

Annual Results for 3QFY2022

Matsui Securities Co., Ltd.

January 26, 2023

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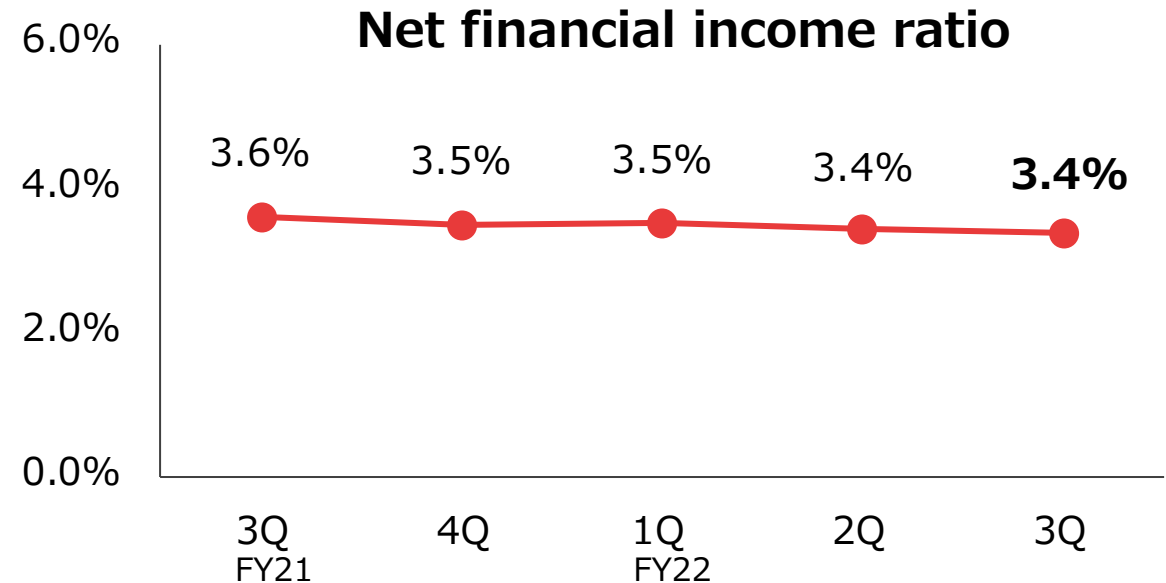
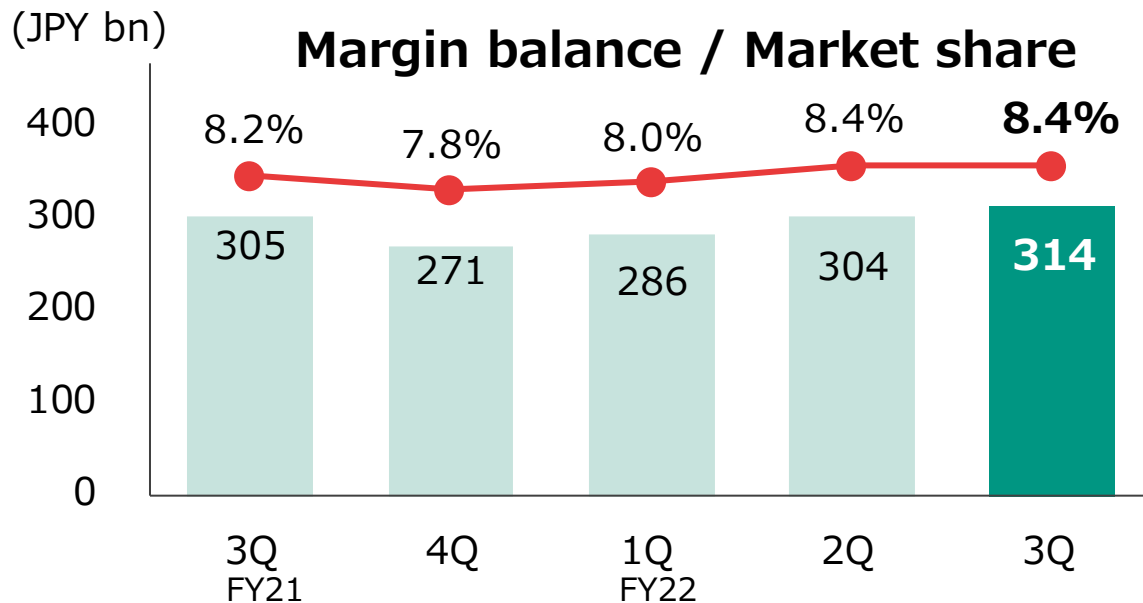
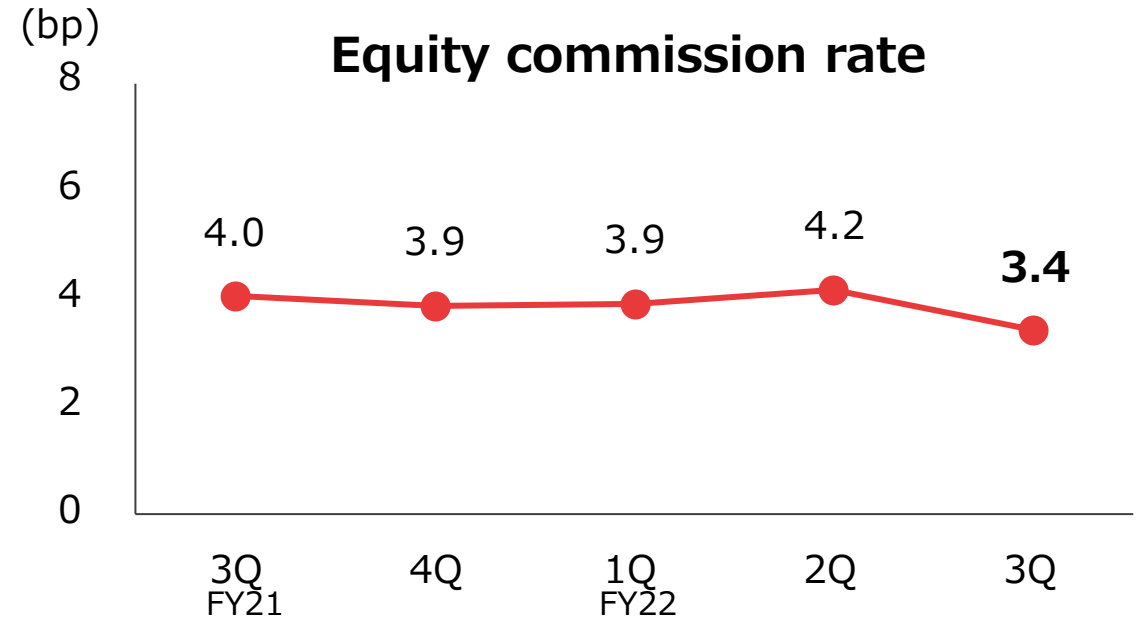
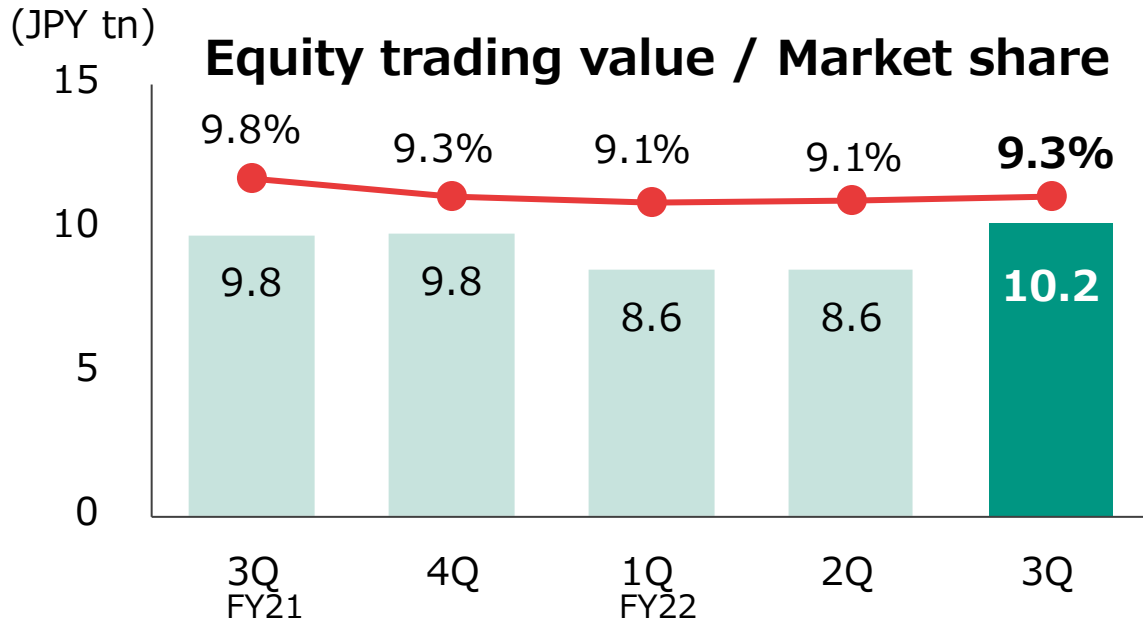
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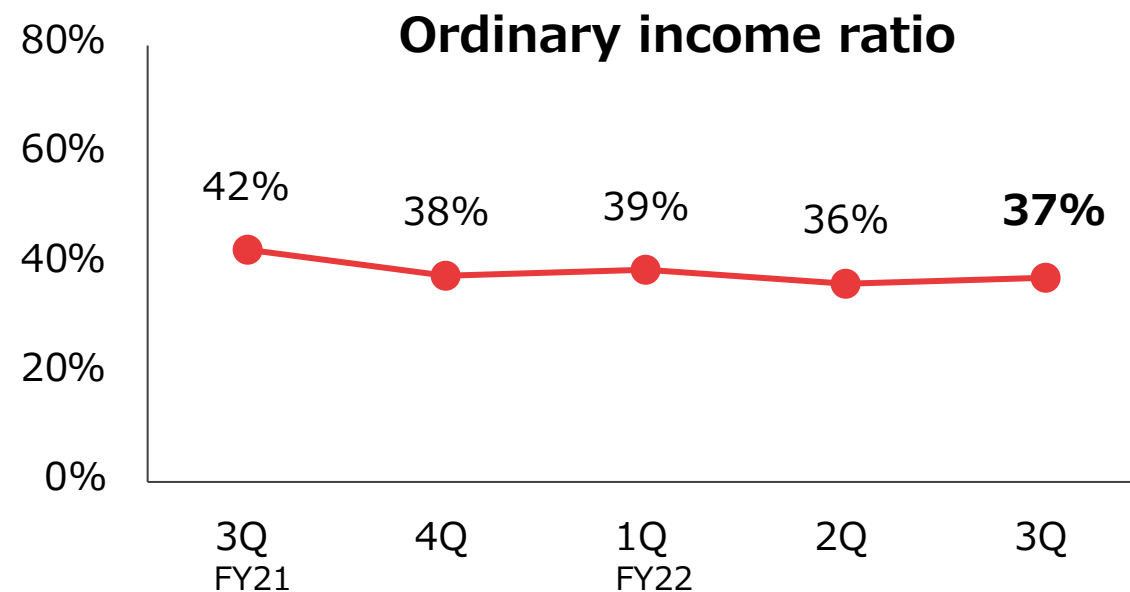
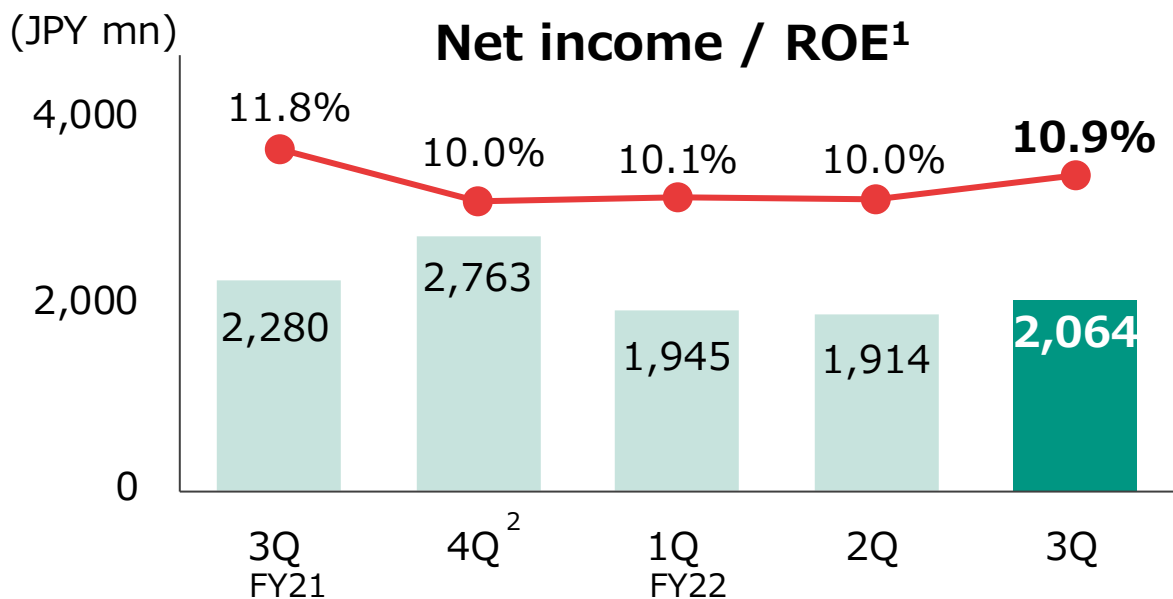
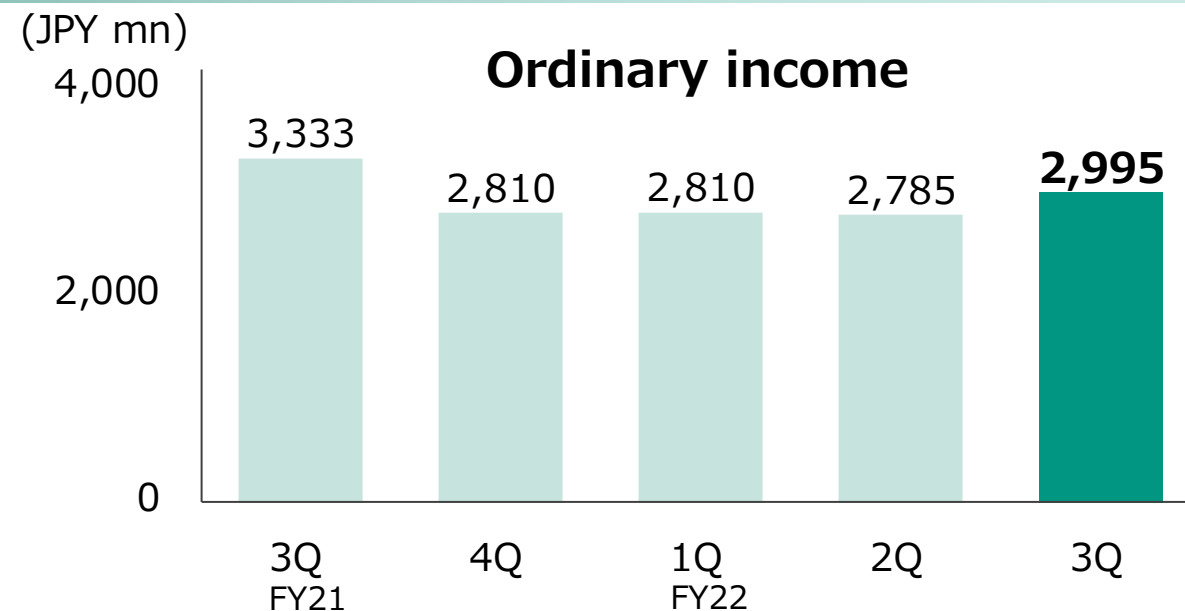
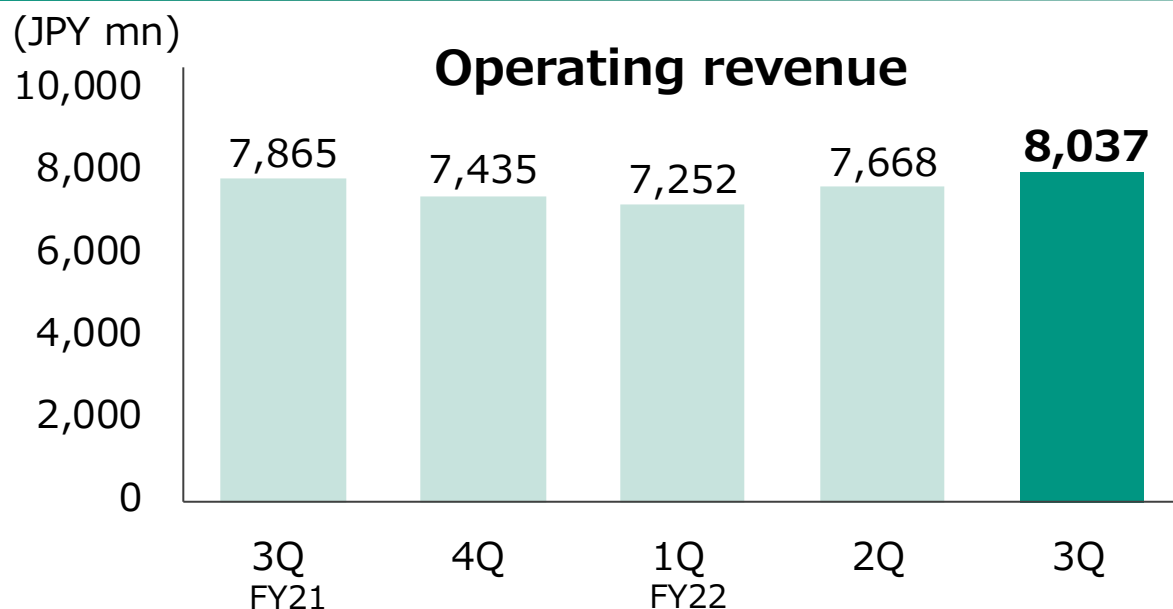
**03 Management Strategy
Recent Developments**

Appendix

Business Results



Financial Results



Note 1: Annualized on each quarter

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

Financial Summary

Summary of Financial Results

3Q FY2022

(JPY mn)

	3Q(Apr.-Dec.) FY2021	3Q(Apr.-Dec.) FY2022	YoY
Operating Revenues	23,181	22,957	-1%
Net operating revenues	22,341	21,228	-5%
SG&A	12,388	12,562	1%
Operating income	9,953	8,666	-13%
Ordinary income	9,981	8,591	-14%
Net income	8,677	5,924	-32%
Ordinary income ratio	43%	37%	-
Matsui's trading value (JPY tn)	28.6	27.4	-4%
Average margin balance (JPY bn)	322	290	-10%

Net income of 1QFY2021 includes 2.6 billion yen in extraordinary profit (Gain on Sale of Investment Securities)

Breakdown of Net Operating Revenues

3Q FY2022

(JPY mn)

	3Q(Apr.-Dec.) FY2021	3Q(Apr.-Dec.) FY2022	YoY
Commissions	13,129	12,076	-8%
Brokerage	12,508	11,414	-9%
Equity & ETF	11,818	10,497	-11%
Futures & Options	690	917	33%
Others	543	627	15%
Net trading income	658	1,657	152%
Interest & dividend income	9,393	9,225	-2%
Interest expenses	840	1,729	106%
Net interest income	8,553	7,495	-12%

Breakdown of SG&A

3Q FY2022

(JPY mn)

	3Q(Apr.-Dec.) FY2021	3Q(Apr.-Dec.) FY2022	YoY
Trading related expenses	4,713	4,183	-11%
Stock exchanges and securities	1,083	1,044	-4%
Communications expenses	1,437	1,277	-11%
Advertisement	1,504	1,150	-24%
Personnel expenses	2,204	2,371	8%
Occupancy & rental	734	672	-9%
Data processing & office supplies	2,446	3,045	24%
Depreciation	1,767	1,862	5%
Taxes and dues	413	272	-34%
Provision of allowance for doubtful accounts	△ 36	△ 29	-
Others	147	186	26%
Total SG&A	12,388	12,562	1%

Summary of Financial Results

Quarterly

(JPY mn)

	2QFY2022	3QFY2022	QoQ
Operating Revenues	7,668	8,037	5%
Net operating revenues	7,083	7,286	3%
SG & A	4,249	4,281	1%
Operating income	2,834	3,006	6%
Ordinary income	2,785	2,995	8%
Net income	1,914	2,064	8%
Ordinary income ratio	36%	37%	-
Matsui's trading value (JPY tn)	8.6	10.2	19%
Average margin balance (JPY bn)	293	297	1%

Breakdown of Net Operating Revenues

Quarterly

(JPY mn)

	2QFY2022	3QFY2022	QoQ
Commissions	4,109	4,033	-2%
Brokerage	3,875	3,806	-2%
Equity & ETF	3,595	3,531	-2%
Futures & Options	280	275	-2%
Others	229	203	-11%
Net trading income	455	748	64%
Interest & dividend income	3,103	3,256	5%
Interest expenses	585	751	28%
Net interest income	2,519	2,505	-1%

Breakdown of SG&A

Quarterly

(JPY mn)

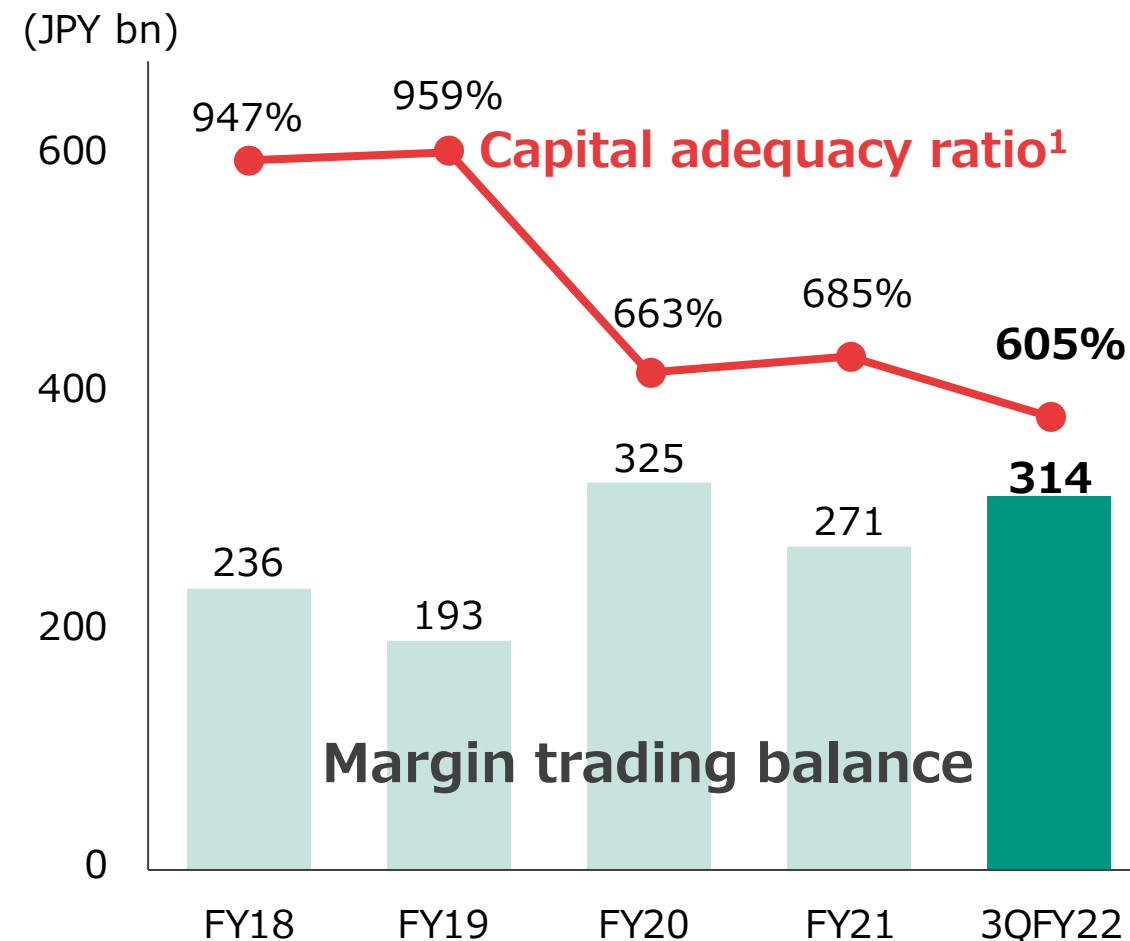
	2QFY2022	3QFY2022	QoQ
Trading related expenses	1,396	1,421	2%
Stock exchanges and securities	329	364	11%
Communications expenses	498	300	-40%
Advertisement	333	513	54%
Personnel expenses	800	794	-1%
Occupancy & rental	226	222	-1%
Data processing & office supplies	1,025	1,118	9%
Depreciation	612	642	5%
Taxes and dues	129	28	-79%
Provision of allowance for doubtful accounts	△ 2	6	-
Others	65	49	-25%
Total SG & A	4,249	4,281	1%

Regulatory Capital

Capital adequacy ratio (As of 30 December 2022)

(JPY mn)		
Tier 1	(A)	74,151
Tier 2	Net unrealized gain on investment	296
	Statutory reserves	3,103
	Allowance for doubtful accounts	31
	Sub total	(B) 3,431
Assets to be deducted from equity capital	(C)	14,004
Net Capital		
	(A) + (B) - (C)	(D) 63,578
Total risk	Market risk	16
	Counterparty risk	6,558
	Basic risk	3,932
	Total	(E) 10,507
Capital Adequacy ratio	(D)/(E)	605%

Margin trading balance and capital adequacy ratio



Note 1 : The average of capital adequacy ratio of the five major online brokers is 377%.
(as of Sep. 30, 2022)

Shareholders Return

Plan to pay year-end dividend of **20 yen** per share for FY22

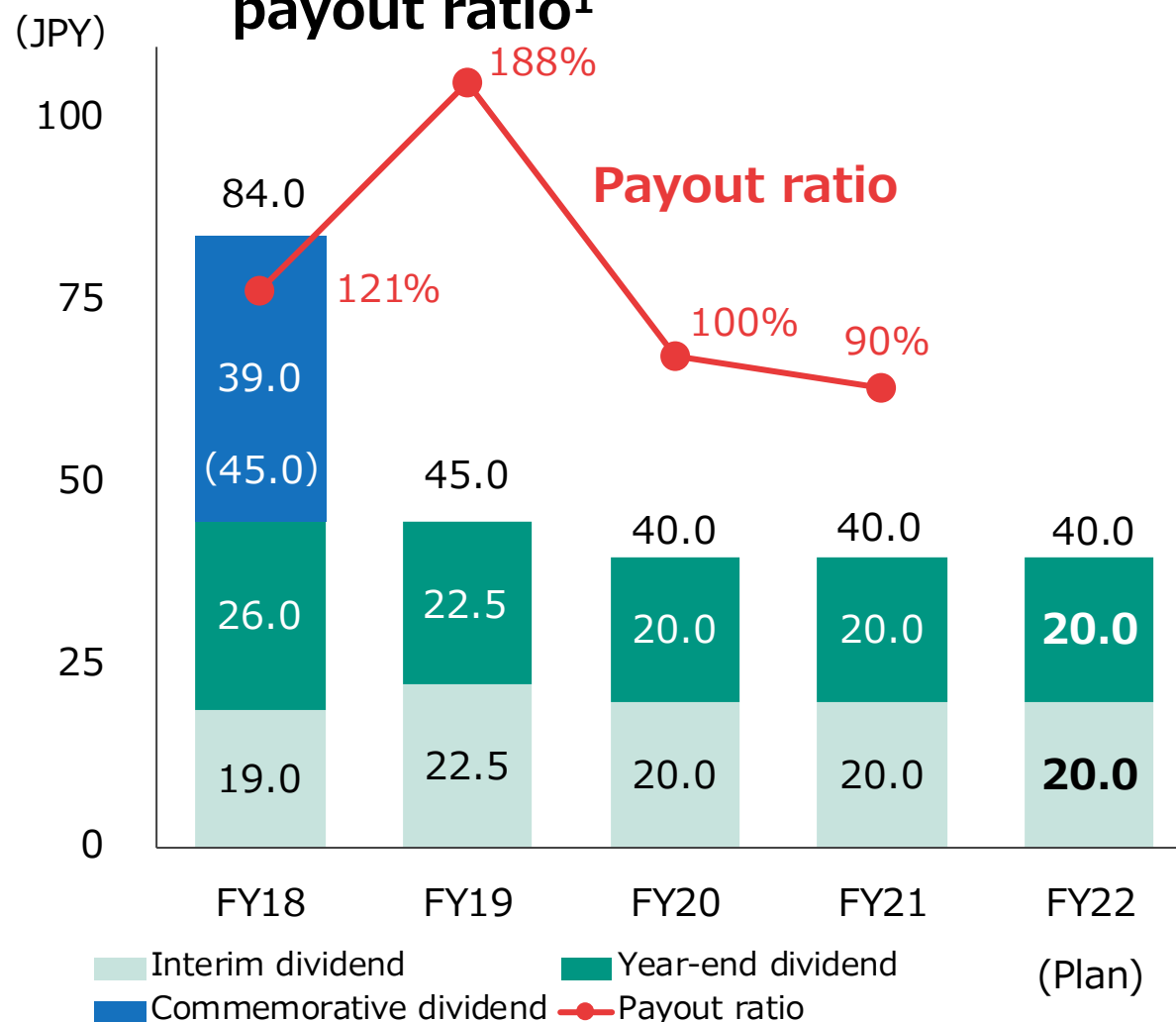
Dividends for FY22

- Interim : **20 yen** per share
- Year-end : **20 yen** per share (Plan)

Dividend policy

Dividends Payout Ratio : 60% and above
and
Dividends on Equity(DOE) : 8% and above

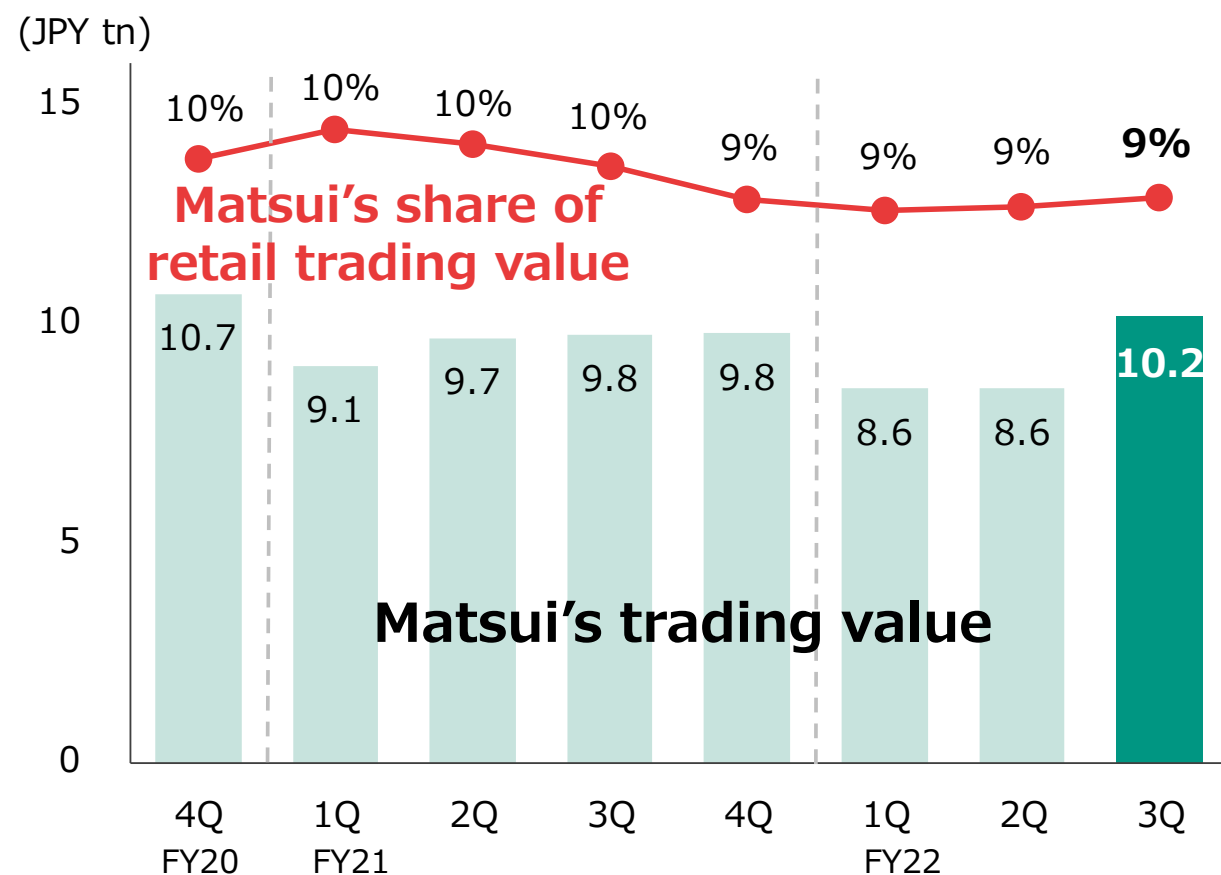
Matsui's dividend per share and payout ratio¹



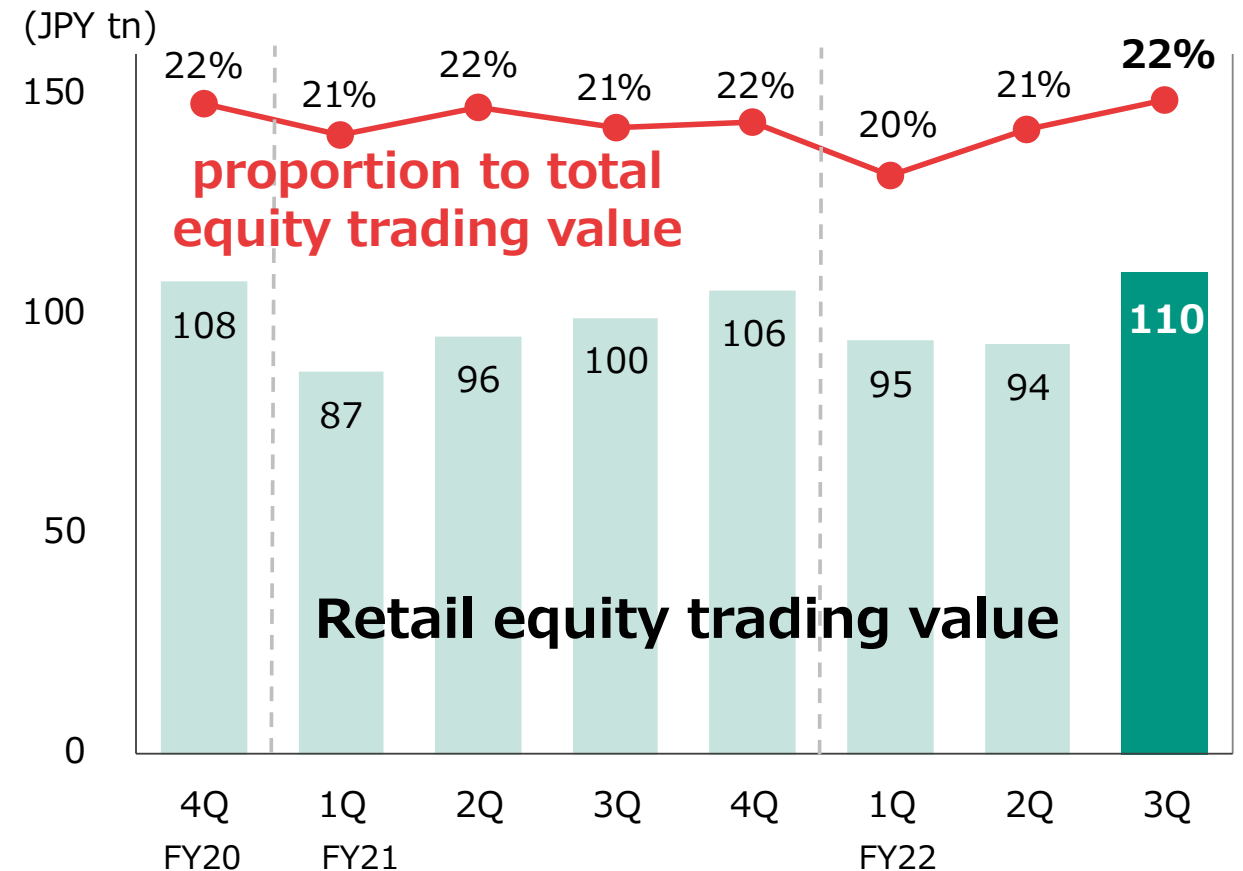
Business Results

Equity Trading Value

Matsui's equity trading value and its market share¹



Retail equity trading value¹ and proportion to total equity trading value



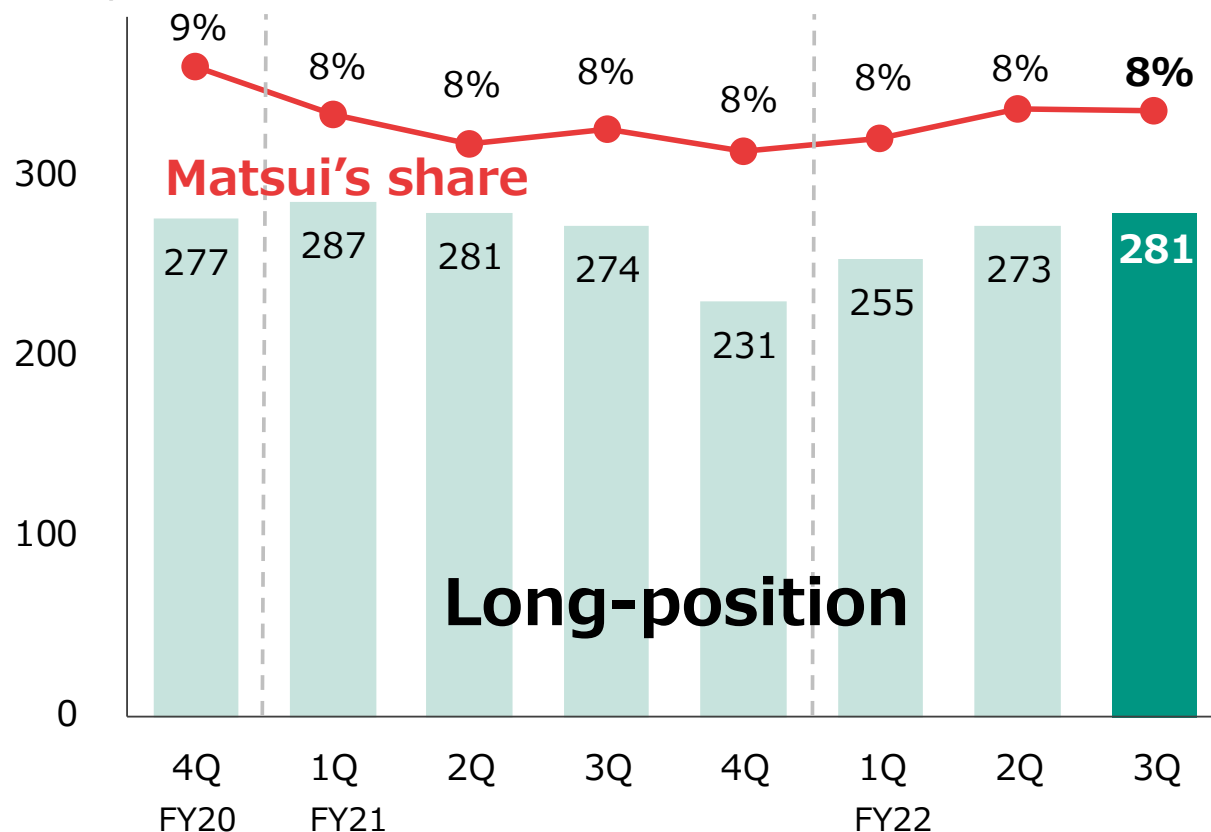
Source: TSE

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

Margin Trading Balance

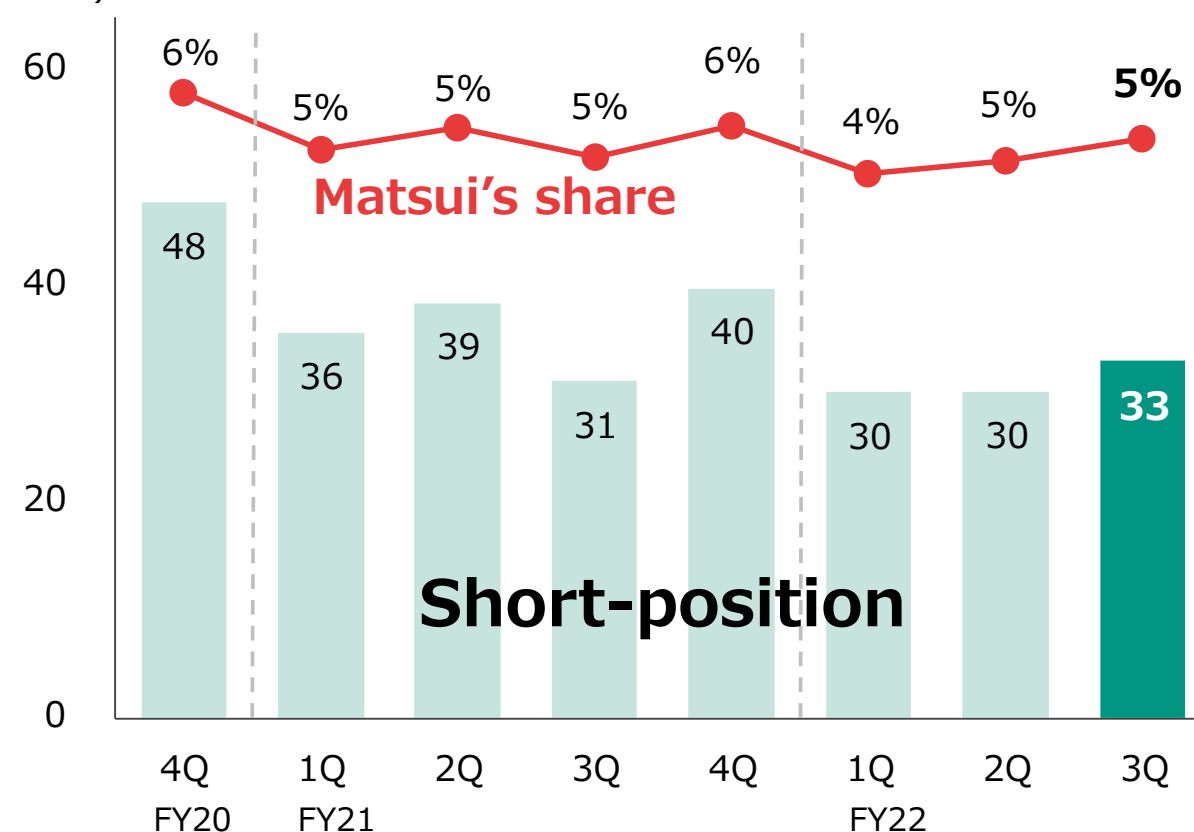
**Matsui's long-position on margin¹
and its market share²**

(JPY bn)



**Matsui's short-position on margin¹
and its market share²**

(JPY bn)

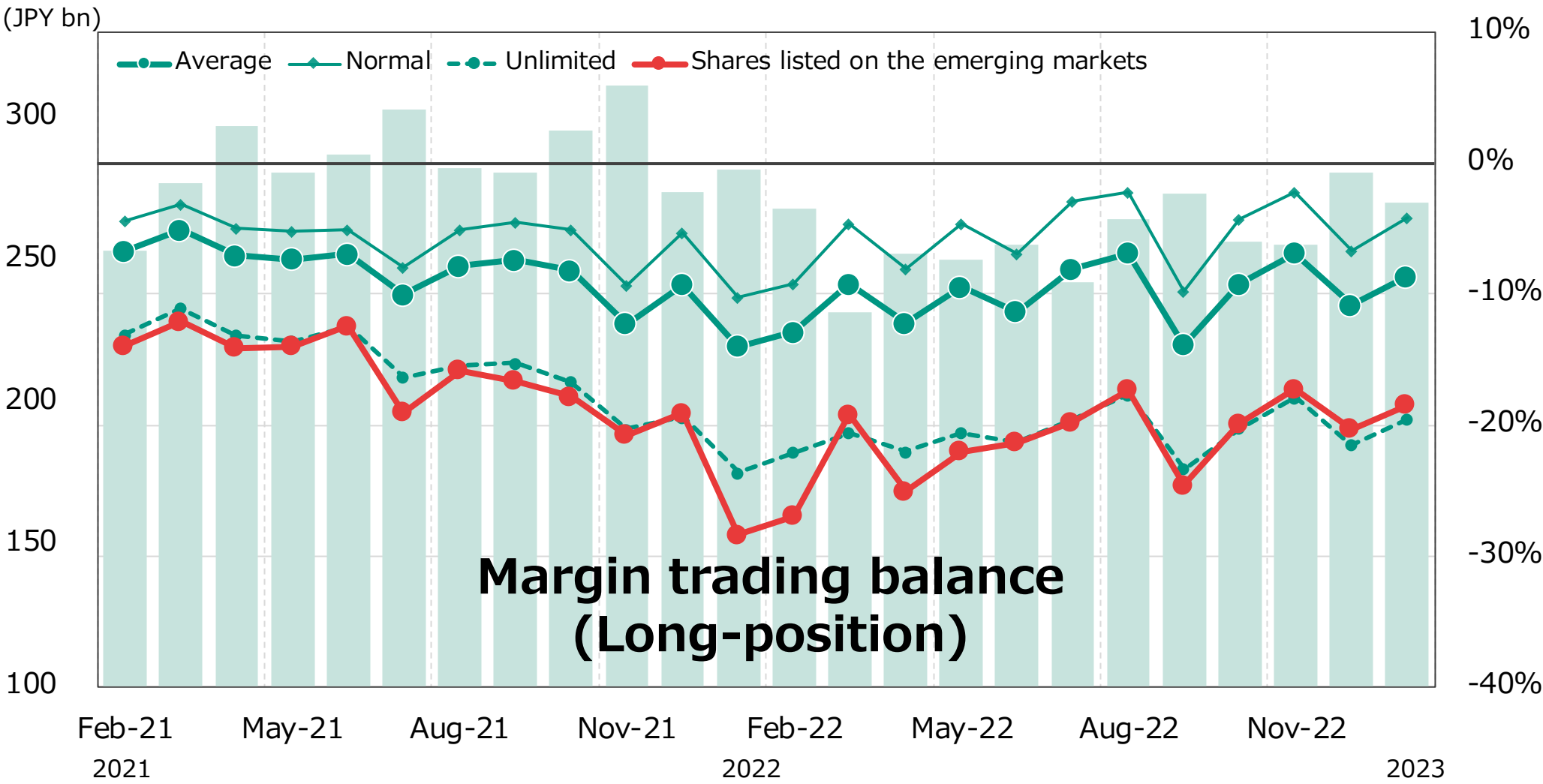


Source: TSE, Company Websites

Note1 : Balance as of the end of each quarter

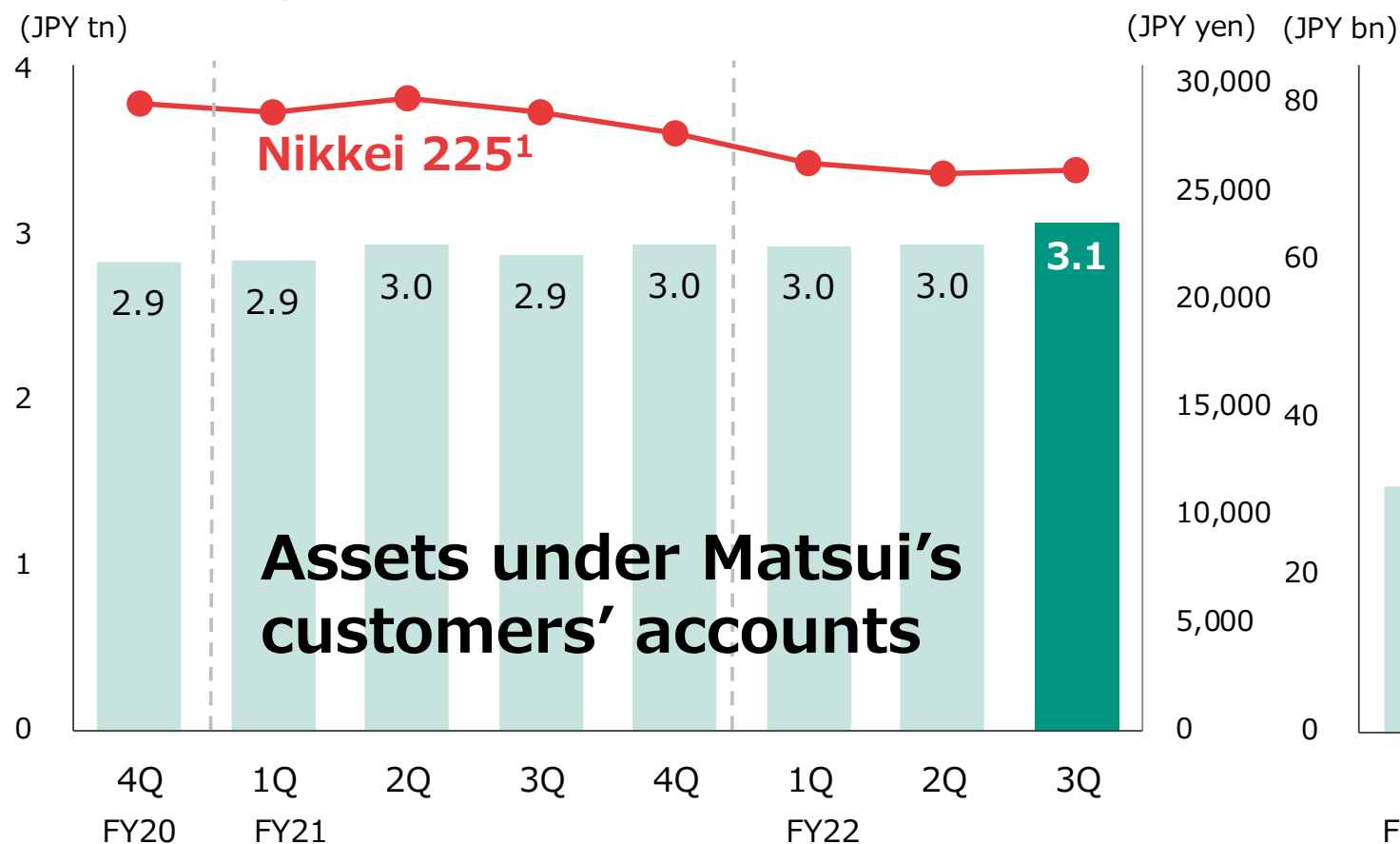
Note2 : Total market share in 2 major stock exchanges

Unrealized Losses (Long-position)

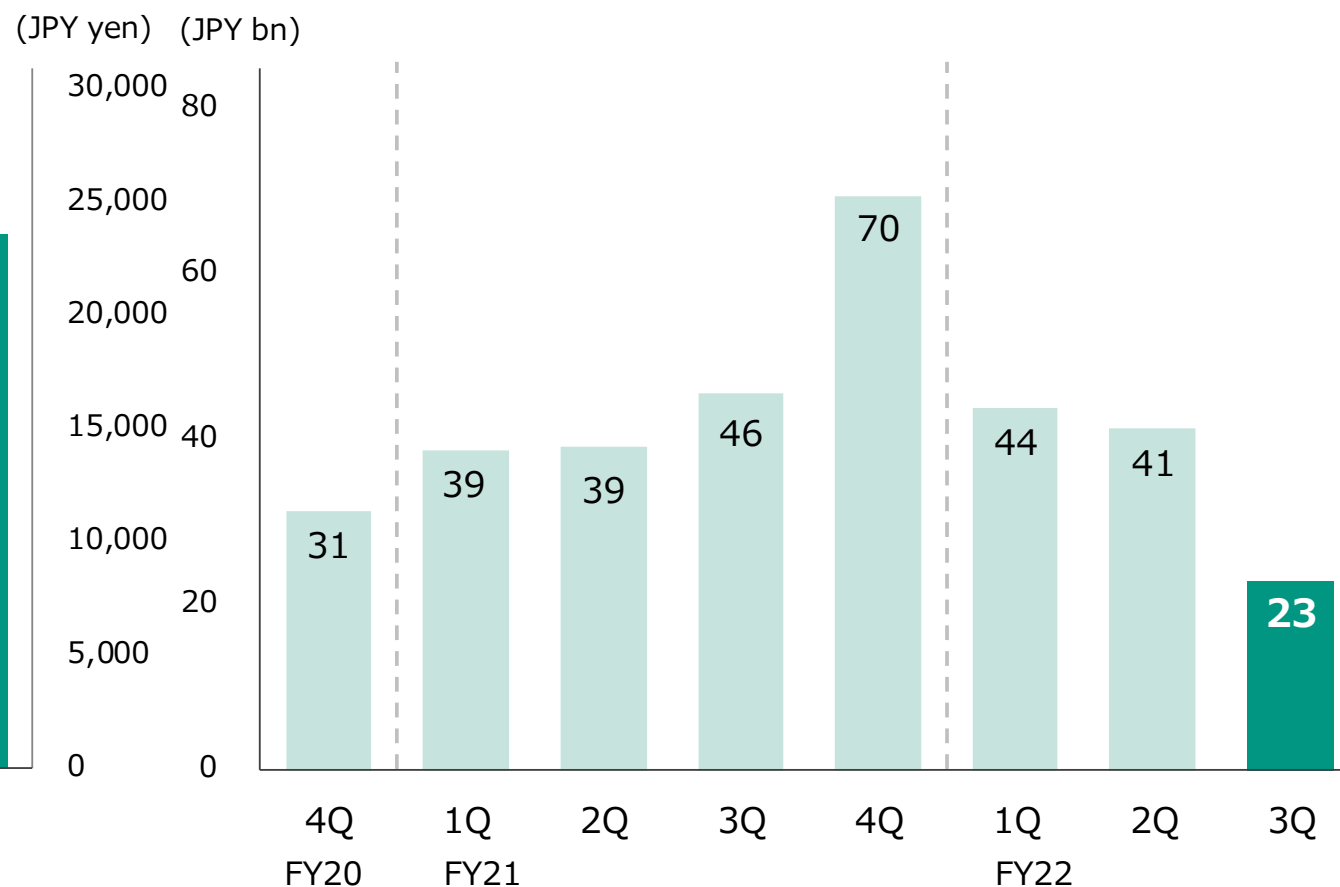


Assets under Customers' Accounts

Assets under Matsui's customers' accounts



Net inflow in cash and stocks²

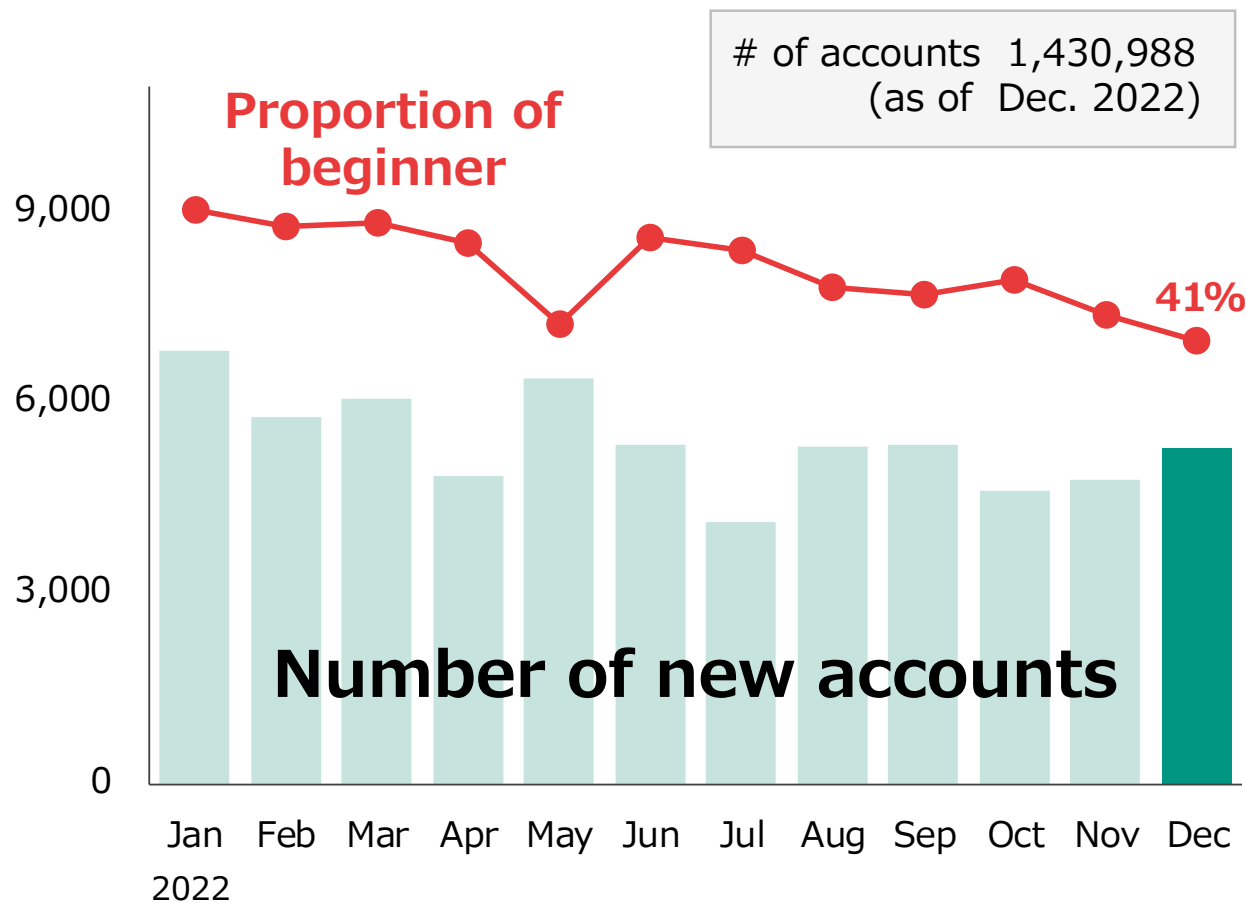


Note 1: Nikkei 225 is the closed price at the end of each quarter

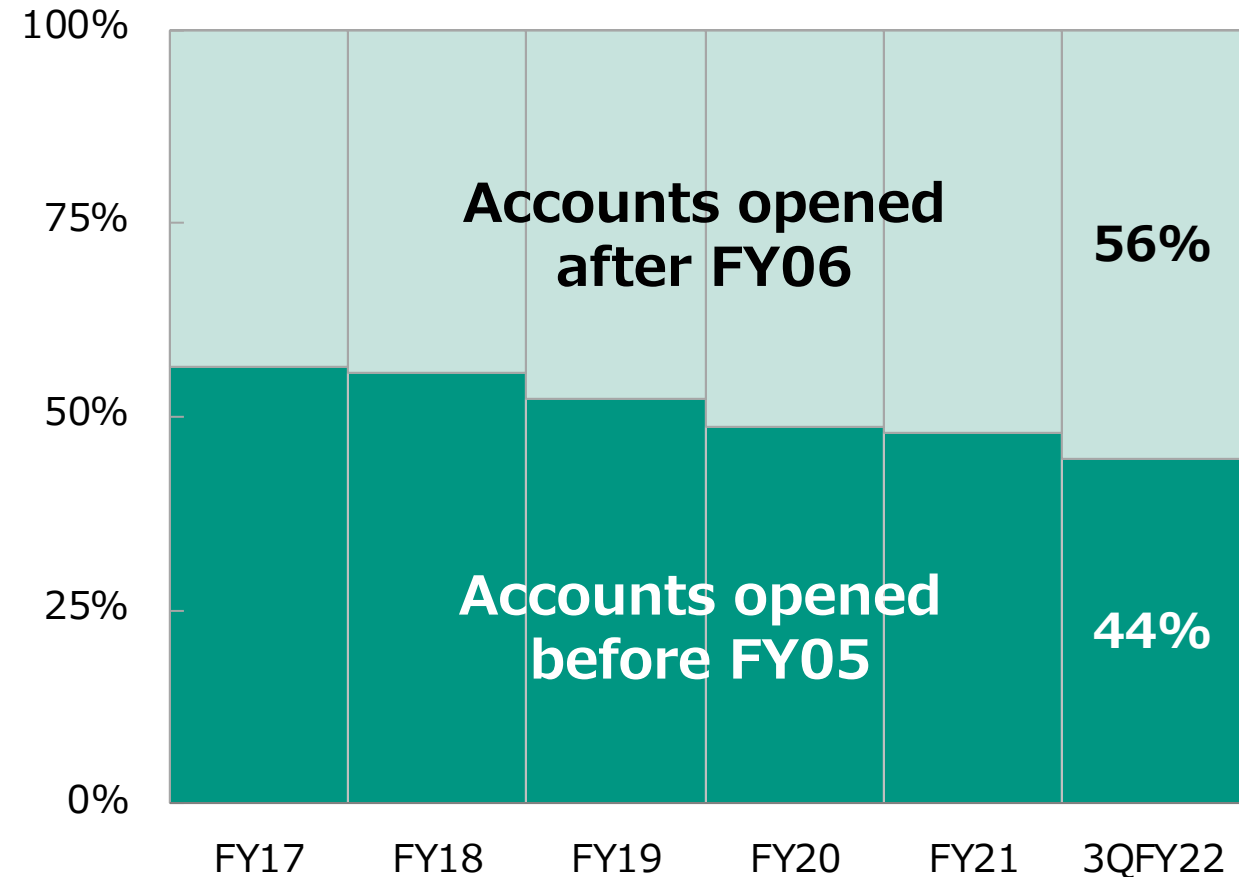
Note 2: Including the net inflow in mutual funds

Number of Accounts

Number of accounts at Matsui

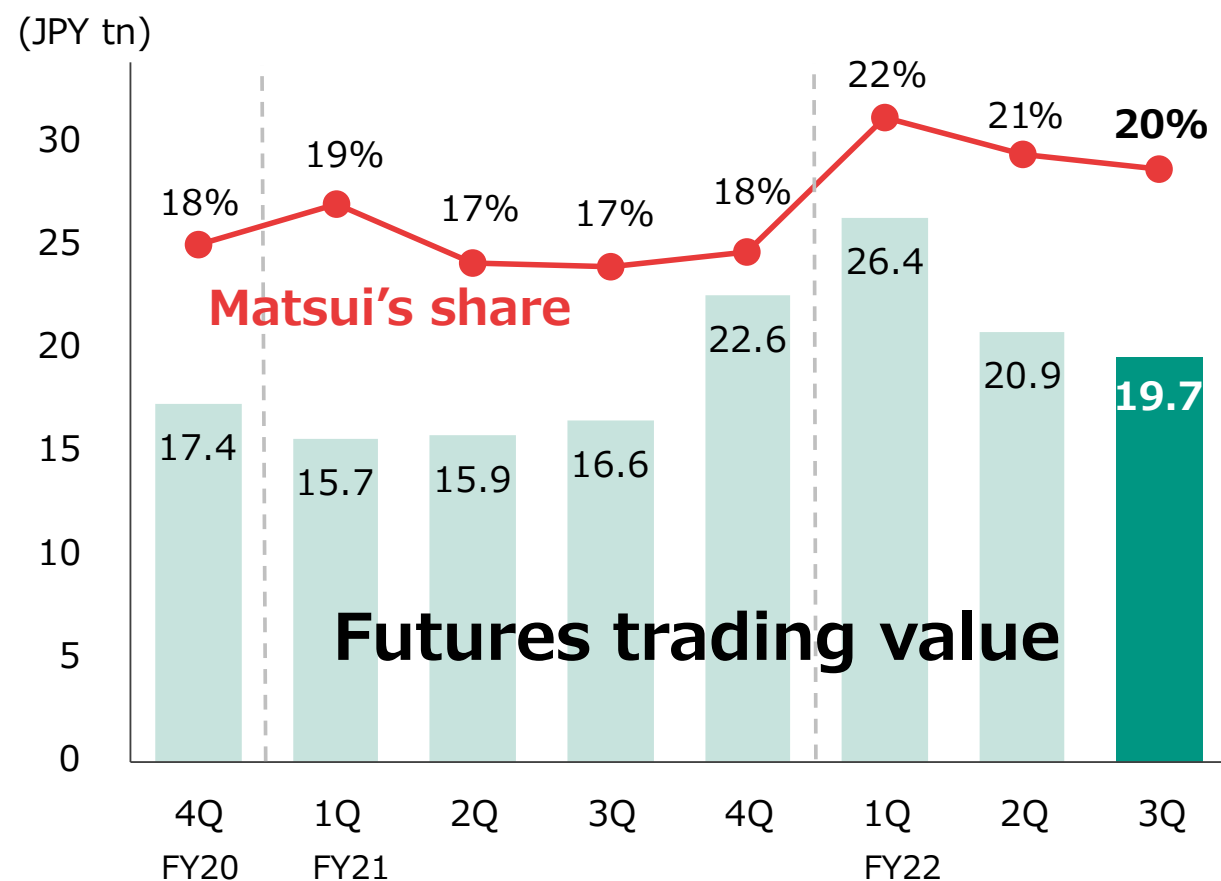


Breakdown of trading value¹ by customers opening the accounts in each fiscal year

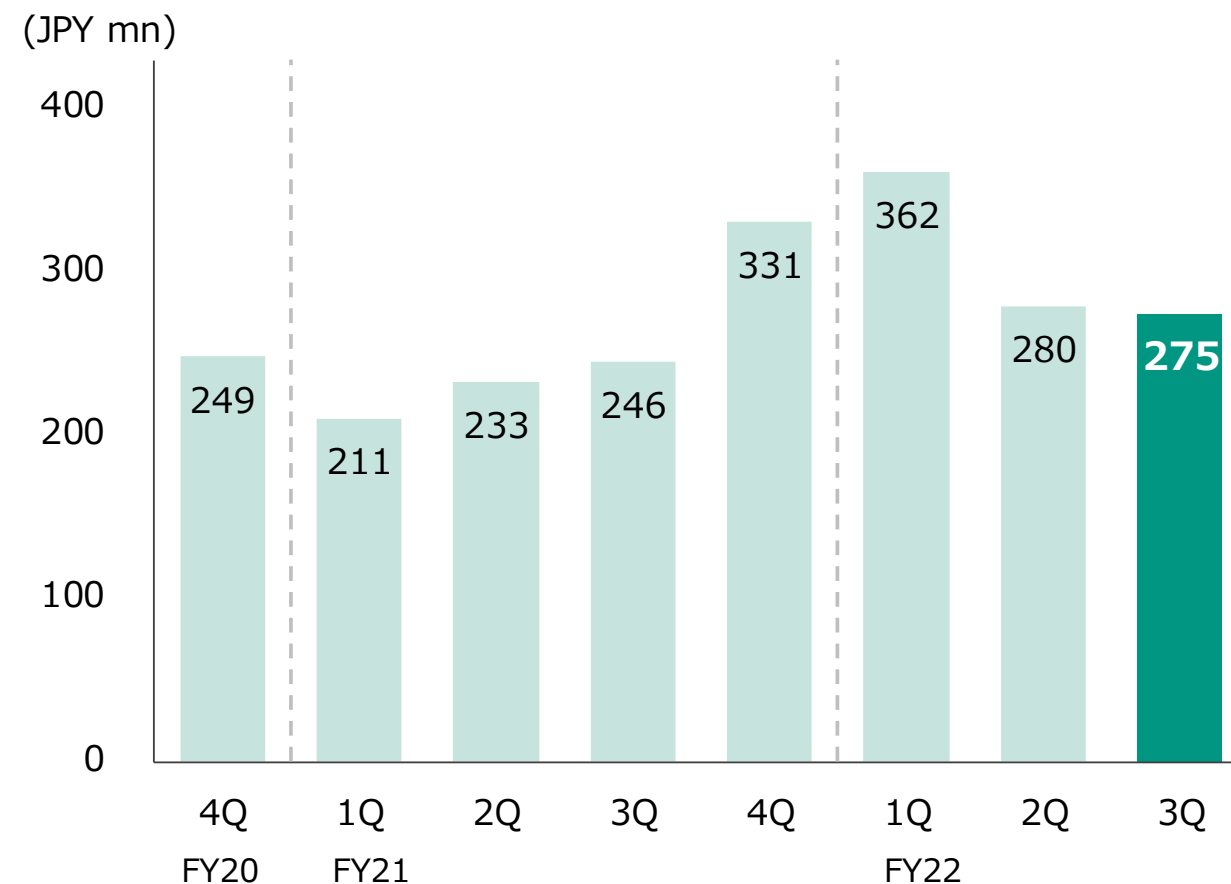


Futures Trading

Matsui's OSE Nikkei 225 Futures trading value¹ and its market share¹

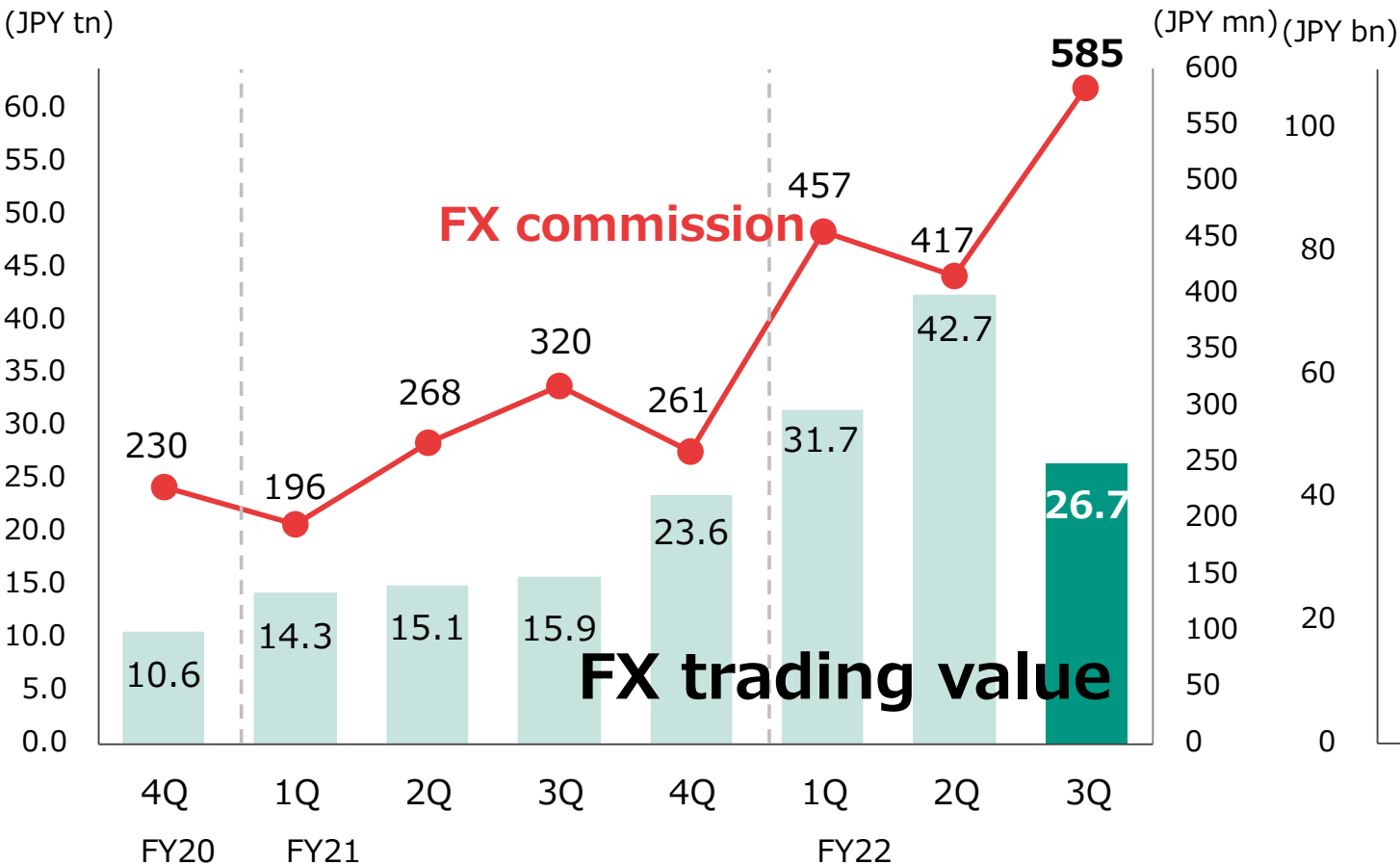


Commissions of Futures and Options

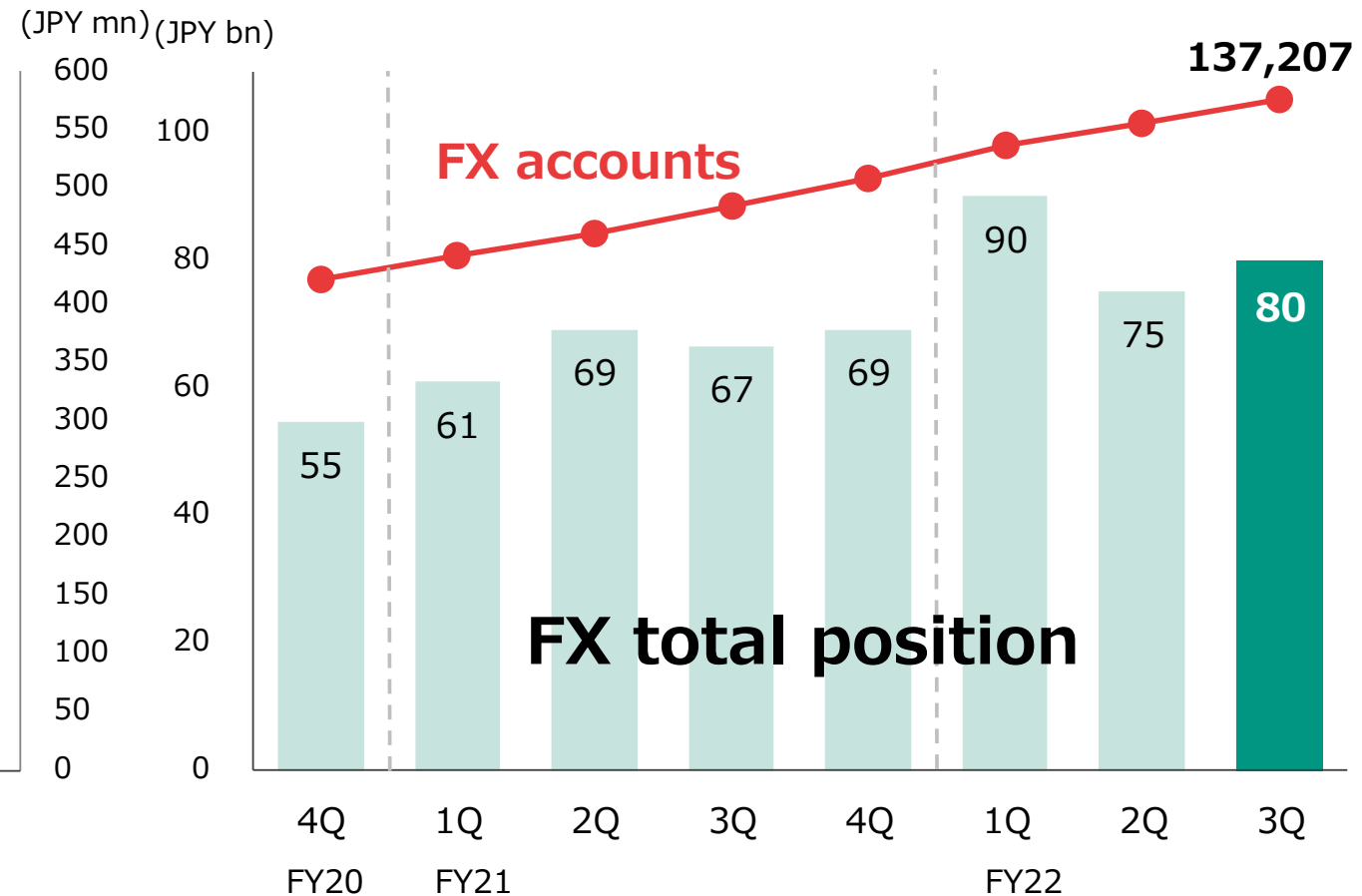


FX Margin Trading

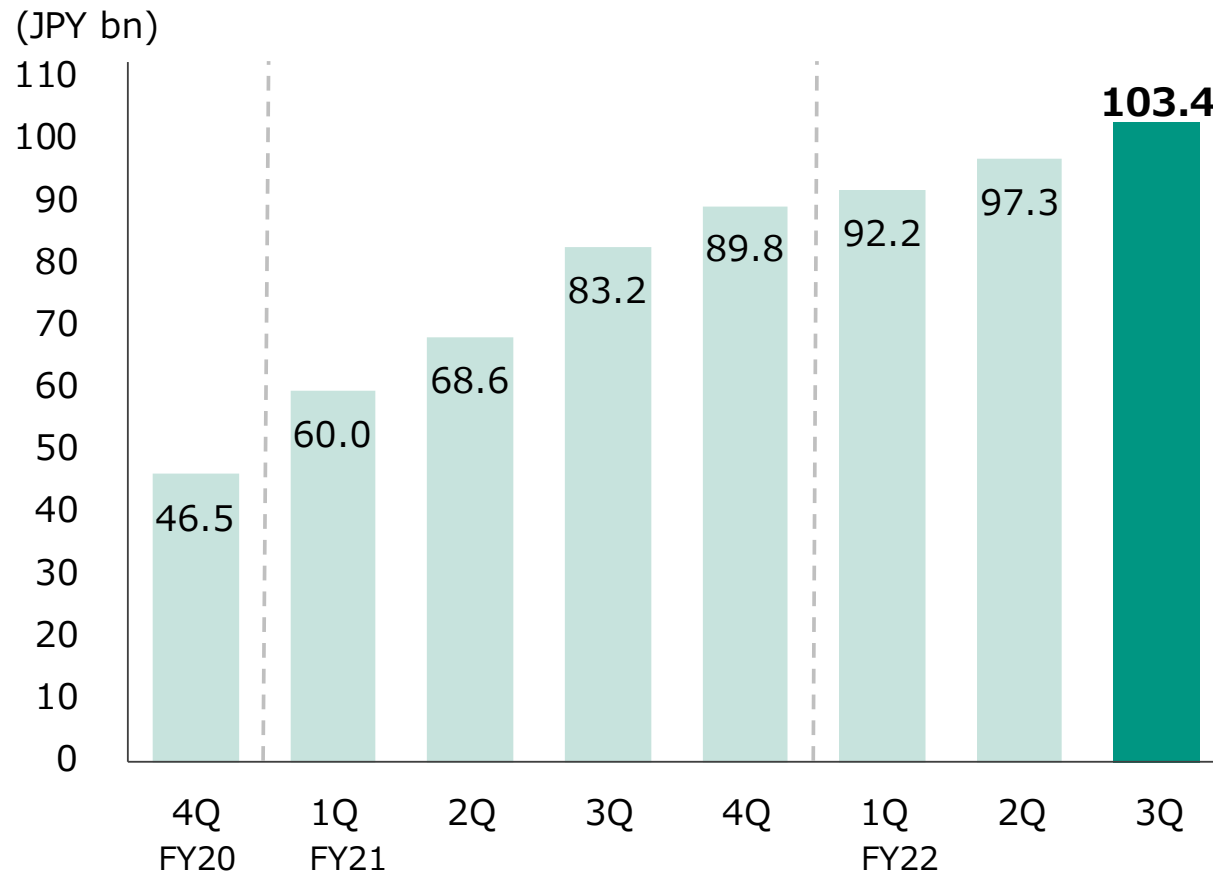
FX trading value and commission



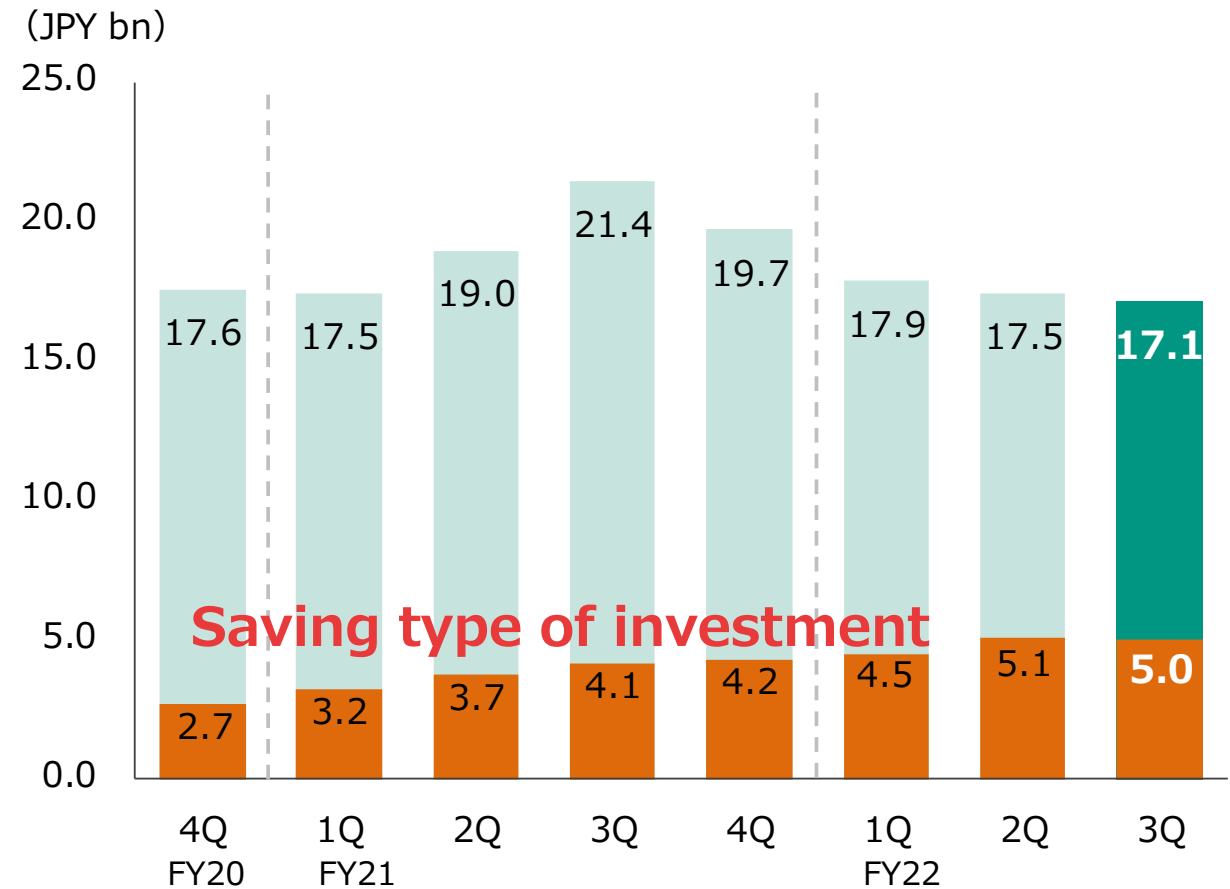
FX total position and accounts



Matsui's AUM of mutual fund



Matsui's mutual fund sales



Management Strategy

Recent Developments

Embody the image to convey to customers and
the value to provide

投資をまじめに、おもしろく。

MATSUI

松井証券

Basic value proposition

Reliability in choosing a brokerage firm

- Strong financial base
- Stable system
- Customer oriented attitude

New value proposition

Provide various investment ideas

- Services that make investment familiar
- Experiences that lead to life discovery and growth

Brand Statement

Matsui Securities will tell you the fun and possibilities of investment.
Through new discoveries,
You will find it something enriching your lives.

Matsui Securities will bring you closer, the emotional distance between you and your investment.
From "difficult to understand" to "easy to understand".
From "a little scary" to "want to try".

Therefore, we never forget to face investment "seriously".
We provide ideas to make investment "fun", one after another.

Make investment more accessible and attractive.
Our challenge still goes on.

**Let's find it with us, investment is
serious and interesting.**



Point
1

The curved alphabet logo means the horizon and expresses expansion as a company. The logo includes the desire to open up new horizons.

Point
2

The corporate color green, which has been the symbol of the company since its establishment, and "Matsui Securities" written in Kanji are adopted to express the company's commitment to solid corporate activities as a financial institution.

Appeal a new cohesive brand image

■ Website renewal

- ✓ Responsible web design
- ✓ Expand investment information



■ Image character

- ✓ Appoint Mizuki Yamamoto who is popular among people of all ages

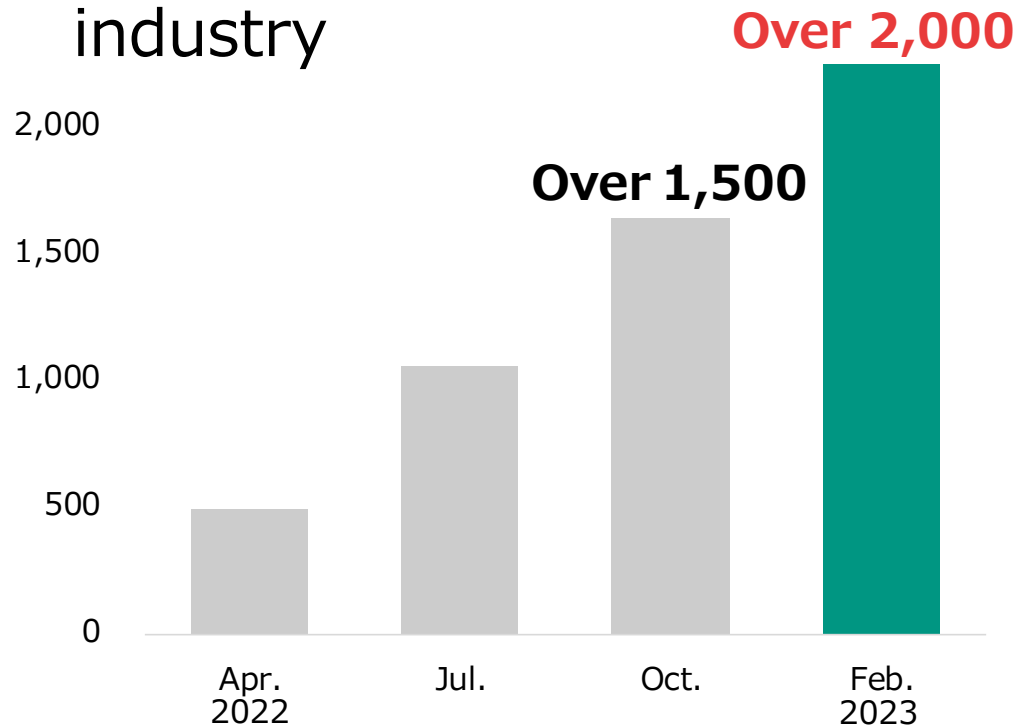


Continue to expand services

■ Increase # of tradable stocks (Feb.)

- ✓ 600 more stocks to be added
- ✓ Largest number of ETFs in the

industry



■ Introduce foreign currency settlement (Feb.)

- ✓ Expand services to include a choice of settlement currency

Currency to trade US stocks

Yen or USD can be selected for each order.

Receipt of dividends

Currently receive in Yen ➡ Change to do in USD

For more competitive services

■ Offer the lowest spreads (Jan.)

- ✓ Spreads change based on order quantity



Note1: Up to 10,000 currencies per order, USD/JPY up to 1,000 currencies

https://www.matsui.co.jp/news/2022/detail_1226_01.html

■ API disclosure

- ✓ Enable linkage with automatic trading tools etc.
- ✓ Plan to connect with QUOREA FX

Feature

Easy to connect via the Internet and incorporate into tools, etc.

Matsui Securities manages IDs and passwords, reducing the burden on businesses

All trading functions such as orders, open interest inquiries, exchange rates, etc.

<https://www.matsui.co.jp/company/press/2022/pr221222.html>

Continuously improve service quality

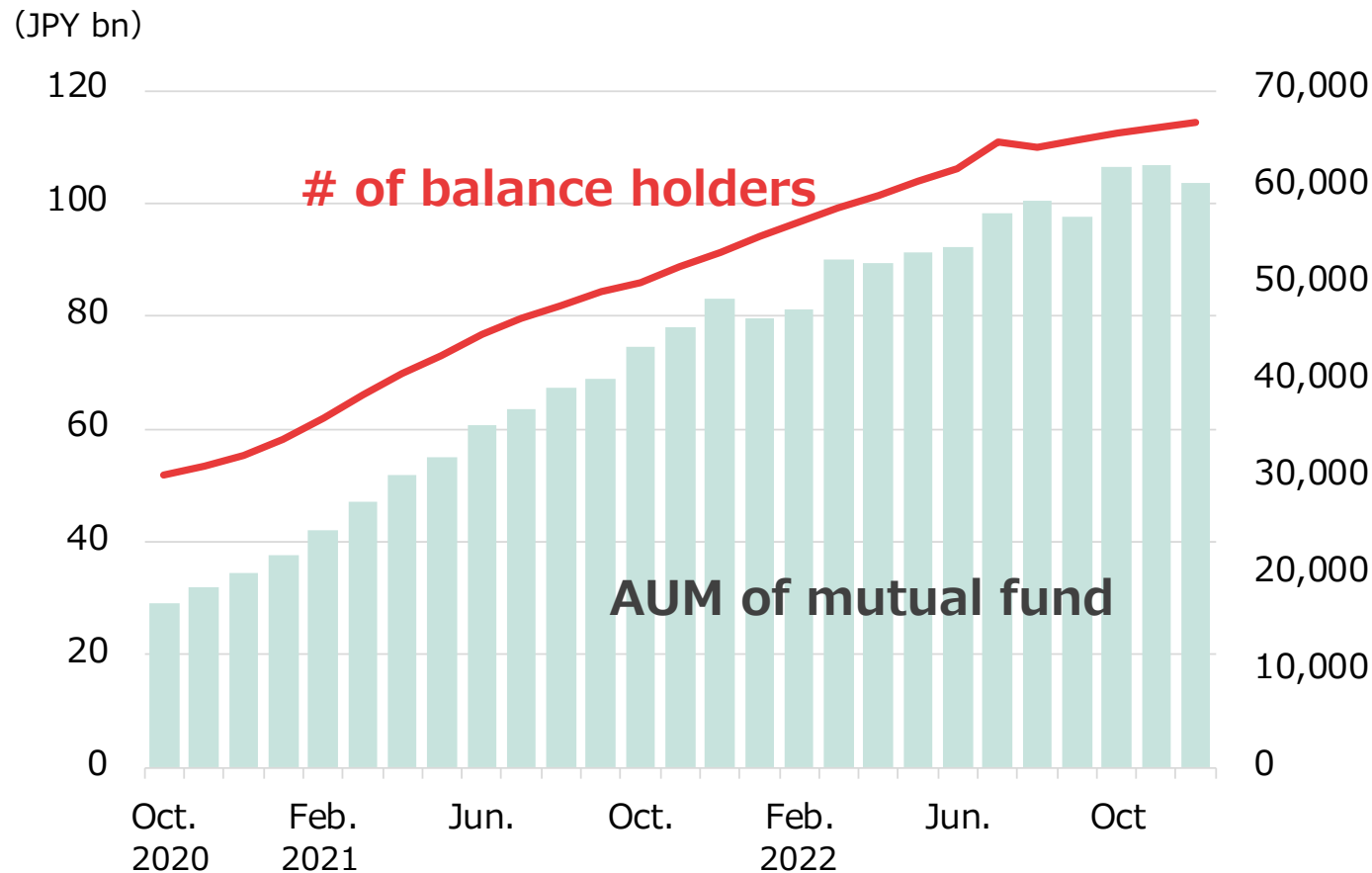
■ Rise to 3rd place in the ranking among the industry

			NO.	Participation Ratio
1	(1)	SBI	75	99%
2	(2)	RAKUTEN	54	71%
3	(4)	MATSUI	47	62%
4	(3)	MONEX	46	61%
5	(5)	SMBC NIKKO	40	53%
6	(5)	MIZUHO	39	51%
7	(5)	DAIWA	38	50%
8	(-)	OKASAN	34	45%
9	(6)	NOMURA	32	42%

Note: Results for Apr.- Dec. 2022, 2Q ranking in parentheses

Continue efforts to increase balances and customers

■ AUM and # of balance holders



■ Continue campaigns

- ✓ Supporting Long-Term Savings Investments



<https://www.matsui.co.jp/event/point03/>

- ✓ Appeal for cross-selling with other products



<https://www.matsui.co.jp/campaign/detail/63.html>

Create its Trigger for Investment

Provide useful ideas and information for investment to improve customer experience value

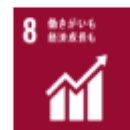
■ Provide various information on website specialized for video contents

- ✓ Upload special programs that alert to sudden market changes and support decision-making for investment

■ Reached the second largest YouTube channel among the industry

- ✓ Continuously provide new programs

Disclosure of Materiality

Materiality			SDGs		
Business	Sound development of society	- Improvement of accessibility to financial market - Efforts to promote fairness in the securities markets			
	Support for investment and asset building	- Offer various financial products and services - Providing easy-to-understand information			
Management base	Well-being and diversity of executives and employees	- Recruitment, retention, and development of diverse human resources - Develop diverse careers and highly professional human resources - Creating a rewarding work environment			
	Management Structure to Support Business Growth	- Enhancement of Corporate Governance - Enforcement of compliance - Maintenance of a high level of information security			

- **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**
 - ✓ **Add contents on YouTube and Money Satellite**
 - ✓ **Promote DX at customer call center**

Appendix

Summary of Financial Results

(JPY mn)

	FY2020	FY2021				FY2022		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating Revenues	8,512	7,476	7,840	7,865	7,435	7,252	7,668	8,037
Net operating revenues	8,190	7,181	7,566	7,594	7,098	6,858	7,083	7,286
SG & A	4,464	4,122	4,002	4,265	4,279	4,032	4,249	4,281
Operating income	3,726	3,060	3,564	3,329	2,819	2,826	2,834	3,006
Ordinary income	3,747	3,103	3,545	3,333	2,810	2,810	2,785	2,995
Net income	2,536	3,954	2,443	2,280	2,763	1,945	1,914	2,064
Ordinary income ratio	44%	41%	45%	42%	38%	39%	36%	37%
Matsui's trading value (JPY tn)	10.7	9.1	9.7	9.8	9.8	8.6	8.6	10.2
Average margin balance (JPY bn)	289	321	322	322	293	281	293	297

Breakdown of Net Operating Revenues

(JPY mn)

	FY2020	FY2021				FY2022		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commissions	5,347	4,249	4,470	4,410	4,325	3,933	4,109	4,033
Brokerage	5,147	4,062	4,247	4,199	4,131	3,734	3,875	3,806
Equity & ETF	4,898	3,851	4,014	3,953	3,800	3,372	3,595	3,531
Futures & Options	249	211	233	246	331	362	280	275
Others	188	177	192	175	194	195	229	203
Net trading income	217	137	237	284	218	454	455	748
Interest & dividend income	2,948	3,090	3,132	3,171	2,892	2,865	3,103	3,256
Interest expenses	322	295	274	271	337	394	585	751
Net interest income	2,626	2,795	2,858	2,900	2,555	2,471	2,519	2,505

Breakdown of SG&A

(JPY mn)

	FY2020	FY2021				FY2022		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Trading related expenses	1,828	1,564	1,500	1,649	1,501	1,366	1,396	1,421
Stock exchanges and securities	405	354	359	370	376	351	329	364
Communications expenses	503	483	466	488	492	479	498	300
Advertisement	661	492	450	563	399	304	333	513
Personnel expenses	801	706	733	765	850	778	800	794
Occupancy & rental	255	256	240	239	318	224	226	222
Data processing & office supplies	832	805	777	864	876	902	1,025	1,118
Depreciation	544	588	592	588	609	609	612	642
Taxes and dues	117	163	124	125	103	114	129	28
Provision of allowance for doubtful accounts	42	△ 22	△ 5	△ 9	△ 19	△ 33	△ 2	6
Others	45	62	41	44	42	72	65	49
Total SG & A	4,464	4,122	4,002	4,265	4,279	4,032	4,249	4,281

投資をまじめに、おもしろく。



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

【Contact information】

Matsui Securities Co., Ltd. URL: <https://www.matsui.co.jp/company/>

Investor Relations Tel: +81-3-5216-0784 Mail: ir@matsui.co.jp