



Matsui Securities Co., Ltd.

(First Section of TSE: 8628)

Annual Results for 3Q FY2013

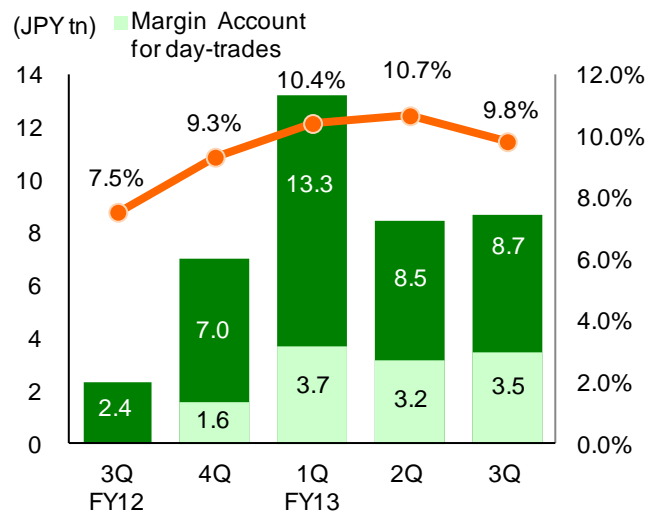
January 2014

Table of Contents

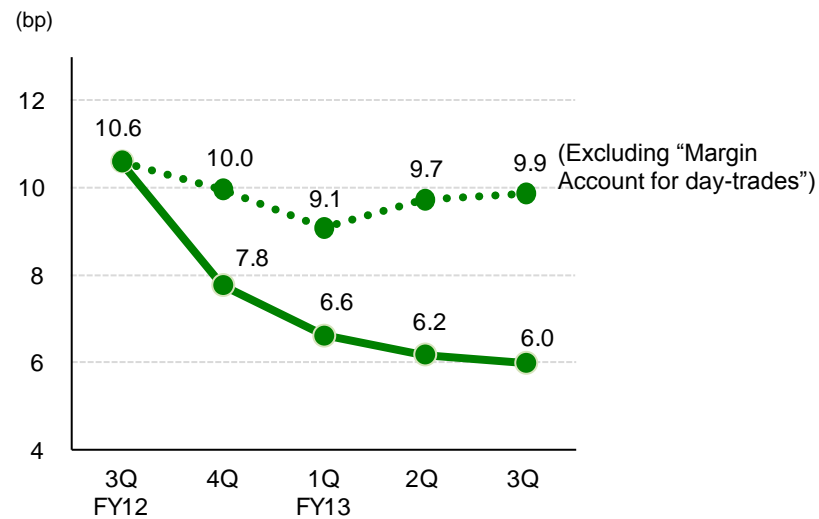
Section 1	Financial Summary	5
Section 2	Results of Operation	14
Section 3	Recent Developments	23

Results of Operation

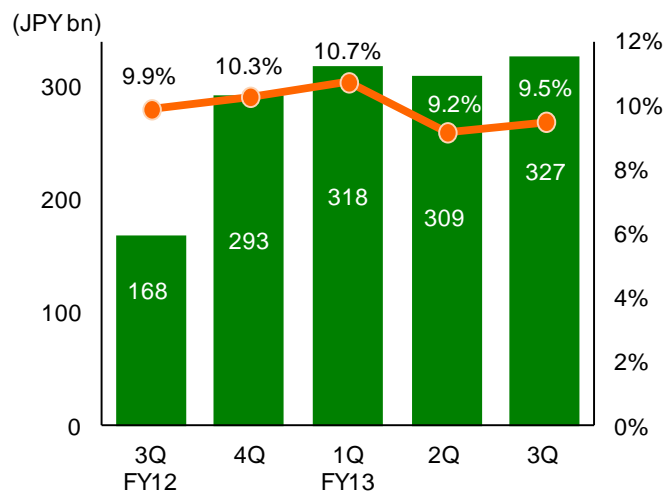
◆ Equity trading value / Market share



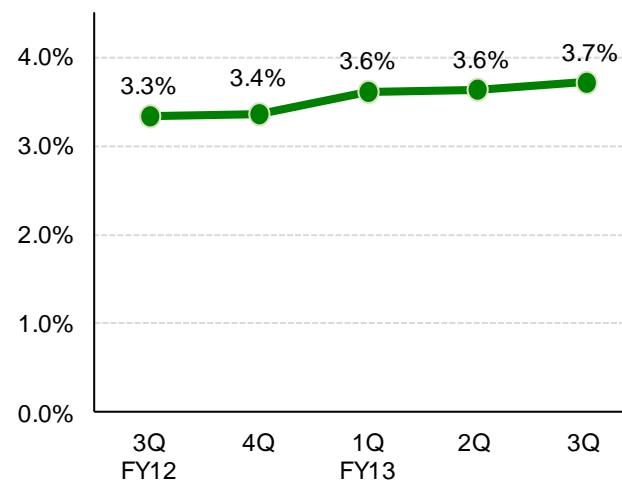
◆ Equity commission rate



◆ Margin balance / Market share

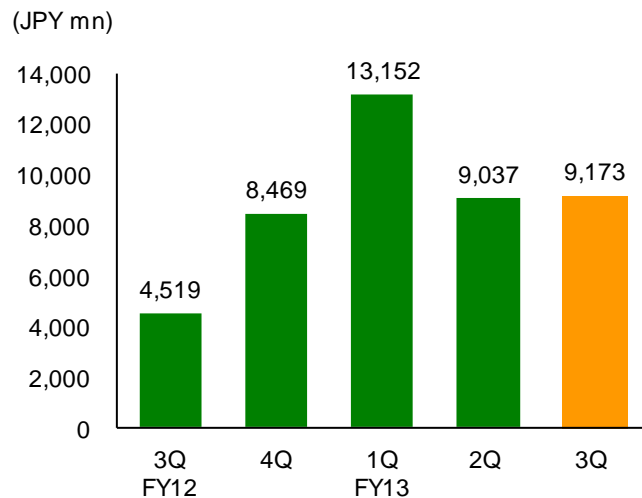


◆ Net interest income ratio

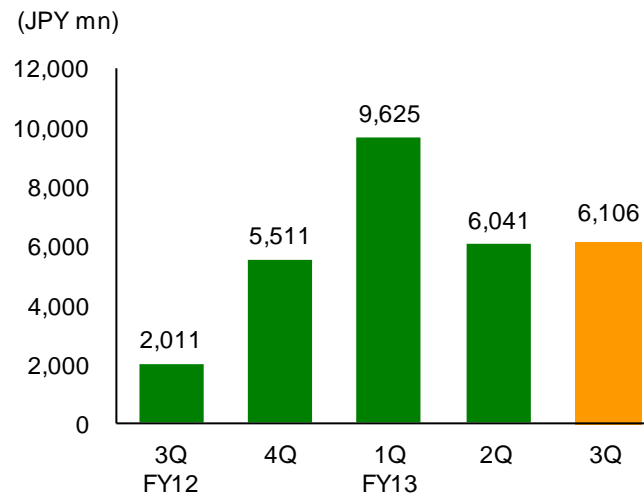


Financial Results

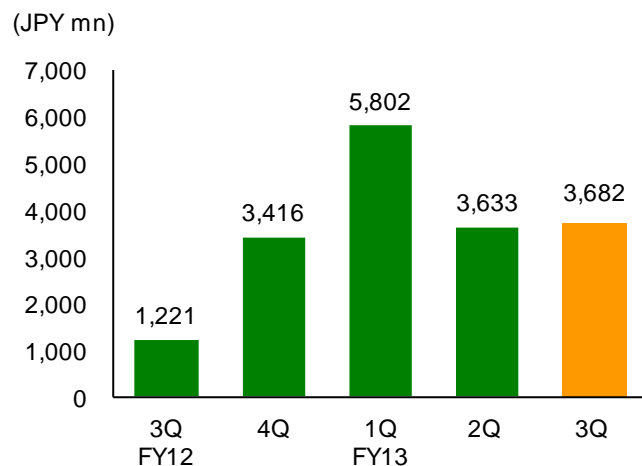
◆ Operating revenues



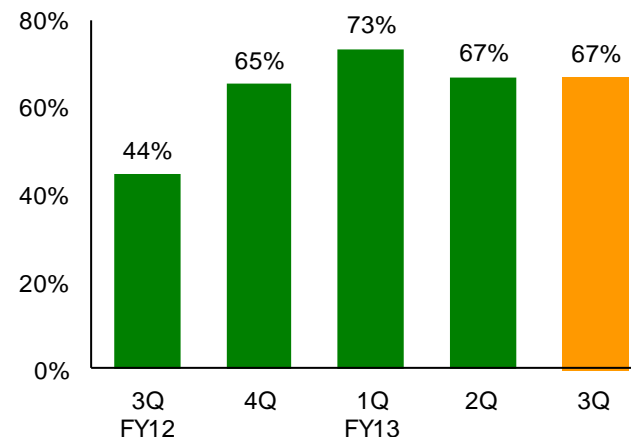
◆ Ordinary income



◆ Net income

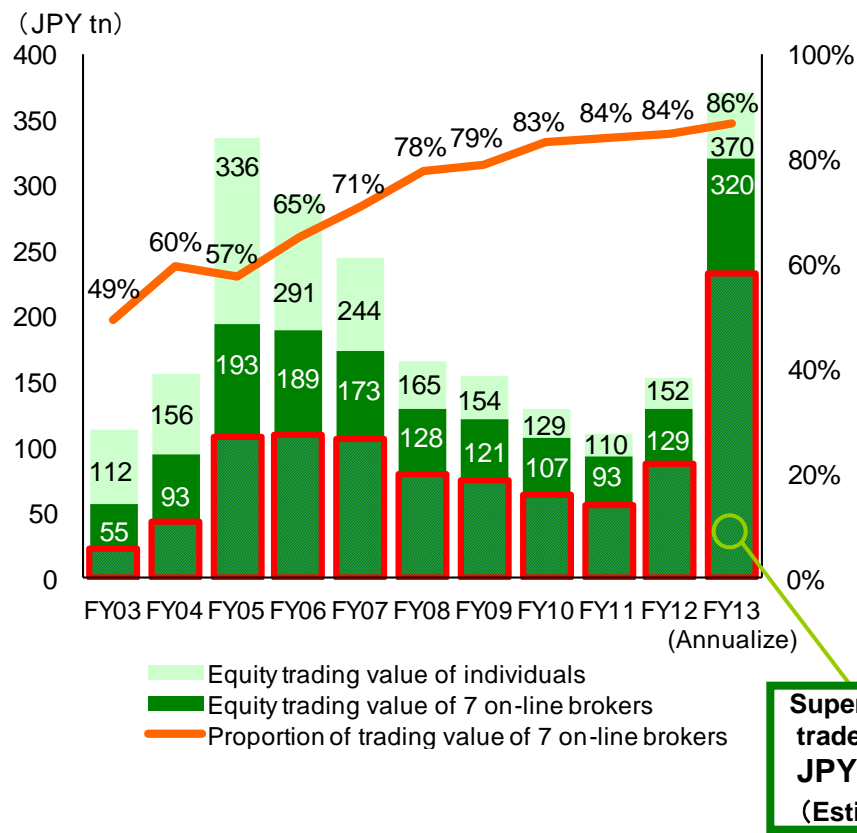


◆ Ordinary income ratio

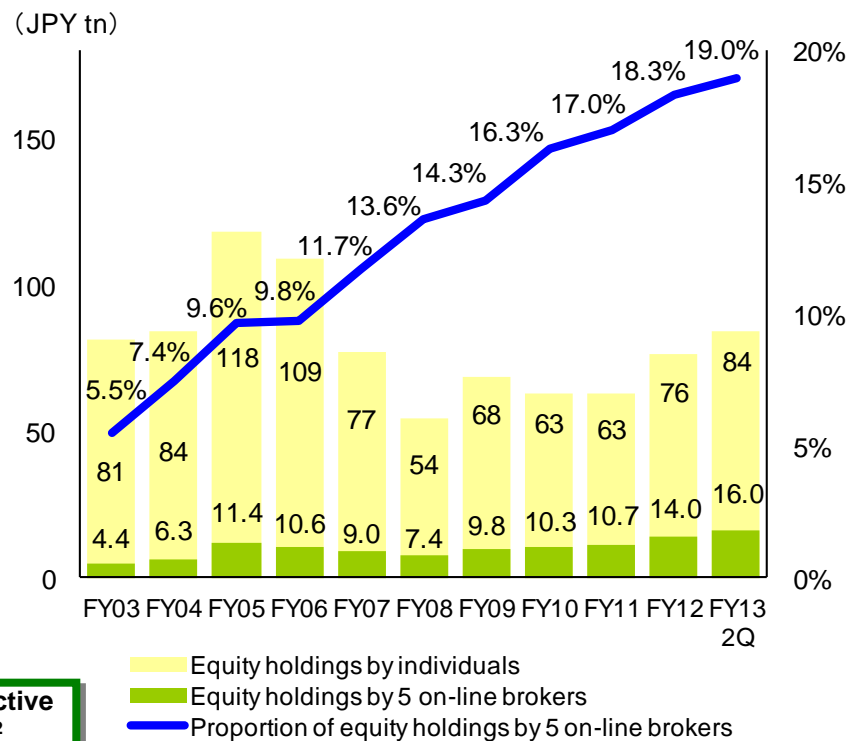


Overview of Retail Equity Trading Market

◆ Equity trading value of individuals¹ (FLOW)



◆ Equity holdings by individuals¹ (STOCK)



Source : TSE, BOJ, Company data, Company Website

Note 1 : 5 on-line brokers are Matsui, SBI, Rakuten, Monex and Kabu.com

7 on-line brokers include the 5 brokers and GMO Click and Okasan Online

Note 2 : Super active traders : number of trades per month is over 100 times

Financial Summary

Section 1

Summary of Financial Results (3Q FY13)

(JPY mn)

	3Q(Apr.-Dec.) FY2013	3Q(Apr.-Dec.) FY2012	YoY
Operating Revenues	31,363	12,330	2.5x
Commissions	21,954	7,776	2.8x
Interest & dividend income	9,396	4,550	2.1x
Interest expenses	864	656	1.3x
Net operating revenues	30,499	11,674	2.6x
SG&A	8,809	6,977	1.3x
Operating income	21,690	4,697	4.6x
Ordinary income	21,772	4,734	4.6x
Net income	13,117	3,010	4.4x
Ordinary income ratio	69%	38%	-
Matsui's trading value (JPY tn)	30.4	5.6	5.4x
Daily average trading value on TSE (JPY tn)	2.9	1.2	2.4x

Source: TSE

Breakdown of Net Operating Revenues (3Q FY13)

(JPY mn)

	3Q(Apr.-Dec.) FY2013	3Q(Apr.-Dec.) FY2012	YoY
Commissions	21,954	7,776	2.8x
Brokerage	21,111	7,046	3.0x
Equity	19,320	6,156	3.1x
Futures & Options	1,193	677	1.8x
Others	838	725	1.2x
Net gain (loss) on trading	10	0	-
Interest & dividend income (1)	9,396	4,550	2.1x
Total operating revenues	31,363	12,330	2.5x
Interest expenses (2)	864	656	1.3x
Net operating revenues	30,499	11,674	2.6x
Net interest income (1) - (2)	8,532	3,894	2.2x
Average margin balance (JPY bn)	312	157	2.0x

Breakdown of SG&A (3Q FY13)

(JPY mn)

	3Q(Apr.-Dec.) FY2013	3Q(Apr.-Dec.) FY2012	YoY
Transaction related expenses	3,717	2,243	66%
Advertisement	411	342	20%
Employees' compensation & benefits	1,607	1,366	18%
Occupancy & rental	685	696	-1%
Data processing & office supplies	1,325	1,229	8%
Depreciation	1,227	1,336	-8%
Duties & taxes other than income taxes	186	76	146%
Provision of allowance for doubtful accounts	-63	-56	-
Others	125	88	41%
Total SG&A	8,809	6,977	26%

Summary of Financial Results (Quarterly)

(JPY mn)

	FY13	FY13	QoQ	FY13	FY12		YoY	FY12
	3Q	2Q		1Q	4Q	3Q		TOTAL
Operating Revenues	9,173	9,037	2%	13,152	8,469	4,519	2.0x	20,799
Commissions	5,977	6,052	-1%	9,925	6,389	3,057	2.0x	14,165
Interest & dividend income	3,192	2,983	7%	3,220	2,105	1,461	2.2x	6,654
Interest expenses	274	239	15%	352	228	203	1.3x	884
Net operating revenues	8,900	8,799	1%	12,800	8,241	4,316	2.1x	19,915
SG&A	2,825	2,771	2%	3,213	2,742	2,307	1.2x	9,719
Operating income	6,075	6,028	1%	9,587	5,499	2,009	3.0x	10,195
Ordinary income	6,106	6,041	1%	9,625	5,511	2,011	3.0x	10,245
Net income	3,682	3,633	1%	5,802	3,416	1,221	3.0x	6,427
Ordinary income ratio	67%	67%	-	73%	65%	44%	-	49%
Matsui's trading value (JPY tn)	8.7	8.5	2%	13.3	7.0	2.4	3.7x	12.6
Daily average trading value on TSE (JPY tn)	2.7	2.4	12%	3.5	2.5	1.3	2.0x	1.5

Source: TSE

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY13	FY13	QoQ	FY13	FY12		YoY	FY12
	3Q	2Q		1Q	4Q	3Q		TOTAL
Commissions	5,977	6,052	-1%	9,925	6,389	3,057	2.0x	14,165
Brokerage	5,728	5,749	-0%	9,634	6,026	2,833	2.0x	13,072
Equity	5,238	5,276	-1%	8,807	5,479	2,501	2.1x	11,635
Futures & Options	302	306	-1%	585	396	251	1.2x	1,074
Others	249	298	-16%	291	363	223	1.1x	1,088
Net gain (loss) on trading	3	1	109%	6	-26	0	9.2x	-26
Interest & dividend income (1)	3,192	2,983	7%	3,220	2,105	1,461	2.2x	6,654
Total operating revenues	9,173	9,037	2%	13,152	8,469	4,519	2.0x	20,799
Interest expenses (2)	274	239	15%	352	228	203	1.3x	884
Net operating revenues	8,900	8,799	1%	12,800	8,241	4,316	2.1x	19,915
Net interest income (1) - (2)	2,919	2,745	6%	2,868	1,877	1,257	2.3x	5,770
Average margin balance (JPY bn)	315	302	4%	318	224	151	2.1x	173

Breakdown of SG&A (Quarterly)

(JPY mn)

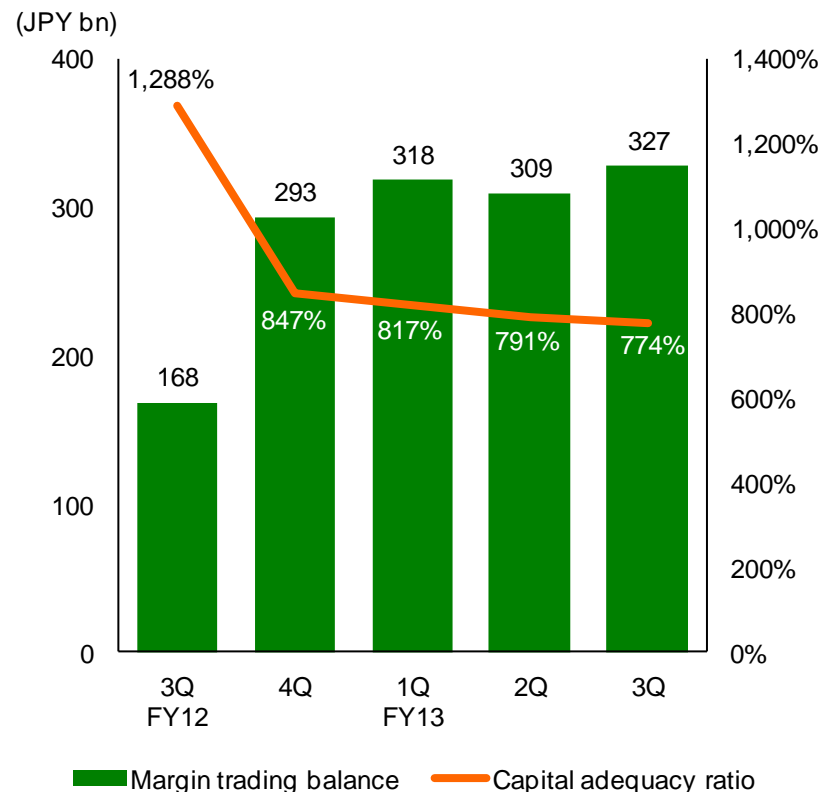
	FY13	FY13	QoQ	FY13	FY12		YoY	FY12 TOTAL
	3Q	2Q		1Q	4Q	3Q		
Transaction related expenses	1,158	1,154	0%	1,406	1,113	770	50%	3,356
Advertisement	126	139	-10%	146	196	108	16%	538
Employees' compensation & benefits	616	485	27%	506	466	455	35%	1,832
Occupancy & rental	235	222	6%	228	229	230	2%	925
Data processing & office supplies	449	438	3%	438	396	406	11%	1,625
Depreciation	400	399	0%	428	452	441	-9%	1,788
Duties & taxes other than income taxes	45	68	-34%	74	40	22	108%	116
Provision of allowance for doubtful accounts	-115	-32	-	84	20	-40	-	-36
Others	38	39	-1%	48	26	24	57%	114
Total SG&A	2,825	2,771	2%	3,213	2,742	2,307	22%	9,719

Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 31 December 2013)

		(JPY mn)
Tier 1	(A)	78,921
Tier 2	Net unrealized gain on investment	3,863
	Statutory reserves	1,735
	Allowance for doubtful accounts	11
	Sub total (B)	5,610
Assets to be deducted from equity capital	(C)	4,788
Net Capital		
	(A) + (B) - (C) (D)	79,743
Total risk	Market risk	965
	Counterparty risk	6,795
	Basic risk	2,536
	Total (E)	10,297
Capital adequacy ratio	(D)/(E)	774.3%

◆ Margin trading balance and capital adequacy ratio



Shareholders Return

In accordance with the booming market conditions, we paid interim dividend of 30 yen per share for FY13.

We plan to pay year-end dividend of 20 yen per share for FY13.

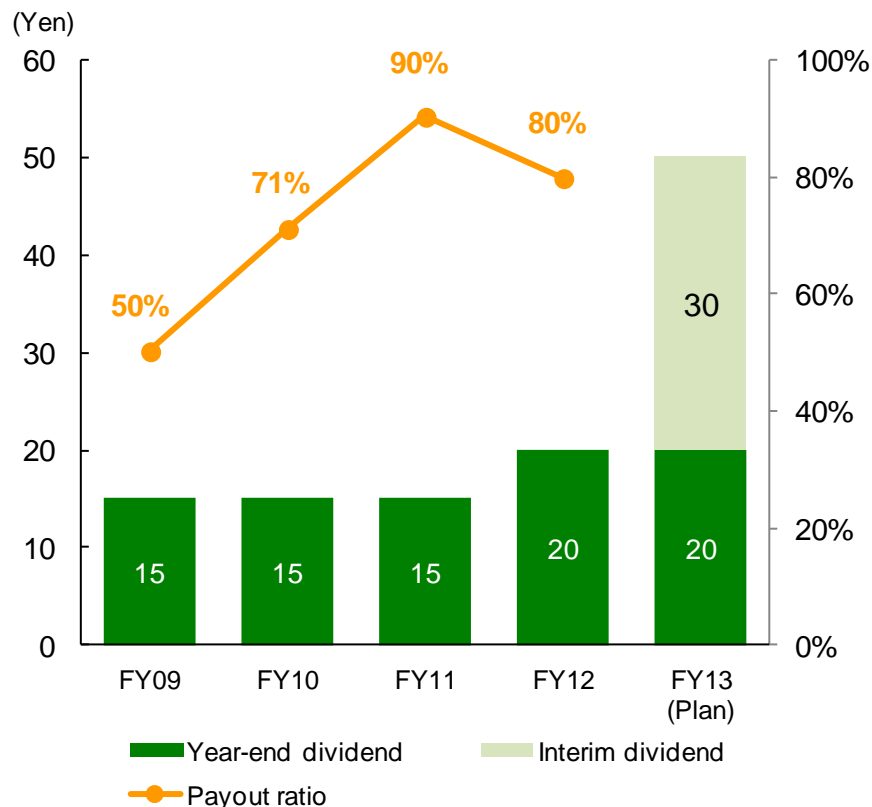
◆ Dividend policy

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

◆ Dividends for FY13

- Interim : Pay 30 yen per share
- Year-end : Plan to pay 20 yen per share

◆ Matsui’s dividend per share and payout ratio

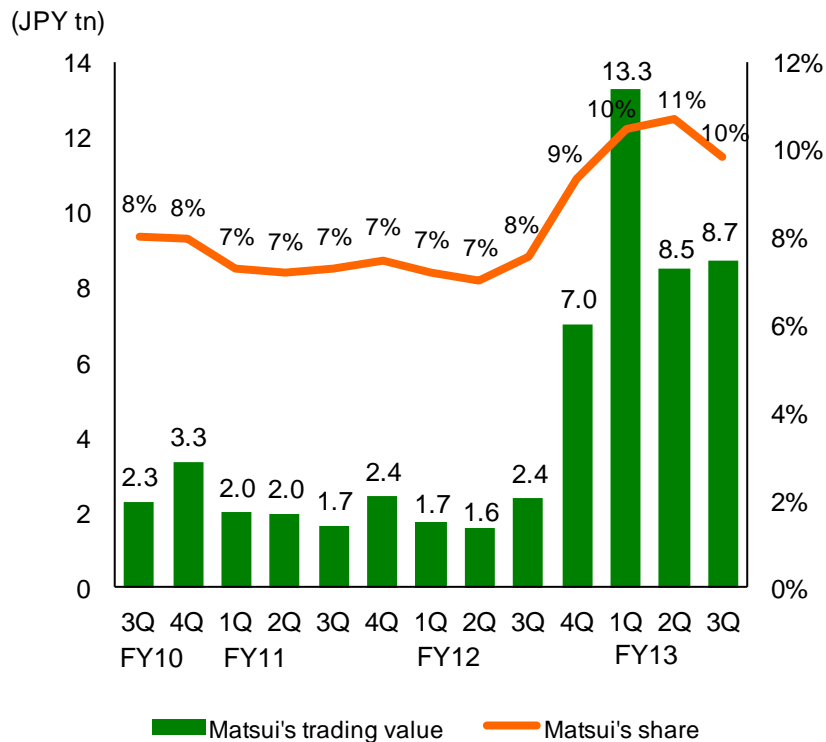


Results of Operation

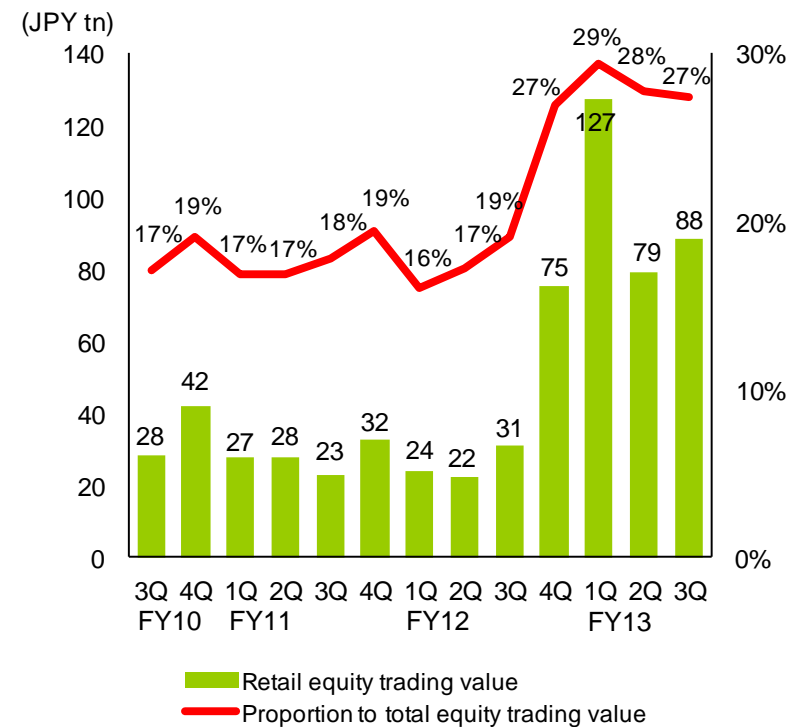
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

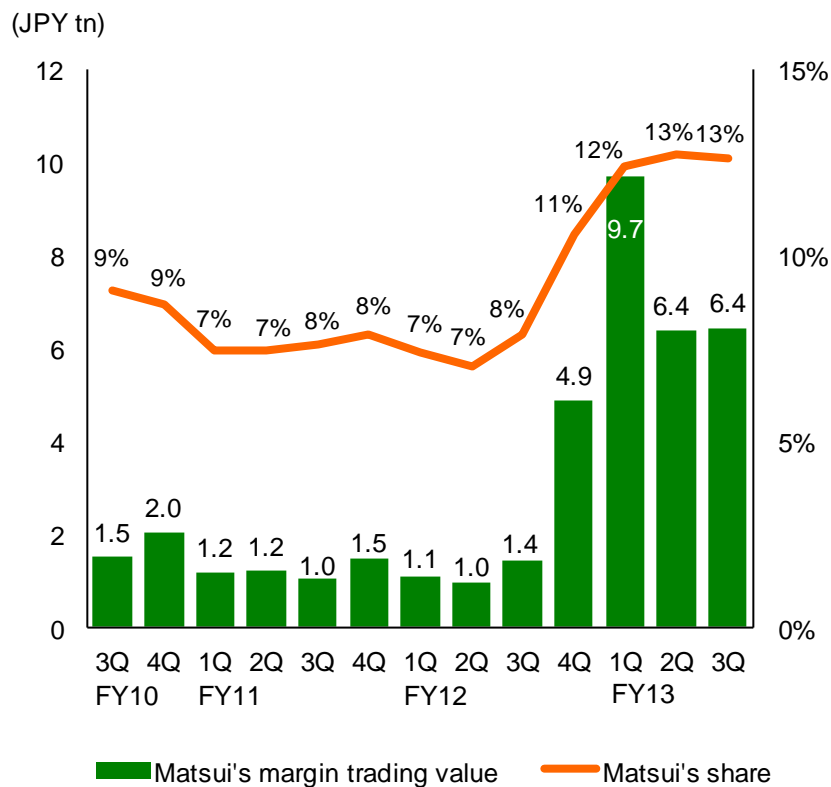


◆ Retail equity trading value¹ and proportion to total equity trading value

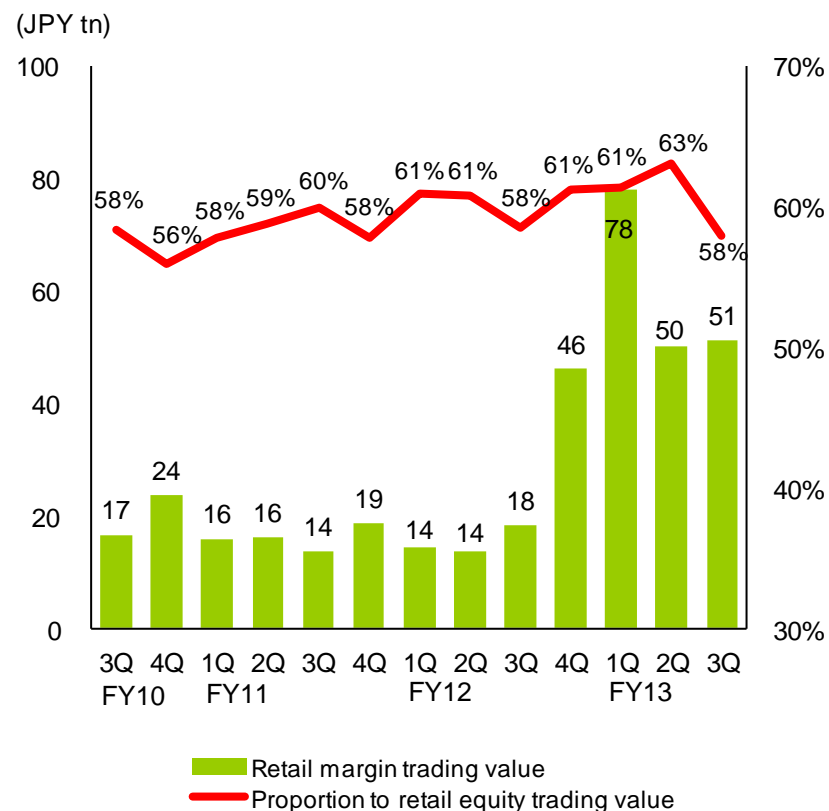


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

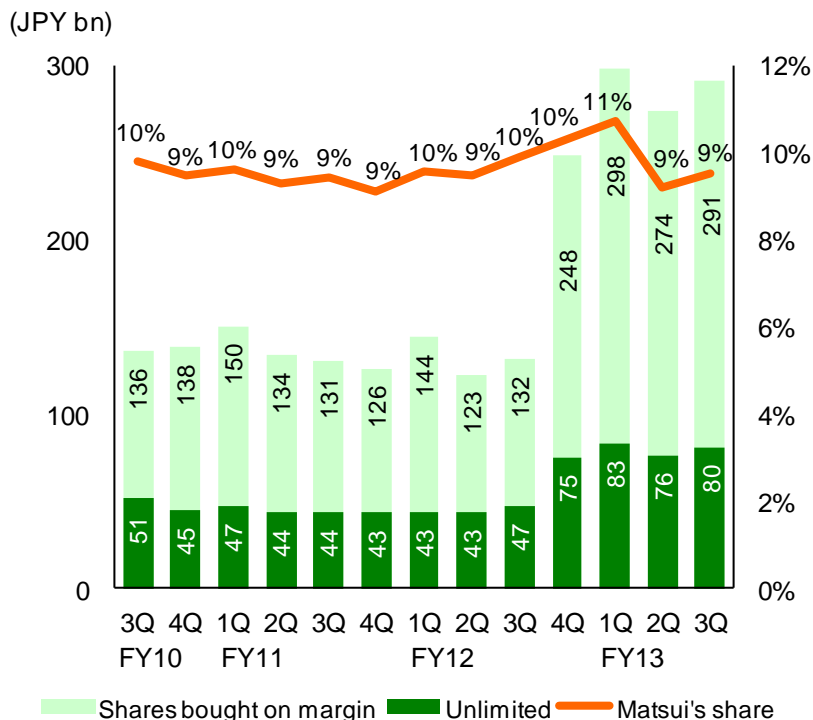


◆ Retail margin trading value¹ and proportion to total retail equity trading value

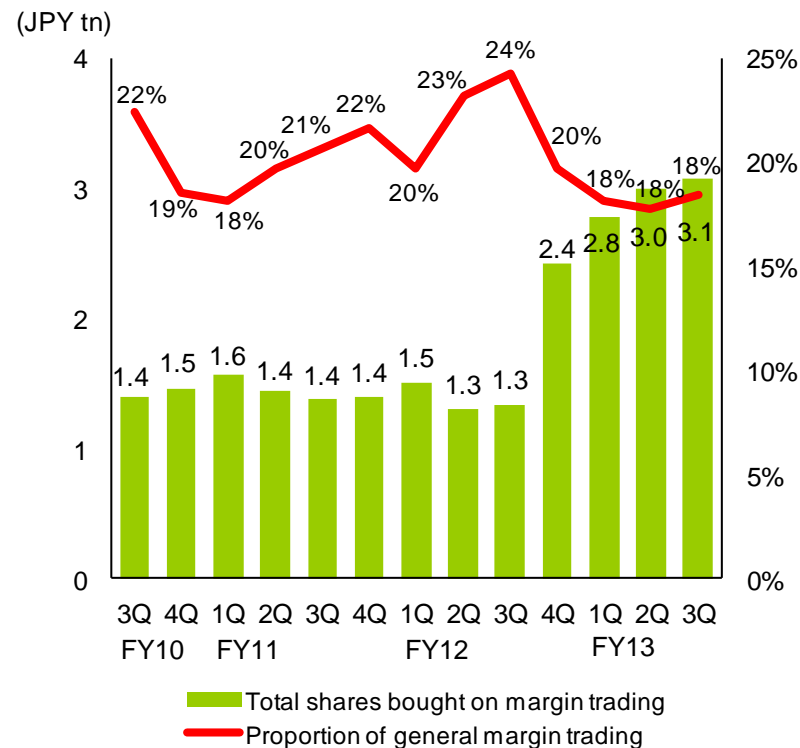


Margin Trading Balance

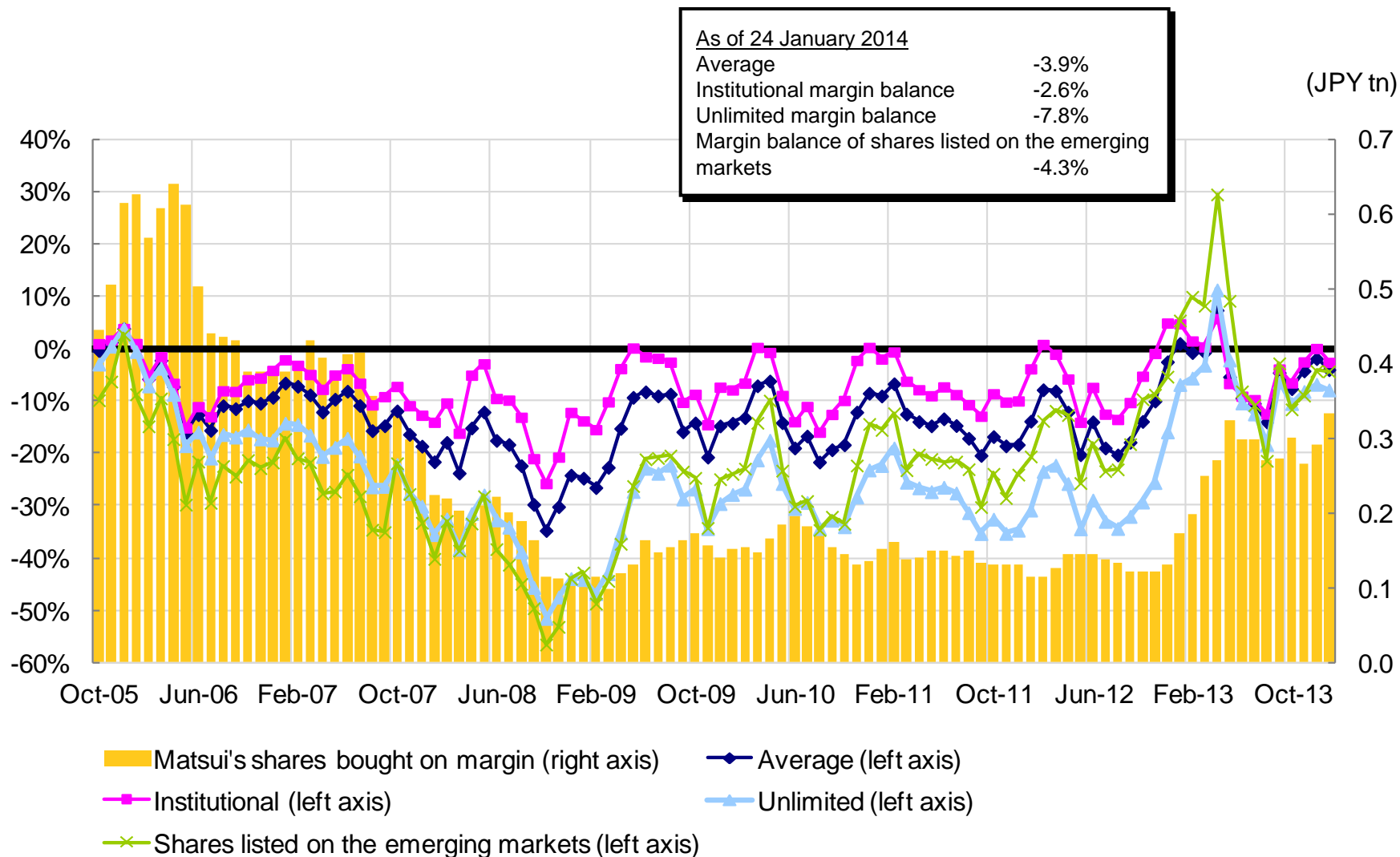
◆ Matsui's shares bought on margin¹ and its market share²



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

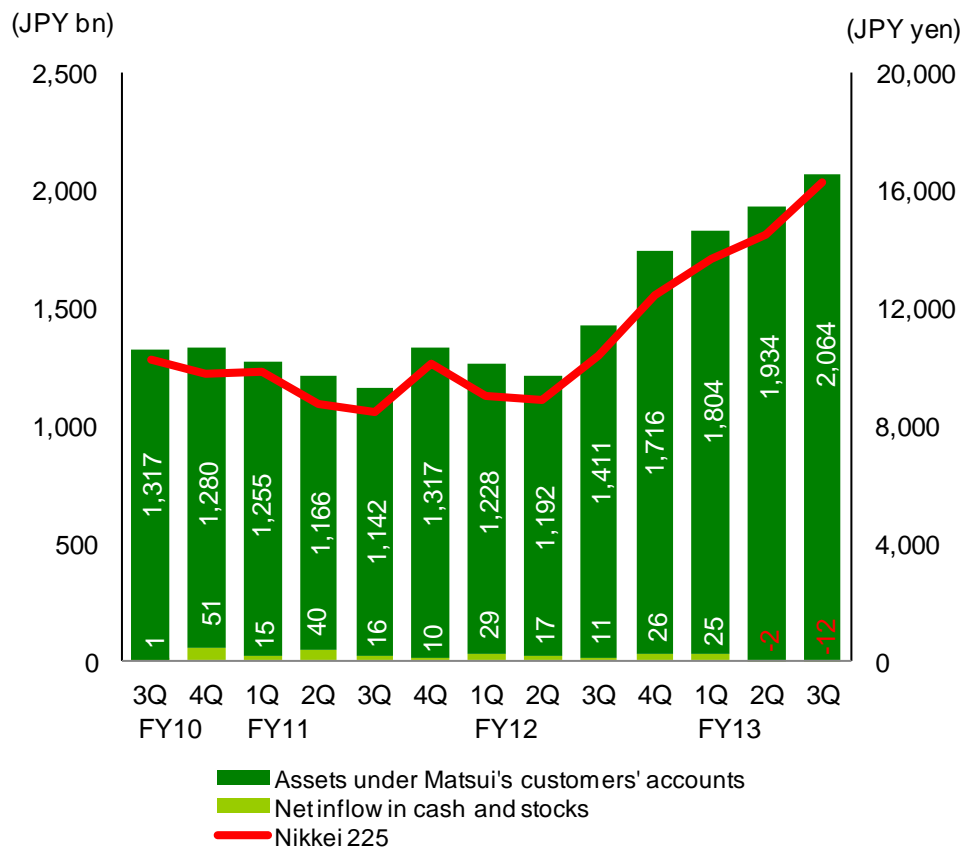


Unrealized Losses on Matsui's Margin Balance

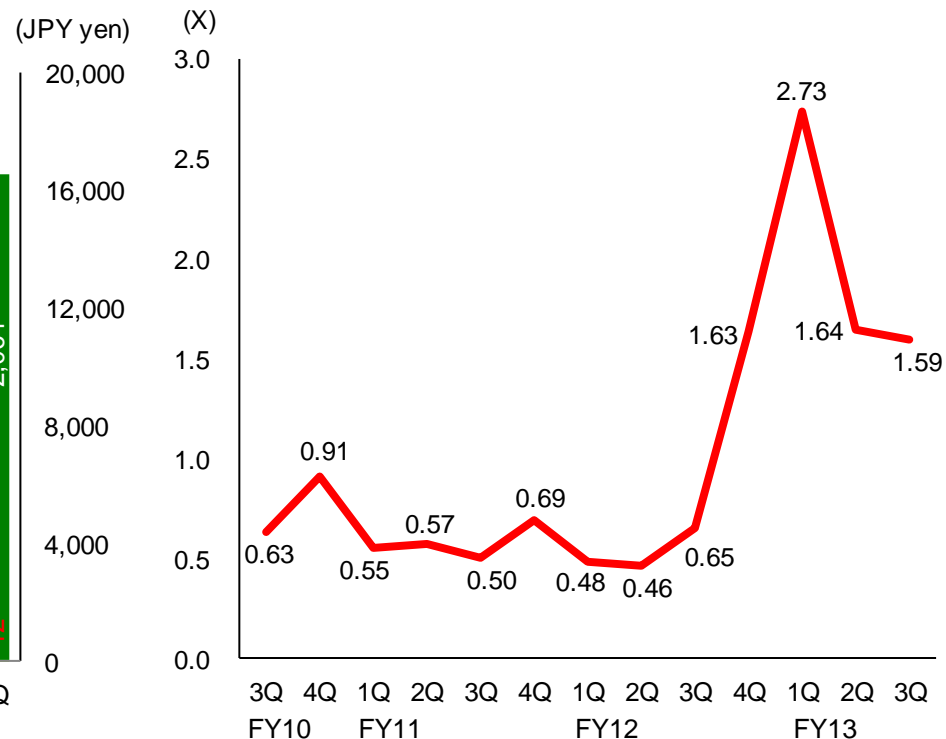


Assets under Customers' Accounts / Trading Turnover

◆ Assets under Matsui's customers' accounts

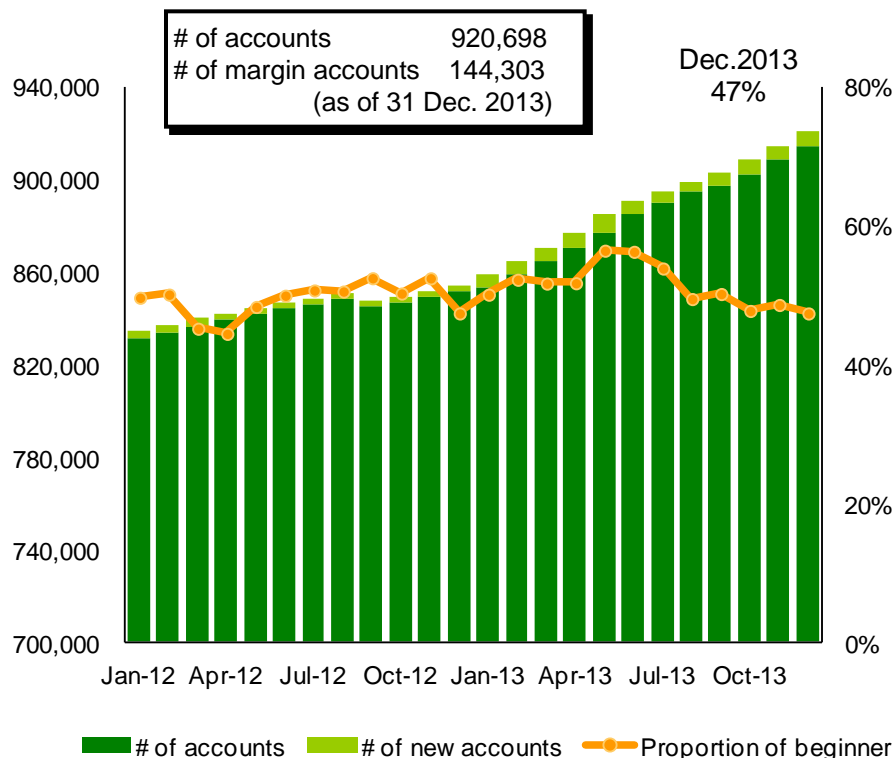


◆ Equity trading turnover¹ of Matsui's customers

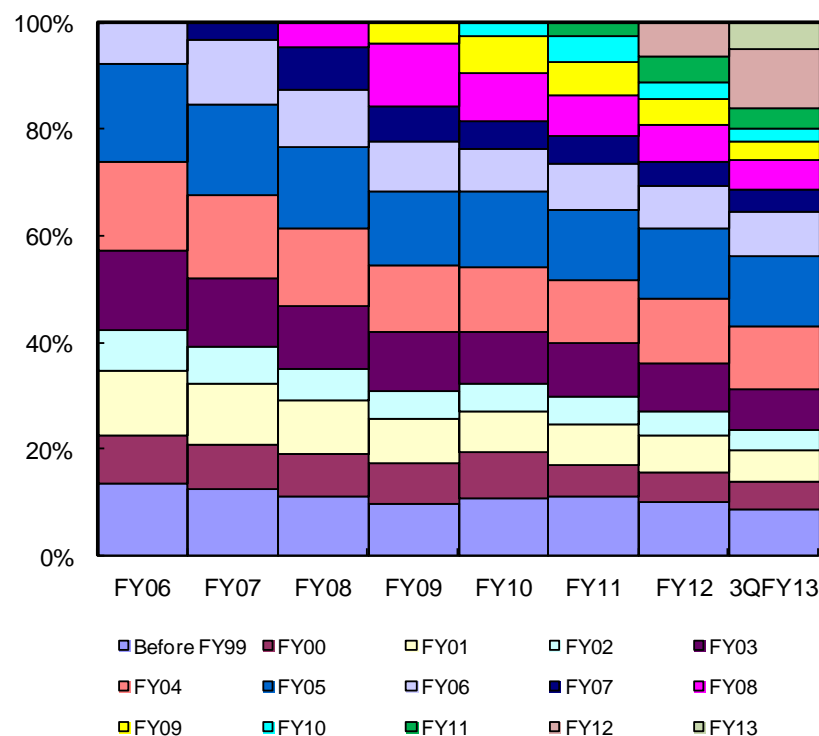


Number of Accounts / Breakdown of Trading Value

◆ Number of accounts at Matsui¹

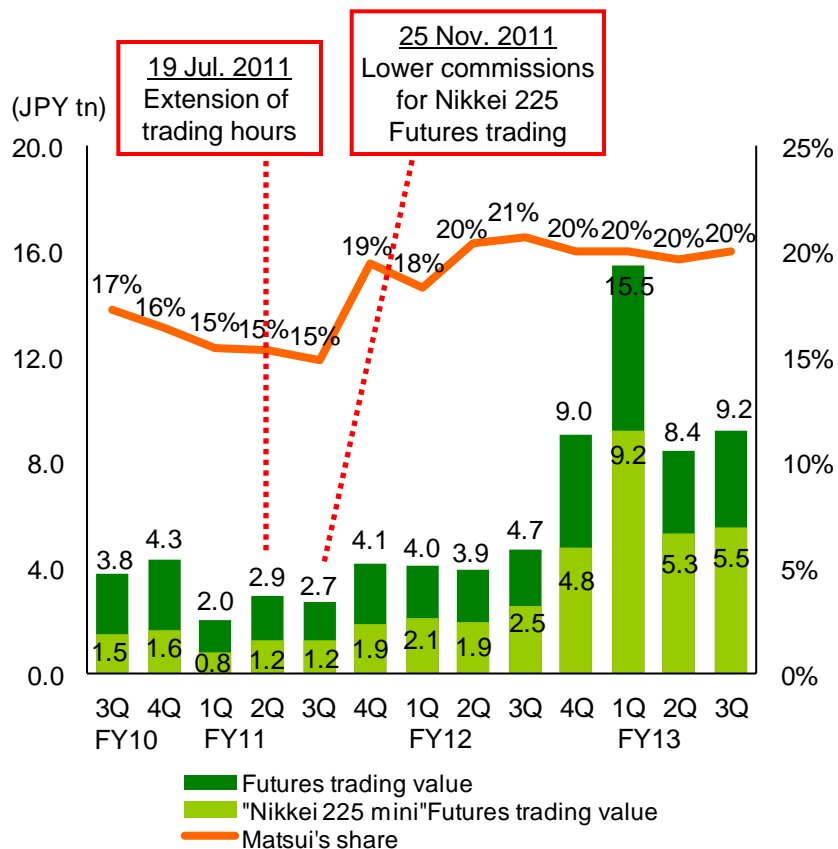


◆ Breakdown of trading value by customers opening the accounts in each fiscal year

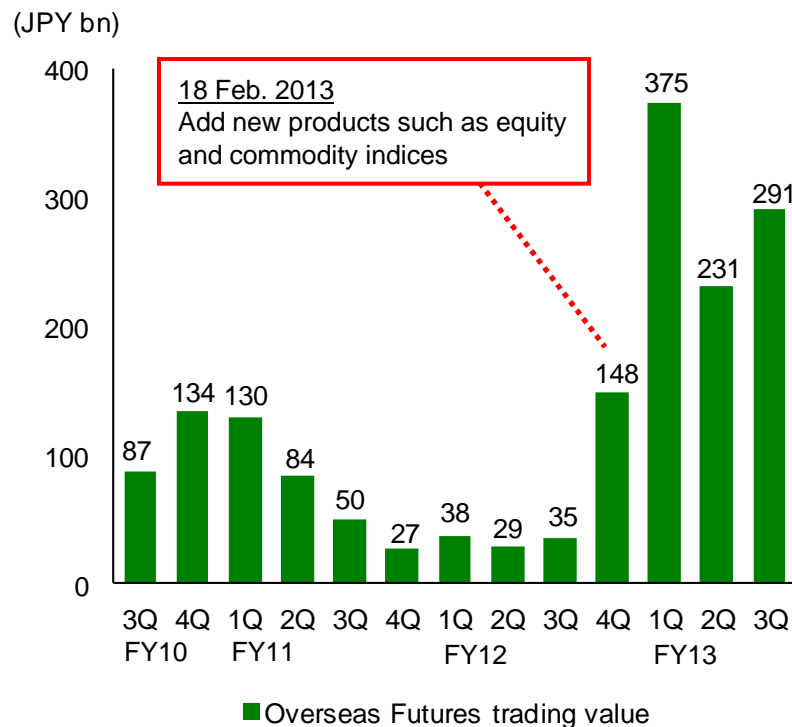


Futures trading value

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

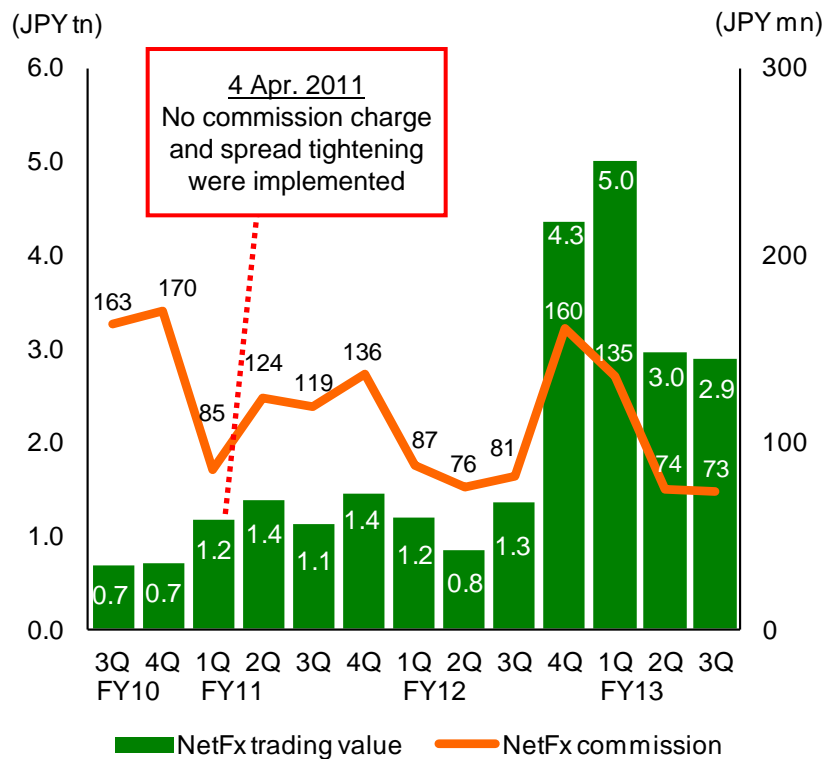


◆ Matsui's Overseas Futures trading value (CME)

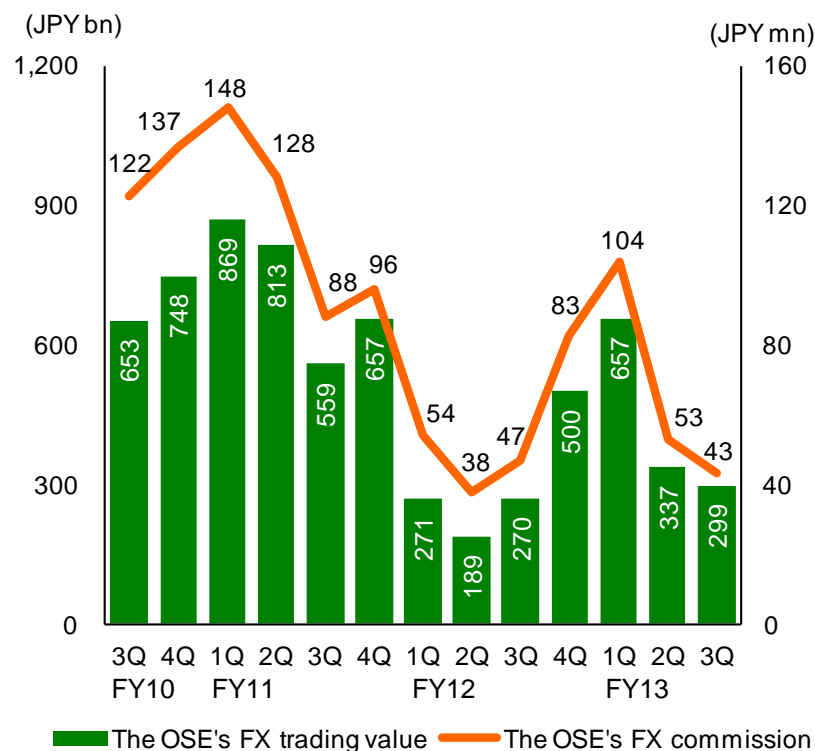


FX Margin Trading

◆ 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 Account for Day-trades"

Our Direction

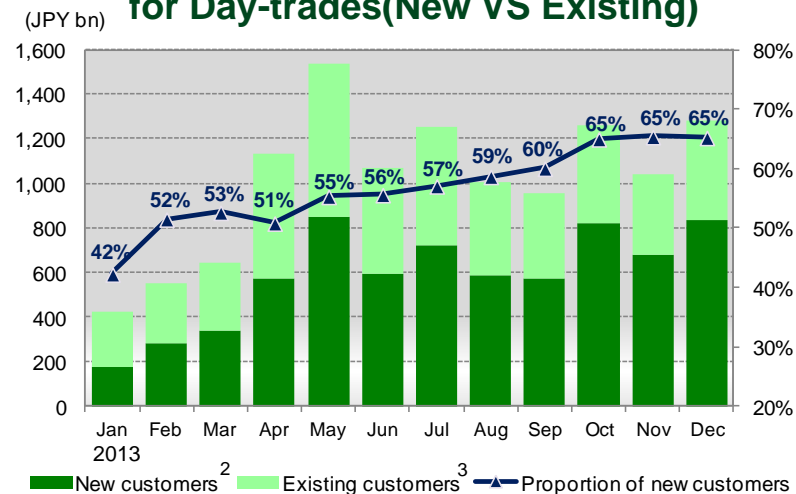
- ◆ Develop unique and innovative services
- ◆ Focus on brokerage business
- ◆ Pursue the services which expand brokerage (flow) business rather than asset gathering related (stock) services

Margin Account for Day-trades I

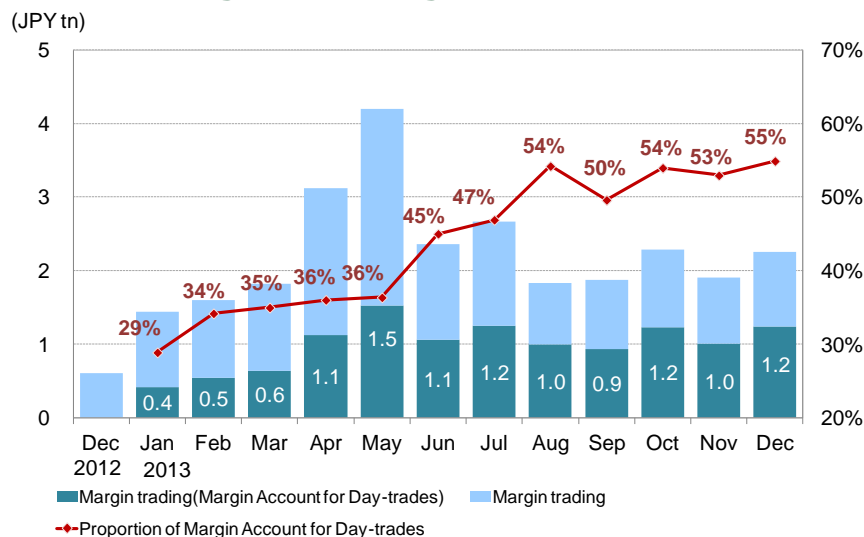
◆ Outline of Margin Account for Day-trades

Comission	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	29,681(as of Dec. 30)	

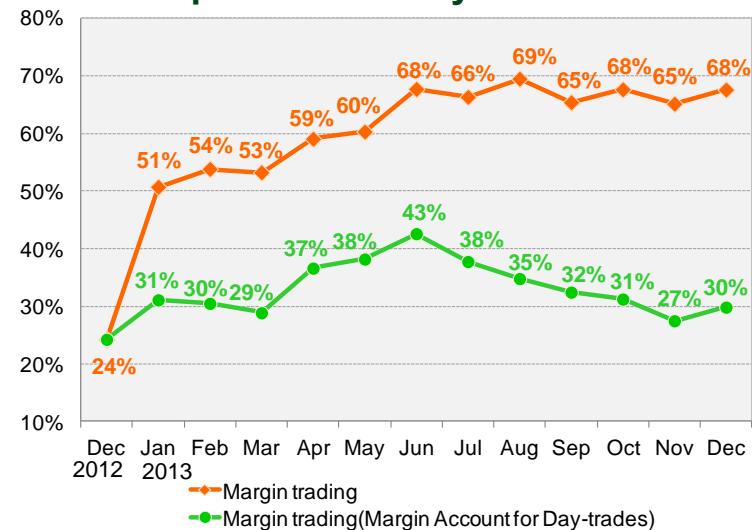
◆ Trading Results of Margin Account for Day-trades(New VS Existing)



◆ Margin Trading Results

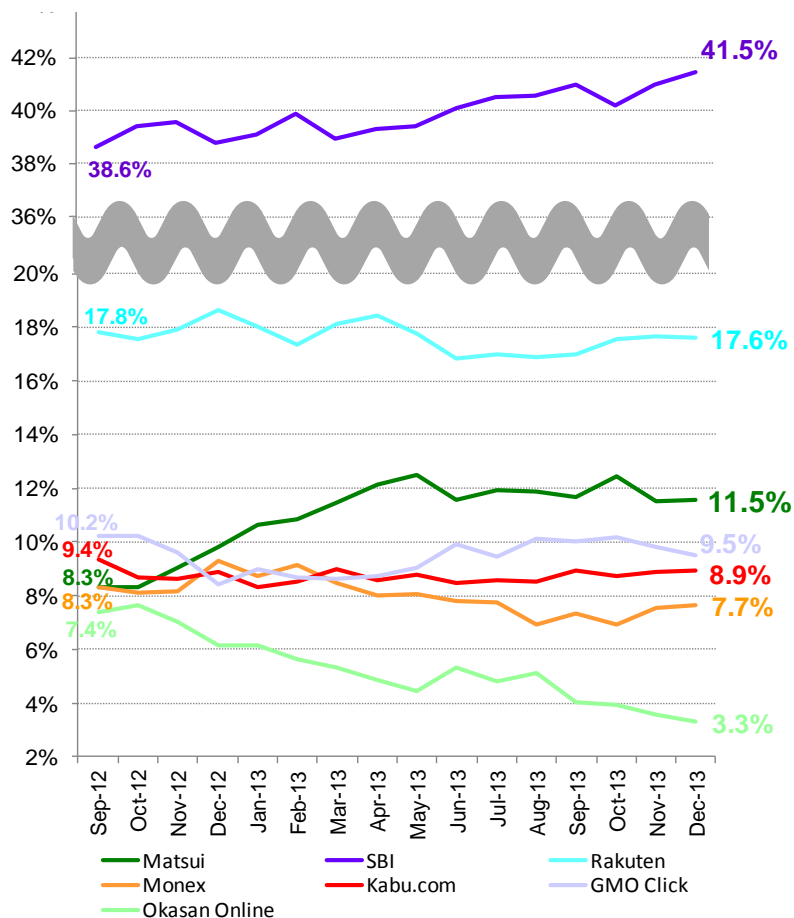


◆ Proportion of "Day-trades"



Margin Account for Day-trades II

◆ Market share ¹



◆ Recent Developments

- Add the conditional orders such as “market-on-close order”, “stop order”, etc.
- Add the trading function of “Margin Account for Day-trades” to “KABU touch”, the trading application for smartphone
- Add 204 shares eligible for short-position (730 shares as of Jan. 14, 2014)
- Upgrade of ranking by trading value for day-trades
- Free of charge campaign for margin account for day-trades (Jan. 6 to Mar. 31, 2014)
~No commission charge and no interest rate~

◆ Future Developments

Plan to implement continuous improvements of the service, such as increase number of shares eligible for short-position etc.

Margin Account for Day-trades III

TSE has applied small tick on 44 stocks among TOPIX100 since January 14, 2014. Trading value for the 44 stocks has been significantly increased.

◆ Market trends for 44 stocks

● 44 stocks(daily average) (unit: JPY bn, # of times)

Weekly	6-Jan	14-Jan	VS 6-Jan	20-Jan	VS 6-Jan
Equity trading value	720	706	-2%	697	-3%
Tick	103,967	212,707	2.0x	207,874	2.0x
Up tick	13,408	51,747	3.9x	50,262	3.7x
Down tick	13,353	52,221	3.9x	50,931	3.8x

- The number of tick for 44 stocks has increased by 2-fold (The number of up tick and down tick has increased by 4-fold each)
- Expand the trading opportunities by taking the margin easily

◆ Matsui's trends①(trading value)

● Daily average (unit: JPY bn)

Weekly	6-Jan	14-Jan	VS 6-Jan	20-Jan	VS 6-Jan
Equity trading	170	188	1.1x	196	1.2x
44 stocks	20	30	1.4x	34	1.7x
Margin Account for Day-trades	70	79	1.1x	90	1.3x
44 stocks	6	13	2.0x	19	2.9x

◆ Matsui's trends②(number of trades)

● Daily average (unit: # of trades)

Weekly	6-Jan	14-Jan	VS 6-Jan	20-Jan	VS 6-Jan
Equity trading	279,771	308,768	1.1x	301,447	1.1x
44 stocks	10,327	16,417	1.6x	19,265	1.9x
Margin Account for Day-trades	94,249	109,979	1.2x	109,508	1.2x
44 stocks	2,667	6,975	2.6x	9,926	3.7x

◆ Free of charge campaign (Jan. to Mar. 2014)

Trading value per an order	Interest rate p.a.	➔	Interest rate p.a.
JPY3mn or above	0%		0%
Under JPY3mn	2%		

Small tick will be applied for all stocks of TOPIX100 in July 2014

Details of Newly Offered Services

Campaign/Promotion	Improvement in Quality of Services to Customers
<p>◆ Cash back campaign for OSE FX trading (2013/7/1-2014/1/1) Discount commission charge for the customers who open new account</p> <p>◆ Campaign for ETF</p> <ul style="list-style-type: none"> • Cash back campaign for cash trading(2013/12/2-12/30) • Starting campaign for trading ETF(2014/1/6-1/31) <p>◆ Free of charge campaign for margin account for day-trades (2014/1/6-3/31) No commission charge and no interest rate</p>	<p>◆ Introduce the online cash transfer services at Sony Bank (2013/11/15-)</p> <p>◆ Upgrade ranking by trading value for day-trade in margin account for day-trades (2013/12/19-)</p> <p>◆ Introduce the information for ETF (2014/1/4-) Enable to search ETF shares easily and compare the performance with similar mutual funds, etc</p> <p>◆ No commission charge of equity trading on NISA* accounts (2014/1/6-) *NISA: Japanese version of Individual Savings Account</p>

The material is intended to provide the financial results for the quarter ended 31 December 2013 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 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

Kumiko HAYASHI : k-hayashi@matsui.co.jp