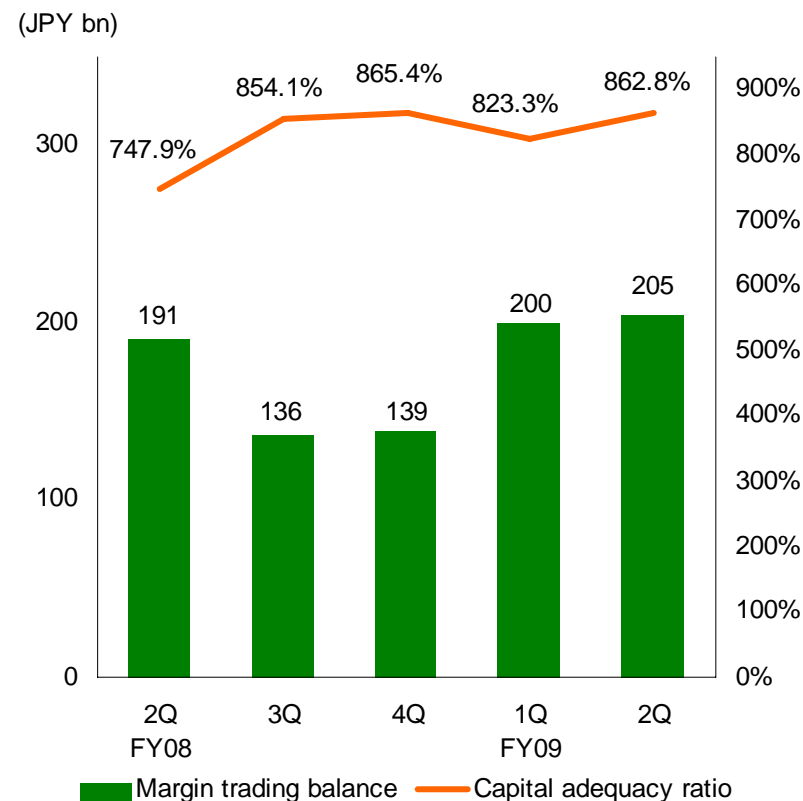
	FY09	FY09	QoQ	FY08			YoY	FY08 TOTAL
	2Q	1Q		4Q	3Q	2Q		
Transaction related expenses	927	947	-2%	946	1,073	1,009	-8%	4,096
Advertisement	90	97	-7%	131	175	129	-30%	599
Employees' compensation & benefits	488	497	-2%	446	512	521	-6%	2,024
Occupancy & rental	287	173	66%	125	137	120	139%	501
Data processing & office supplies	619	1,297	-52%	1,576	1,635	1,548	-60%	6,353
Depreciation	450	386	17%	331	322	316	42%	1,261
Duties & taxes other than income taxes	31	55	-43%	32	34	34	-9%	160
Provision of allowance for doubtful accounts	25	124	-80%	-	-	△ 15	-	-
Others	21	44	-54%	23	26	31	-33%	125
Total SG&A	2,848	3,522	-19%	3,479	3,740	3,565	-20%	14,521

Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 30 September 09)

			(JPY mn)
Tier 1	(A)		70,532
Tier 2	Net unrealized gain on investment		-
	Statutory reserves		2,283
	Allowance for doubtful accounts		228
	Sub total	(B)	2,511
Assets to be deducted from equity capital	(C)		8,838
Net Capital			
	(A) + (B) - (C)	(D)	64,205
Total risk	Market risk		2
	Counterparty risk		4,112
	Basic risk		3,326
	Total	(E)	7,441
Capital Adequacy ratio			(D)/(E) 862.8%

◆ Margin trading balance and capital adequacy ratio

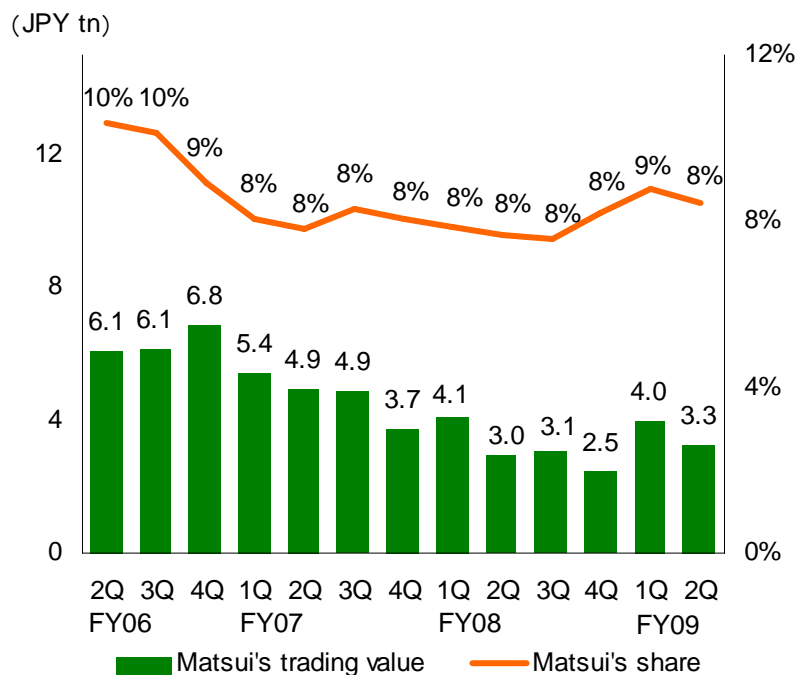


Results of Operation

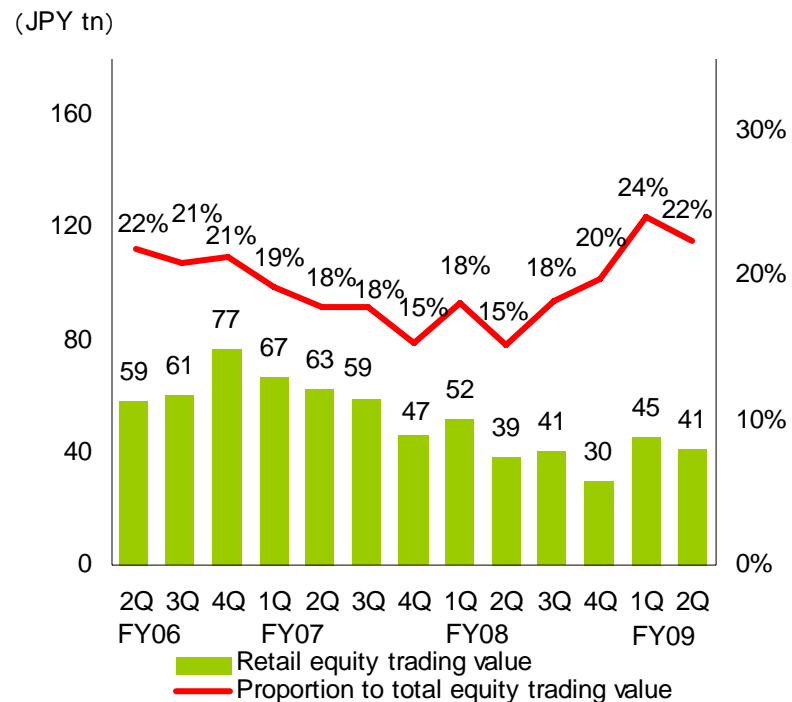
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

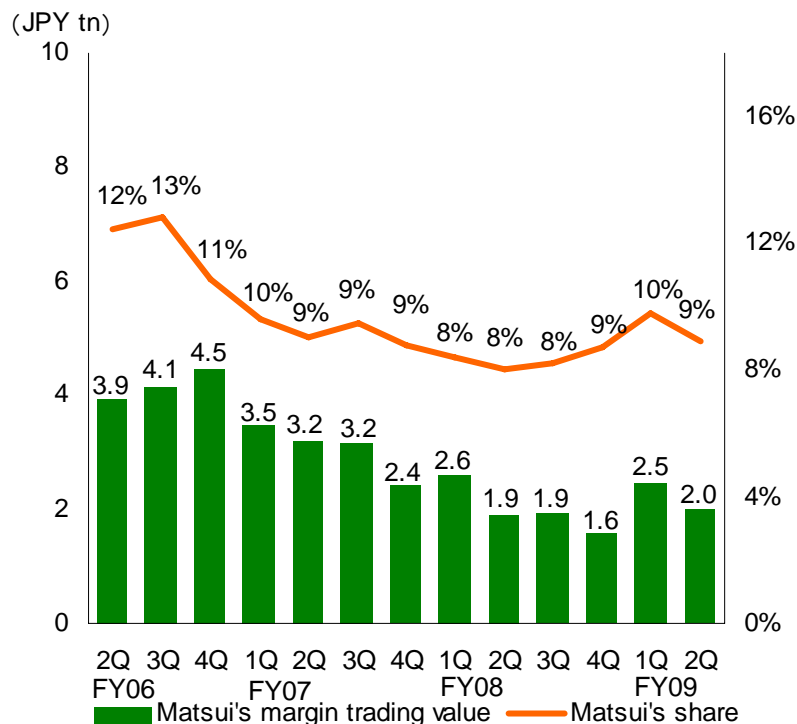


◆ Retail equity trading value¹ and proportion to total equity trading value

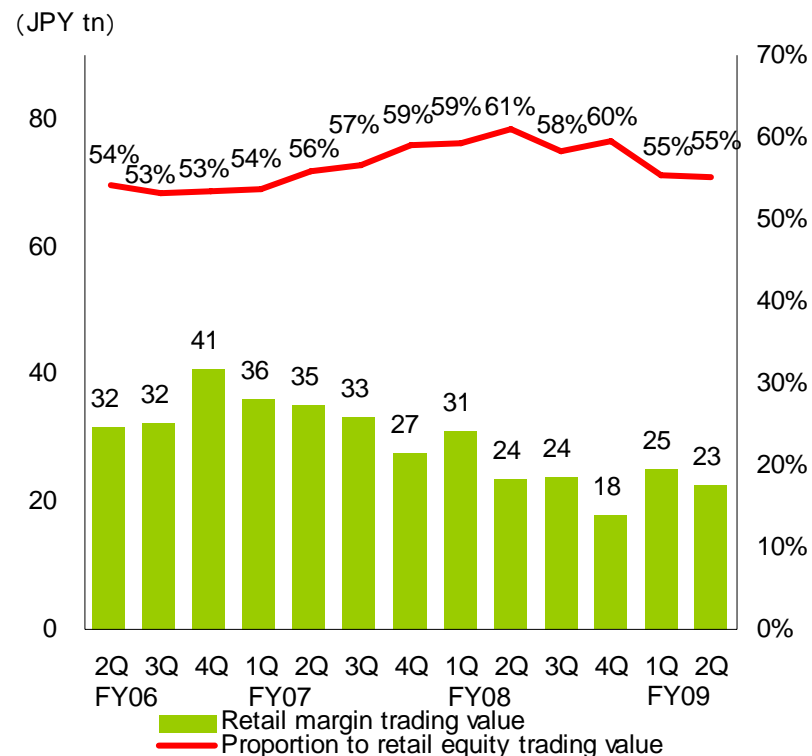


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

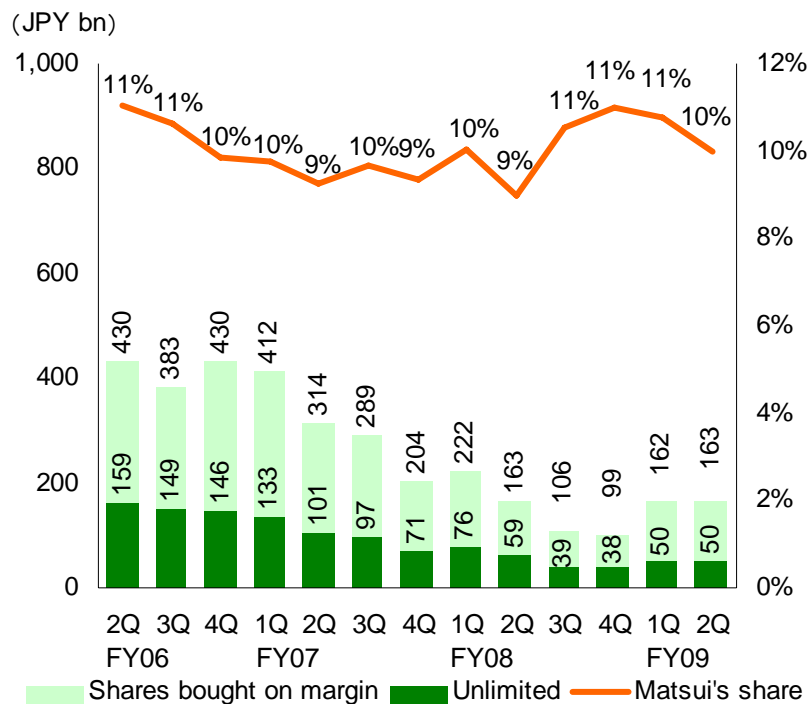


◆ Retail margin trading value¹ and proportion to total retail equity trading value

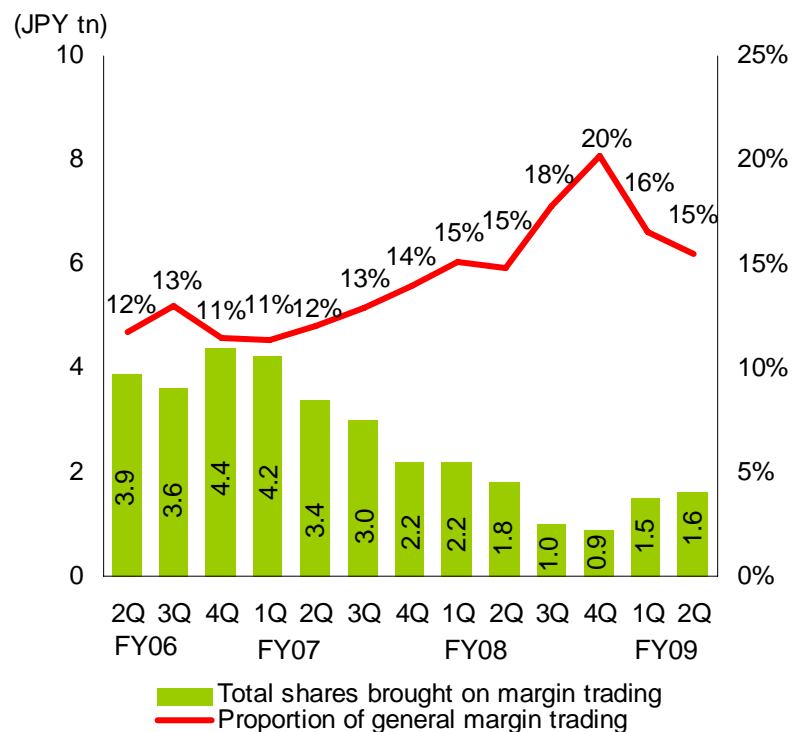


Margin Trading Balance

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

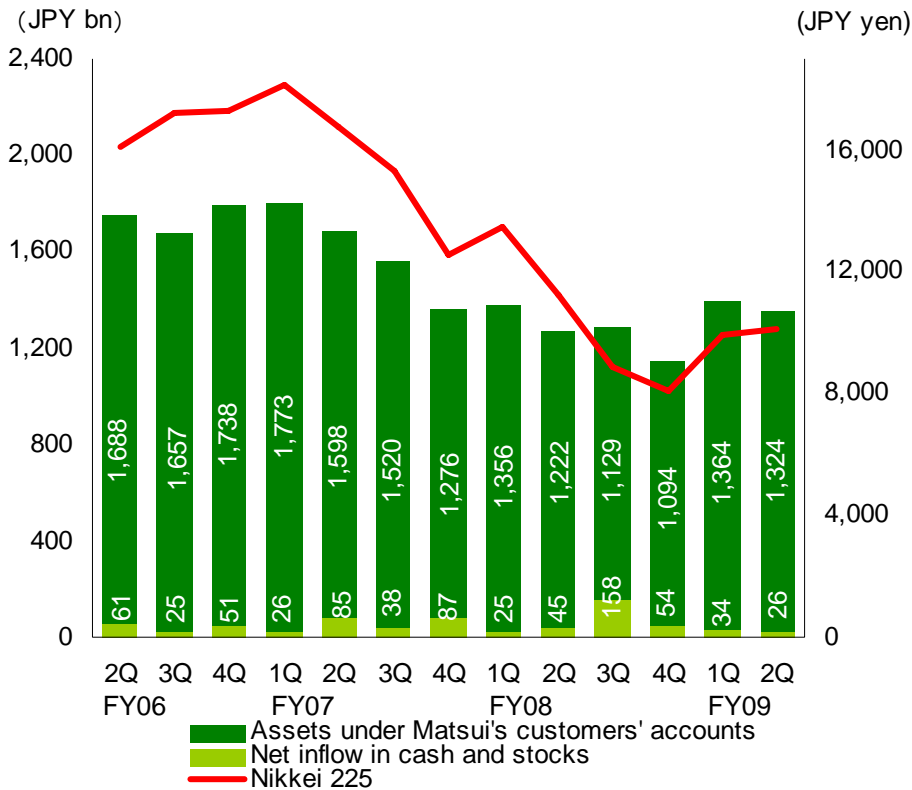


◆ Total shares bought on margin¹ and proportion of general margin trading

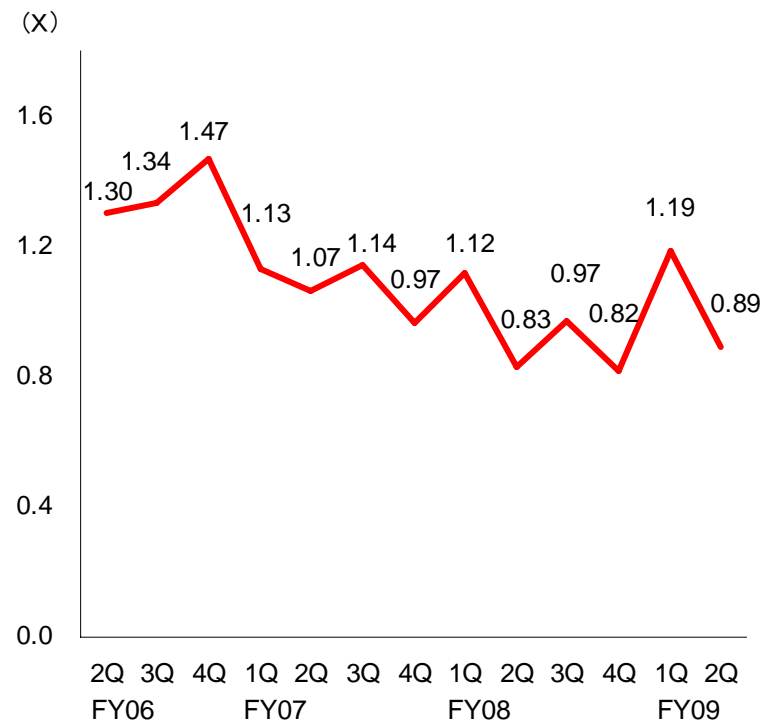


Assets under Customers' Accounts / Trading Turnover

◆ Assets under Matsui's customers' accounts



◆ Equity trading turnover¹ of Matsui's customers



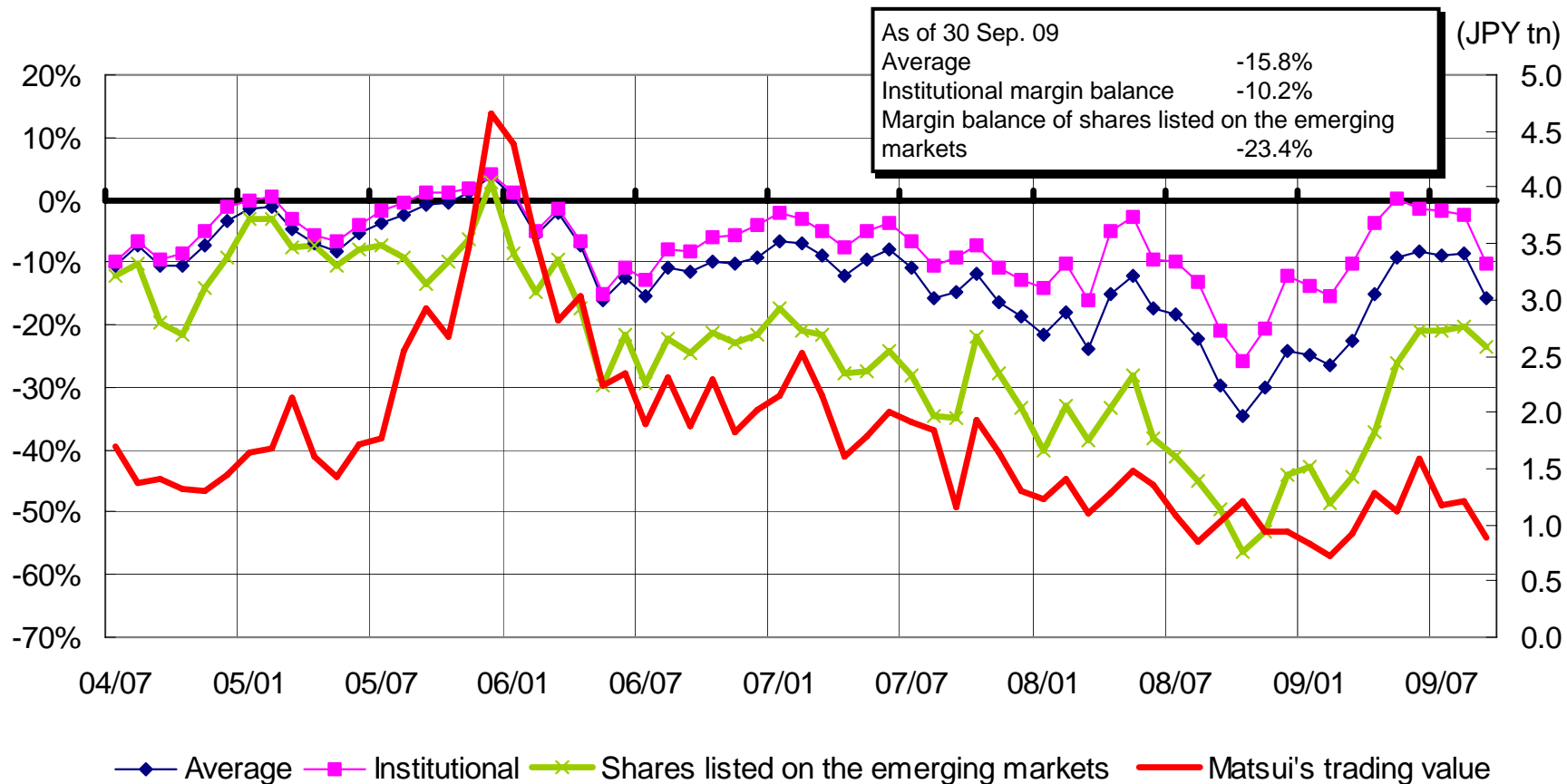
Source: BOJ

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

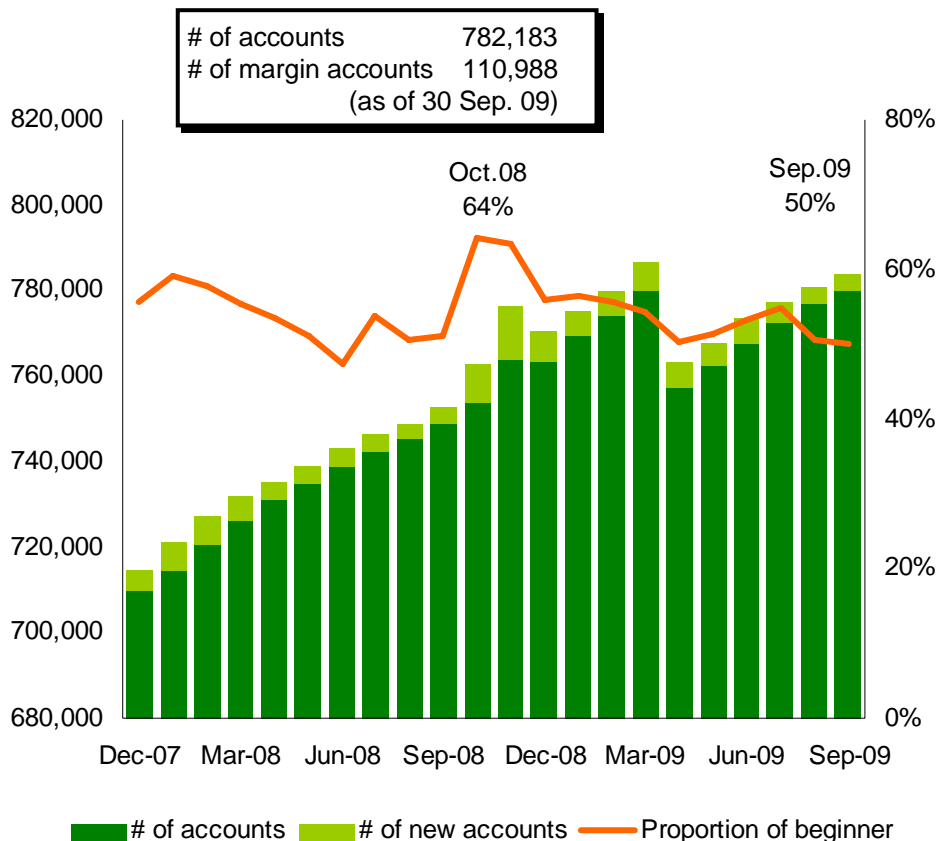
Note 2: Nikkei 225 is the closed price at the end of each quarter

Evaluation Losses on Matsui's Margin Balance

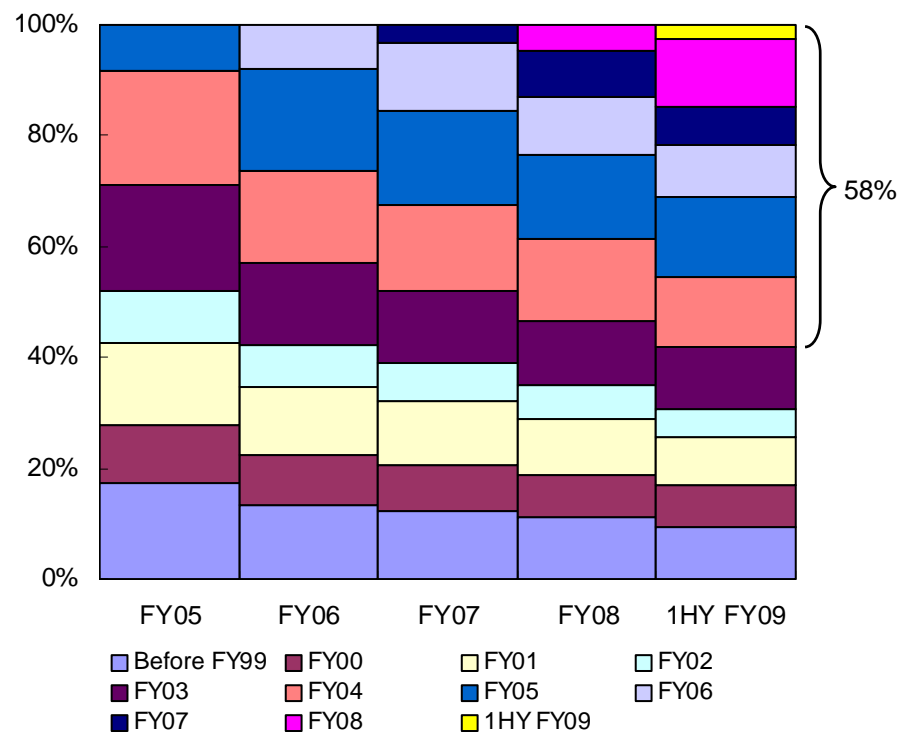


Number of Accounts

◆ Number of accounts at Matsui¹



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

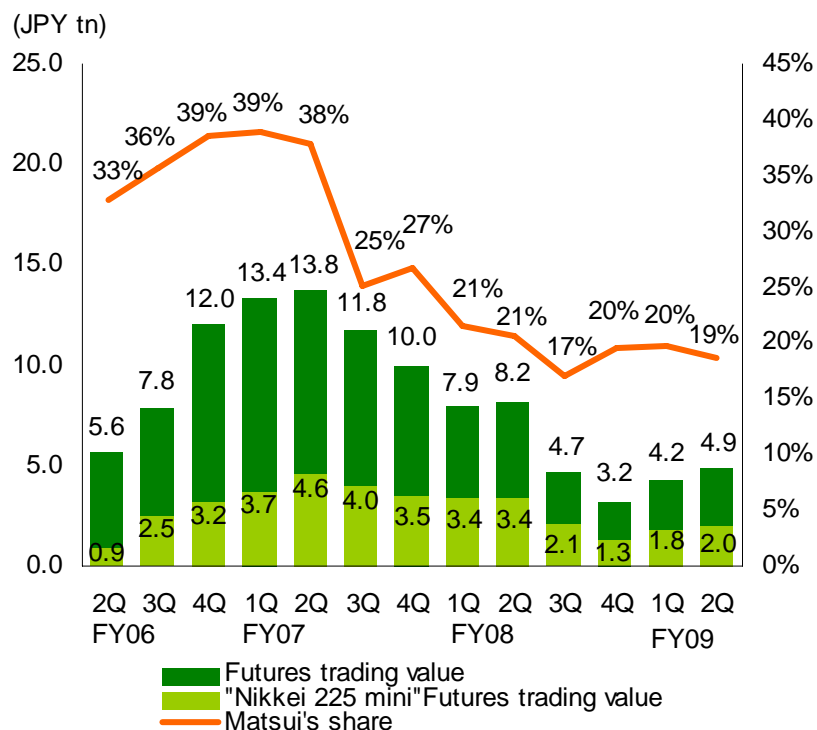


Note 1: Number of accounts as of the end of each month

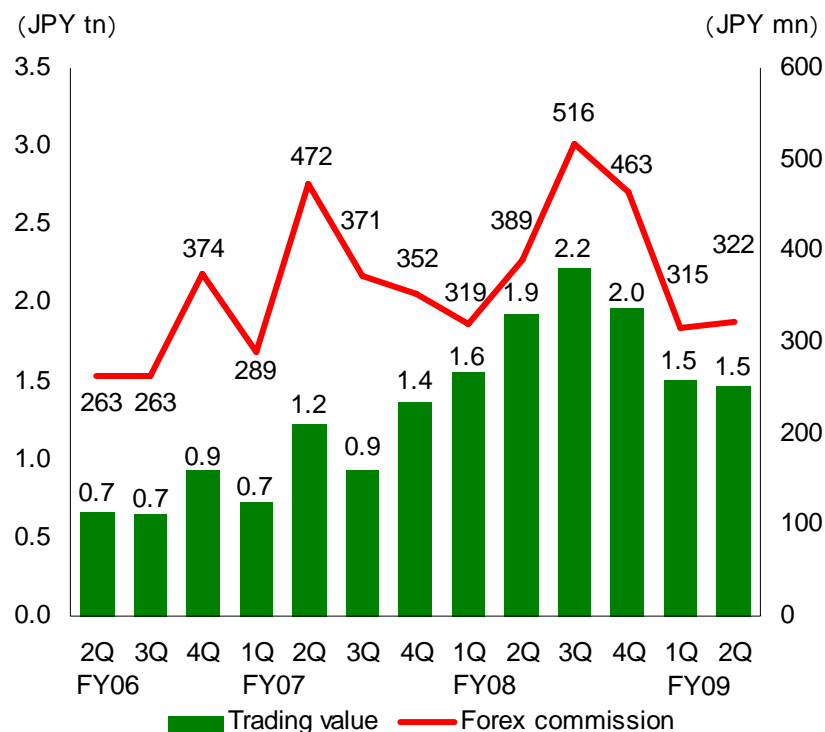
11,140 of dormant accounts were closed down in Dec. 08, 28,846 of dormant accounts were closed down in Apr. 09 and 1,602 of dormant margin accounts were closed down in May 09.

Nikkei 225 Futures / Forex Margin trading

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



◆ Matsui's Forex margin commission income and trading value²



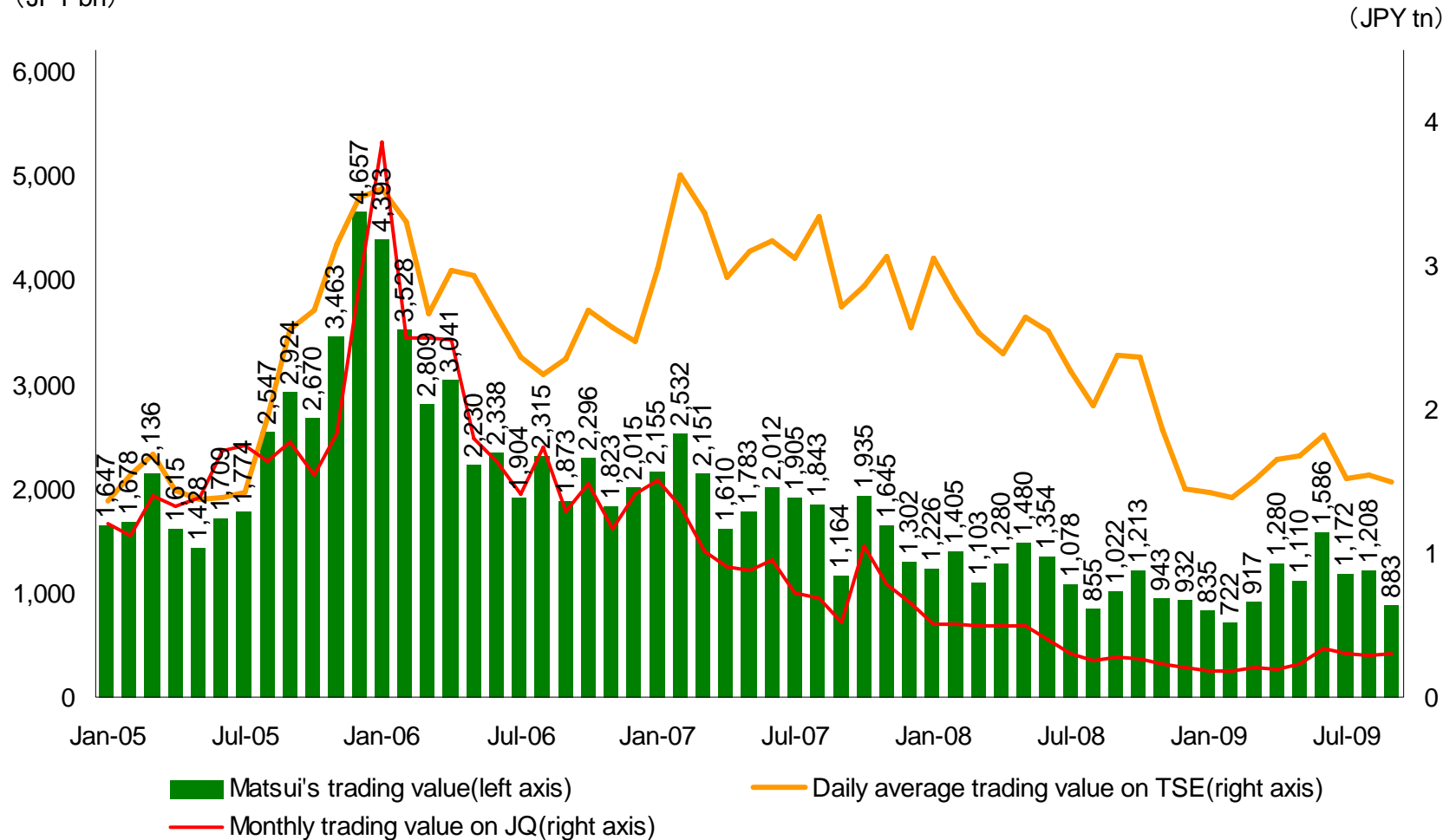
Source: OSE (Osaka Securities Exchange)

Note 1: The steep decrease in market share in 3QFY07 is due to a statistical reason
(a part of brokers' trading value have been included in that of retail since 3QFY07)

Equity Trading Value

◆ Matsui's monthly equity trading value

(JPY bn)



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
- ◆ Customer-oriented trading rule for margin trading
- ◆ "Box Rate" fee structure
- ◆ Pioneer in developing unlimited margin trading
- ◆ Pioneering approach to "NetFx" "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

RTGS / CME Futures

◆ Real-Time-Gross-Settlement

- Steady operation of system, secure liquidity is the highest priority
- # of accounts : 33,784 (As of 30 Sep. 09)

◆ Undertakings in FY09

- Launch “Stock Price Information Board” for RTGS (Plan on Nov. 09)
- No commission charge up to JPY10mn of trading value (~Dec. 09)

Appeal the merits of RTGS

- Enable customers to day-trade the same stock several times on the same day
- Possible to trade during 11AM-12AM
- Possible to transfer the proceeds of the sale of shares to the bank account using the real-time disbursement service
- Increase in trading capacity of customers as result of increase in margin ratio immediately upon selling collateral securities

◆ Future developments

- Introduce margin transaction in order to increase liquidity

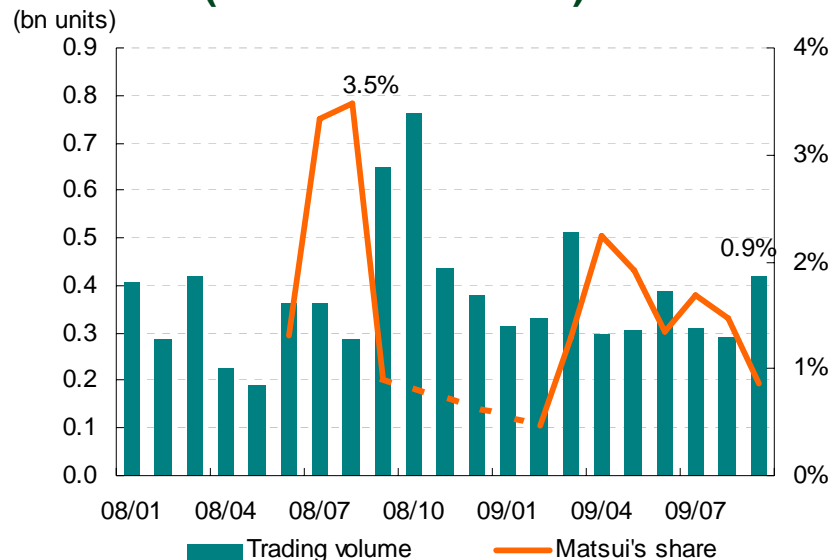
◆ Recent Results of the CME “Nikkei 225” Futures trading(maximum of 7/1-9/30)

- # of accounts : 10,940 (As of 30 Sep. 09)
- Trading value : 3.6bn (8 Jul. 09)
- CME market share : 2.5% (24 Jul. 09)

◆ Undertakings in 2QFY09

- Discount of commission charge for night-time CME Futures trading among new customers (Jul, Aug, Sep. 09)

◆ Trading volume of the CME “Nikkei 225” futures (Yen denominated)



Details of Newly Offered Services

Campaign/Promotion	Improvement in Quality of Services to Customers
<ul style="list-style-type: none"> ◆ No commission charge up to JPY10mn of trading value (7/1-9/30) ◆ Discount of commission charge for night-time CME Futures trading among new customers (7/20-7/24, 8/10-8/14, 9/21-9/25) ◆ No commission charge for ETF trading among new customers (8/3-8/31) ◆ No commission charge for Nikkei 225 Futures trading among new futures/options customers (8/3-8/28) 	<ul style="list-style-type: none"> ◆ Introduce “Stop order” function for real time trading tool “Netstock High Speed” (7/11-) ◆ Improve the technical chart for NetFx (7/18-) ~ Add new function of charts and contents ◆ Improve foreign currency exchange information in the free information tool “QUICK” (7/24-) ◆ Improve online cash transfer services to account holders at Jibun Bank (10/2-)

The material is intended to provide the financial results for the quarter ended 30 September 2009 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 2009. 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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