



# Matsui Securities Co., Ltd.

(First Section of Tokyo Stock Exchange: 8628)

## Annual Results for FY2008

May 2009

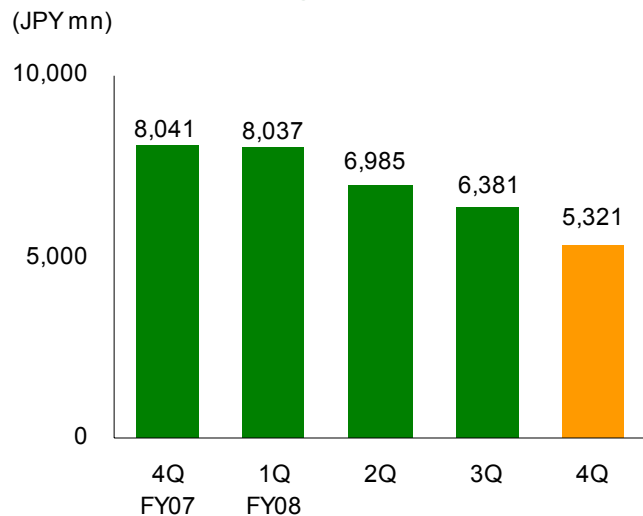
# Table of Contents

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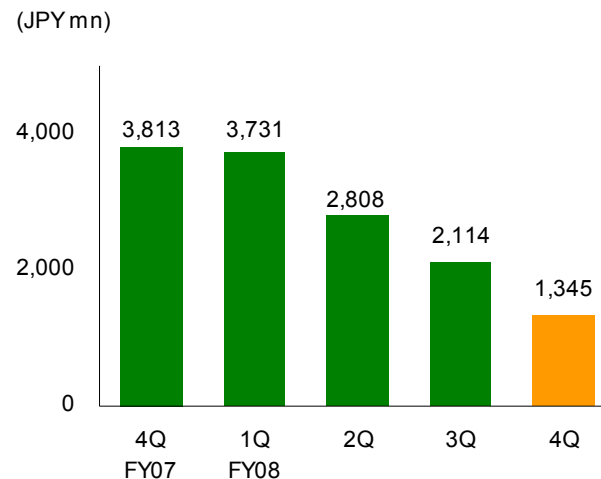
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# Financial Results

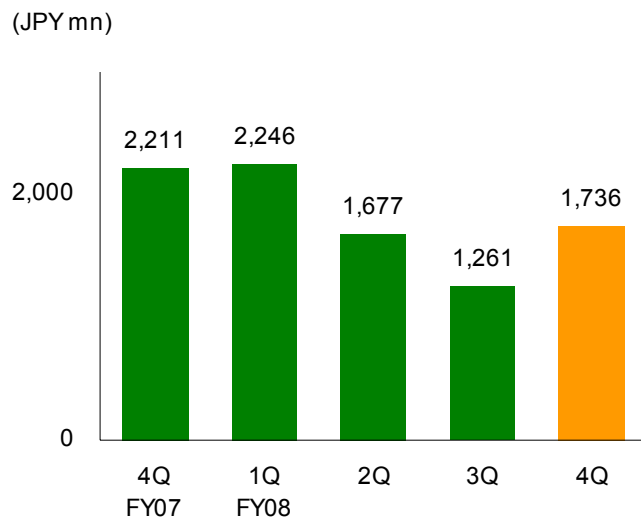
## ◆ Operating revenues



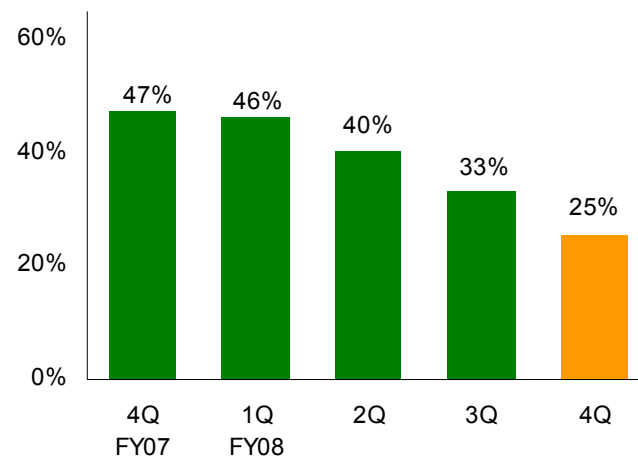
## ◆ Ordinary income



## ◆ Net income

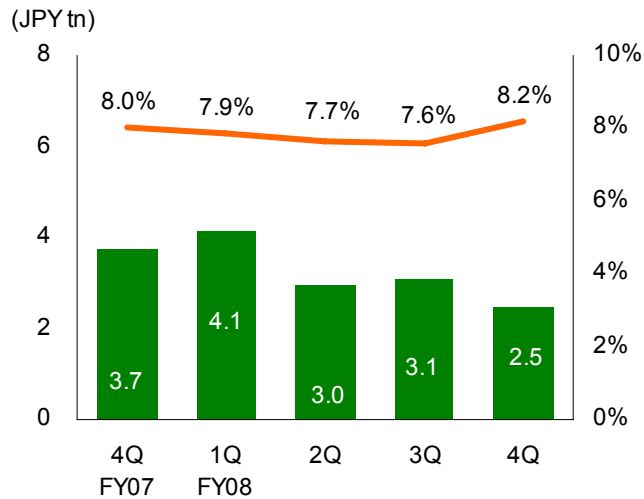


## ◆ Ordinary income ratio

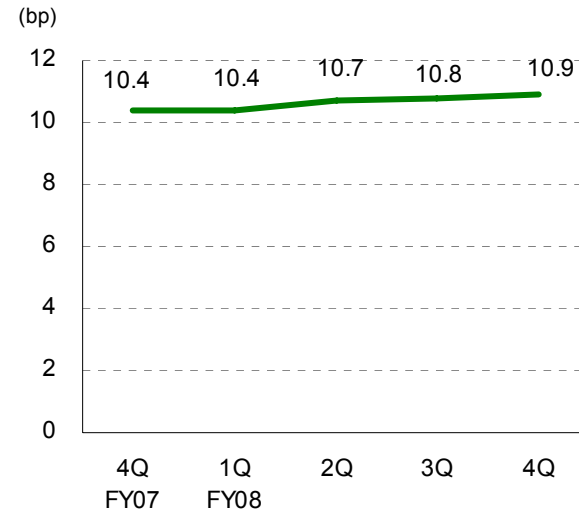


# Results of Operation

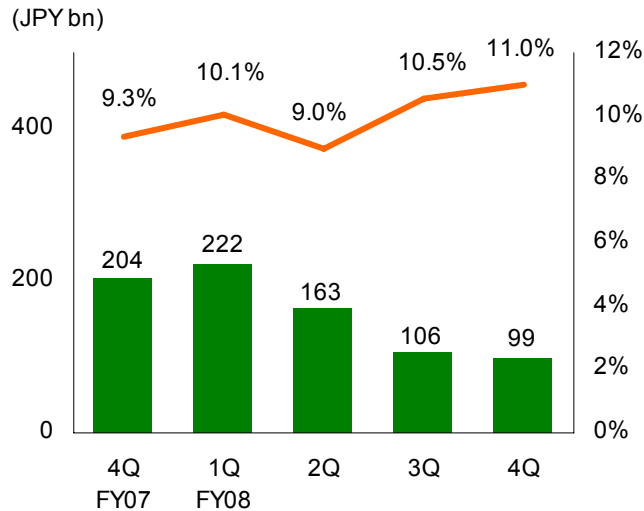
## ◆ Equity trading value



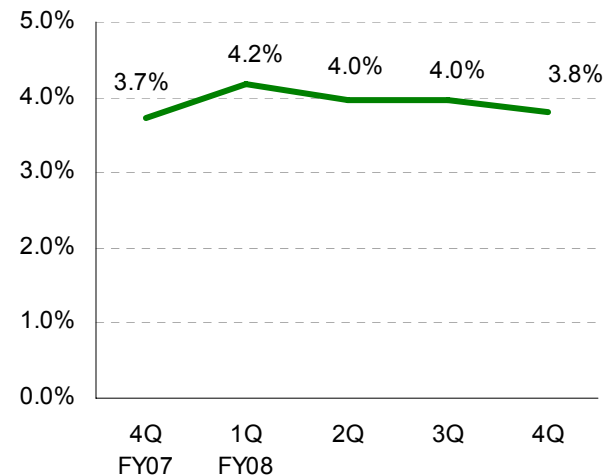
## ◆ Commission rate



## ◆ Shares bought on margin

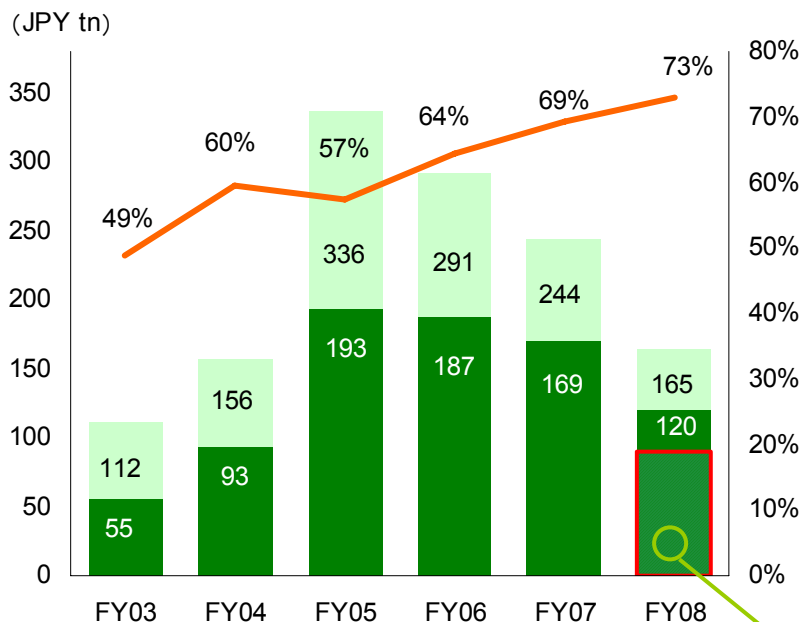


## ◆ Net interest income ratio



# Overview of Retail Equity Trading Market

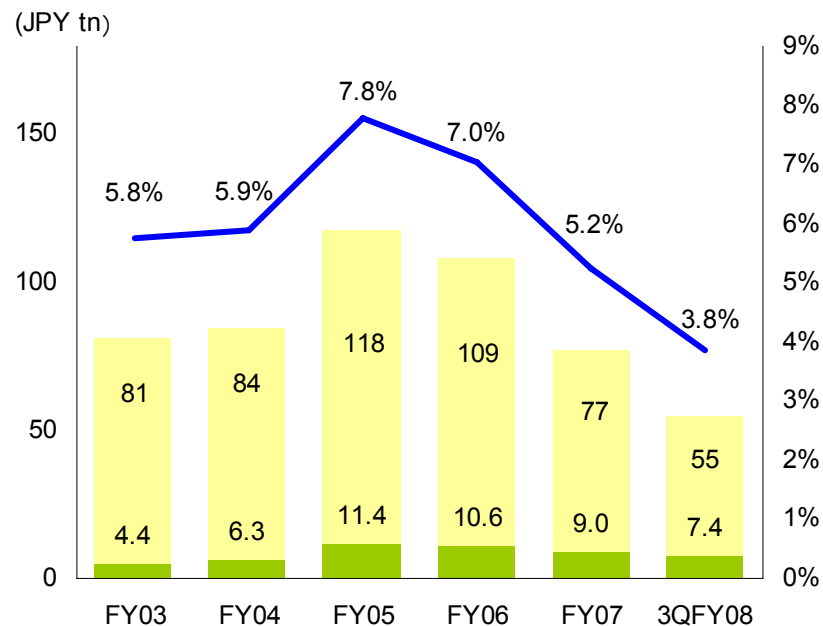
## ◆ Equity trading value of individuals<sup>1</sup> (FLOW)



■ Equity trading value of individuals  
■ Equity trading value of 5 major on-line brokers  
— Proportion of trading value of 5 major on-line brokers

**Day traders  
JPY 80 tn  
(Estimate)**

## ◆ Total value of shares held by individuals<sup>1</sup> (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

# Financial Summary

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## Section 1

# Summary of Financial Results

(JPY mn)

	FY08 (Apr.08-Mar.09)	FY07 (Apr.07-Mar.08)	YoY
Operating Revenues	26,724	39,915	-33%
Commissions	18,263	24,521	-26%
Interest & dividend income	8,456	15,384	-45%
Interest expenses	2,260	3,226	-30%
Net operating revenues	24,464	36,689	-33%
SG&A	14,521	16,030	-9%
Operating income	9,943	20,660	-52%
Ordinary income	9,998	20,744	-52%
Net income	6,921	12,781	-46%
Ordinary income ratio	37%	52%	-
Matsui's trading value (JPY tn)	12.6	18.9	-33%
Daily average trading value onTSE (JPY tn)	2.0	2.9	-31%

# Breakdown of Net Operating Revenues

(JPY mn)

	FY08 (Apr.08-Mar.09)	FY07 (Apr.07-Mar.08)	YoY
Commissions	18,263	24,521	-26%
Brokerage	15,888	22,085	-28%
Underwriting & selling	1	11	-91%
Subscription & distribution	1	2	-67%
Others	2,374	2,424	-2%
Net gain (loss) on trading	4	9	-51%
Interest & dividend income(1)	8,456	15,384	-45%
Total operating revenues	26,724	39,915	-33%
Interest expenses (2)	2,260	3,226	-30%
Net operating revenues	24,464	36,689	-33%
Net interest income (1) - (2)	6,196	12,159	-49%



# Breakdown of SG&A

(JPY mn)

	FY08 (Apr.08-Mar.09)	FY07 (Apr.07-Mar.08)	YoY
Transaction related expenses	4,096	4,601	-11%
Advertisement	599	602	-0%
Employees' compensation & benefits	2,024	2,169	-7%
Occupancy & rental	501	441	14%
Data processing & office supplies	6,353	6,752	-6%
Depreciation	1,261	1,076	17%
Duties & taxes other than income taxes	160	243	-34%
Provision of allowance for doubtful accounts	-	586	-
Others	125	162	-22%
<b>Total SG&amp;A</b>	<b>14,521</b>	<b>16,030</b>	<b>-9%</b>

# Summary of Financial Results(Quarterly)

(JPY mn)

	FY08	FY08	QoQ	FY08		FY07	YoY	FY08
	4Q	3Q		2Q	1Q	4Q		TOTAL
Operating Revenues	5,321	6,381	-17%	6,985	8,037	8,041	-34%	26,724
Commissions	3,777	4,672	-19%	4,453	5,362	5,221	-28%	18,263
Interest & dividend income	1,545	1,707	-9%	2,531	2,673	2,817	-45%	8,456
Interest expenses	495	532	-7%	614	619	628	-21%	2,260
Net operating revenues	4,826	5,848	-17%	6,371	7,418	7,413	-35%	24,464
SG&A	3,479	3,740	-7%	3,565	3,738	3,607	-4%	14,521
Operating income	1,347	2,109	-36%	2,807	3,680	3,806	-65%	9,943
Ordinary income	1,345	2,114	-36%	2,808	3,731	3,813	-65%	9,998
Net income	1,736	1,261	38%	1,677	2,246	2,211	-21%	6,921
Ordinary income ratio	25%	33%	-	40%	46%	47%	-	37%
Matsui's trading value (JPY tn)	2.5	3.1	-20%	3.0	4.1	3.7	-34%	12.6
Daily average trading value on TSE (JPY tn)	1.4	1.9	-24%	2.2	2.5	2.8	-48%	2.0

# Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY08	FY08	QoQ	FY08		FY07	YoY	FY08 TOTAL
	4Q	3Q		2Q	1Q	4Q		
Commissions	3,777	4,672	-19%	4,453	5,362	5,221	-28%	18,263
Brokerage	3,157	3,990	-21%	3,865	4,875	4,647	-32%	15,888
Underwriting & selling	-	0	-	1	0	2	-	1
Subscription & distribution	0	0	-63%	0	-	0	-55%	1
Others	620	681	-9%	587	486	572	8%	2,374
Net gain (loss) on trading	△ 1	2	-	1	2	3	-	4
Interest & dividend income(1)	1,545	1,707	-9%	2,531	2,673	2,817	-45%	8,456
Total operating revenues	5,321	6,381	-17%	6,985	8,037	8,041	-34%	26,724
Interest expenses (2)	495	532	-7%	614	619	628	-21%	2,260
Net operating revenues	4,826	5,848	-17%	6,371	7,418	7,413	-35%	24,464
Net interest income (1) - (2)	1,050	1,175	-11%	1,917	2,054	2,189	-52%	6,196

# Breakdown of SG&A (Quarterly)

(JPY mn)

	FY08	FY08	QoQ	FY08		FY07	YoY	FY08
	4Q	3Q		2Q	1Q	4Q		TOTAL
Transaction related expenses	946	1,073	-12%	1,009	1,068	1,105	-14%	4,096
Advertisement	131	175	-25%	129	164	153	-14%	599
Employees' compensation & benefits	446	512	-13%	521	546	501	-11%	2,024
Occupancy & rental	125	137	-9%	120	119	115	9%	501
Data processing & office supplies	1,576	1,635	-4%	1,548	1,593	1,586	-1%	6,353
Depreciation	331	322	3%	316	291	257	29%	1,261
Duties & taxes other than income taxes	32	34	-6%	34	61	49	-35%	160
Provision of allowance for doubtful accounts	-	-	-	△ 15	15	△ 40	-	-
Others	23	26	-12%	31	46	34	-32%	125
Total SG&A	3,479	3,740	-7%	3,565	3,738	3,607	-4%	14,521

# Policy of Profit Sharing with Shareholders

## Plan to pay 10 yen per share as dividends for FY08

### ◆ Dividend policy

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

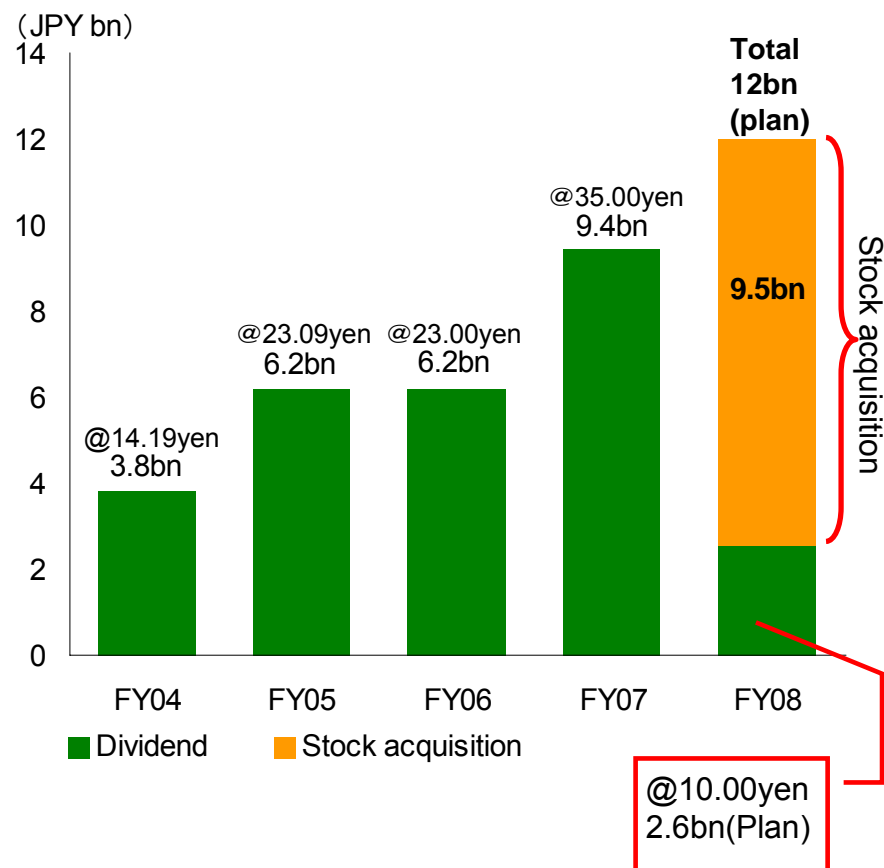
### ◆ Result of Stock Acquisition

- Period of acquisition: From 1 Aug.08 to 31 Oct.08
- Total # of shares acquired: 12.5 million shares
- Total cost of acquisition: 9,452 million yen

### ◆ Purchase and cancellation of the CB

- Date of Cancellation: 7 Apr.09
- Amount purchased and cancelled: 8 billion yen
- Principle outstanding amount after cancellation: 32 billion yen
- Impact on financial results: 581 million of gains on cancellation will be recorded in FY2010

### ◆ Total of profit shared with shareholders

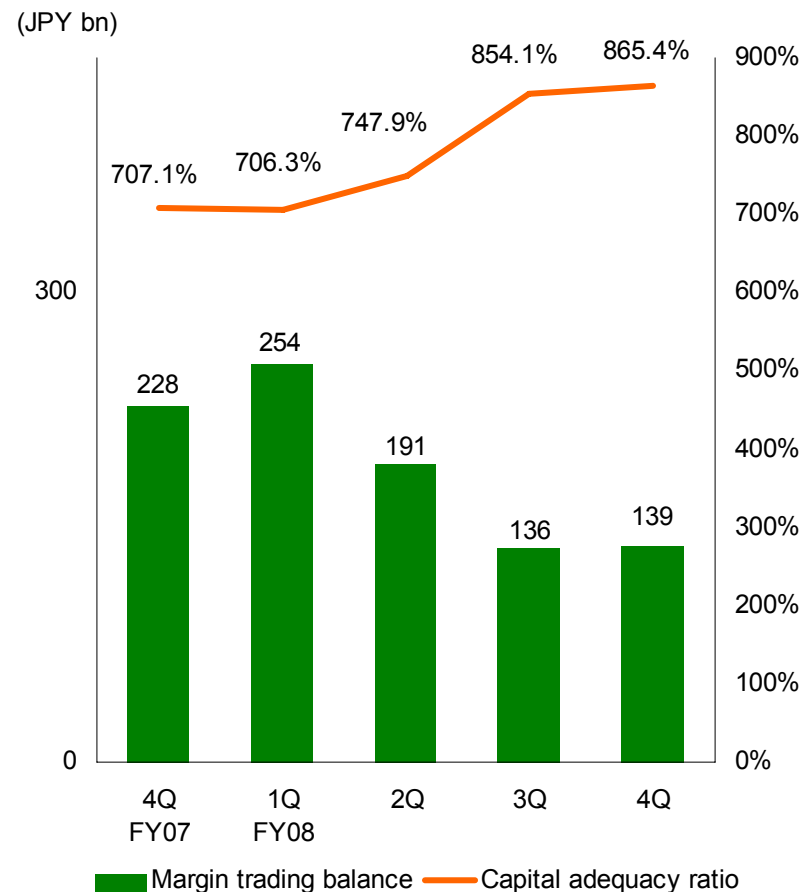


# Capital Adequacy Ratio

## ◆ Capital adequacy ratio (As of 31 March 09)

		(JPY mn)
Tier 1	(A)	66,446
Tier 2	Net unrealized gain on investment	-
	Statutory reserves	2,283
	Allowance for doubtful accounts	127
Sub total		(B) 2,410
Assets to be deducted from equity capital		(C) 7,418
Net Capital		
(A) + (B) - (C)		(D) 61,437
Total risk	Market risk	3
	Counterparty risk	3,409
	Basic risk	3,686
Total		(E) 7,099
Capital Adequacy ratio		(D)/(E) 865.4%

## ◆ Margin trading balance and capital adequacy ratio



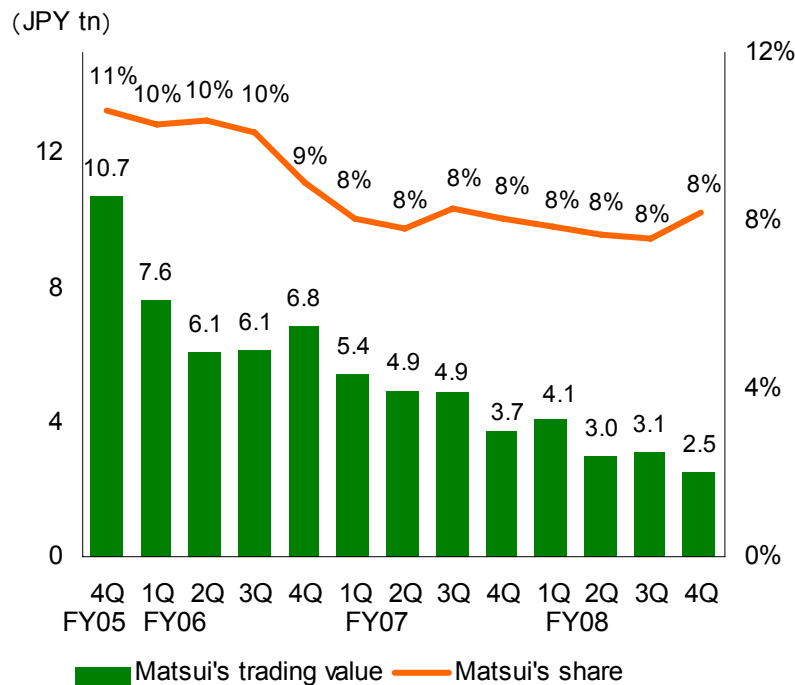
# Results of Operation

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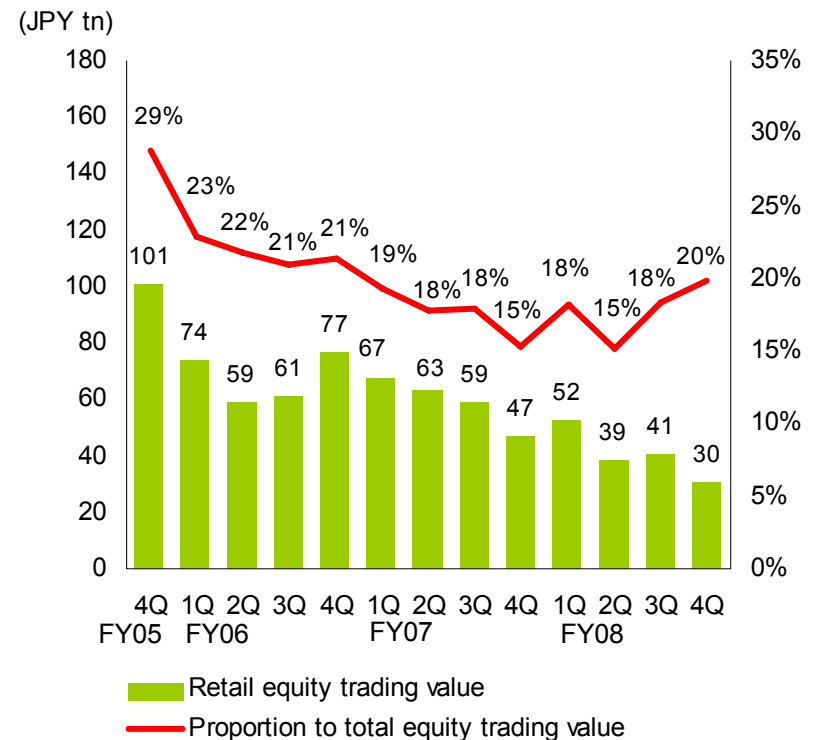
## Section 2

# Equity Trading Value

## ◆ Matsui's equity trading value and its market share<sup>1</sup>



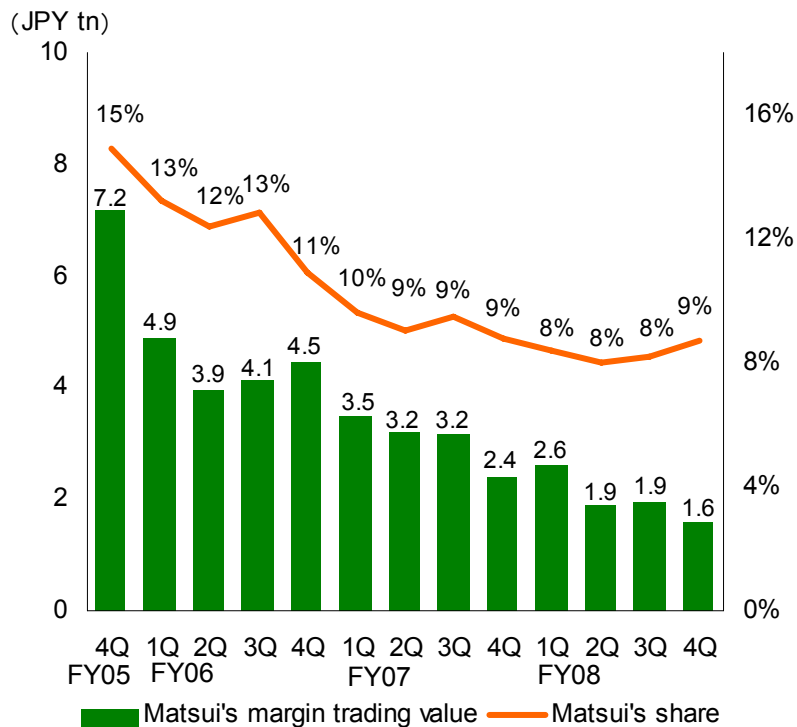
## ◆ Retail equity trading value<sup>1</sup> and proportion to total equity trading value



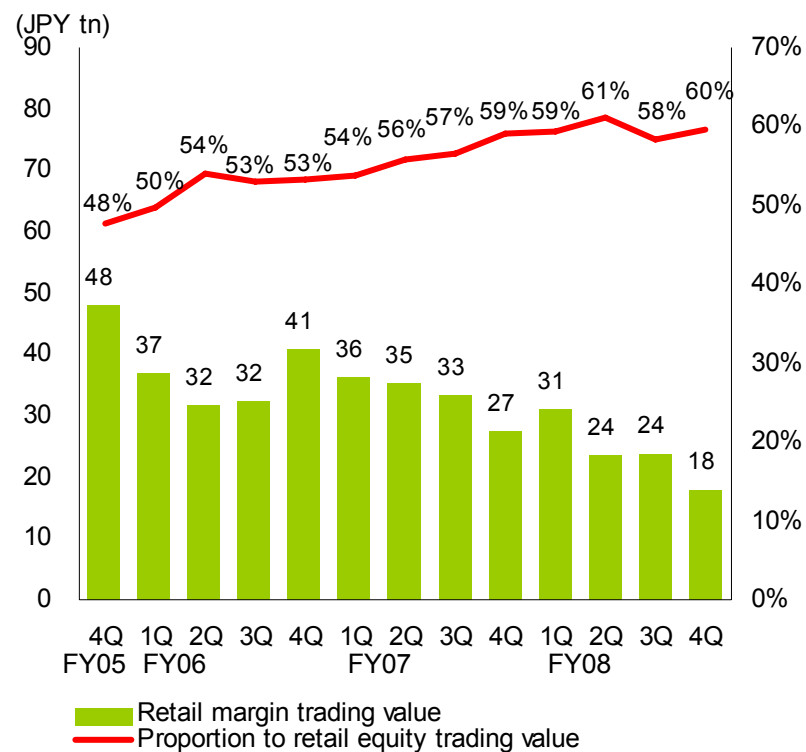


# Margin Trading Value

## ◆ Matsui's margin trading value and its market share<sup>1</sup>

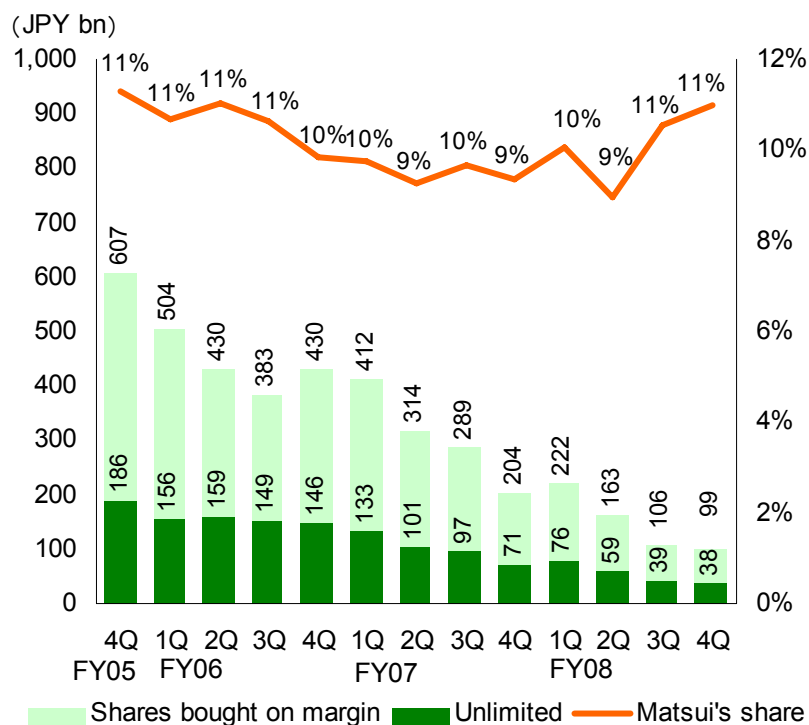


## ◆ Retail margin trading value<sup>1</sup> and proportion to total retail equity trading value

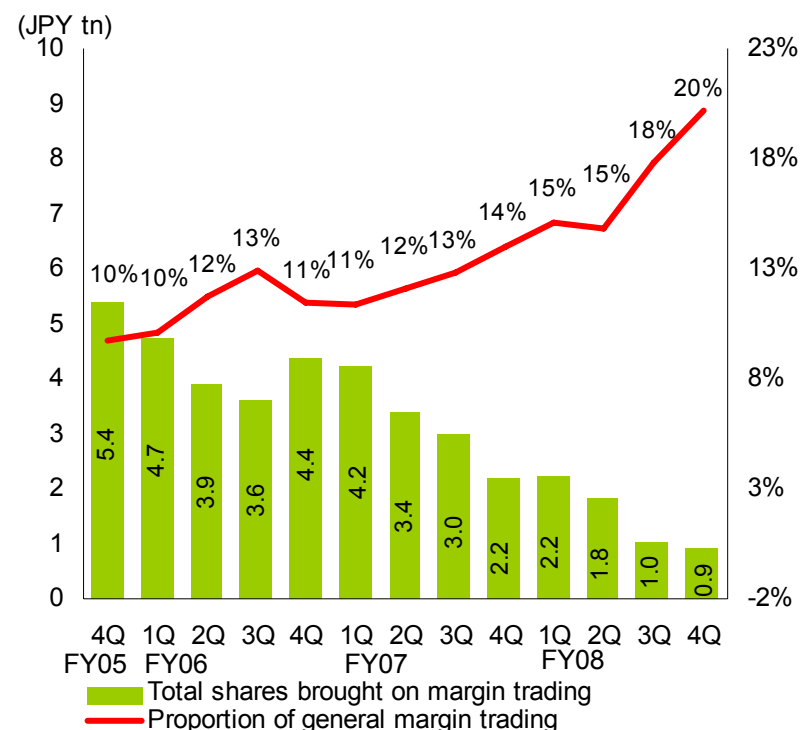


# Margin Trading Balance

## ◆ Matsui's shares bought on margin<sup>1</sup> and its market share<sup>2</sup>

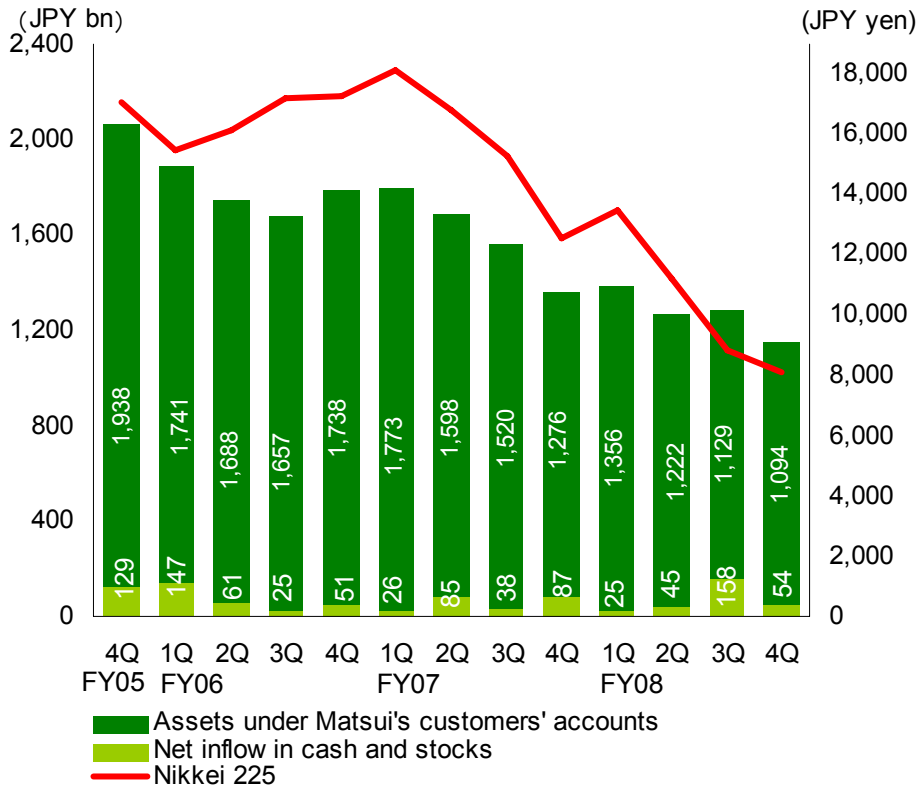


## ◆ Total shares bought on margin<sup>1</sup> and proportion of general margin trading

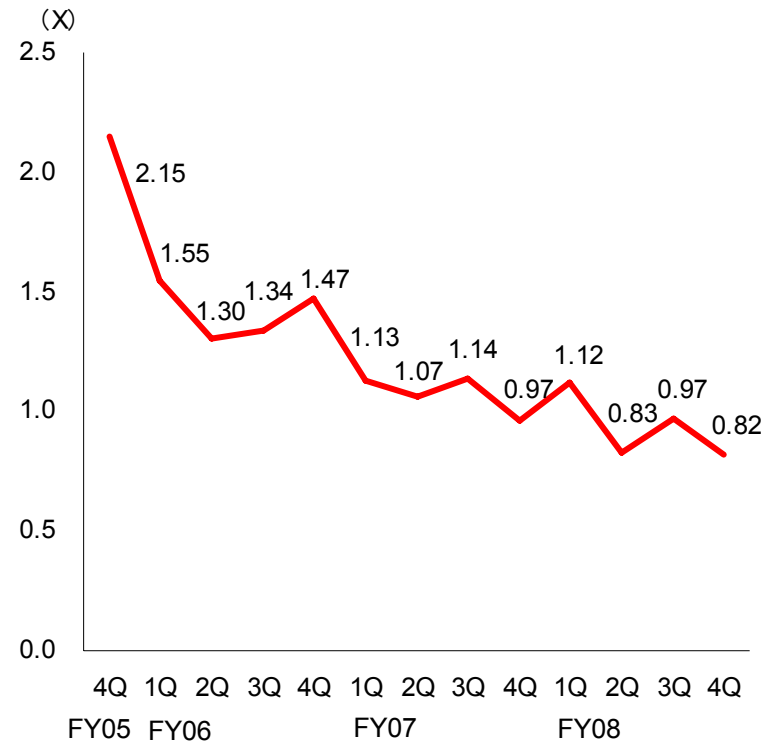


# Assets under Customers' Accounts / Trading Turnover

## ◆ Assets under Customers' accounts



## ◆ Equity trading turnover<sup>1</sup> of Matsui's customers



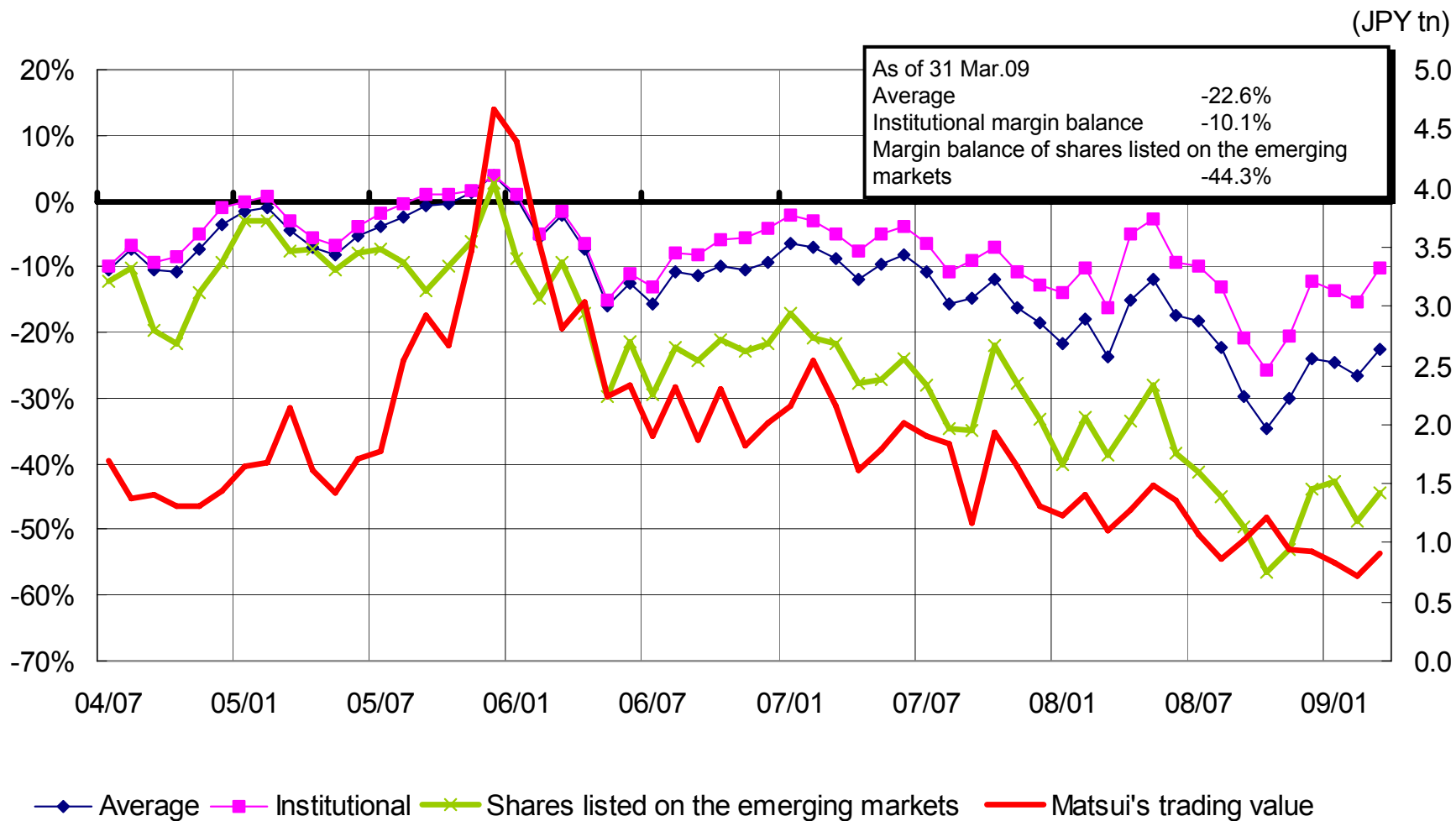
Source: BOJ

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

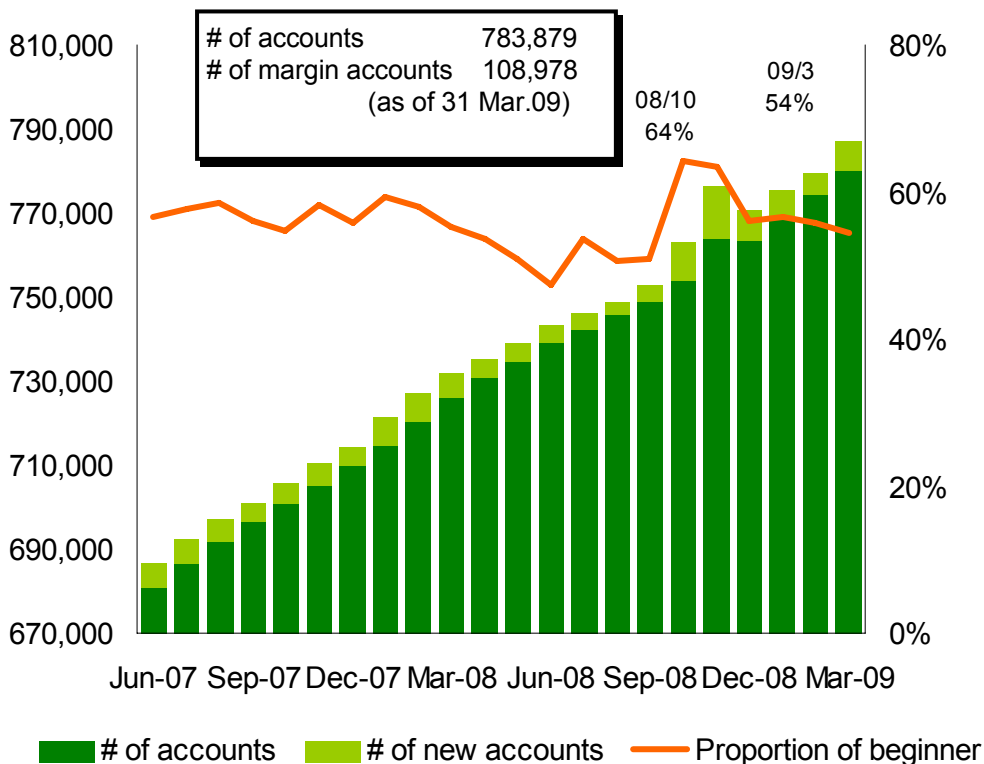
Note 2: The Nikkei stock average is as of end of each quarter

# Evaluation Losses on Matsui's Margin Balance

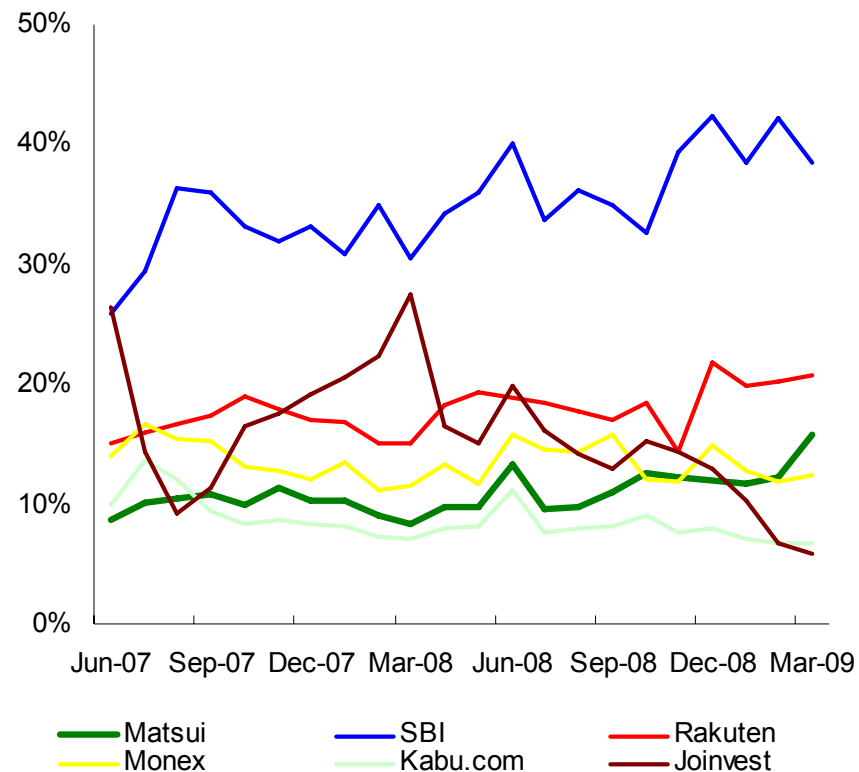


# Number of Accounts

## ◆ Number of accounts at Matsui<sup>1</sup>



## ◆ On-line brokers' share of the net increase in accounts<sup>2</sup>



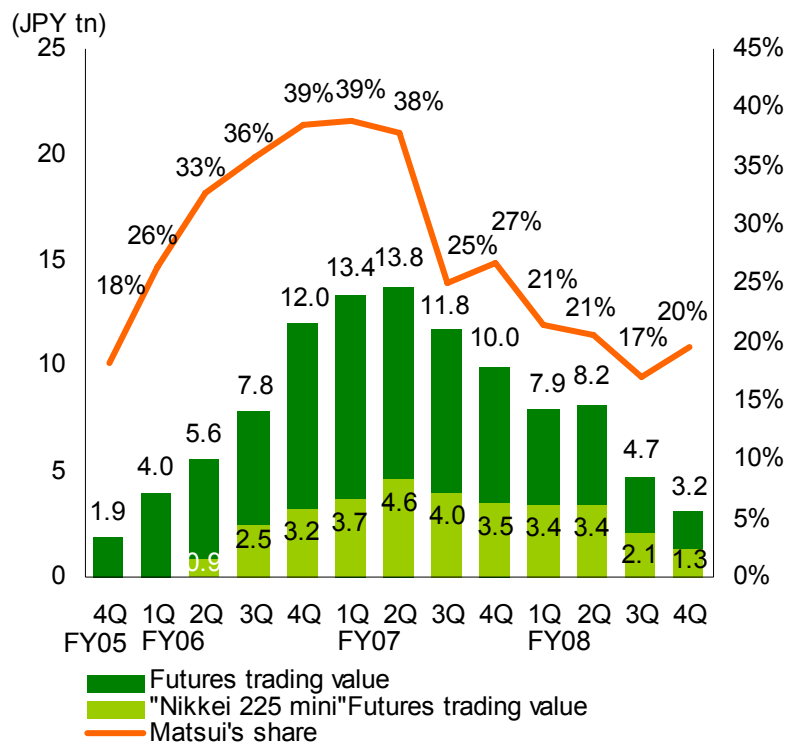
Source: Company websites

Note 1: Number of accounts as of the end of each month  
 11,140 of dormant accounts were closed down in Dec.08.

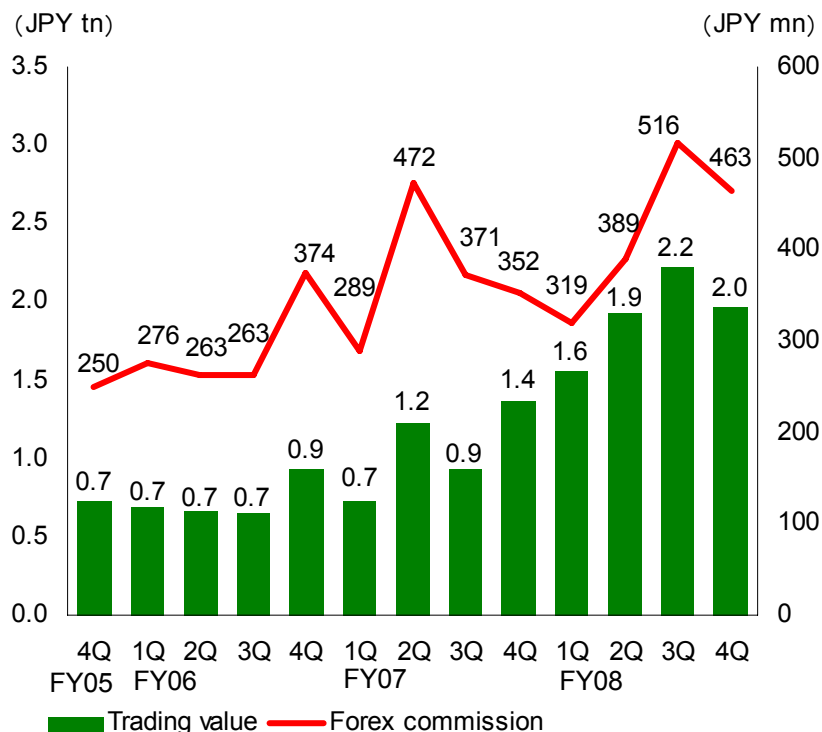
Note 2: Share of net increase in accounts = # of net increase in accounts per month / Sum of net increase in accounts at 6 major on-line brokers.

# Nikkei 225 Futures / Forex Margin trading

## ◆ Matsui's Nikkei 225 Futures trading value and its market share<sup>1</sup>

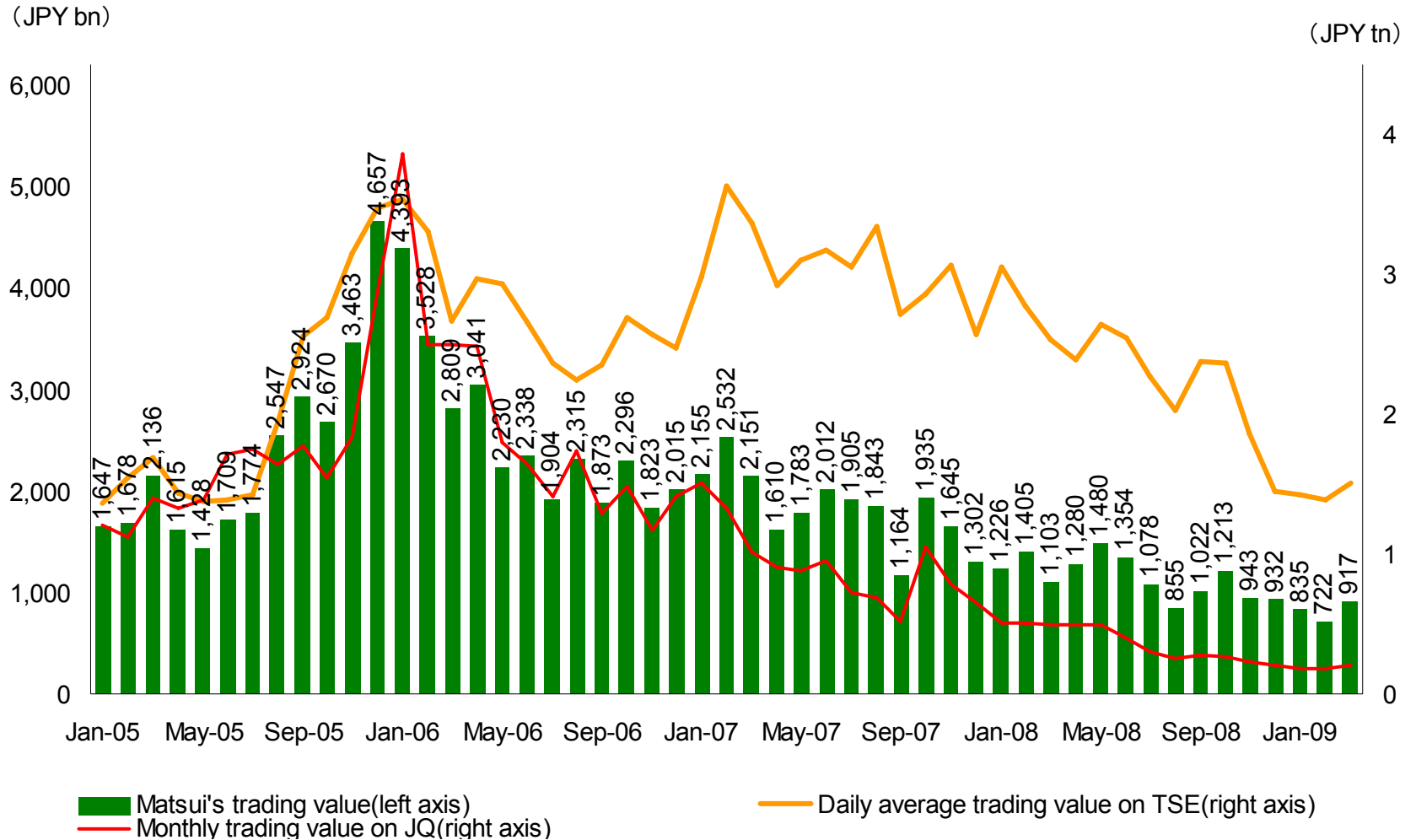


## ◆ Matsui's Forex margin commission income and trading value



# Equity Trading Value

## ◆ Matsui's monthly equity trading value



# Recent Developments

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## Section 3



# Corporate Strategy

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## 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, steady increase in number of accounts
- Secure liquidity is the highest priority

## ◆ Undertakings in FY08

- No commission charge up to JPY10mn of trading value (~Jun.09)
- Release the list of market orders so as to easily identify the stock that can be possibly executed (Jan.09)
- Extend the morning session (Feb.09)  
Introduction of trading at the closing price of the morning session during 11AM-12AM

### Appeal the merits of RTGS

- Enable customers to day-trade the same stock several times on the same day
- Possible to transfer the proceeds of the sale of shares to the bank account using the real-time disbursement service

## ◆ Future developments

- Introduce margin transaction in order to increase liquidity

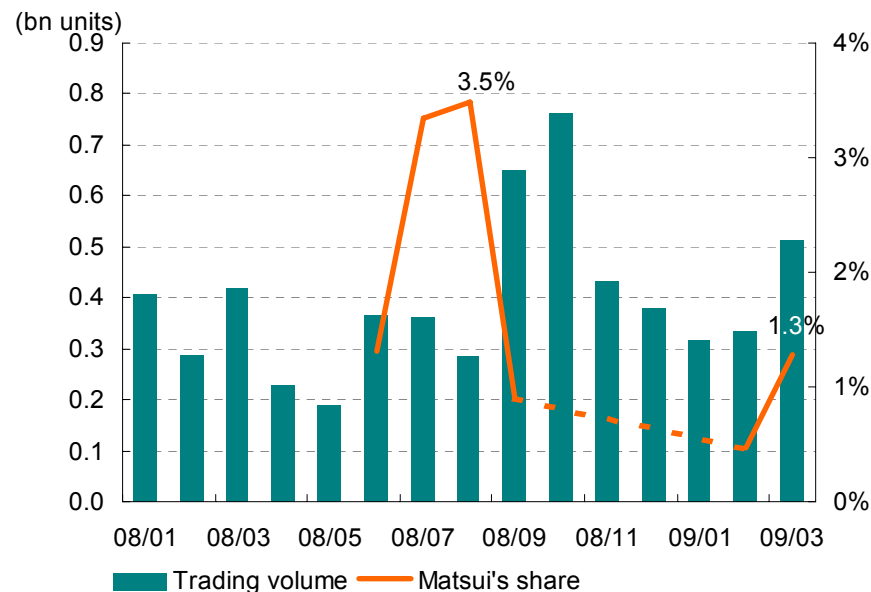
## ◆ Recent Results of the CME “Nikkei 225” Futures trading(maximum of 2/20-3/31)

- # of accounts : 8,338 (As of end of Mar.09)
- Trading value : 4.3bn (27 Mar.09)
- CME market share : 3.7% (27 Mar.09)

## ◆ New function

Enables to transfer guarantee money from the Night-time futures trading account to the daytime Futures trading account (Feb.09)

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



# Improvement in Quality of Services to Customers

## ◆Improvement of Website search engine

Introduce search engine for the site of mobile phone

We are the first internet broker to introduce search engine for the site of mobile phone

Renewal website search engine

New search engine shows the search results visually with the use of thumbnail

## ◆Enhancement of mobile phone services

■ Introduce real time information application “KABU touch” for iPhone and iPod touch

【Function】

- Stock price information board
- Futures information board
- Index list (Nikkei 225 average, TOPIX etc.)
- Foreign index list (Dow, NASDAQ, FTSE100, Red chip index etc.)

【Mobile site】

先物の検索結果

1. **先物取引**  
先物取引では、日経225先物・日経225miniを業界最低水準の手数料でお取引いただけます。また、逆指値や最先端のアプリ「ハイスピードα」なども無料でご利用いただけます。

2. **手数料(先物・OP取引)**  
先物取引 1約定ごとに手数料がかかります。オプション取引 1約定ごとに手数料がかかります。

【Website】

先物の検索結果

www.mstnet.co.jp/first/futures.html

先物取引では、日経225先物・日経225miniを業界最低水準の手数料でお取引いただけます。また、逆指値や最先端のアプリ「ハイスピードα」なども無料でご利用いただけます。

先物取引 1約定ごとに手数料がかかります。オプション取引 1約定ごとに手数料がかかります。

松井証券ではじめの先物取引

<Equity>

現在値	前日比	騰落率
577	-7	-1.19%

売数量	14:09	買数量
5,800	581	8,500
9,800	580	8,700
6,800	579	7,600
11,300	578	14,400
15,800	577	3,800
	576	
	575	
	574	
	573	
	572	

<Futures>

銘柄名	現在値	前日比	騰落率
日経平均	7,236.55	14:05	
	-139.57		-1.89%
日経225mini	7,240	14:05	
09/03	-140		-1.89%
日経225mini	7,170	14:05	
09/06	-135		-1.84%
日経225先物	7,240	14:05	
09/03	-150		-2.02%
日経225先物	7,180	14:05	
09/06	-130		-1.77%

<Index>

指数	現在値	前日比	騰落率
NYダウ	6,930.40	20090311	+3.91 +0.05%
NADAQ	1,371.64	20090311	+13.36 +0.99%
S&P500	721.36	20090311	+1.76 +0.24%
FTSE100(英)	3,693.81	20090311	-21.42 -0.57%
DAX(独)	3,914.10	20090311	+27.12 +0.69%
H株指数	6,909.48	20090312	-98.26 -1.40%

# 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
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)
July	Launch the VWAP guarantee trading Add dealing currencies(ZAR and HKD) on NetFX
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
May	Launch the RTGS service by establishment of the PTS
June	Launch the Night-time "Nikkei 225" Futures listed on CME
July	Add"Chart-folio"and "News Finder"as a new information research tool Introduce "High-Speed α" for Futures and Options trading
November	Launch the "ETF Account" Start to provide Reuter news on the public site of mobile phone
January,2009	<b>Add new function to the free information tool "QUICK"</b>
February	<b>Restart the CME "Nikkei 225" futures trading service</b> <b>Extend the morning session of RTGS service</b>
March	<b>Introduce"fxwave moibile mail service"</b> <b>Launch real time information application "KABU touch" for iPhone and iPod</b>

The material is intended to provide the financial results for the year ended 31 March 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 April 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.

## Contact information

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