



Matsui Securities Co., Ltd.

(First Section of Tokyo Stock Exchange: 8628)

Annual Results for FY2007

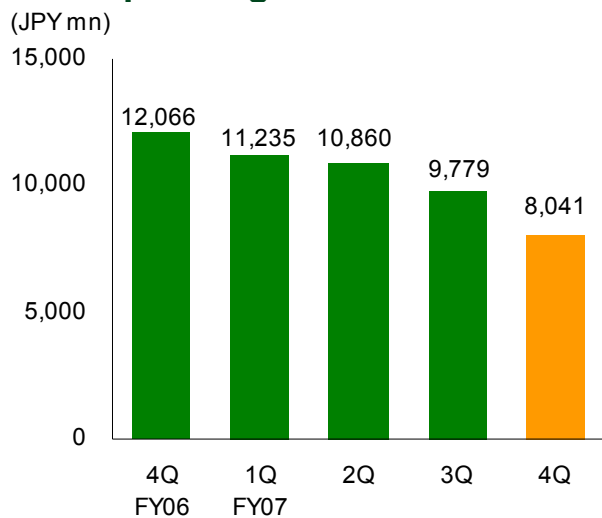
May 2008

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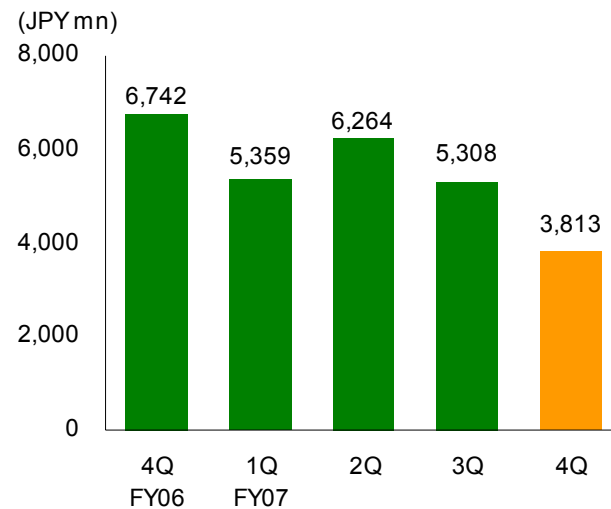
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Financial Results

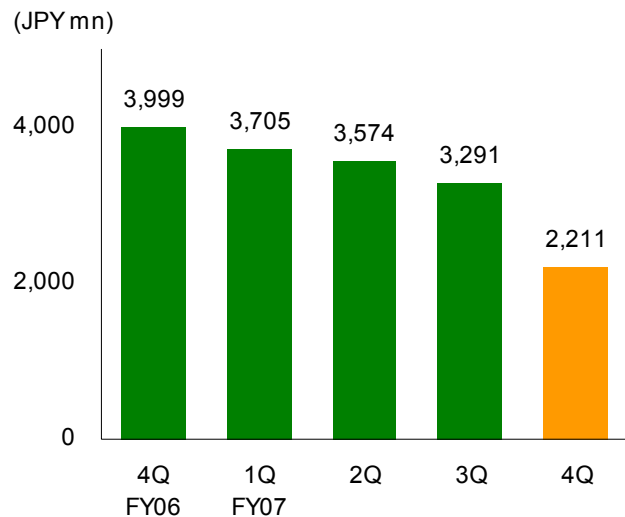
◆ Operating revenues



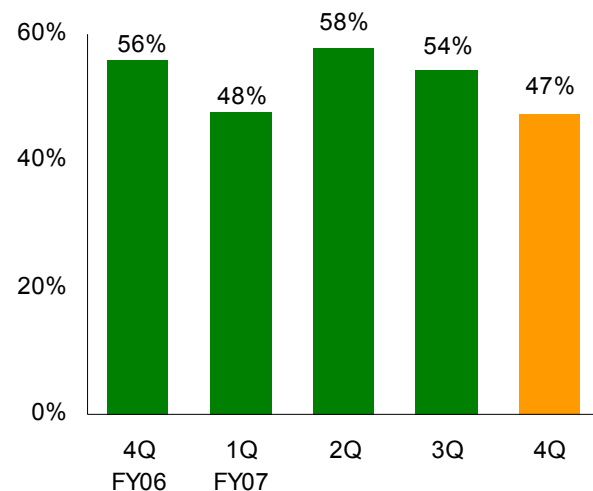
◆ Ordinary income



◆ Net income

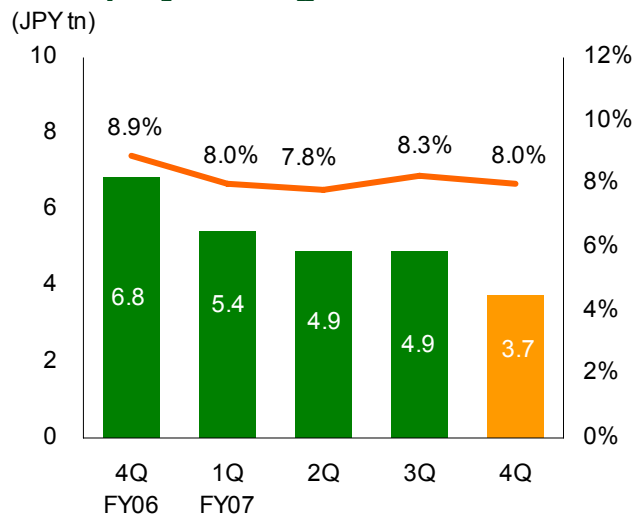


◆ Ordinary income ratio

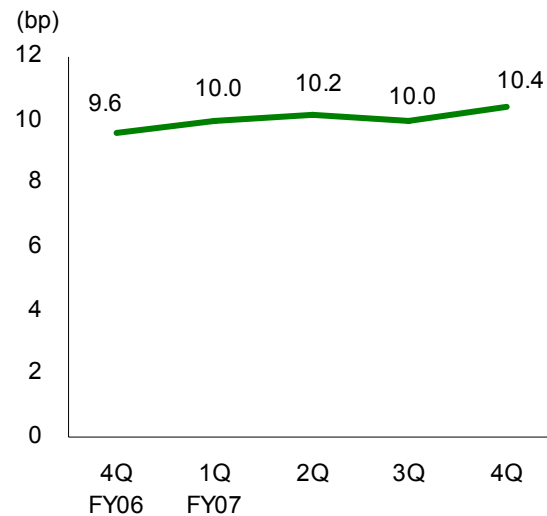


Results of Operation

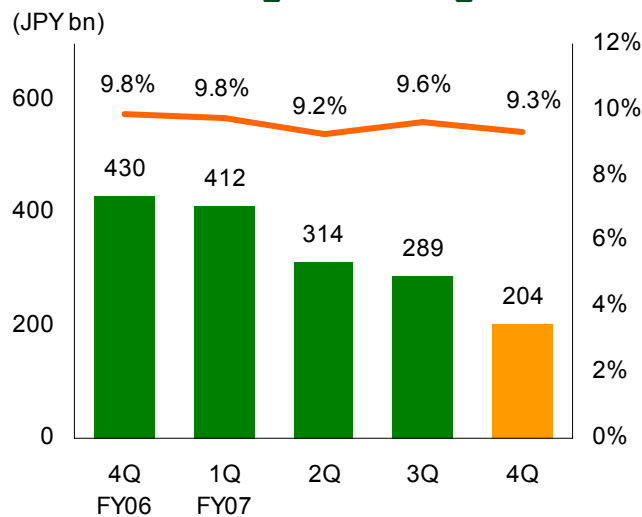
◆ Equity trading value



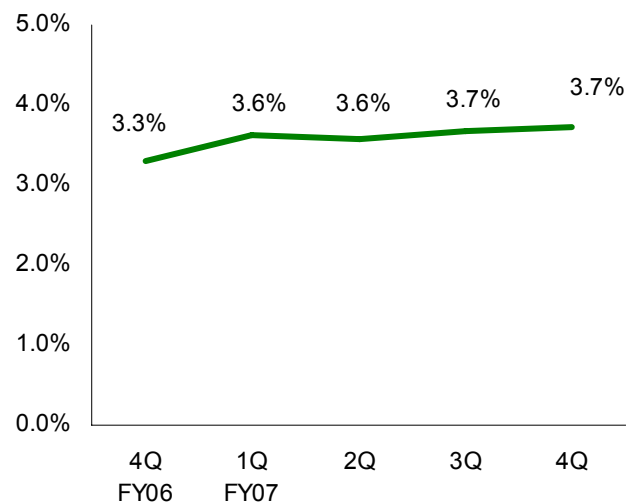
◆ Commission rate



◆ Shares bought on margin



◆ Net interest income ratio



Financial Summary

Section 1

Summary of Financial Results

(JPY mn)

	FY07 (Apr.07-Mar.08)	FY06 (Apr.06-Mar.07)	YoY
Operating Revenues	39,915	43,691	-9%
Commissions	24,521	26,936	-9%
Interest & dividend income	15,384	16,828	-9%
Interest expenses	3,226	2,984	8%
Net operating revenues	36,689	40,708	-10%
SG&A	16,030	18,160	-12%
Operating income	20,660	22,547	-8%
Ordinary income	20,744	22,720	-9%
Net income	12,781	13,444	-5%
Ordinary income ratio	52%	52%	-
Matsui's trading value (JPY tn)	18.9	26.7	-29%
Daily average trading value onTSE (JPY tn)	2.9	2.8	7%

Source: TSE

Breakdown of Net Operating Revenues

(JPY mn)

	FY07 (Apr.07-Mar.08)	FY06 (Apr.06-Mar.07)	YoY
Commissions	24,521	26,936	-9%
Brokerage	22,085	24,386	-9%
Underwriting & selling	11	58	-81%
Subscription & distribution	2	24	-93%
Others	2,424	2,468	-2%
Net gain (loss) on trading	9	△ 73	-
Interest & dividend income(1)	15,384	16,828	-9%
Total operating revenues	39,915	43,691	-9%
Interest expenses (2)	3,226	2,984	8%
Net operating revenues	36,689	40,708	-10%
Net interest income (1) - (2)	12,159	13,844	-12%

Breakdown of SG&A

(JPY mn)

	FY07 (Apr.07-Mar.08)	FY06 (Apr.06-Mar.07)	YoY
Transaction related expenses	4,601	5,182	-11%
Advertisement	602	920	-35%
Employees' compensation & benefits	2,169	1,998	9%
Occupancy & rental	441	409	8%
Data processing & office supplies	6,752	8,848	-24%
Depreciation	1,076	1,252	-14%
Duties & taxes other than income taxes	243	284	-15%
Provision of allowance for doubtful accounts	586	-	-
Others	162	186	-13%
Total SG&A	16,030	18,160	-12%

Summary of Financial Results(Quarterly)

(JPY mn)

	FY07	FY07	QoQ	FY07		FY06	YoY	FY07
	4Q	3Q		2Q	1Q	4Q		TOTAL
Operating Revenues	8,041	9,779	-18%	10,860	11,235	12,066	-33%	39,915
Commissions	5,221	6,176	-15%	6,499	6,626	7,902	-34%	24,521
Interest & dividend income	2,817	3,599	-22%	4,361	4,607	4,162	-32%	15,384
Interest expenses	628	711	-12%	967	919	823	-24%	3,226
Net operating revenues	7,413	9,067	-18%	9,893	10,316	11,243	-34%	36,689
SG&A	3,607	3,761	-4%	3,628	5,034	4,520	-20%	16,030
Operating income	3,806	5,306	-28%	6,265	5,282	6,722	-43%	20,660
Ordinary income	3,813	5,308	-28%	6,264	5,359	6,742	-43%	20,744
Net income	2,211	3,291	-33%	3,574	3,705	3,999	-45%	12,781
Ordinary income ratio	47%	54%	-	58%	48%	56%	-	52%
Matsui's trading value (JPY tn)	3.7	4.9	-24%	4.9	5.4	6.8	-45%	18.9
Daily average trading value on TSE (JPY tn)	2.8	2.8	-2%	3.1	3.1	3.3	-16%	2.9

Source: TSE

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY07	FY07	QoQ	FY07		FY06	YoY	FY07
	4Q	3Q		2Q	1Q	4Q		TOTAL
Commissions	5,221	6,176	-15%	6,499	6,626	7,902	-34%	24,521
Brokerage	4,647	5,600	-17%	5,746	6,092	7,203	-35%	22,085
Underwriting & selling	2	2	-23%	4	3	6	-73%	11
Subscription & distribution	0	0	151%	1	0	2	-84%	2
Others	572	574	0%	748	531	691	-17%	2,424
Net gain (loss) on trading	3	4	-22%	1	2	2	46%	9
Interest & dividend income(1)	2,817	3,599	-22%	4,361	4,607	4,162	-32%	15,384
Total operating revenues	8,041	9,779	-18%	10,860	11,235	12,066	-33%	39,915
Interest expenses (2)	628	711	-12%	967	919	823	-24%	3,226
Net operating revenues	7,413	9,067	-18%	9,893	10,316	11,243	-34%	36,689
Net interest income (1) - (2)	2,189	2,888	-24%	3,394	3,688	3,339	-34%	12,159

Breakdown of SG&A (Quarterly)

(JPY mn)

	FY07	FY07	QoQ	FY07		FY06	YoY	FY07
	4Q	3Q		2Q	1Q	4Q		TOTAL
Transaction related expenses	1,105	1,205	-8%	1,159	1,132	1,250	-12%	4,601
Advertisement	153	198	-23%	158	94	154	-1%	602
Employees' compensation & benefits	501	543	-8%	556	569	493	2%	2,169
Occupancy & rental	115	107	7%	109	110	117	-2%	441
Data processing & office supplies	1,586	1,624	-2%	1,610	1,931	2,236	-29%	6,752
Depreciation	257	261	-1%	265	292	339	-24%	1,076
Duties & taxes other than income taxes	49	53	-9%	65	76	67	-27%	243
Provision of allowance for doubtful accounts	△ 40	△ 62	-	△ 169	856	-	-	586
Others	34	29	17%	32	67	19	77%	162
Total SG&A	3,607	3,761	-4%	3,628	5,034	4,520	-20%	16,030

Policy of Profit Sharing with Shareholders

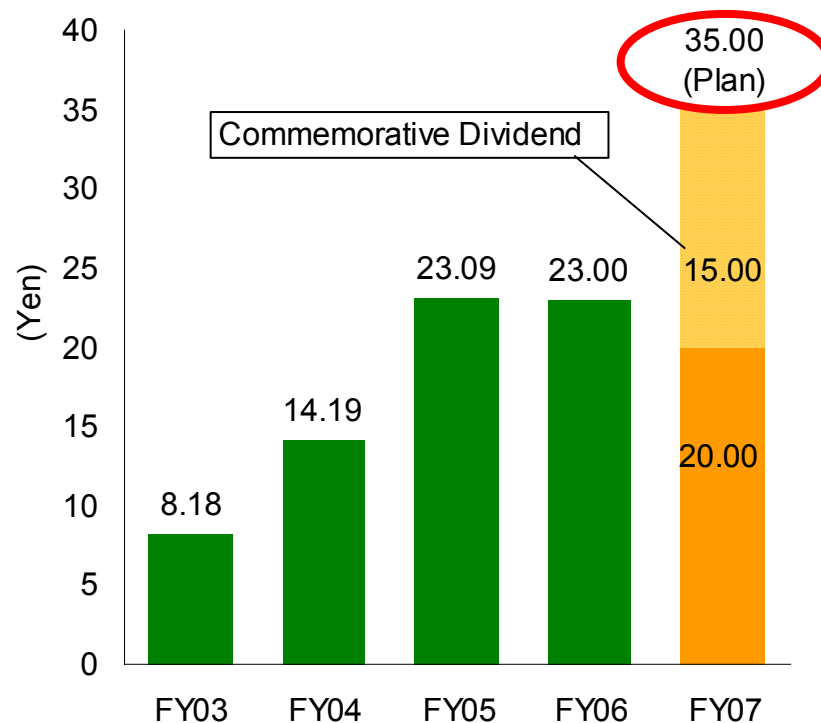
◆ Dividend policy

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

◆ Dividends for FY07

- Plan to pay 35 yen per share (Including commemorative dividend of 15yen)
- Dividend payout :73.7% (Payout for ratio ordinary dividend :42.1%)

◆ Matsui's dividend per share

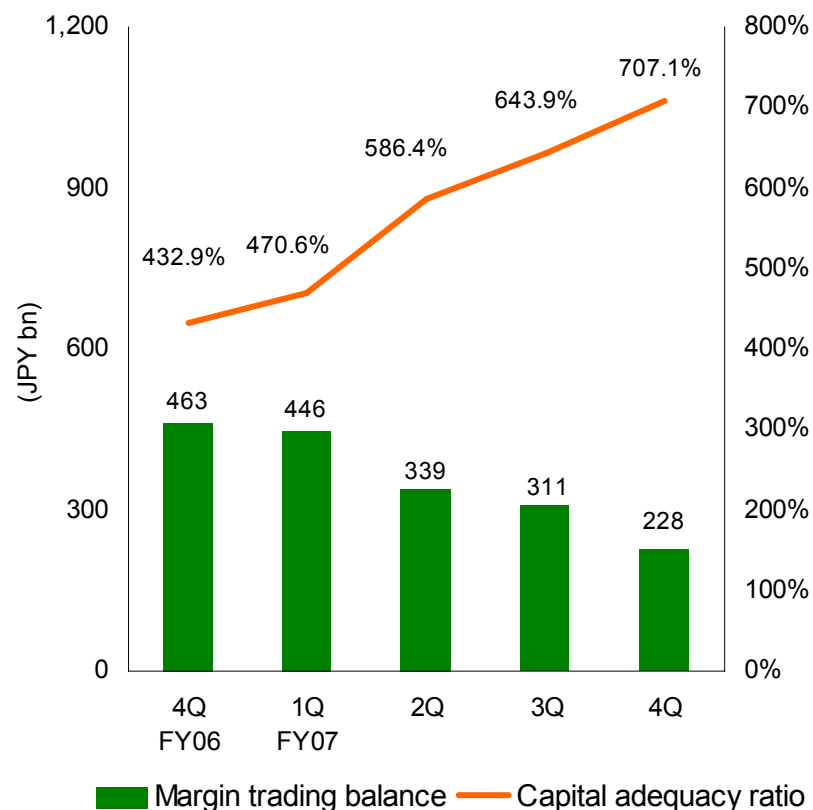


Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 31 March 08)

(JPY mn)		
Tier 1	(A)	71,552
Tier 2	Net unrealized gain on investment	0
	Statutory reserves	3,745
	Allowance for doubtful accounts	278
Sub total	(B)	4,024
Assets to be deducted from equity capital	(C)	7,592
Net Capital	(A)+(B)-(C)	(D) 67,984
Total risk	Market risk	3
	Counterparty risk	5,252
	Basic risk	4,357
Total	(E)	9,614
Capital Adequacy ratio	(D)/(E)	707.1%

◆ Margin trading balance and capital adequacy ratio

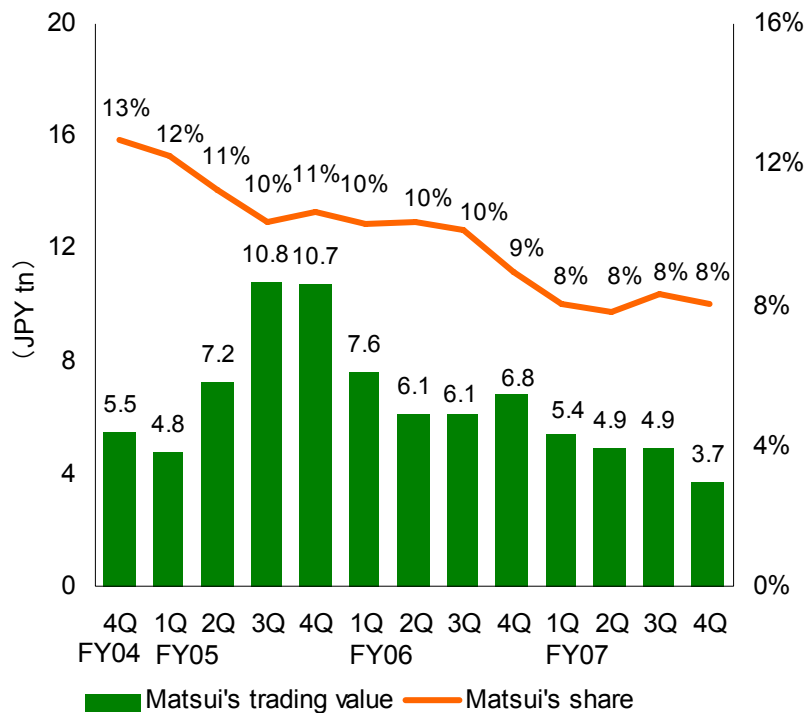


Results of Operation

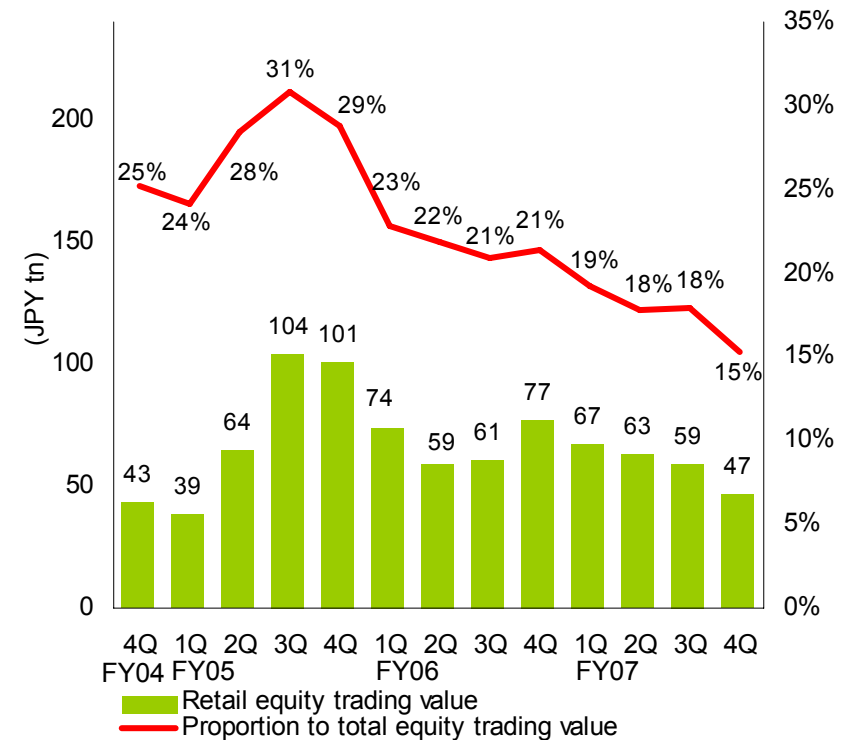
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

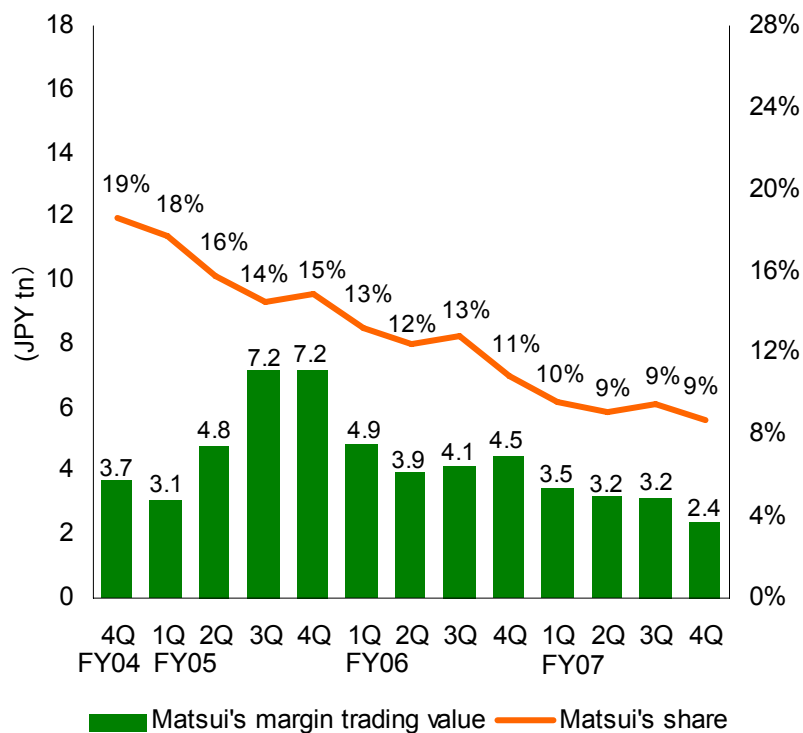


◆ Retail equity trading value¹ and proportion to total equity trading value

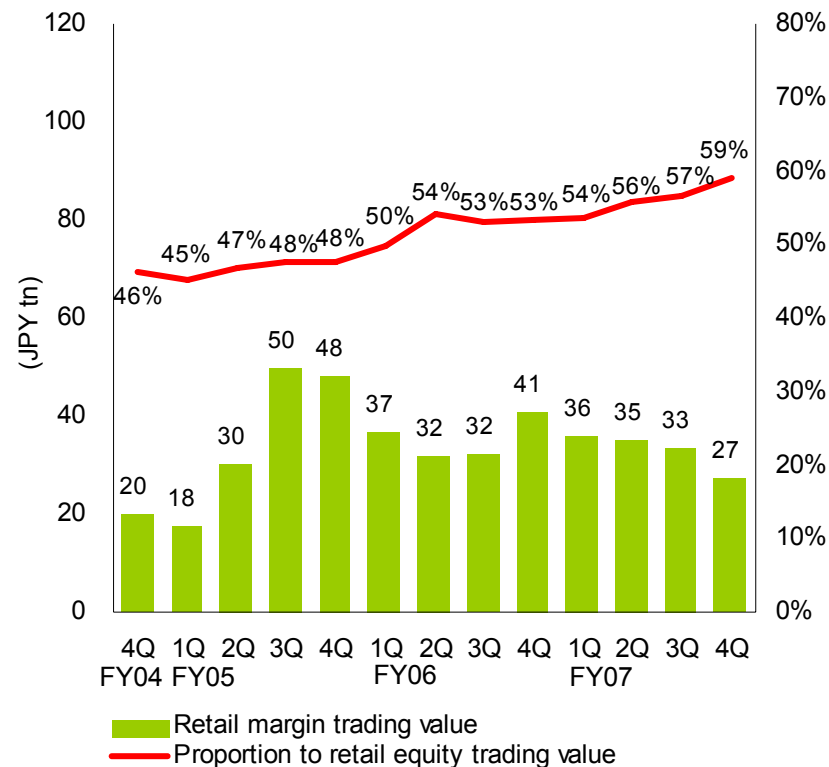


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

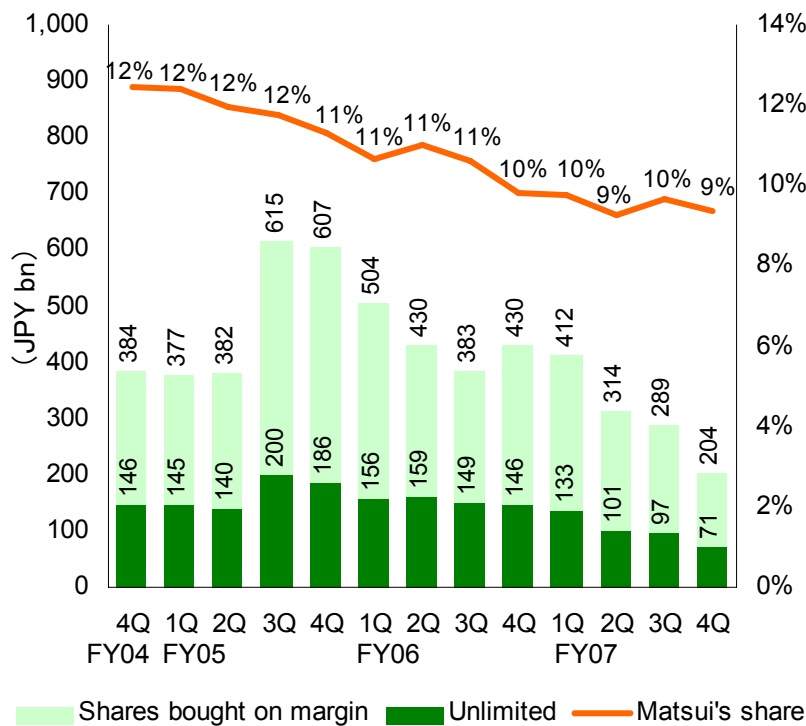


◆ Retail margin trading value¹ and proportion to total retail equity trading value

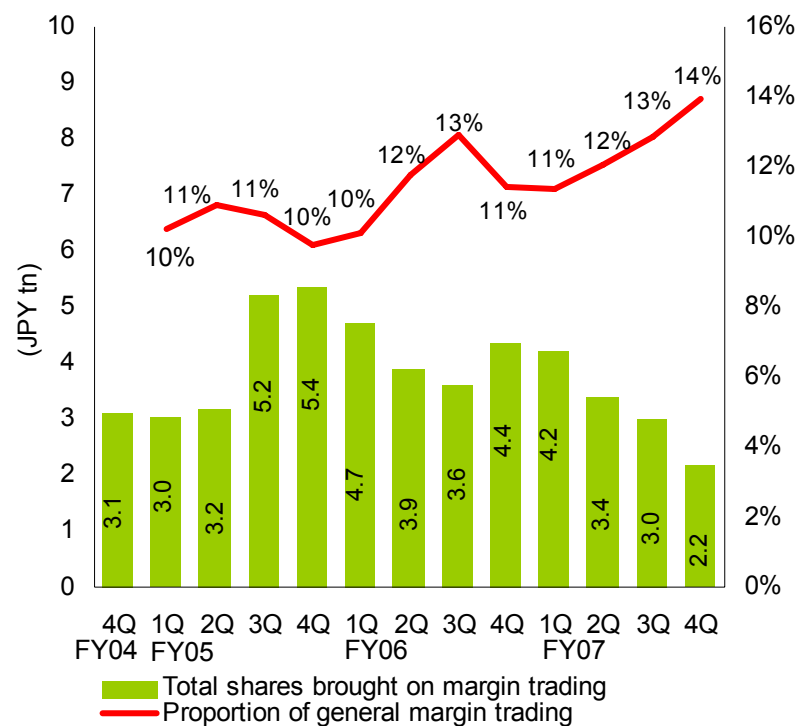


Margin Trading Balance

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

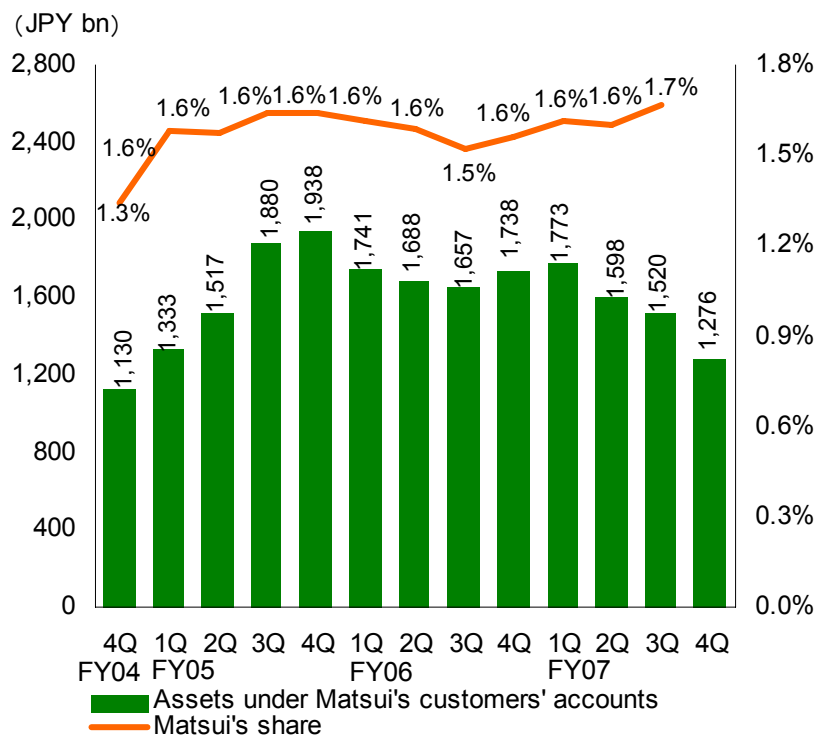


◆ Total shares bought on margin trading¹ and proportion of general margin trading³

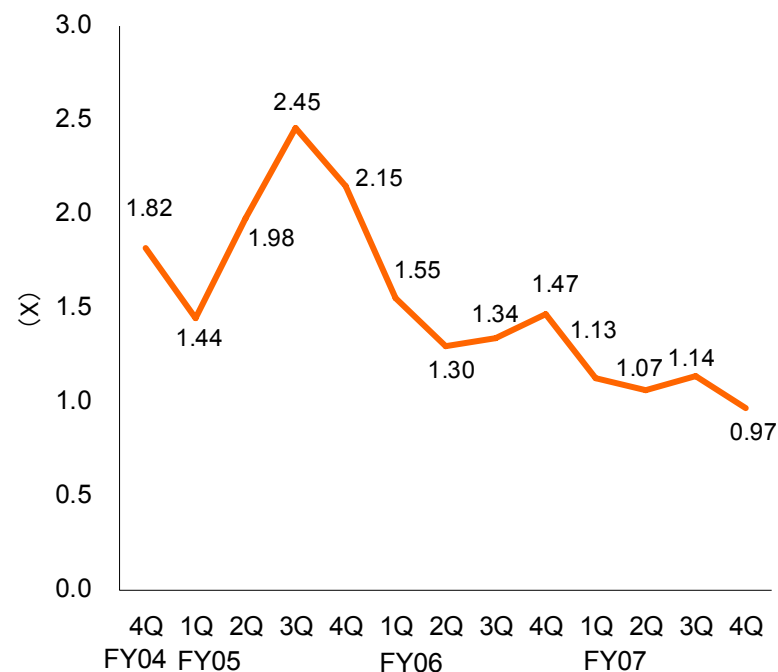


Assets under Customers' Accounts / Trading Turnover

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



◆ Equity trading turnover¹ of Matsui's customers



Source: BOJ

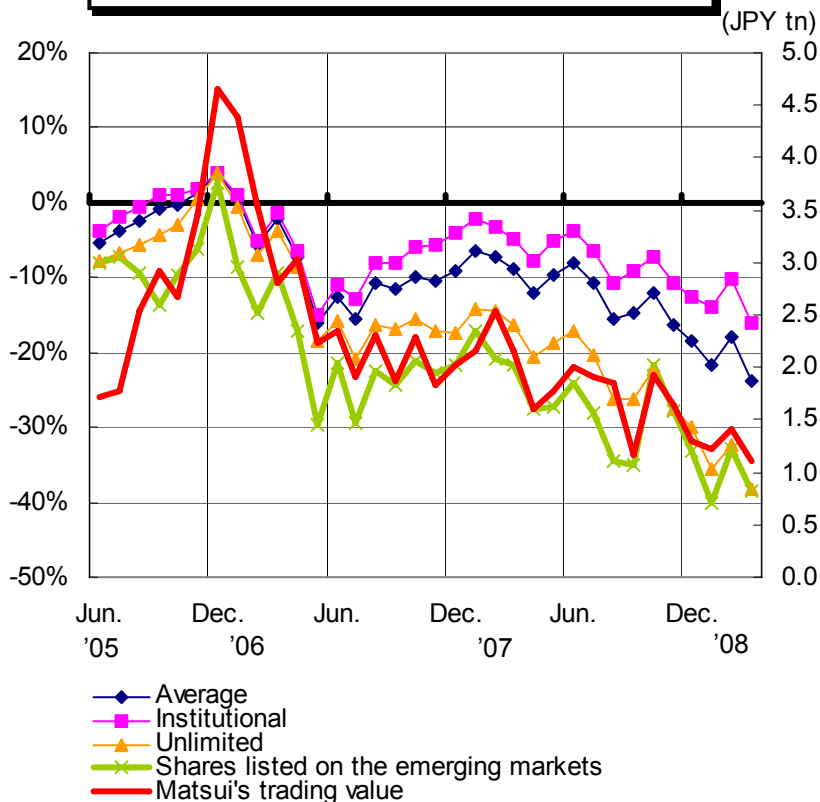
Note 1: Equity trading turnover = (monthly average trading value) / (quarterly average assets under customers' accounts*)

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

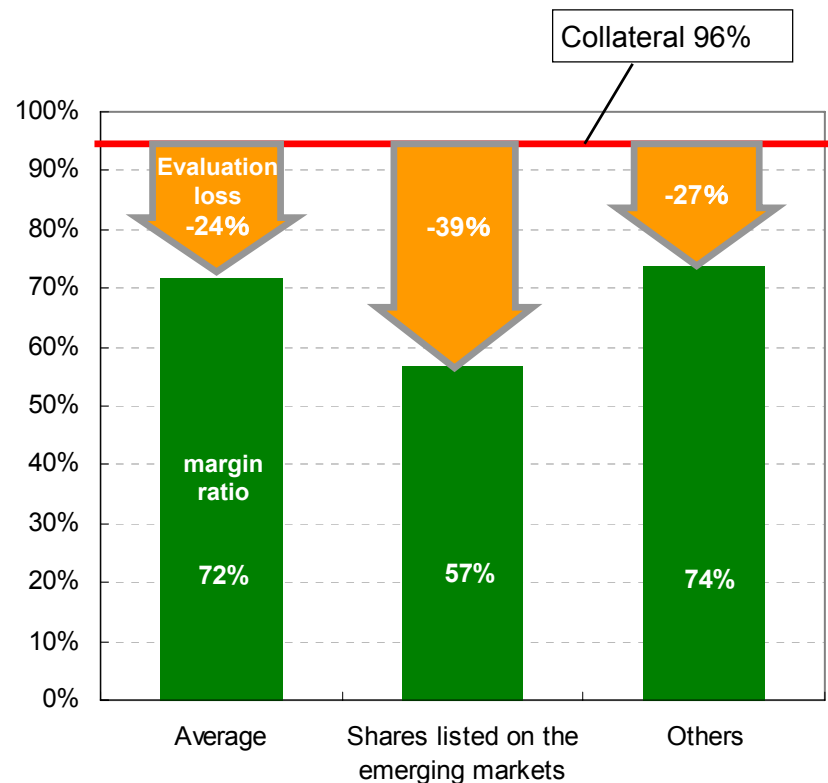
Evaluation Losses on Matsui's Margin Balance

◆ Evaluation losses on Matsui's margin balance

As of 31 Mar. 08	
Average	-23.7%
Institutional margin balance	-16.1%
Unlimited margin balance	-38.3%
Margin balance of shares listed on the emerging markets	-38.5%



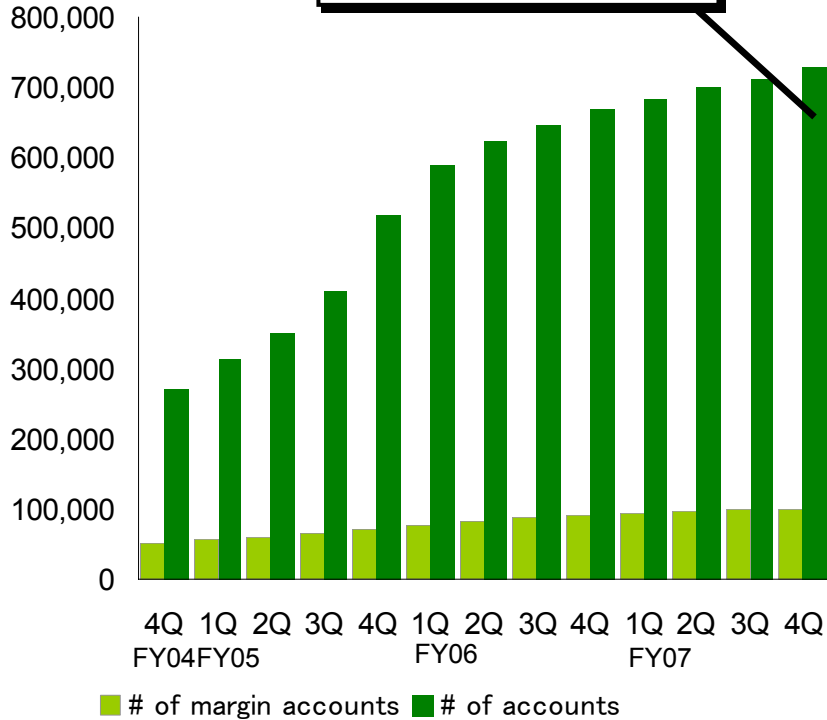
◆ Matsui's margin ratio



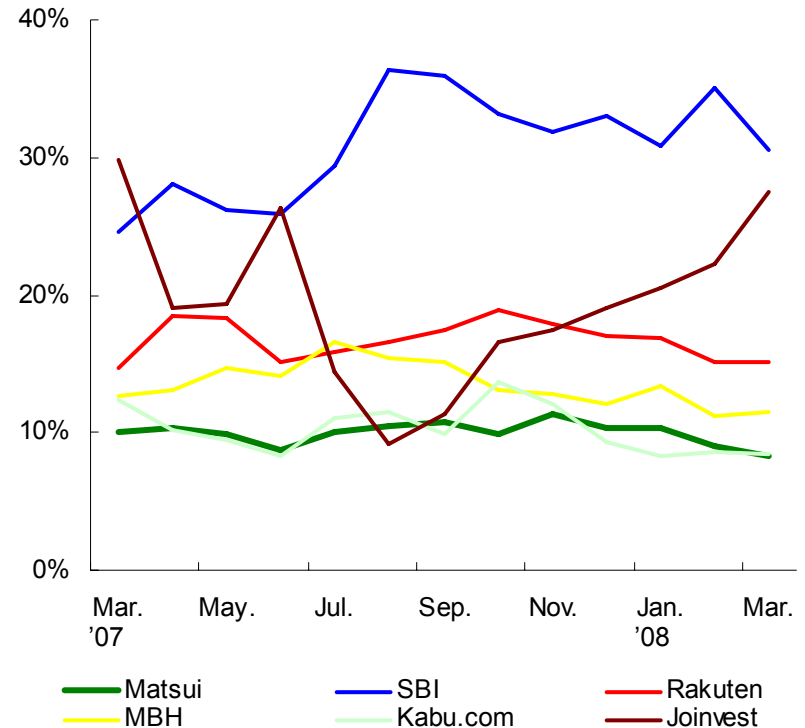
Number of Accounts

◆ Number of accounts at Matsui¹

of accounts 729,394
 # of margin accounts 101,034
 (as of 31 Mar. 08)

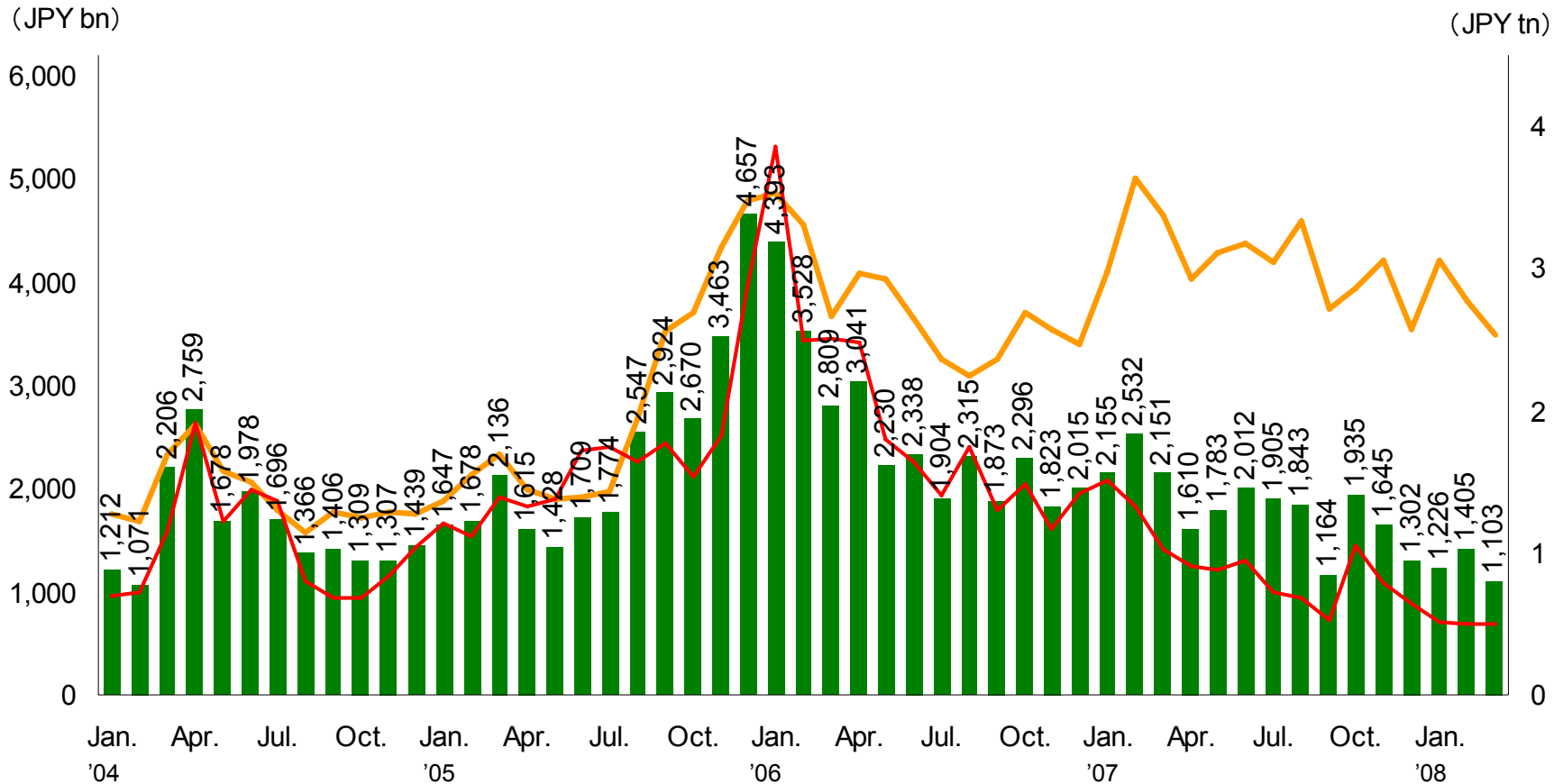


◆ On-line brokers' share of the net increase in accounts²



Equity Trading Value

◆ Matsui's monthly equity trading value

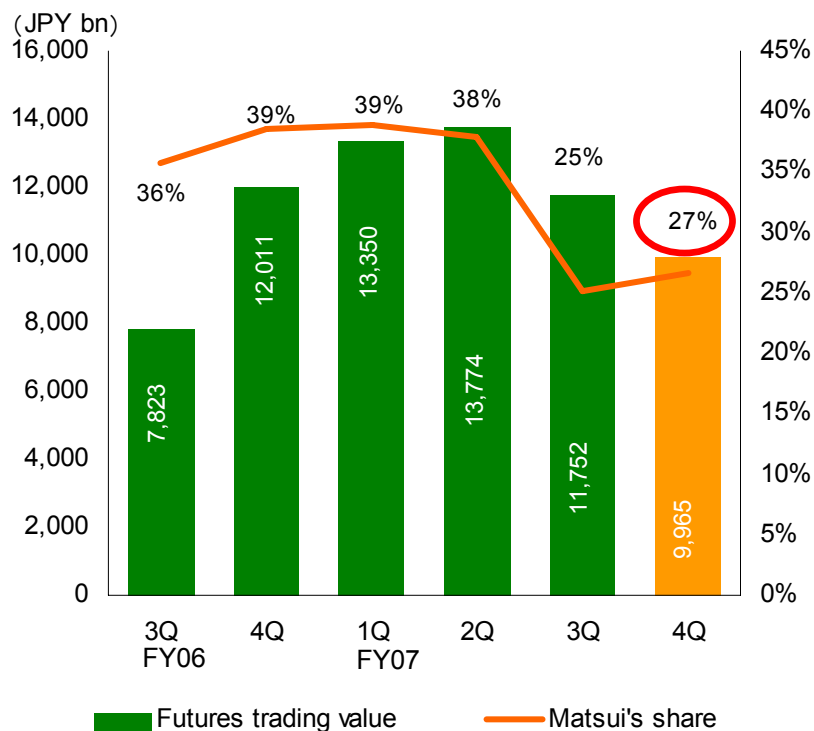


■ Matsui's trading value(left axis)
— Monthly trading value on JQ(right axis)

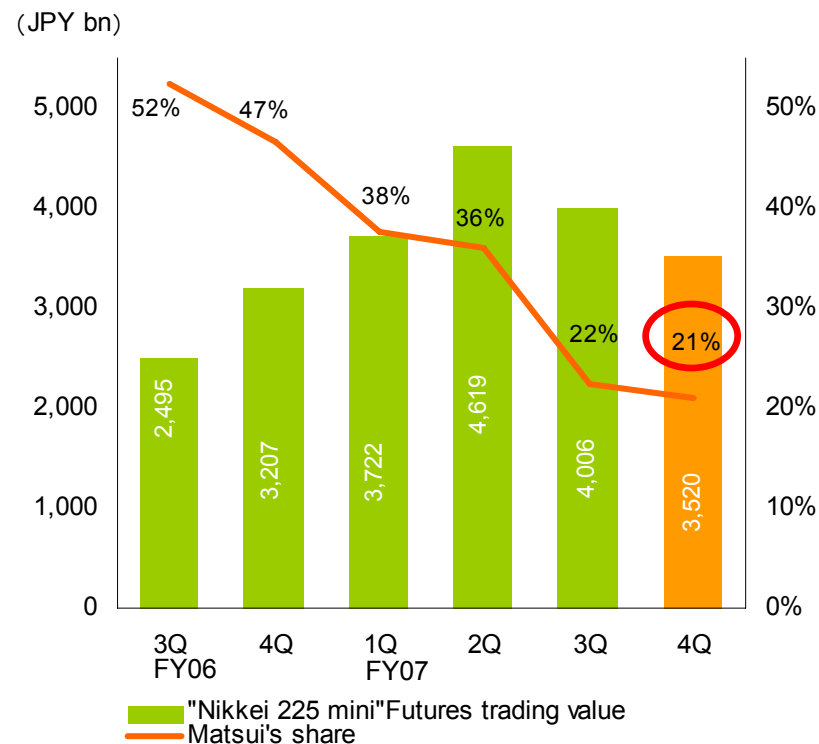
— Daily average trading value on TSE(right axis)

Nikkei 225 Futures

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

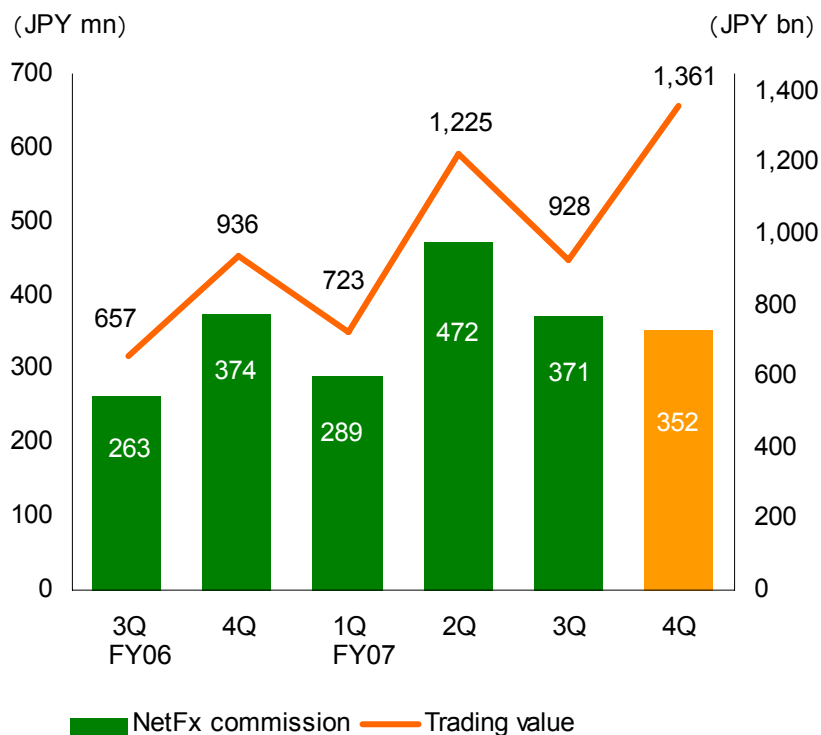


◆ Matsui's "Nikkei 225 mini" Futures trading value and its market share¹

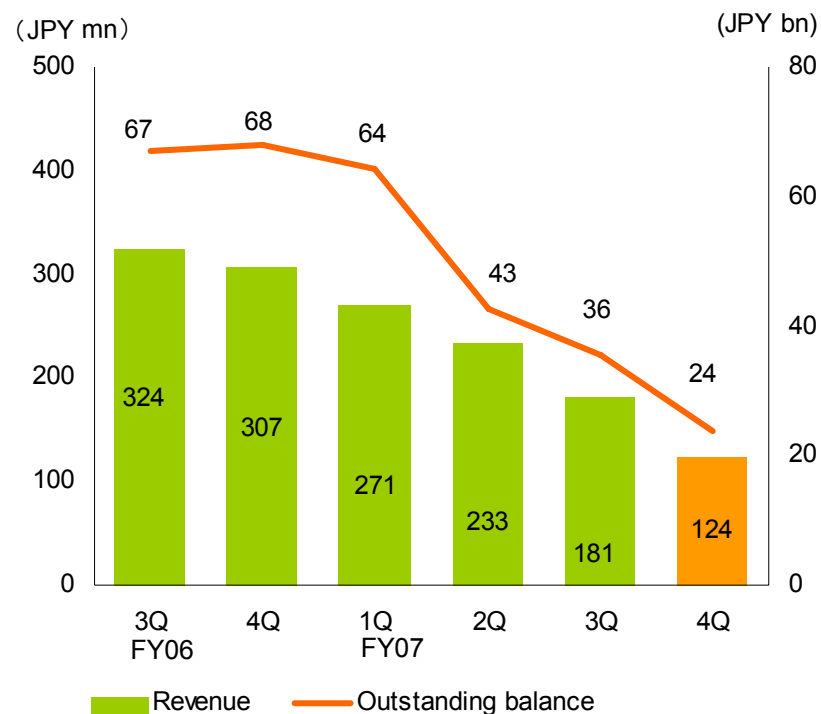


Forex Margin trading / Stock Lending Business

◆ Matsui's Forex margin commission income and trading value¹



◆ Matsui's stock lending business revenue² and outstanding balance



List of Newly Offered Services / Products

Starting in	Detail of services
September,2006	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	Start dealing with "Nikkei 225" Futures in the "Evening-Session" Start the real-time disbursement service
February,2008	Revised down commissions and spread for NetFx
March	Start selling the mobile phone handset pre-installed with "Netstock High-Speed α"
May	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

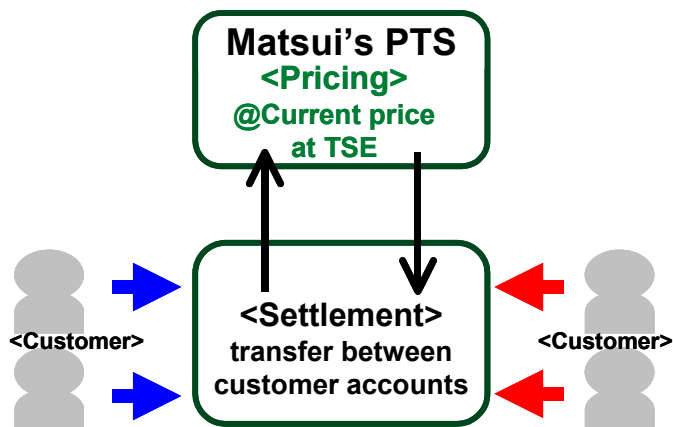
- ◆ Develop unique and innovative services
- ◆ Focus on brokerage business
- ◆ Pursue the services which expand brokerage(Flow) business rather than asset gathering related(stock) services

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, ETF and REIT
Type of Trading	Cash trading

◆ PTS(Propriety Trading System)



◆ Recent Development

Launched the real-time disbursement service (November 07)

◆ Advantages to customers

Improvement in trading capacity for "Day-Traders"

1. Cash transaction

- 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	x	○
10:45am	Sell A	1,000shares	@1,030yen	x	○
.....				x	○

2. Margin transaction (Consider to introduce in the near future)

- Allow customers to use the proceeds of the sale of shares on any given date towards purchase of another company's shares to be settled on the same date (Loop-trade of margin transaction)

(e.g.) In case of 1 million yen in the margin account				Current	RTGS
09:05am	Buy A	1,000shares	@3,000yen	○	○
09:30am	Sell A	1,000shares	@3,020yen	○	○
09:40am	Buy B	1,000shares	@3,000yen	x	○
09:55am	Sell B	1,000shares	@3,030yen	x	○
.....				x	○

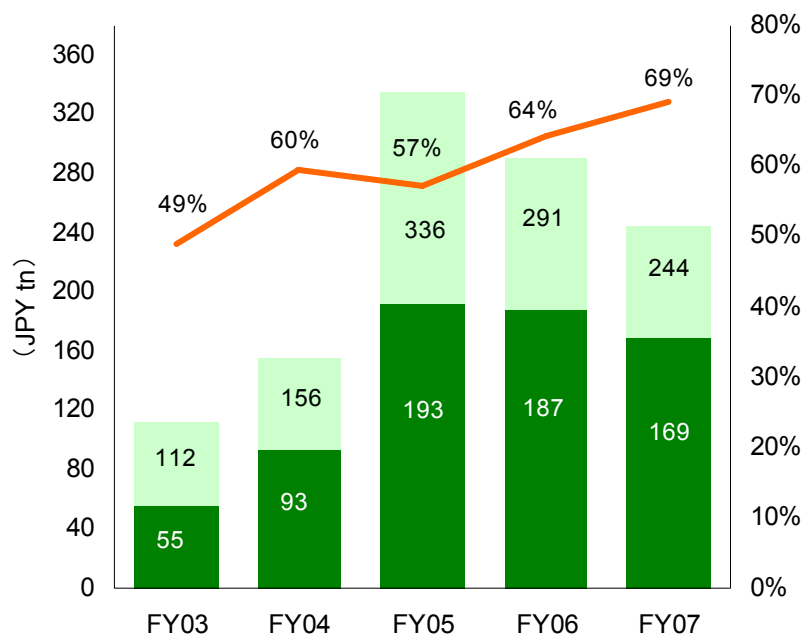
Immediate evaluation of collateral (for margin transaction)

- Increase in trading capacity of customer 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: 80% of market price	32%	32%
↓ Selling the collateral shares		
Balance of margin trades: 2.5million yen evaluation of collateral: 100% of market price	32%	40%

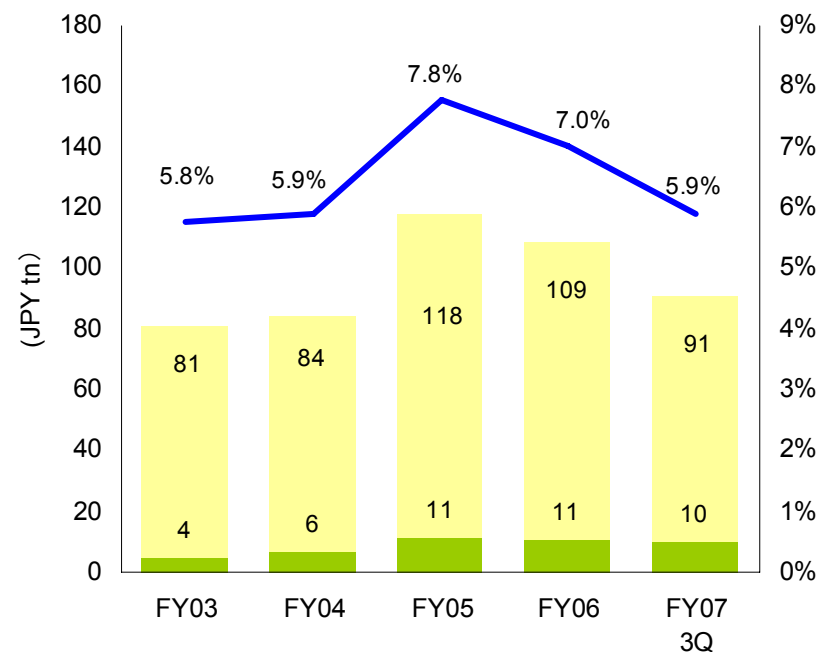
Growth Potential in On-line trading

◆ 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 year ended 31 March 2008 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 April 2008. 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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