



Matsui Securities Co., Ltd.

(First Section of Tokyo Stock Exchange: 8628)

Annual Results for 3Q FY2009

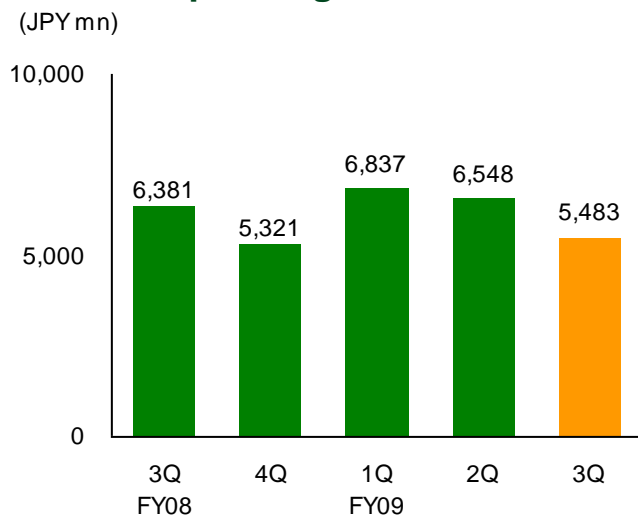
January 2010

Table of Contents

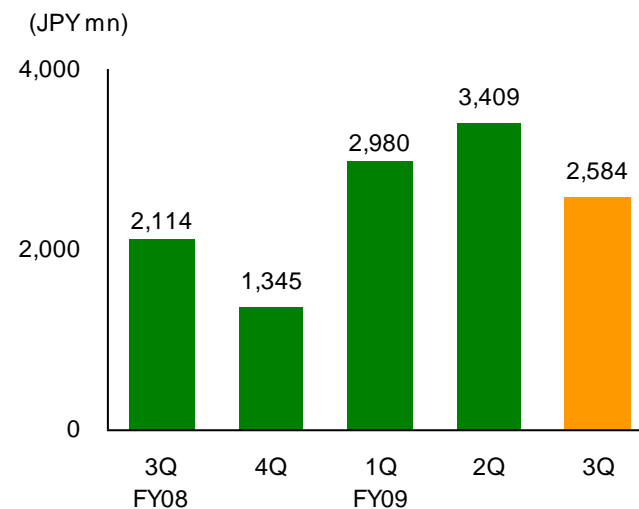
Section 1	Financial Summary	5
Section 2	Results of Operation	14
Section 3	Recent Developments	23

Financial Results

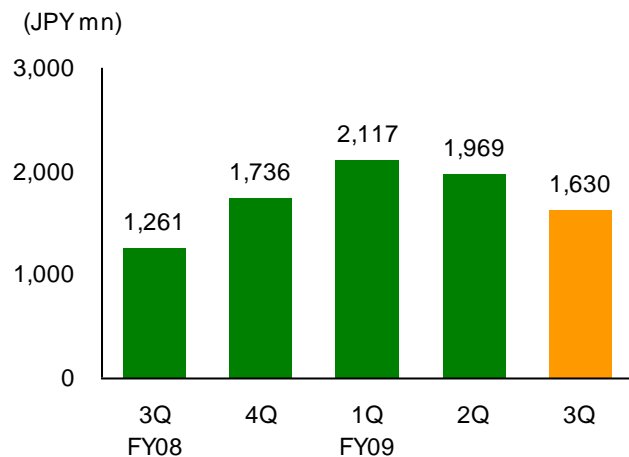
◆ Operating revenues



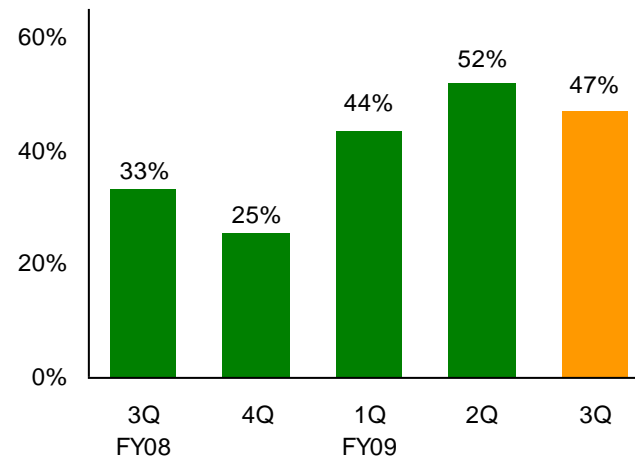
◆ Ordinary income



◆ Net income

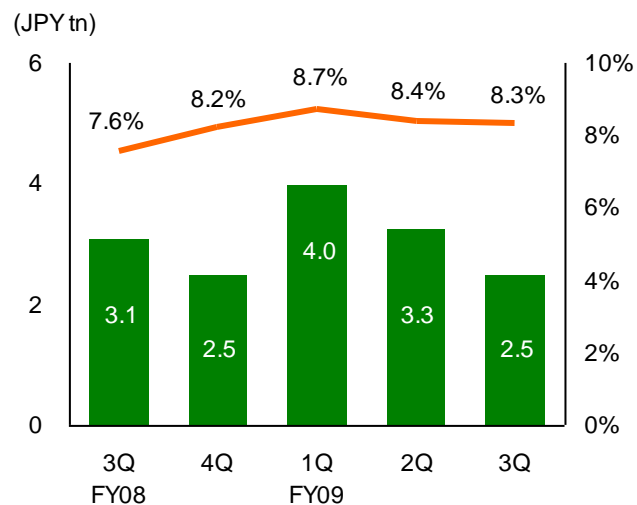


◆ Ordinary income ratio

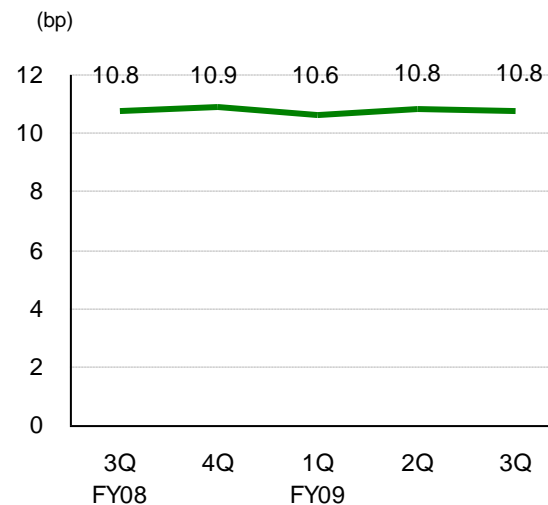


Results of Operation

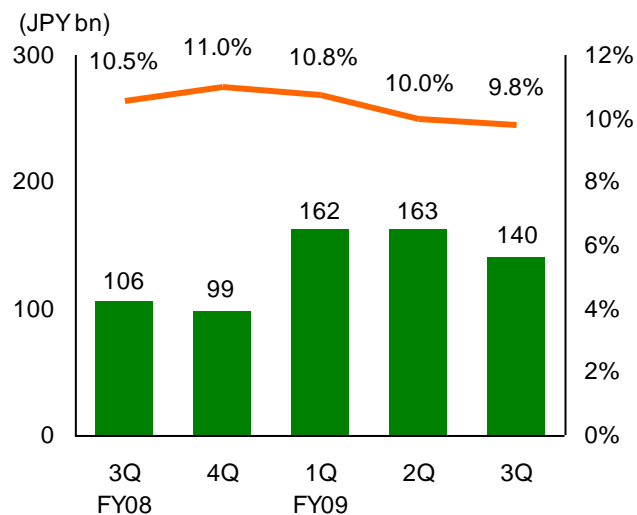
◆ Equity trading value



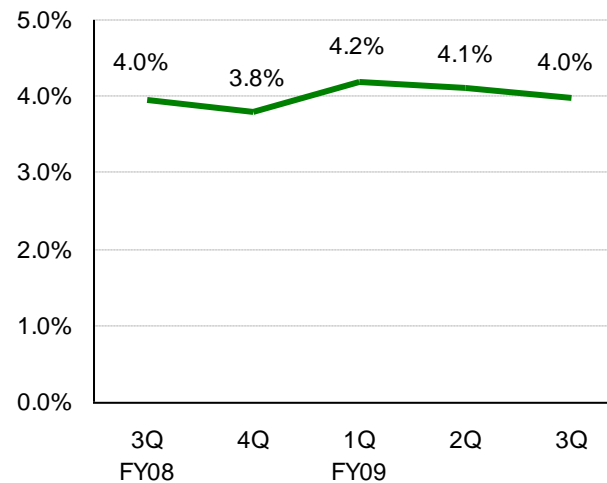
◆ Equity commission rate



◆ Margin balance (long-position)

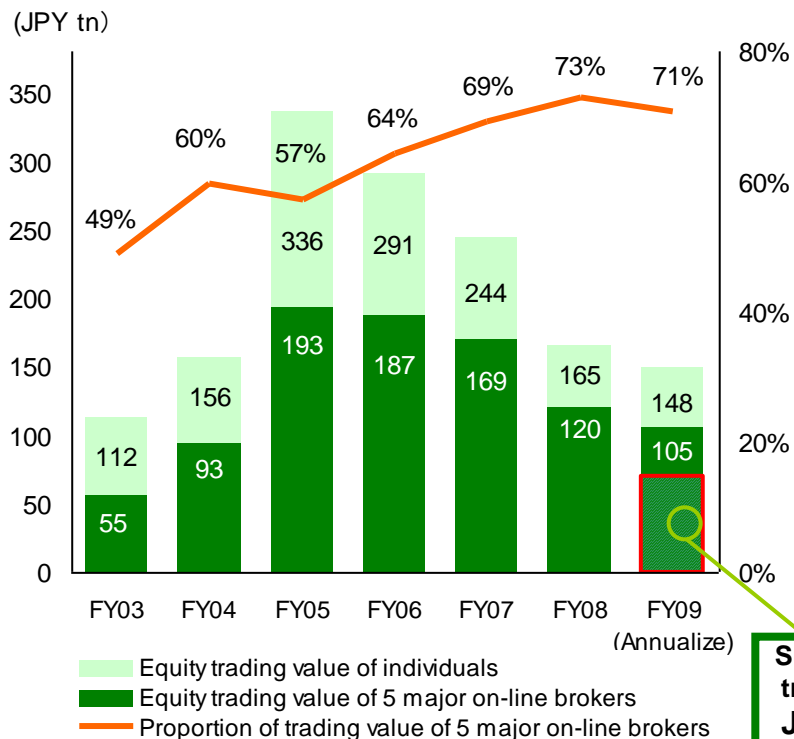


◆ Net interest income ratio



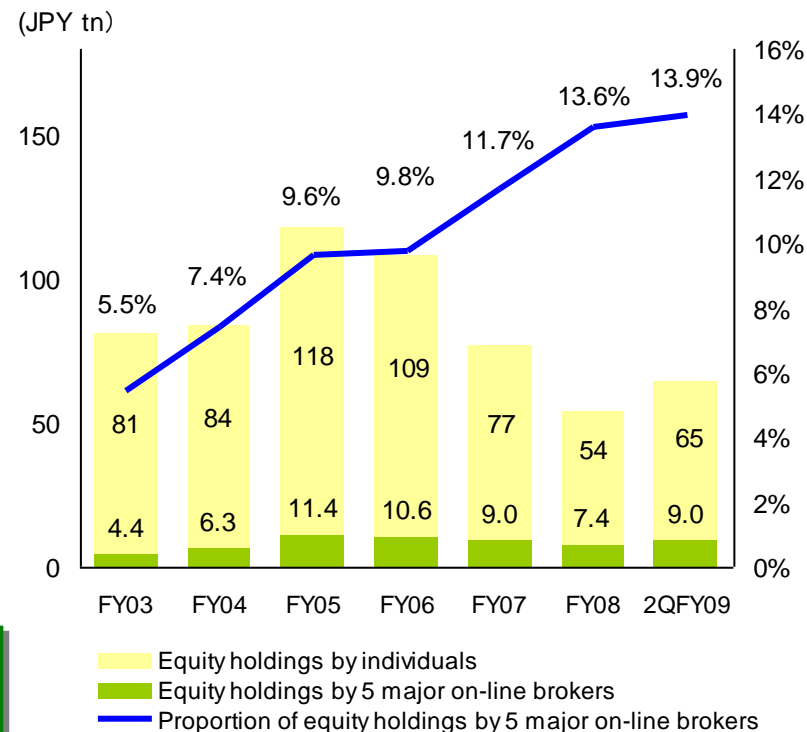
Overview of Retail Equity Trading Market

◆ Equity trading value of individuals¹ (FLOW)



Super active traders
JPY 70 tn
(Estimate)

◆ Equity holdings by individuals¹ (STOCK)



Financial Summary

Section 1

Summary of Financial Results (3Q FY09)

	3Q(Apr.-Dec.) FY2009	3Q(Apr.-Dec.) FY2008	YoY
Operating Revenues	18,868	21,403	-12%
Commissions	13,495	14,487	-7%
Interest & dividend income	5,368	6,911	-22%
Interest expenses	855	1,765	-52%
Net operating revenues	18,013	19,638	-8%
SG&A	9,100	11,042	-18%
Operating income	8,914	8,595	4%
Ordinary income	8,973	8,653	4%
Net income	5,716	5,184	10%
Ordinary income ratio	48%	40%	-
Matsui's trading value (JPY tn)	9.7	10.2	-4%
Daily average trading value on TSE (JPY tn)	1.6	2.2	-29%

Breakdown of Net Operating Revenues (3Q FY09)

	3Q(Apr.-Dec.) FY2009	3Q(Apr.-Dec.) FY2008	YoY
Commissions	13,495	14,487	-7%
Brokerage	12,073	12,731	-5%
Underwriting & selling	11	1	977%
Subscription & distribution	0	0	-38%
Others	1,411	1,754	-20%
Net gain (loss) on trading	5	5	-9%
Interest & dividend income (1)	5,368	6,911	-22%
Total operating revenues	18,868	21,403	-12%
Interest expenses (2)	855	1,765	-52%
Net operating revenues	18,013	19,638	-8%
Net interest income (1) - (2)	4,513	5,146	-12%

Breakdown of SG&A (3Q FY09)

~IT related expenses were reduced by 1.5bn compared to 3Q 08 as the result of updating the outsource contract since June 09

	3Q(Apr.-Dec.) FY2009	3Q(Apr.-Dec.) FY2008	YoY
Transaction related expenses	2,735	3,150	-13%
Advertisement	283	468	-40%
Employees' compensation & benefits	1,454	1,579	-8%
Occupancy & rental	749	377	99%
Data processing & office supplies	2,543	4,777	-47%
Depreciation	1,293	930	39%
Duties & taxes other than income taxes	112	129	-13%
Provision of allowance for doubtful accounts	119	-	-
Others	95	102	-7%
Total SG&A	9,100	11,042	-18%

Summary of Financial Results (Quarterly)

	FY09	FY09	QoQ	FY09	FY08		YoY	FY08 TOTAL
	3Q	2Q		1Q	4Q	3Q		
Operating Revenues	5,483	6,548	-16%	6,837	5,321	6,381	-14%	26,724
Commissions	3,684	4,622	-20%	5,189	3,777	4,672	-21%	18,263
Interest & dividend income	1,797	1,924	-7%	1,646	1,545	1,707	5%	8,456
Interest expenses	220	288	-24%	347	495	532	-59%	2,260
Net operating revenues	5,263	6,260	-16%	6,490	4,826	5,848	-10%	24,464
SG&A	2,730	2,848	-4%	3,522	3,479	3,740	-27%	14,521
Operating income	2,533	3,412	-26%	2,968	1,347	2,109	20%	9,943
Ordinary income	2,584	3,409	-24%	2,980	1,345	2,114	22%	9,998
Net income	1,630	1,969	-17%	2,117	1,736	1,261	29%	6,921
Ordinary income ratio	47%	52%	-	44%	25%	33%	-	37%
Matsui's trading value (JPY tn)	2.5	3.3	-24%	4.0	2.5	3.1	-20%	12.6
Daily average trading value on TSE (JPY tn)	1.5	1.5	-4%	1.7	1.4	1.9	-23%	2.0

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY09	FY09	QoQ	FY09	FY08		YoY	FY08 TOTAL
	3Q	2Q		1Q	4Q	3Q		
Commissions	3,684	4,622	-20%	5,189	3,777	4,672	-21%	18,263
Brokerage	3,224	4,102	-21%	4,747	3,157	3,990	-19%	15,888
Underwriting & selling	11	-	-	-	-	0	-	1
Subscription & distribution	0	0	-	0	0	0	-43%	1
Others	449	520	-14%	442	620	681	-34%	2,374
Net gain (loss) on trading	1	2	-22%	1	△ 1	2	-20%	4
Interest & dividend income (1)	1,797	1,924	-7%	1,646	1,545	1,707	5%	8,456
Total operating revenues	5,483	6,548	-16%	6,837	5,321	6,381	-14%	26,724
Interest expenses (2)	220	288	-24%	347	495	532	-59%	2,260
Net operating revenues	5,263	6,260	-16%	6,490	4,826	5,848	-10%	24,464
Net interest income (1) - (2)	1,578	1,637	-4%	1,299	1,050	1,175	34%	6,196

Breakdown of SG&A (Quarterly)

(JPY mn)

	FY09	FY09	QoQ	FY09	FY08		YoY	FY08 TOTAL
	3Q	2Q		1Q	4Q	3Q		
Transaction related expenses	861	927	-7%	947	946	1,073	-20%	4,096
Advertisement	97	90	8%	97	131	175	-45%	599
Employees' compensation & benefits	469	488	-4%	497	446	512	-8%	2,024
Occupancy & rental	289	287	1%	173	125	137	110%	501
Data processing & office supplies	627	619	1%	1,297	1,576	1,635	-62%	6,353
Depreciation	457	450	2%	386	331	322	42%	1,261
Duties & taxes other than income taxes	26	31	-16%	55	32	34	-22%	160
Provision of allowance for doubtful accounts	△ 29	25	-	124	-	-	-	-
Others	30	21	47%	44	23	26	15%	125
Total SG&A	2,730	2,848	-4%	3,522	3,479	3,740	-27%	14,521

Policy of Profit Sharing with Shareholders

Plan to pay 15 yen per share as dividends for FY09

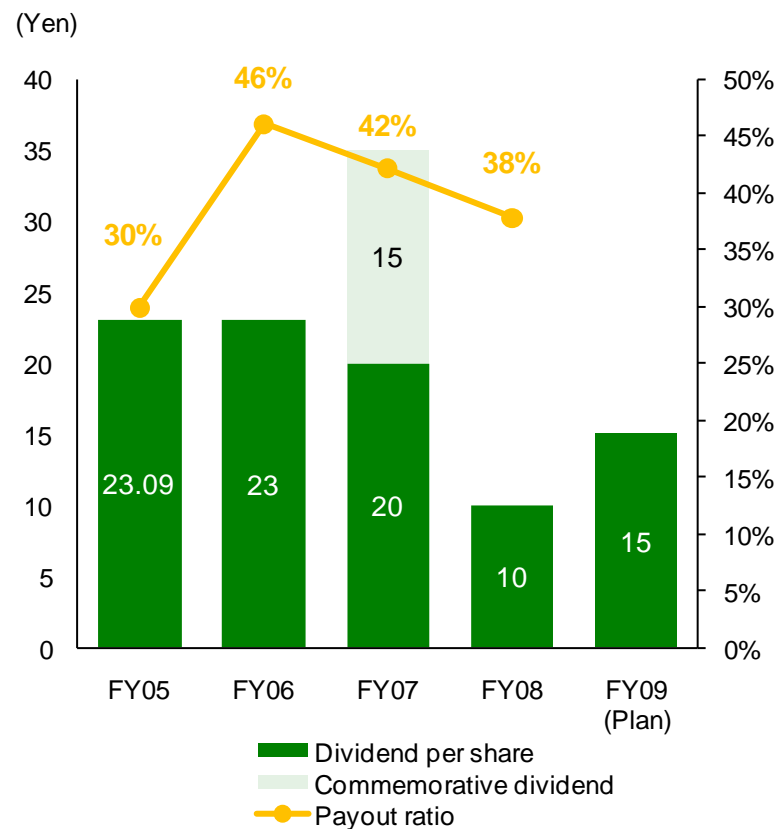
◆ Dividend policy

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

◆ Dividends for FY09

- Plan to pay 15 yen per share
- 50% increase compared to FY08

◆ Matsui’s dividend per share and payout ratio ¹

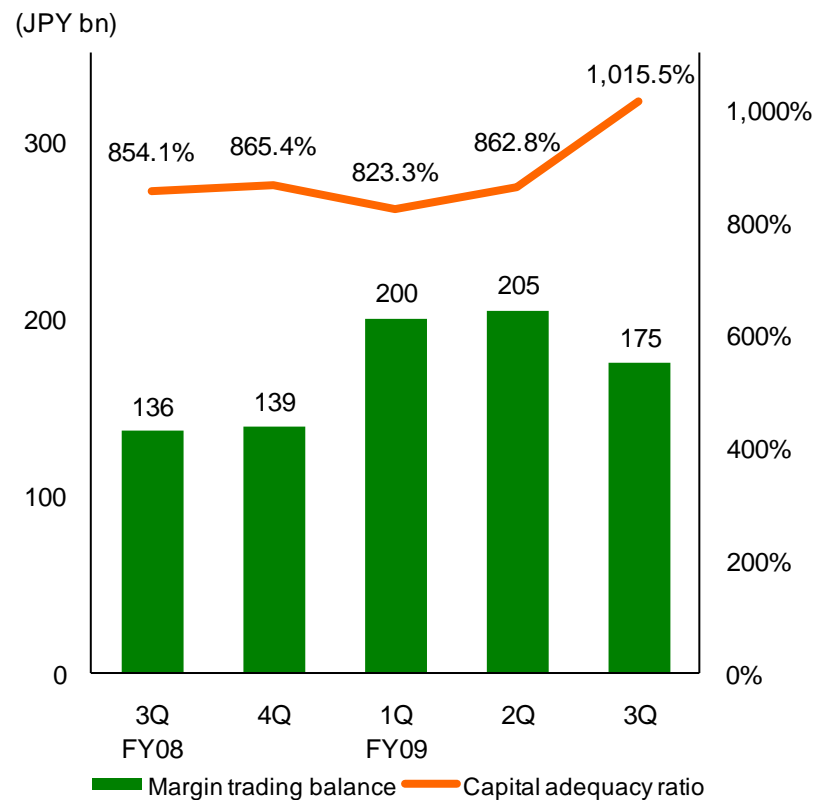


Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 31 December 09)

			(JPY mn)
Tier 1	(A)		72,161
Tier 2	Net unrealized gain on investment		9
	Statutory reserves		2,283
	Allowance for doubtful accounts		214
	Sub total	(B)	2,506
Assets to be deducted from equity capital	(C)		8,661
Net Capital			
	(A) + (B) - (C)	(D)	66,005
Total risk	Market risk		2
	Counterparty risk		3,486
	Basic risk		3,010
	Total	(E)	6,499
Capital Adequacy ratio		(D)/(E)	1,015.5%

◆ Margin trading balance and capital adequacy ratio

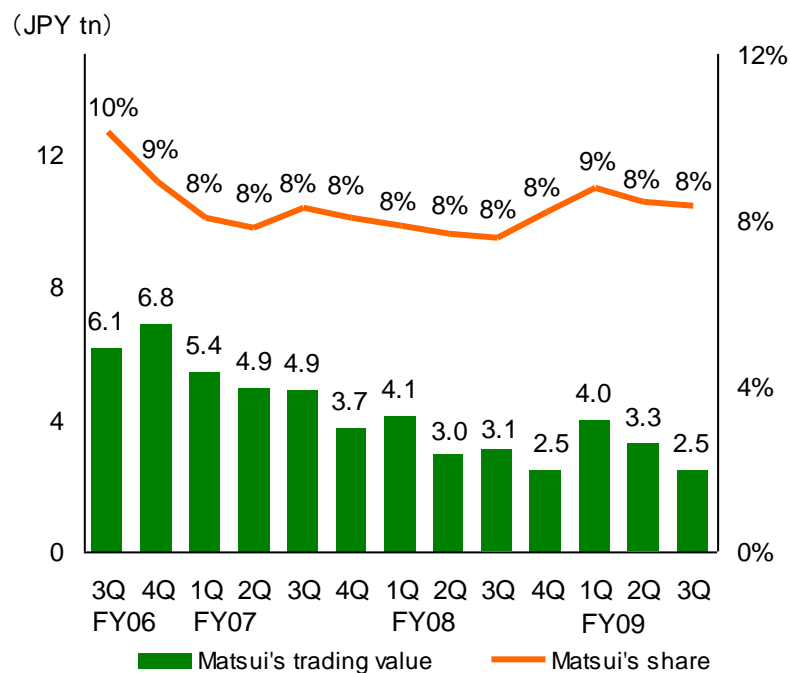


Results of Operation

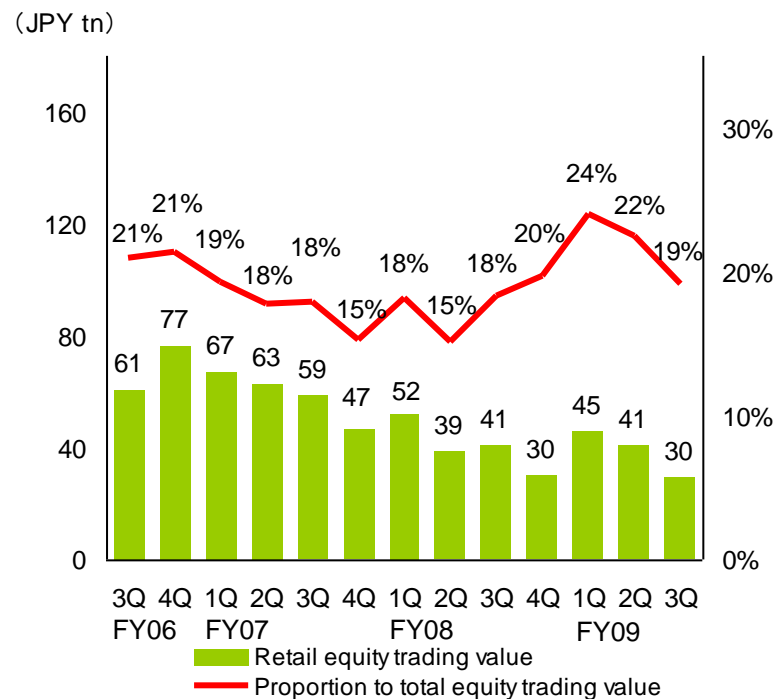
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

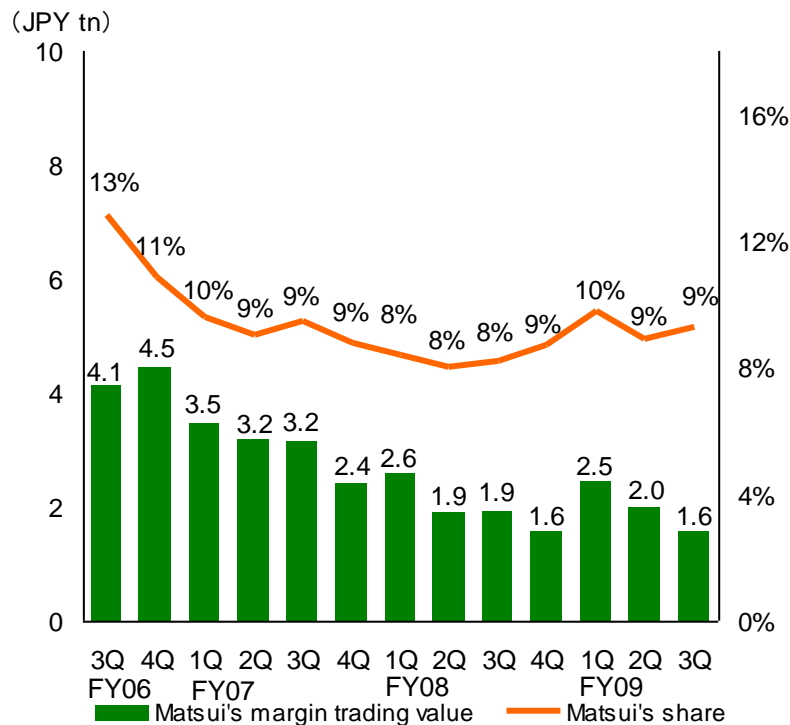


◆ Retail equity trading value¹ and proportion to total equity trading value

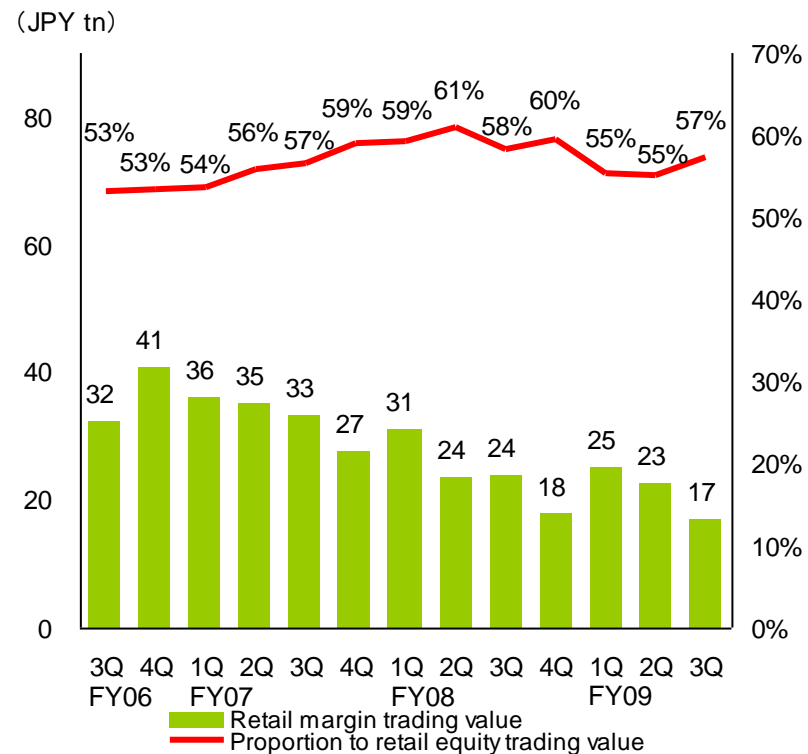


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

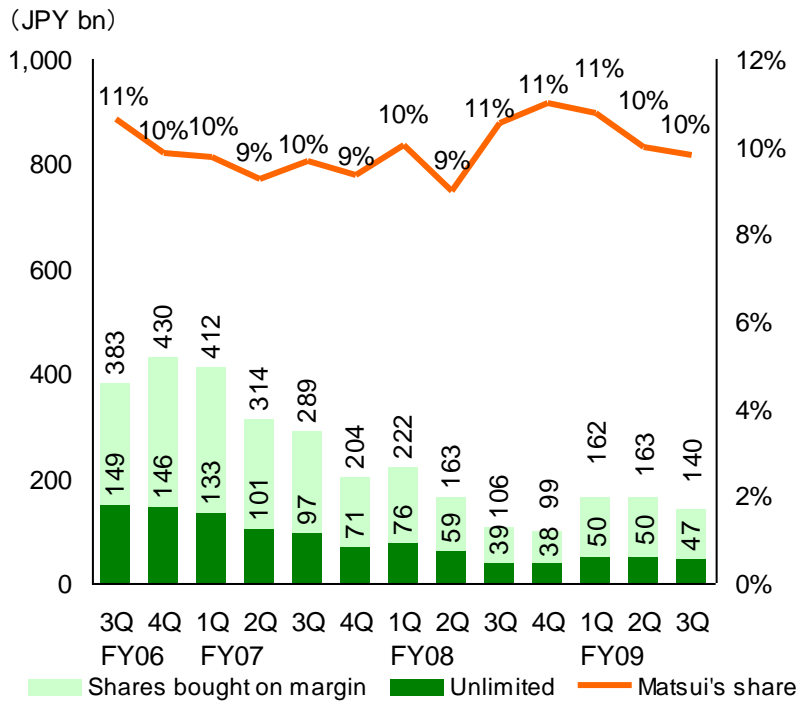


◆ Retail margin trading value¹ and proportion to total retail equity trading value

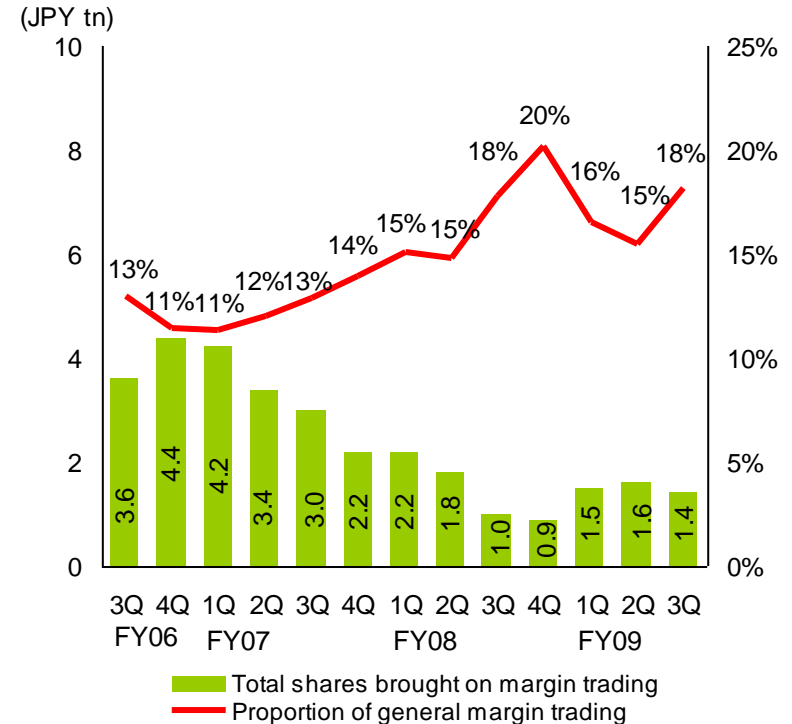


Margin Trading Balance

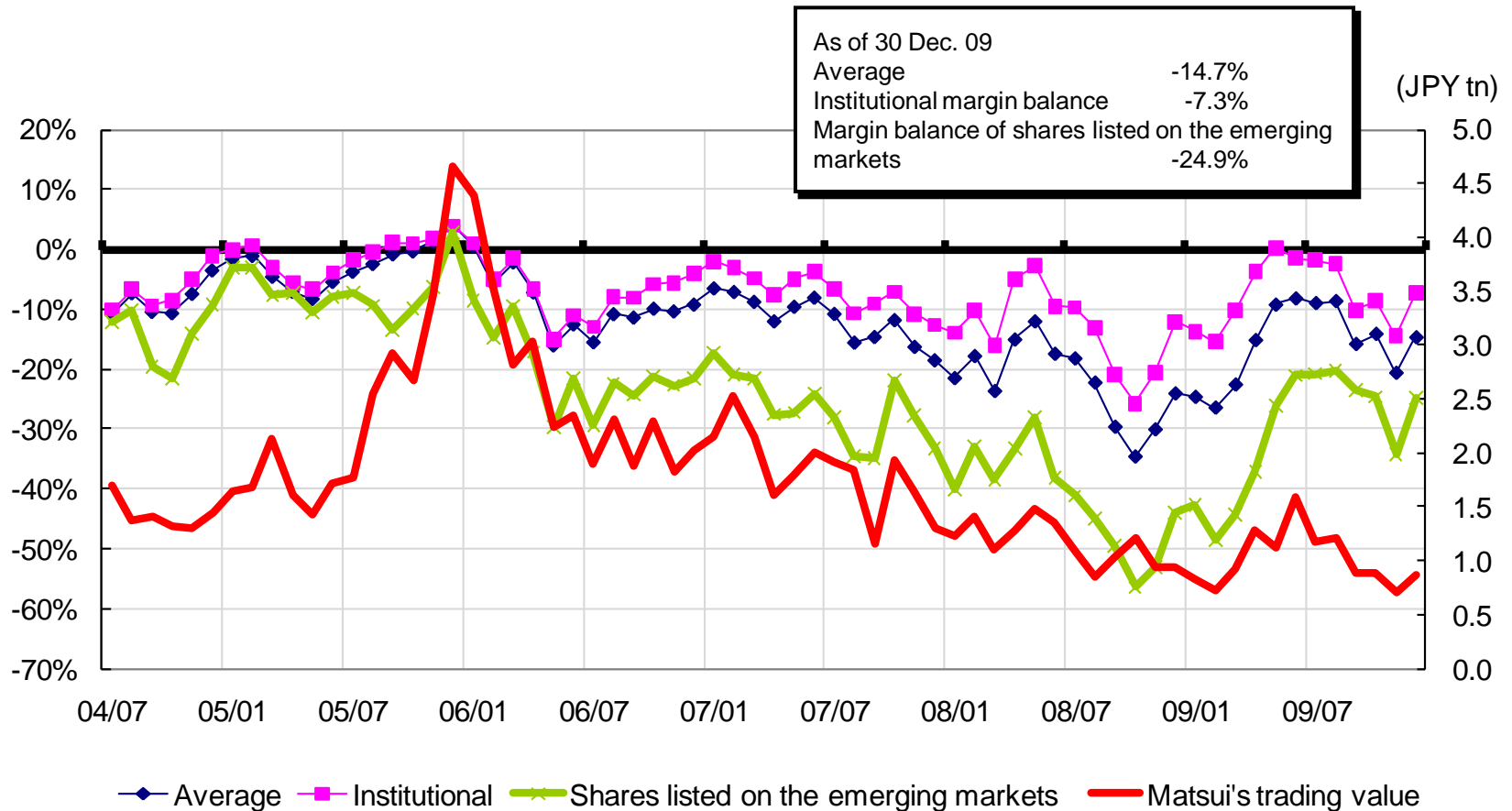
◆ Matsui's shares bought on margin¹ and its market share²



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

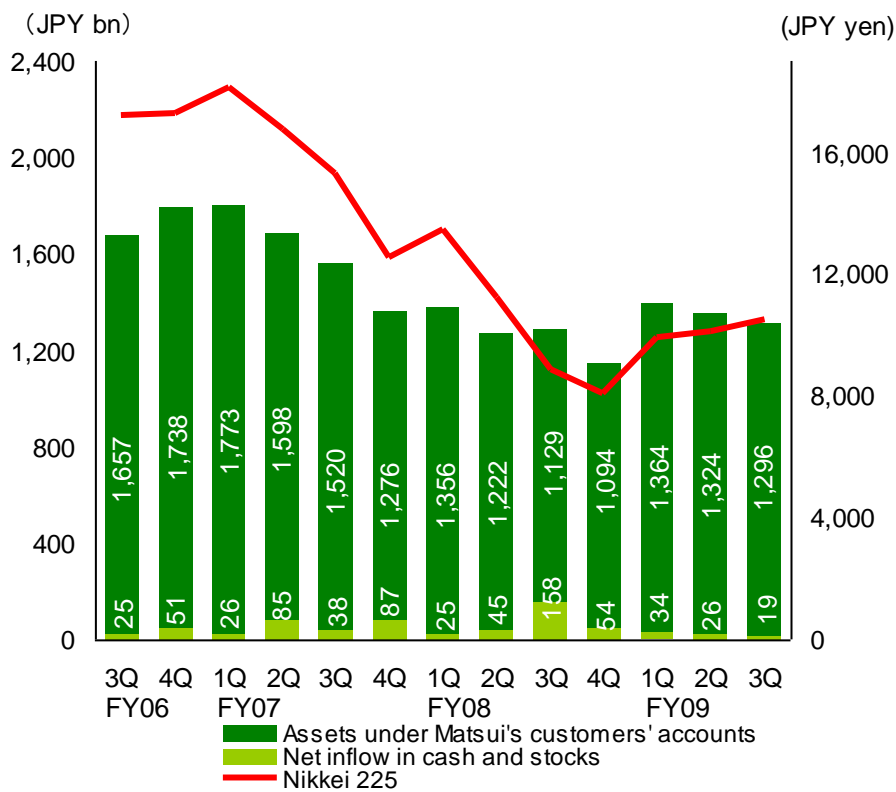


Evaluation Losses on Matsui's Margin Balance

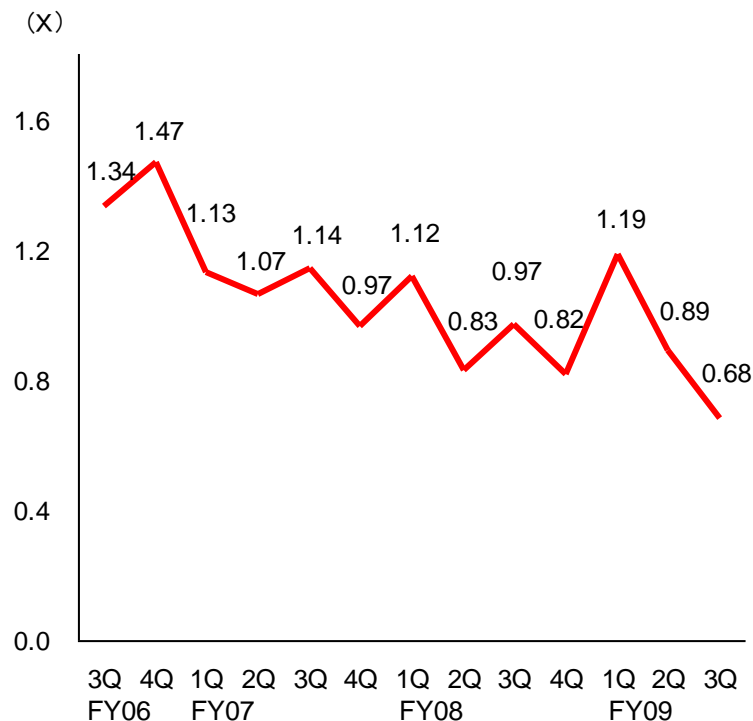


Assets under Customers' Accounts / Trading Turnover

◆ Assets under Matsui's customers' accounts



◆ Equity trading turnover¹ of Matsui's customers



Source: BOJ

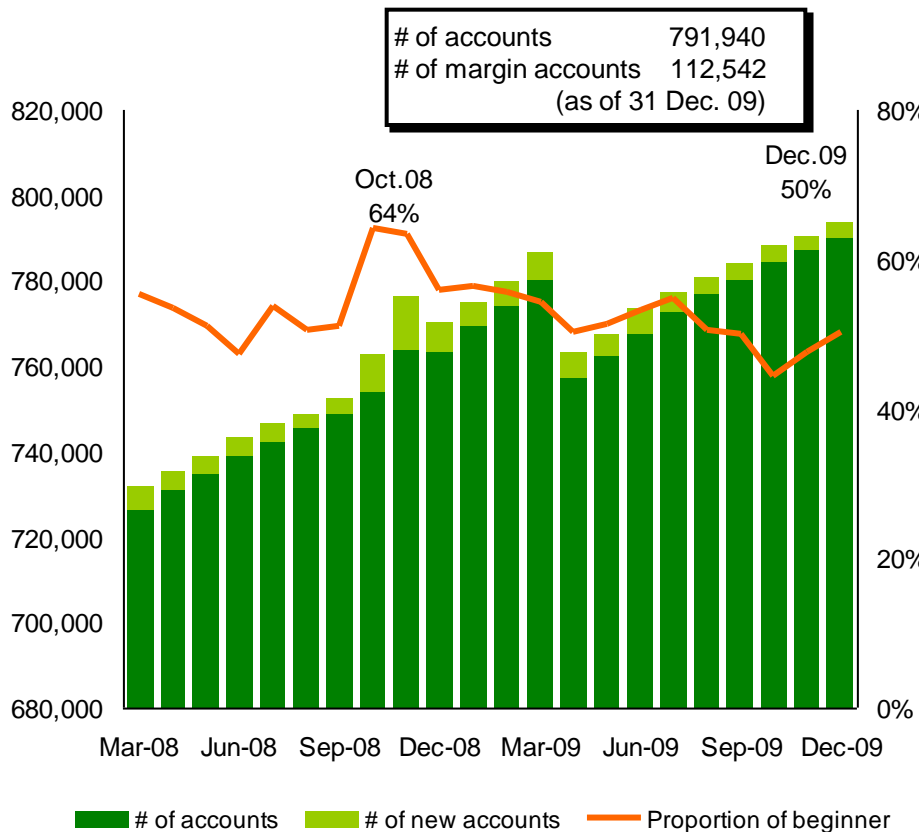
Note 1: Equity trading turnover = (monthly average trading value) / (quarterly average assets under customers' accounts*)

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

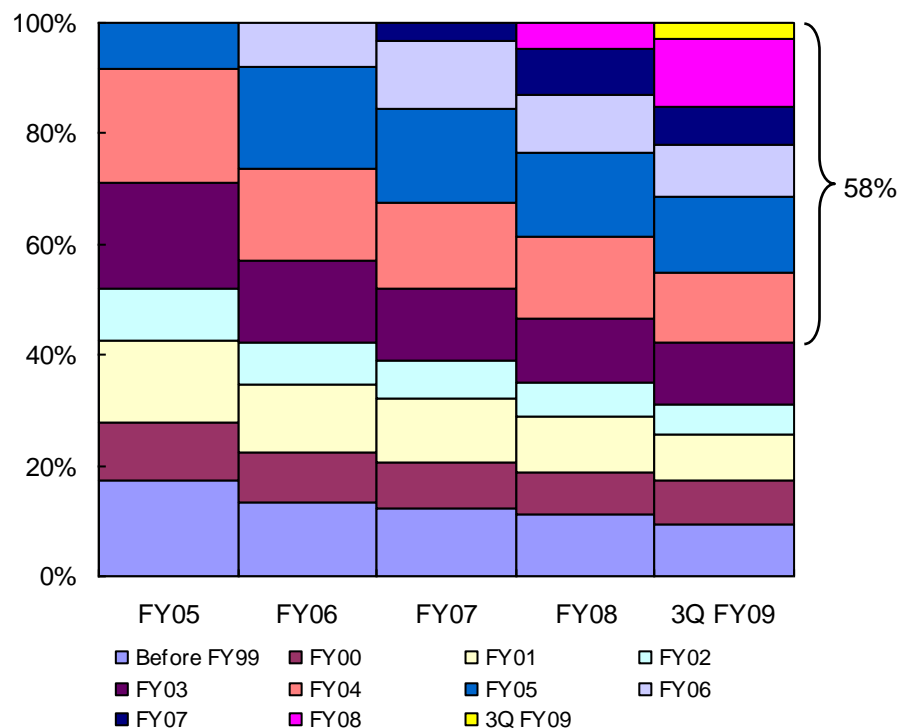
Note 2: Nikkei 225 is the closed price at the end of each quarter

Number of Accounts

◆ Number of accounts at Matsui¹



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

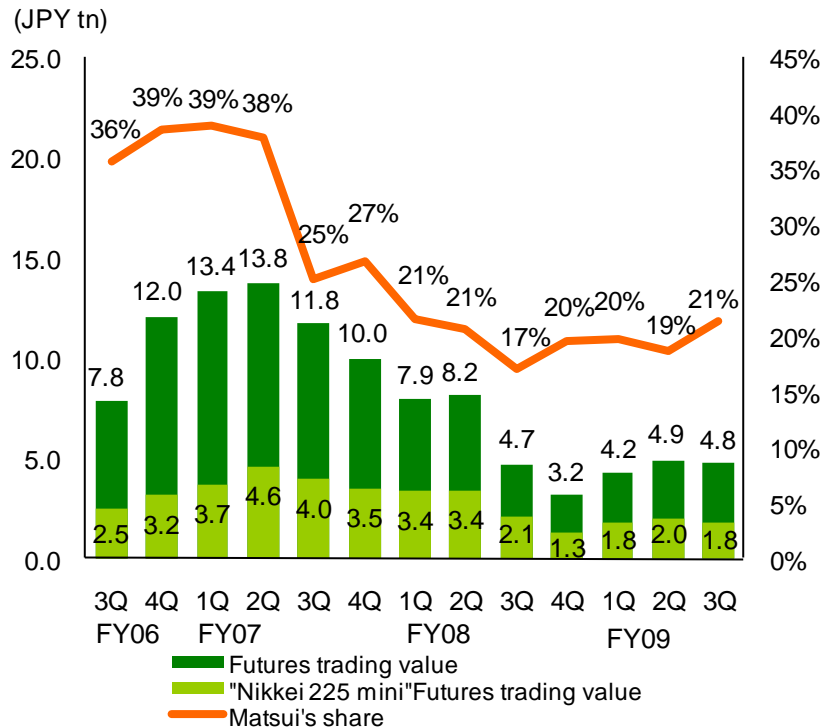


Note 1: Number of accounts as of the end of each month

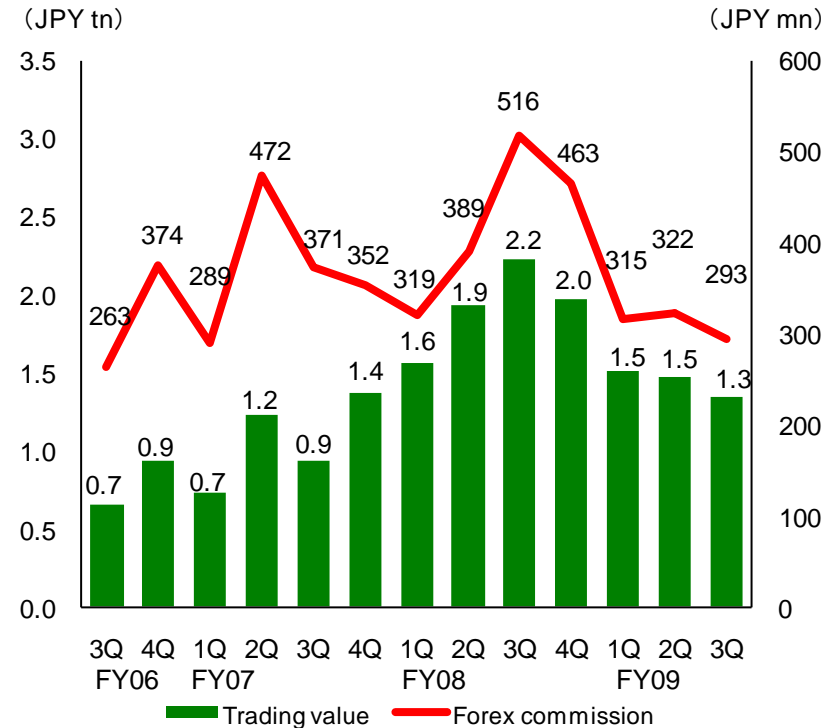
11,140 of dormant accounts were closed down in Dec. 08, 28,846 of dormant accounts were closed down in Apr. 09 and 1,602 of dormant margin accounts were closed down in May 09.

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

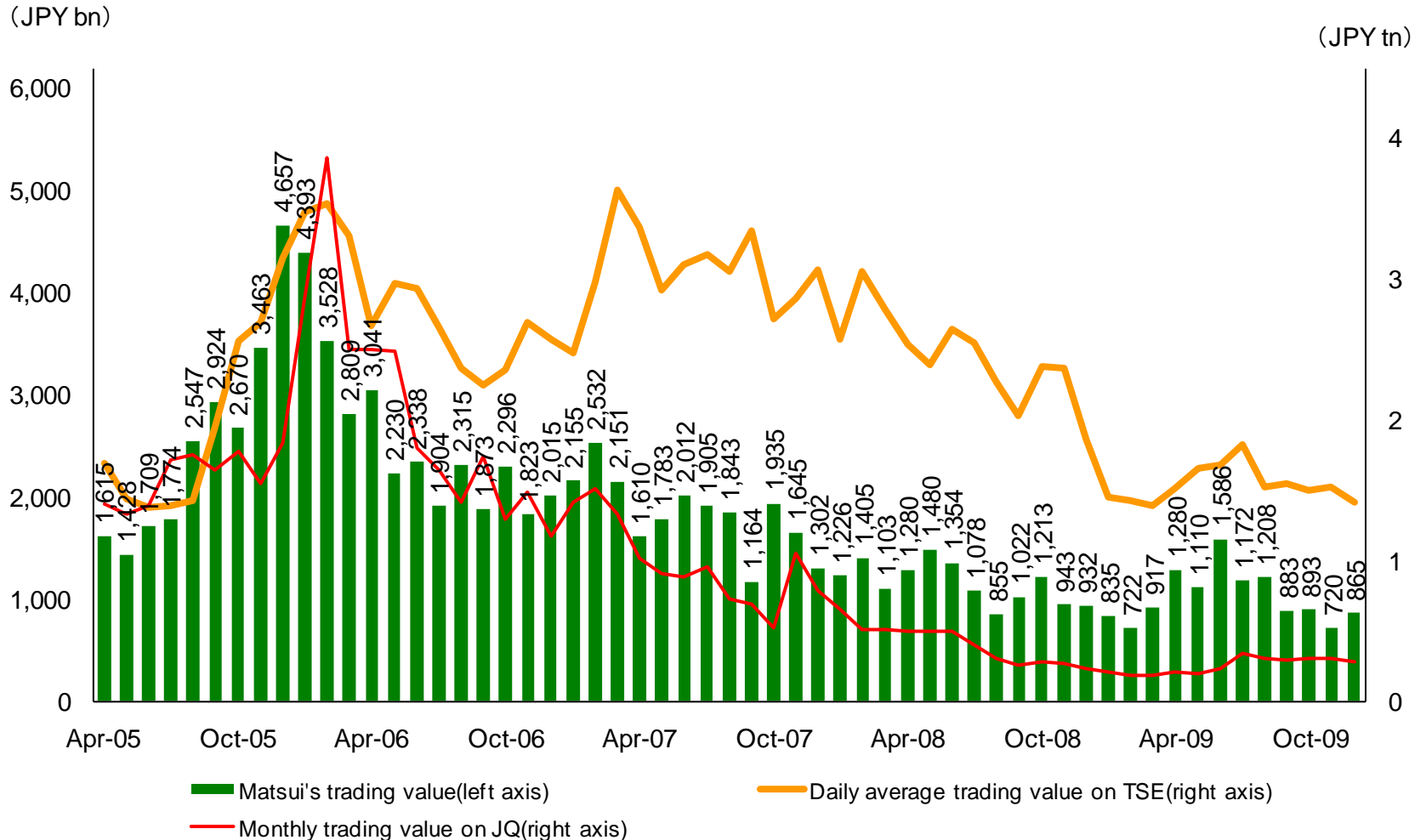


Source: OSE (Osaka Securities Exchange)

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



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 : 35,689 (As of 30 Dec. 09)

◆ Undertakings in FY09

- Launch “Stock Price Information Board” for RTGS (Nov. 09)
- No commission charge up to JPY10mn of trading value (~Mar. 10)

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

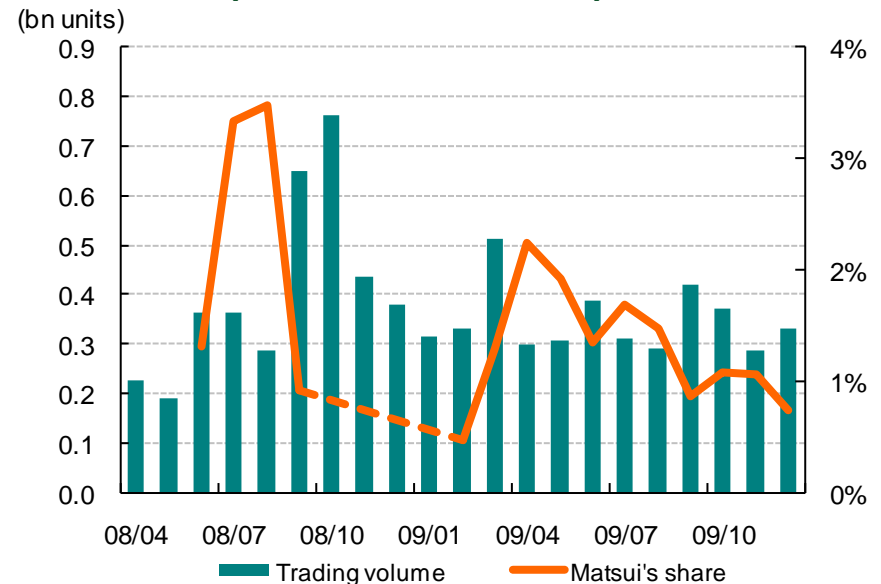
◆ Future developments

- Introduce margin transaction in order to increase liquidity

◆ Recent Results of the CME “Nikkei 225” Futures trading(maximum of 10/1-12/30)

- # of accounts : 11,526 (As of 30 Dec. 09)
- Trading value : 3.3bn (30 Oct. 09)
- CME market share : 3.1% (31 Dec. 09)

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



The OSE's Forex Margin Trading

Start the OSE's FX first among the 5 major on-line brokers

Introduce "High-Speed FX" , a free trading tool for every customers

◆ Outline of the service

Opening account	January 3, 2010 ~
Introduction	February 1, 2010 ~
Currency	9 pairs of currencies
Commission	210 yen/unit
Order method	12 types

◆ Background

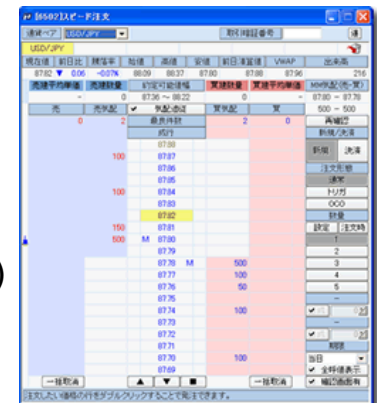
- Merits for tax treatment
 - Separated capital gain taxation of 20%
 - Combined taxation with gain and loss for Futures and Options
- Transparent pricing method
 - 8 bids/offers on pricing board
- High level of protection of customers' margin assets
 - Segregated by the OSE

◆ Opening campaign

No commission charge for new customers who open the accounts (max 30 days during 2/1-3/31)

◆ "High-Speed FX", a free trading tool for the OSE's FX

- Quick order function by click specific price on the pricing board
- Direct order function on the pricing chart
- Extensive technical charts
 - Several reference index are provided (e.g. Bollinger band, MACD)
- 12 types of order methods



“Arrowhead”- The TSE's Next-Generation Trading System

“Arrowhead” has been activated since January 4, 2010

◆ Developments

- Increase in speed of order-processing (500-fold)
- Decimalization of stock price
(Partial revision of nominal price quotation)
- Enhancement of market data
Expand from 5 to 8 for best bids/offers

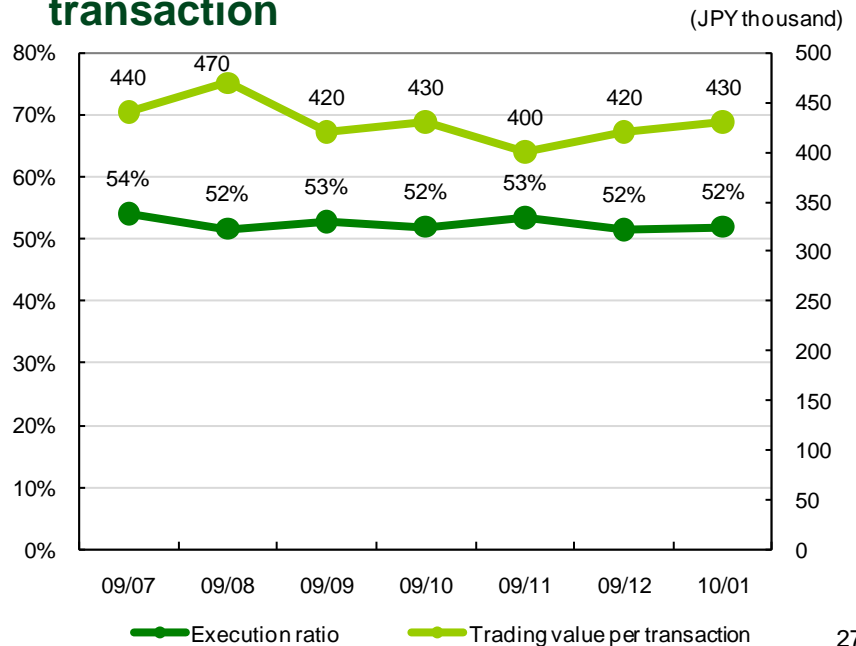
- Expand from 5 to 8 for best bids/offers
- Provide data on volume of market orders

松井証券		東証 1部		8628	8628	東証	変更・更新	ヘルプ
2010/01/15								
現在値	694	-09.56	売数	213,700	成行	OVER	買数	
前日比較		+4	14,400	702	4,900	701	25,100	700
前日終値		690	11,300	699	8,600	698	18,900	697
始値		688-09.00	6,200	696	1,700	695	694	1,200
高値		697-09.52	693	1,900	692	4,100	691	7,400
安値		687-09.08	690	6,600	689	5,000	688	400
売買高		371,000	688	400	687	4,100	687	4,100
VWAP		689.2332	UNDER		132,000			
売買単位		100株						

◆ Impacts on customers

- No changes in customers' trading behavior in terms of trading value per transaction and execution ratio for the time being
- Impact on trading value is quite limited since demand for customers is unchanged
- Even high frequency traders do not close their positions unless their capital gains exceed around 1% of the investment

◆ Execution ratio and trading value per transaction



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 (10/1-12/30) ◆ No commission charge for new NetFx customers (10/5-11/6,12/1-12/23) ◆ Capping maximum commission charge at JPY10,500 for new margin customers (10/5-11/27) ◆ No commission charge for Nikkei 225 Futures trading among new futures/options customers (12/7-10/1/29) 	<ul style="list-style-type: none"> ◆ Improve online cash transfer services to account holders at Jibun Bank (10/2-) ◆ Introduce the function of extending the expiration time of log-in to NetStock (11/14-) ◆ Expand users for the stock lending services “yokabu” (11/14-) ◆ Launch “Stock Price Information Board” for RTGS (11/14-) ◆ Renew the website of FAQ page (11/14-) ◆ Increase in number of dealing stocks for short-selling of unlimited margin trading (12/28-) ◆ Start opening accounts for the OSE’s FX (10/01/03-)

The material is intended to provide the financial results for the quarter ended 31 December 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 January 2010. 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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