



Matsui Securities Co., Ltd.

(First Section of TSE and OSE: 8628)

Annual Results for FY2012

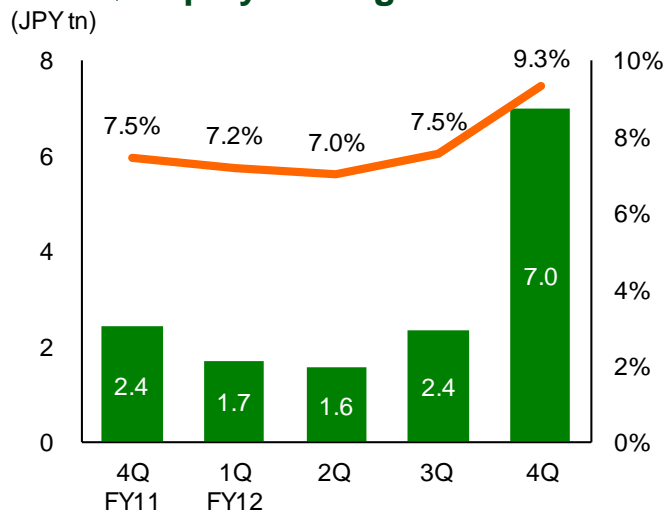
April 2013

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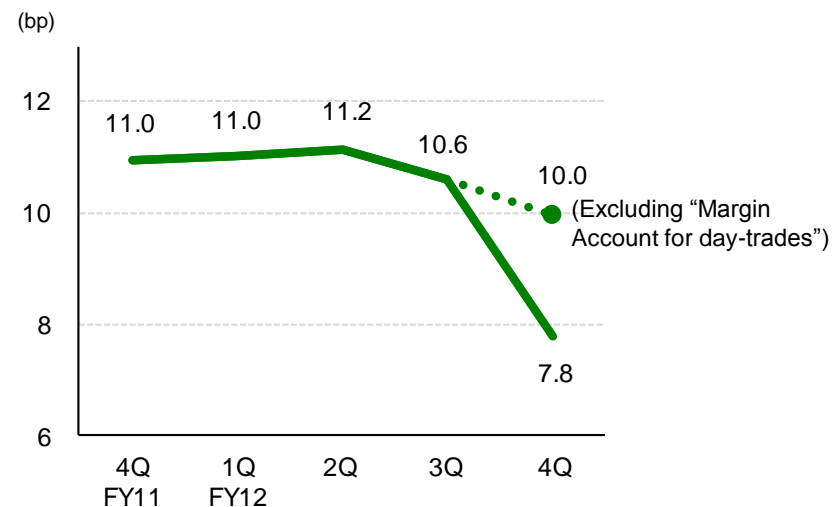
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Results of Operation

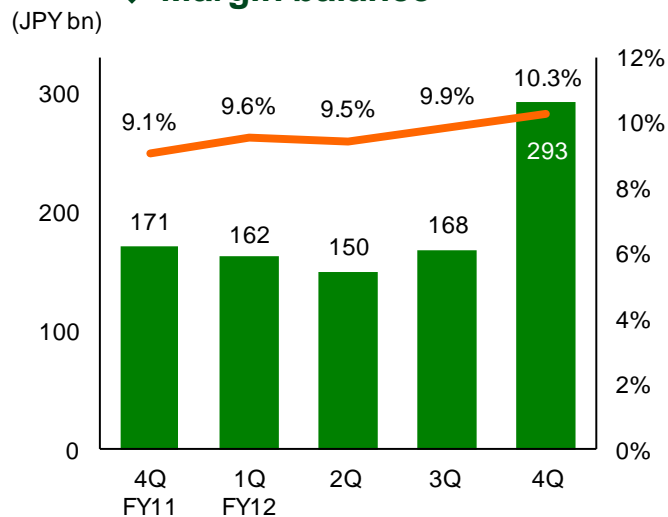
◆ Equity trading value



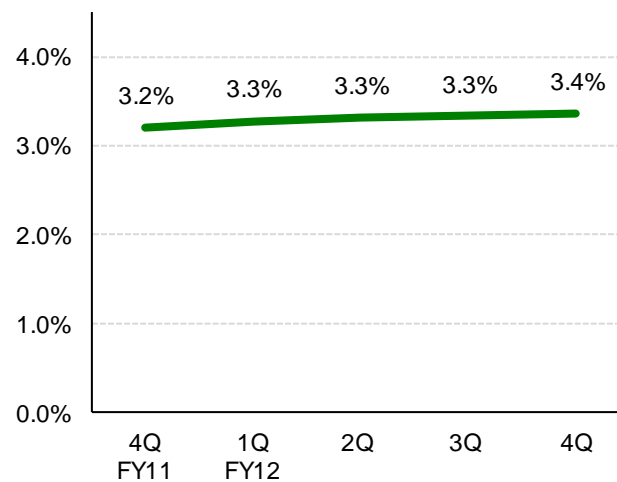
◆ Equity commission rate



◆ Margin balance

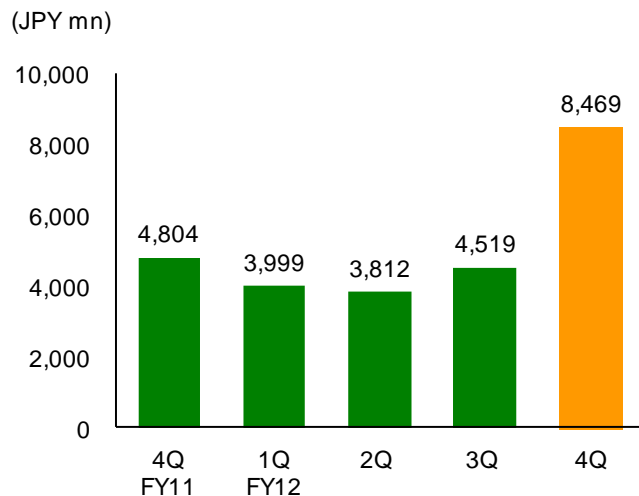


◆ Net interest income ratio

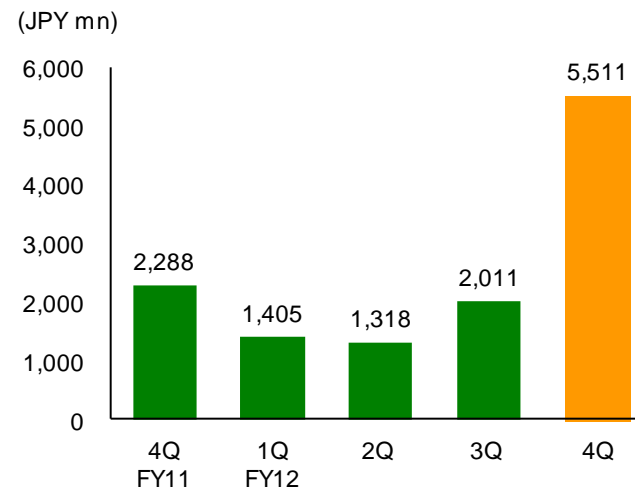


Financial Results

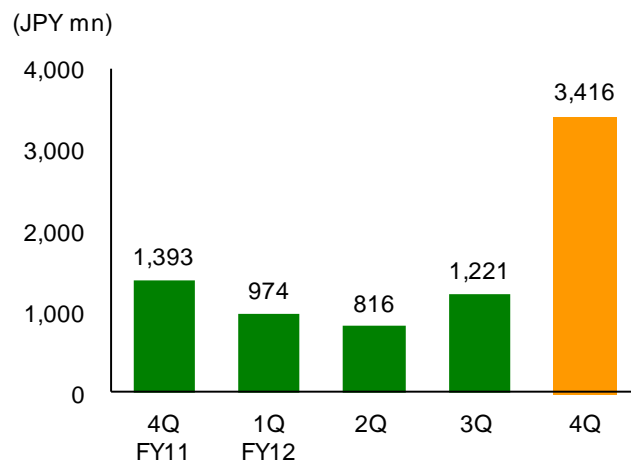
◆ Operating revenues



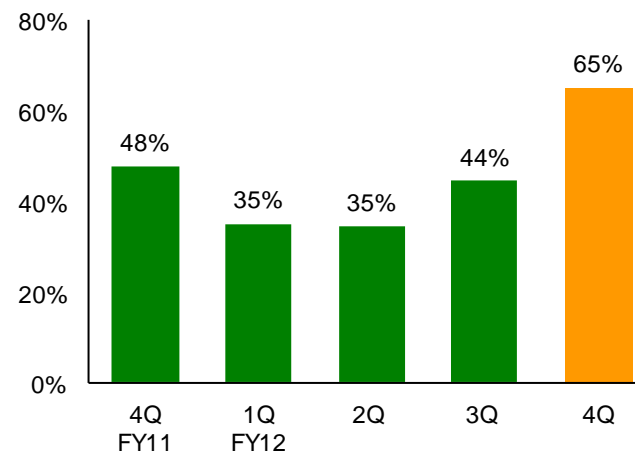
◆ Ordinary income



◆ Net income

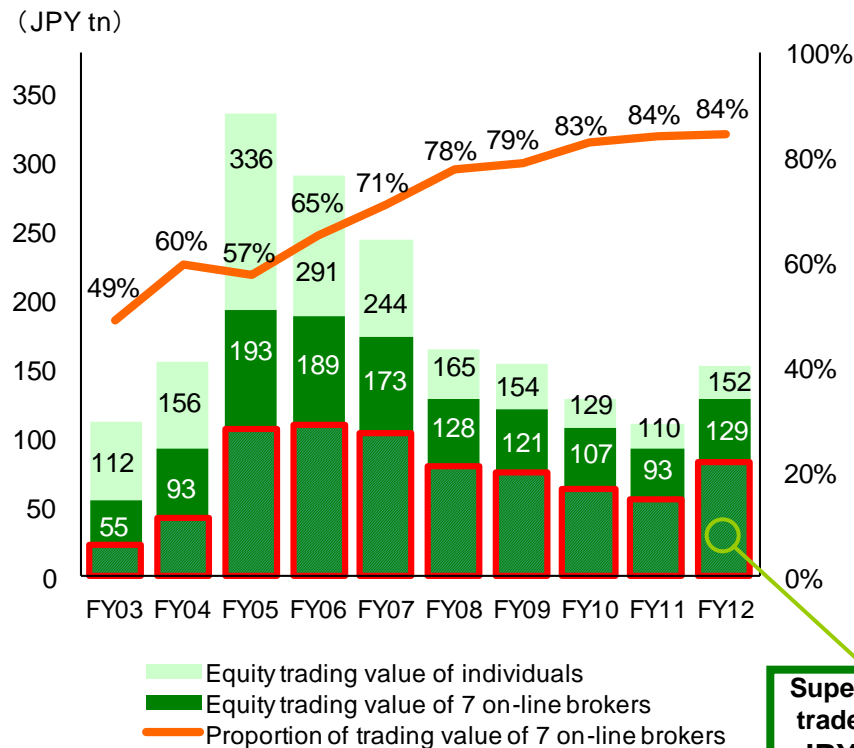


◆ Ordinary income ratio

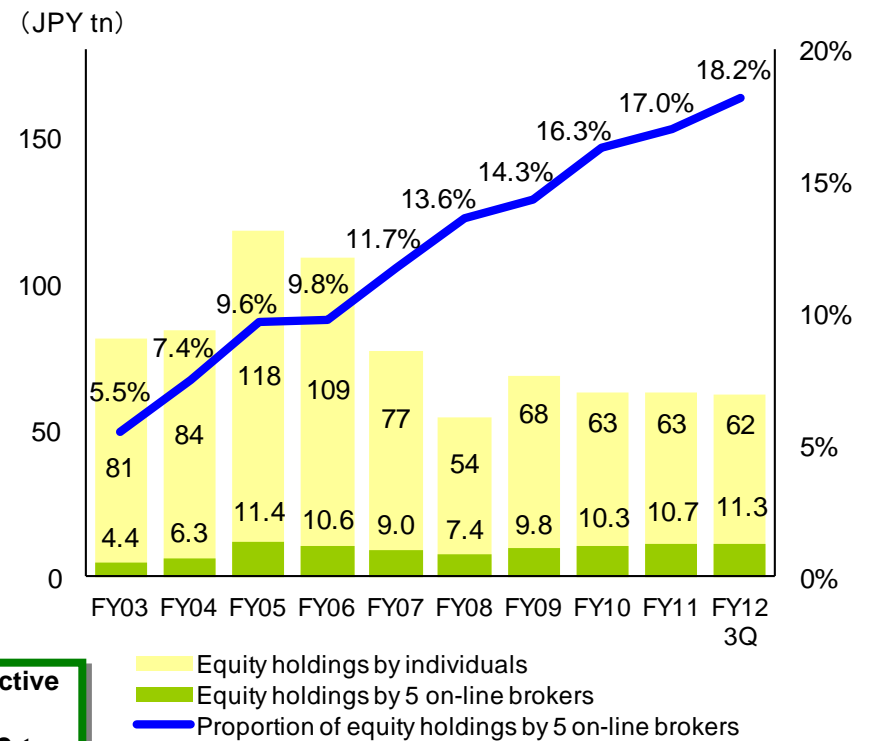


Overview of Retail Equity Trading Market

◆ Equity trading value of individuals¹ (FLOW)



◆ Equity holdings by individuals¹ (STOCK)



Super active traders
JPY 90 tn
(Estimate)

Financial Summary

Section 1

Summary of Financial Results (FY12)

(JPY mn)

	FY12 (Apr.12-Mar.13)	FY11 (Apr.11-Mar.12)	YoY
Operating Revenues	20,799	17,703	17%
Commissions	14,165	11,547	23%
Interest & dividend income	6,654	6,211	7%
Interest expenses	884	975	-9%
Net operating revenues	19,915	16,728	19%
SG&A	9,719	9,360	4%
Operating income	10,195	7,368	38%
Ordinary income	10,245	7,426	38%
Net income	6,427	4,263	51%
Ordinary income ratio	49%	42%	-
Matsui's trading value (JPY tn)	12.6	8.0	57%
Daily average trading value on TSE (JPY tn)	1.5	1.3	15%

Breakdown of Net Operating Revenues (FY12)

(JPY mn)

	FY12 (Apr.12-Mar.13)	FY11 (Apr.11-Mar.12)	YoY
Commissions	14,165	11,547	23%
Brokerage	13,072	10,435	25%
Equity	11,635	8,898	31%
Futures & Options	1,074	973	10%
Others	1,088	1,111	-2%
Net gain (loss) on trading	-26	-55	-
Interest & dividend income (1)	6,654	6,211	7%
Total operating revenues	20,799	17,703	17%
Interest expenses (2)	884	975	-9%
Net operating revenues	19,915	16,728	19%
Net interest income (1) - (2)	5,770	5,236	10%
Average margin balance (JPY bn)	173	160	8%

Breakdown of SG&A (FY12)

(JPY mn)

	FY12 (Apr.12-Mar.13)	FY11 (Apr.11-Mar.12)	YoY
Transaction related expenses	3,356	3,104	8%
Advertisement	538	479	12%
Employees' compensation & benefits	1,832	1,809	1%
Occupancy & rental	925	1,077	-14%
Data processing & office supplies	1,625	1,742	-7%
Depreciation	1,788	1,769	1%
Duties & taxes other than income taxes	116	98	19%
Provision of allowance for doubtful accounts	-36	-346	-
Others	114	108	5%
Total SG&A	9,719	9,360	4%

Summary of Financial Results (Quarterly)

(JPY mn)

	FY12	FY12	QoQ	FY12		FY11	YoY	FY12
	4Q	3Q		2Q	1Q	4Q		TOTAL
Operating Revenues	8,469	4,519	87%	3,812	3,999	4,804	76%	20,799
Commissions	6,389	3,057	109%	2,292	2,428	3,302	93%	14,165
Interest & dividend income	2,105	1,461	44%	1,519	1,570	1,500	40%	6,654
Interest expenses	228	203	12%	237	216	283	-19%	884
Net operating revenues	8,241	4,316	91%	3,575	3,783	4,520	82%	19,915
SG&A	2,742	2,307	19%	2,264	2,407	2,254	22%	9,719
Operating income	5,499	2,009	174%	1,311	1,376	2,266	143%	10,195
Ordinary income	5,511	2,011	174%	1,318	1,405	2,288	141%	10,245
Net income	3,416	1,221	180%	816	974	1,393	145%	6,427
Ordinary income ratio	65%	44%	-	35%	35%	48%	-	49%
Matsui's trading value (JPY tn)	7.0	2.4	198%	1.6	1.7	2.4	191%	12.6
Daily average trading value on TSE (JPY tn)	2.5	1.3	83%	1.1	1.2	1.4	75%	1.5

Source: TSE

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY12	FY12	QoQ	FY12		FY11	YoY	FY12
	4Q	3Q		2Q	1Q	4Q		TOTAL
Commissions	6,389	3,057	109%	2,292	2,428	3,302	93%	14,165
Brokerage	6,026	2,833	113%	2,022	2,191	2,991	101%	13,072
Equity	5,479	2,501	119%	1,759	1,896	2,657	106%	11,635
Futures & Options	396	251	58%	207	220	215	84%	1,074
Others	363	223	63%	264	237	311	17%	1,088
Net gain (loss) on trading	-26	0	-	1	-1	1	-	-26
Interest & dividend income (1)	2,105	1,461	44%	1,519	1,570	1,500	40%	6,654
Total operating revenues	8,469	4,519	87%	3,812	3,999	4,804	76%	20,799
Interest expenses (2)	228	203	12%	237	216	283	-19%	884
Net operating revenues	8,241	4,316	91%	3,575	3,783	4,520	82%	19,915
Net interest income (1) - (2)	1,877	1,257	49%	1,281	1,355	1,217	54%	5,770
Average margin balance (JPY bn)	224	151	48%	155	165	152	47%	173

Breakdown of SG&A (Quarterly)

(JPY mn)

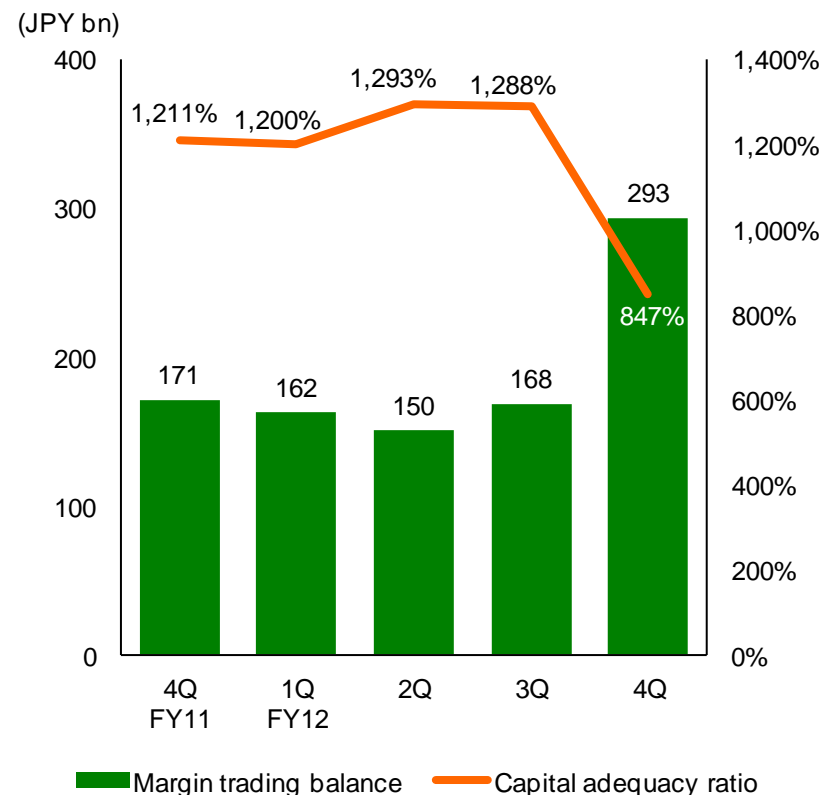
	FY12	FY12	QoQ	FY12		FY11	YoY	FY12 TOTAL
	4Q	3Q		2Q	1Q	4Q		
Transaction related expenses	1,113	770	45%	700	773	795	40%	3,356
Advertisement	196	108	81%	95	139	126	56%	538
Employees' compensation & benefits	466	455	2%	453	457	449	4%	1,832
Occupancy & rental	229	230	-0%	230	236	237	-3%	925
Data processing & office supplies	396	406	-2%	402	422	415	-4%	1,625
Depreciation	452	441	2%	447	448	447	1%	1,788
Duties & taxes other than income taxes	40	22	87%	19	35	25	63%	116
Provision of allowance for doubtful accounts	20	-40	-	-6	-9	-131	-	-36
Others	26	24	5%	18	46	19	37%	114
Total SG&A	2,742	2,307	19%	2,264	2,407	2,254	22%	9,719

Capital Adequacy Ratio

◆ Capital adequacy ratio (As of 31 March 2013)

		(JPY mn)
Tier 1	(A)	73,506
Tier 2	Net unrealized gain on investment	2,199
	Statutory reserves	1,100
	Allowance for doubtful accounts	20
	Sub total (B)	3,319
Assets to be deducted from equity capital	(C)	5,238
Net Capital		
	(A) + (B) - (C) (D)	71,587
Total risk	Market risk	551
	Counterparty risk	5,841
	Basic risk	2,061
	Total (E)	8,454
Capital Adequacy ratio	(D)/(E)	846.7%

◆ Margin trading balance and capital adequacy ratio



Policy of Profit Sharing with Shareholders

Plan to pay 20 yen per share as dividends for FY12

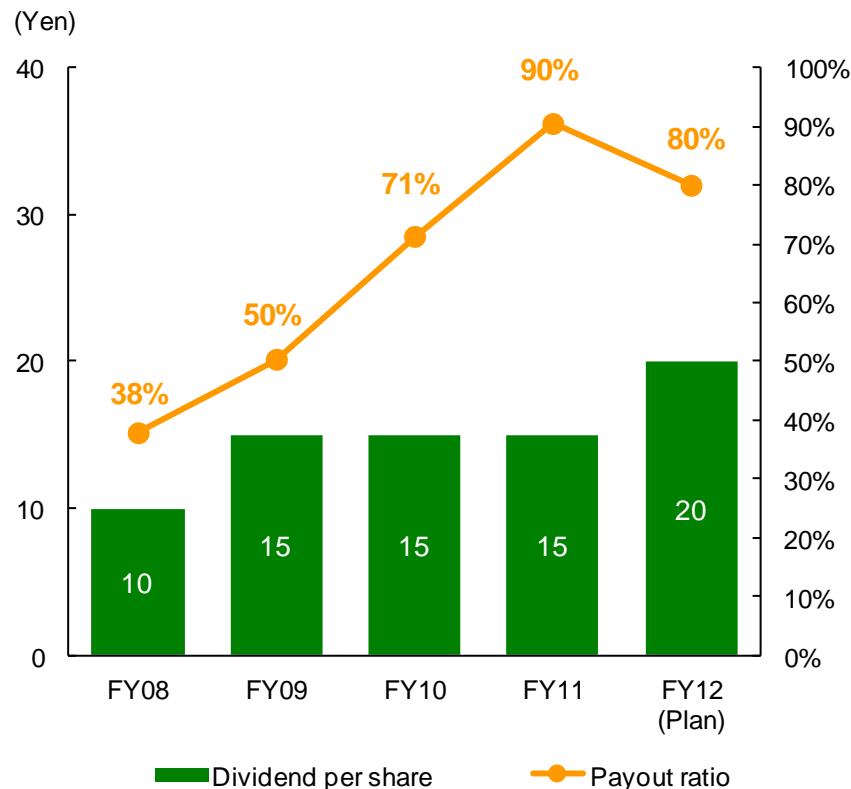
◆ Dividend policy

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

◆ Dividends for FY12

- Plan to pay 20 yen per share
- 5 yen per share increase compared to FY11

◆ Matsui’s dividend per share and payout ratio

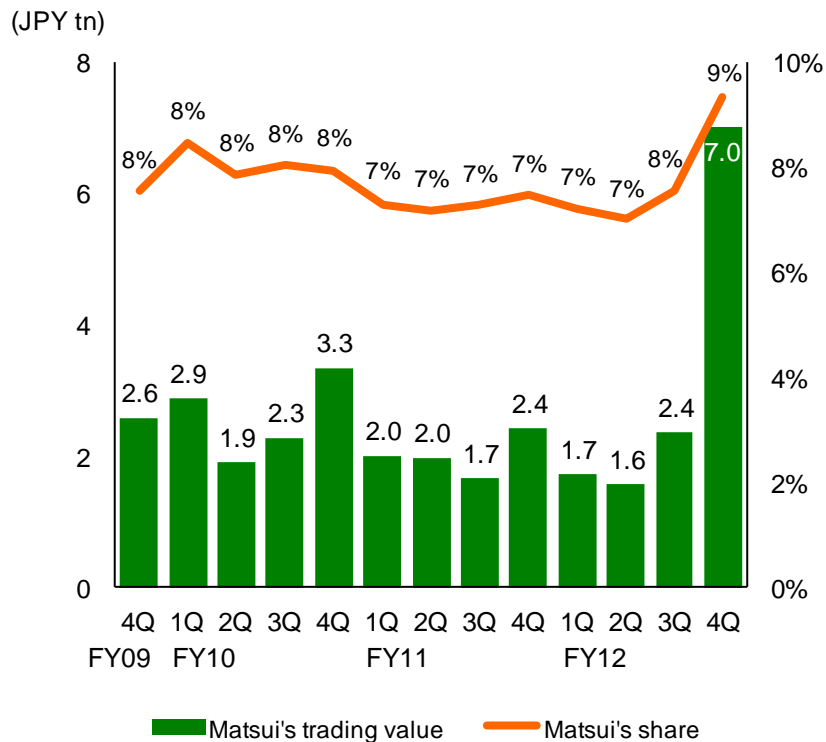


Results of Operation

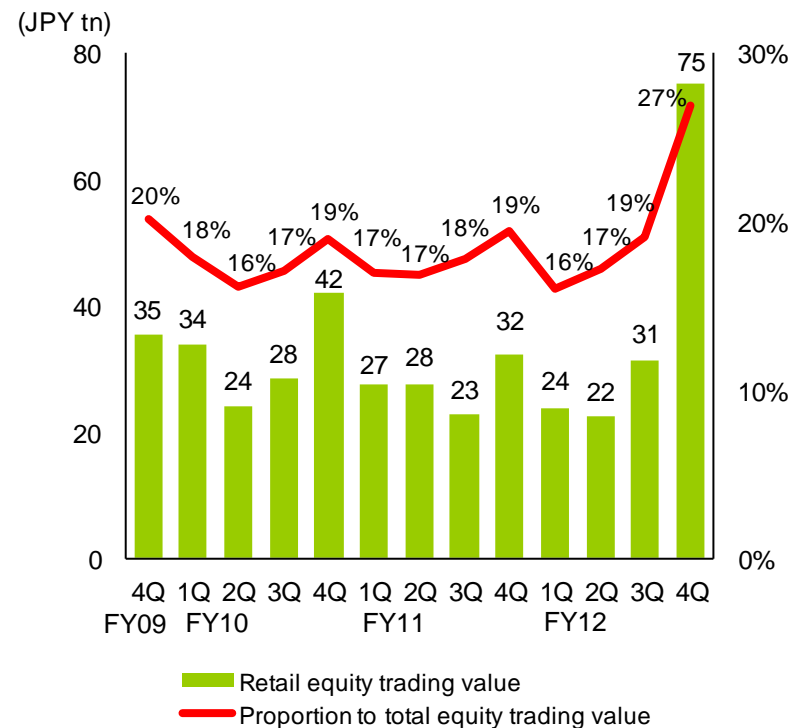
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

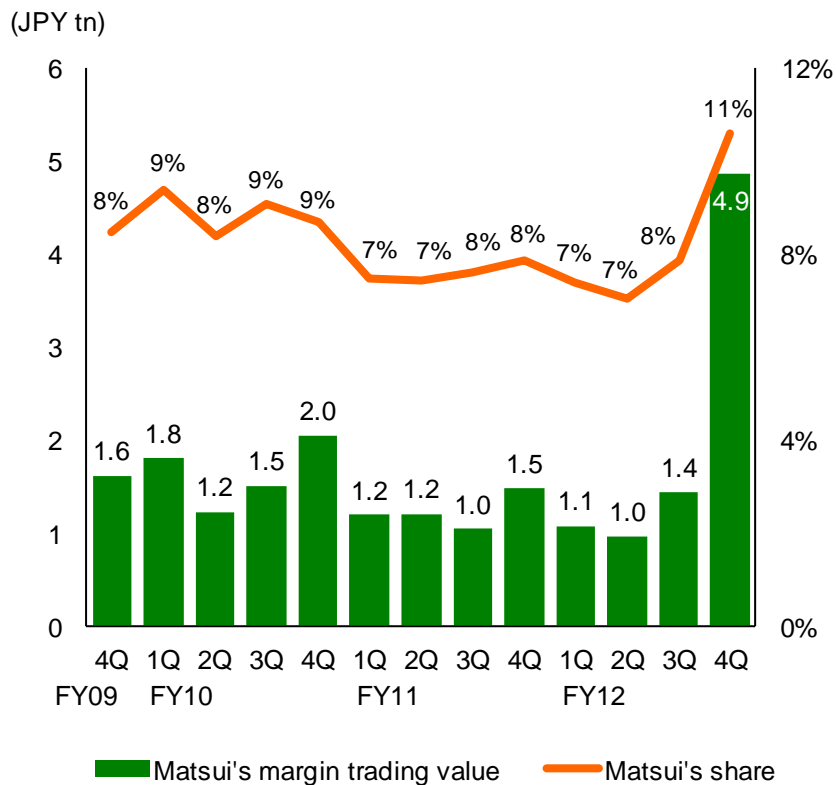


◆ Retail equity trading value¹ and proportion to total equity trading value

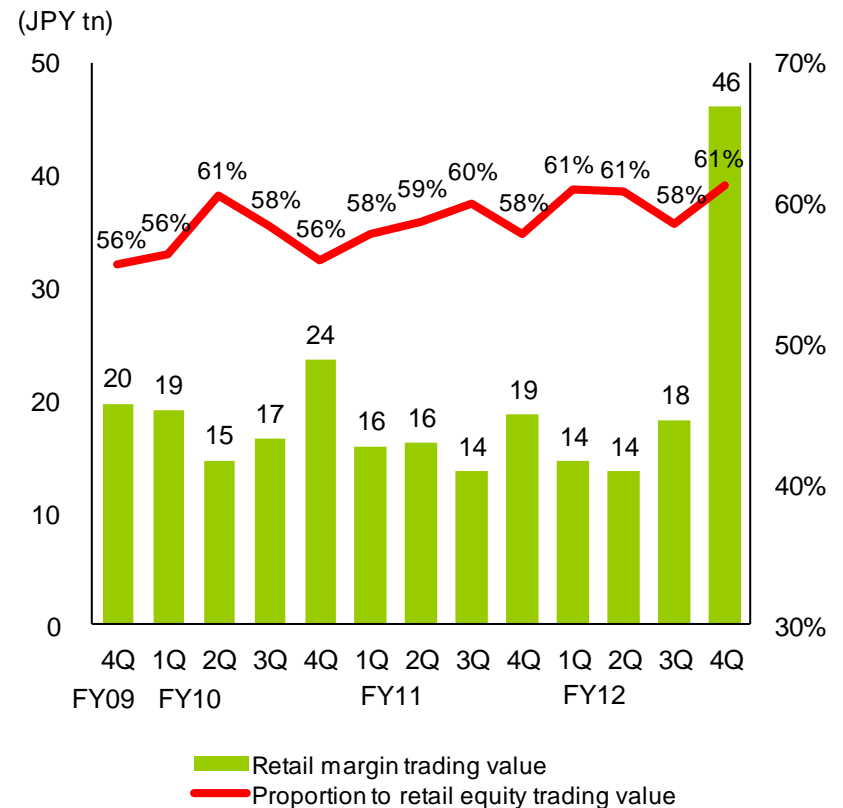


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

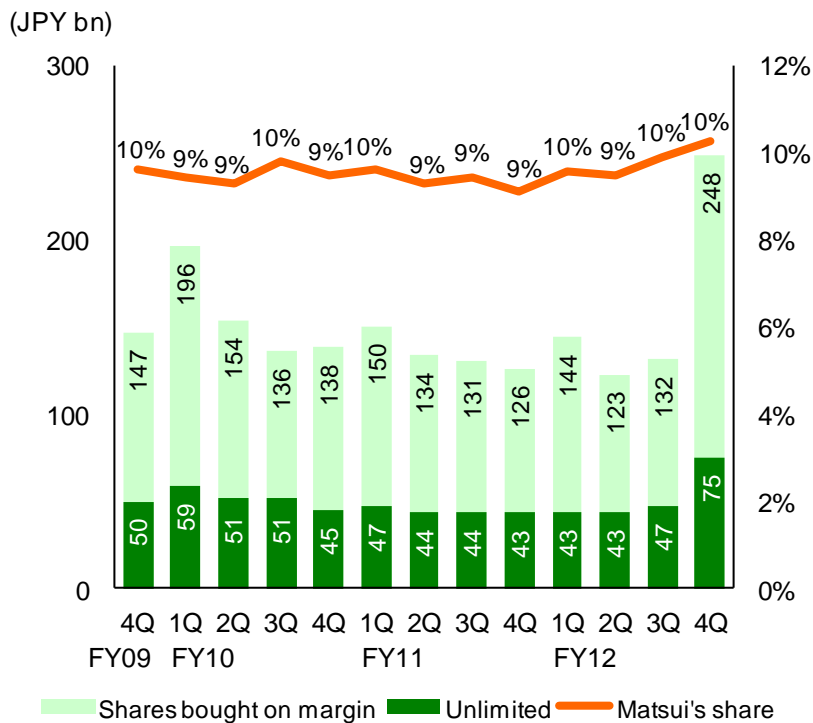


◆ Retail margin trading value¹ and proportion to total retail equity trading value

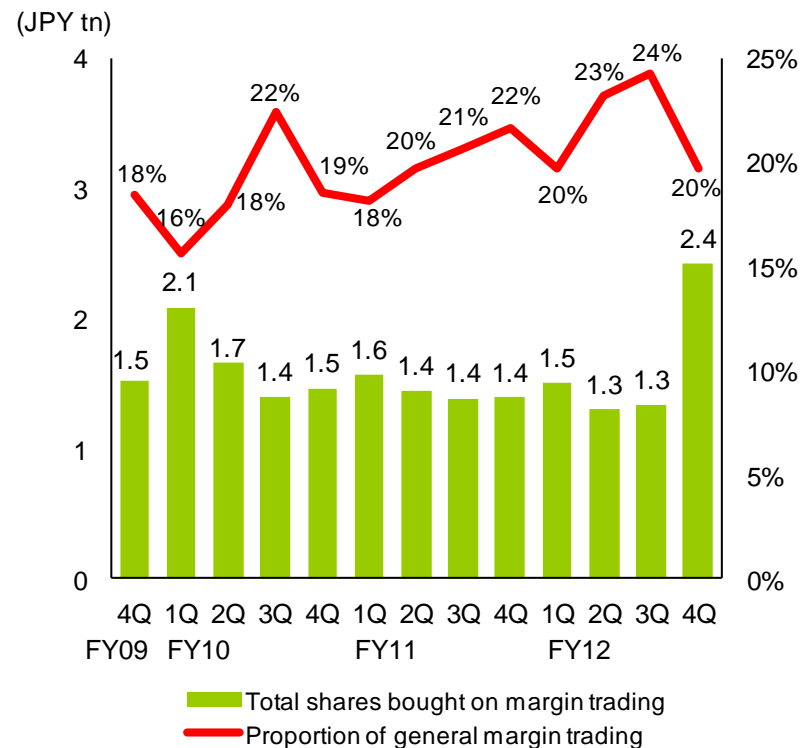


Margin Trading Balance

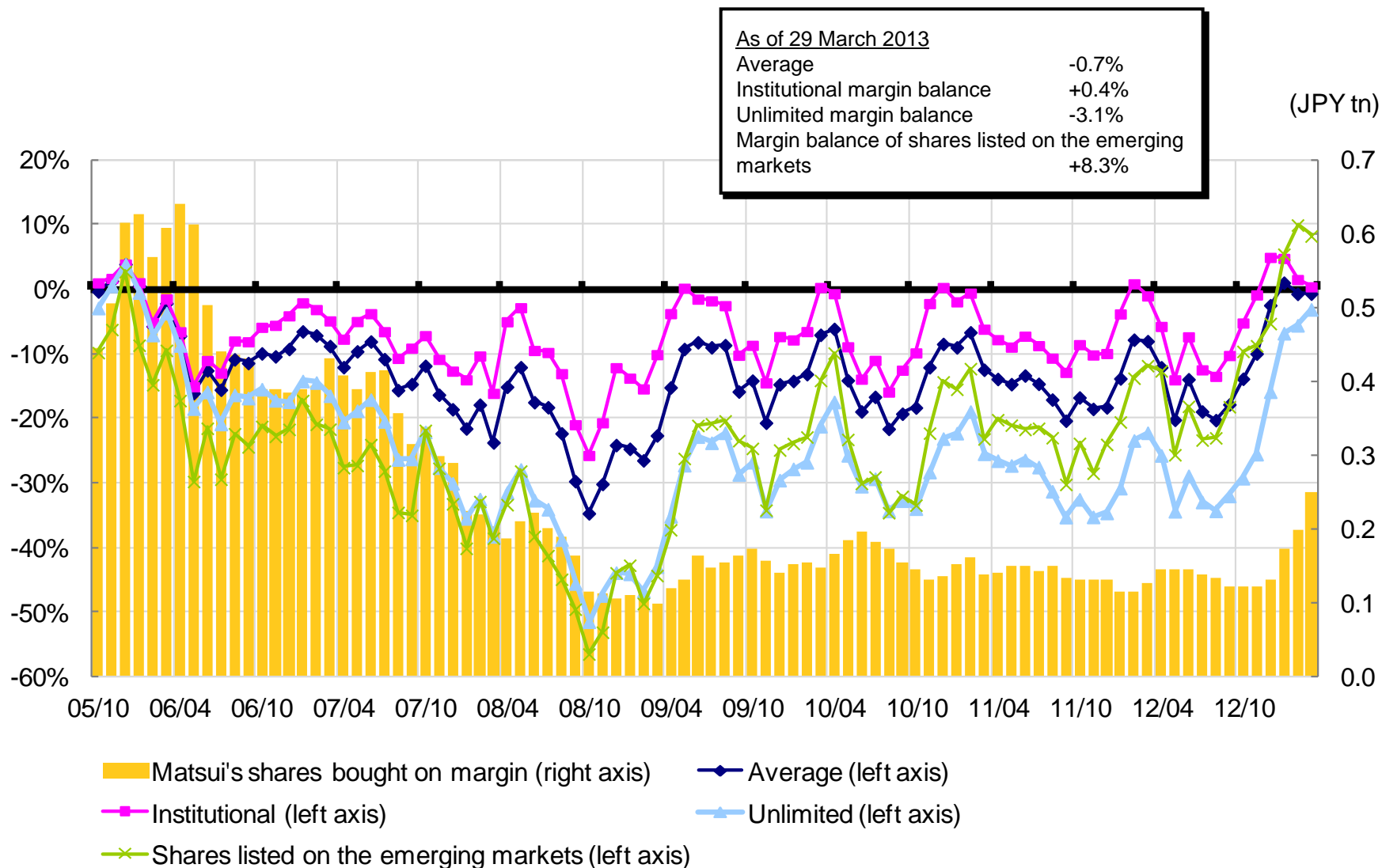
◆ Matsui's shares bought on margin¹ and its market share²



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

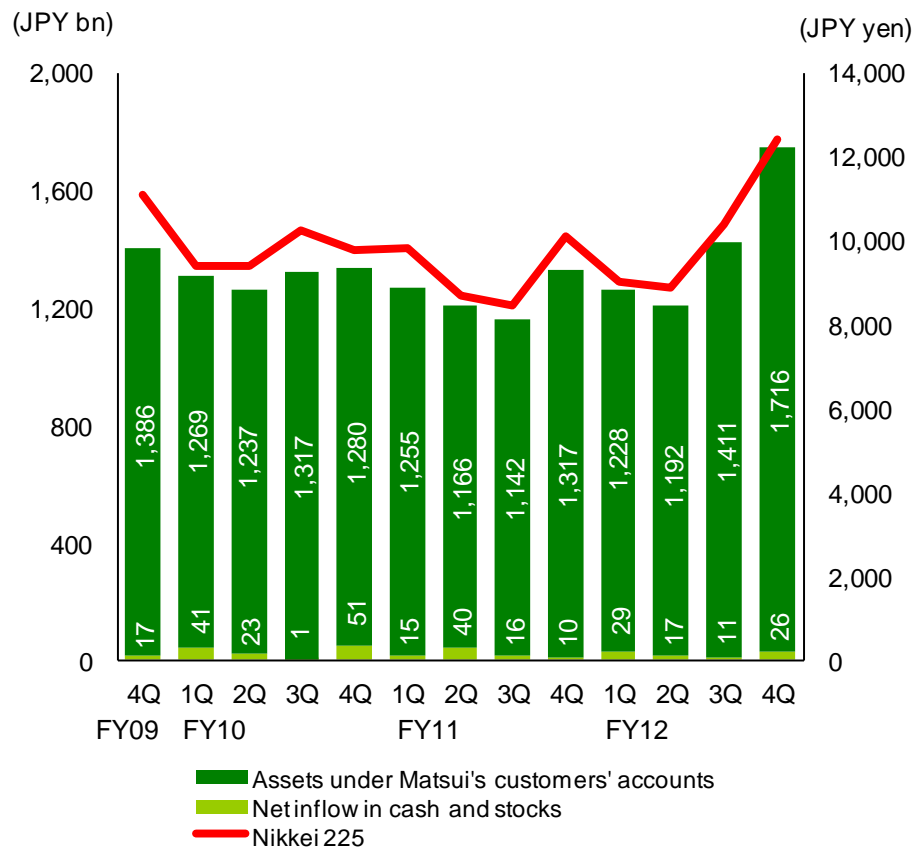


Unrealized Losses on Matsui's Margin Balance

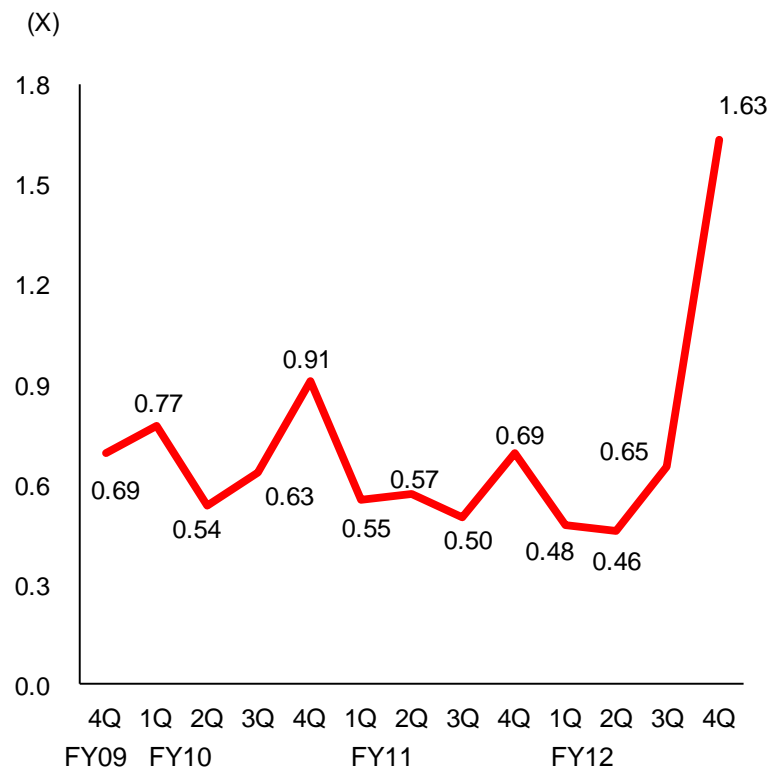


Assets under Customers' Accounts / Trading Turnover

◆ Assets under Matsui's customers' accounts



◆ Equity trading turnover¹ of Matsui's customers



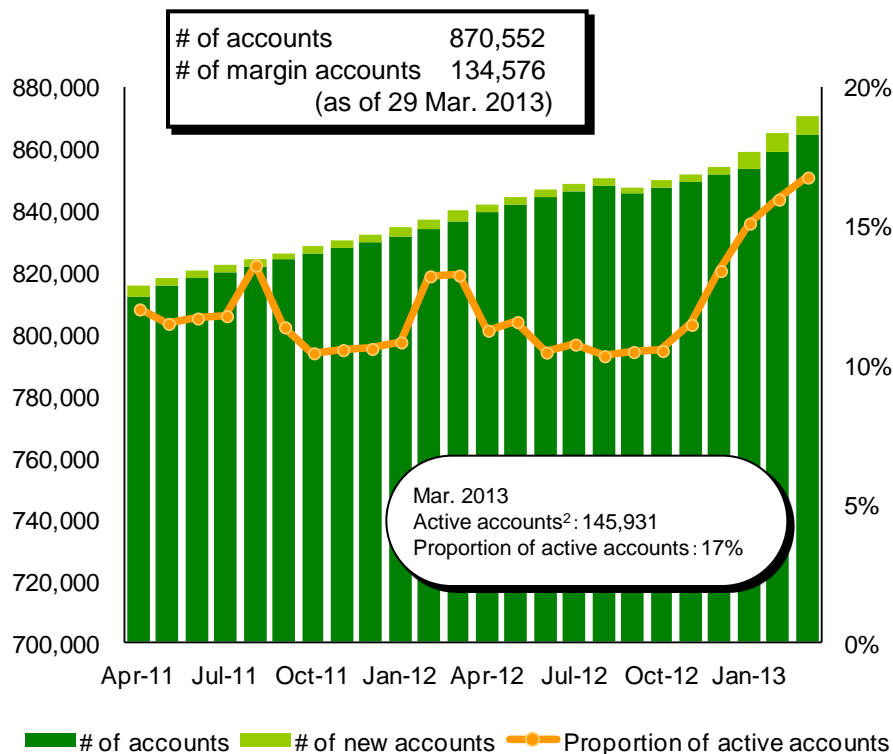
Note 1: Equity trading turnover = (monthly average trading value) / (quarterly average assets under customers' accounts*)

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

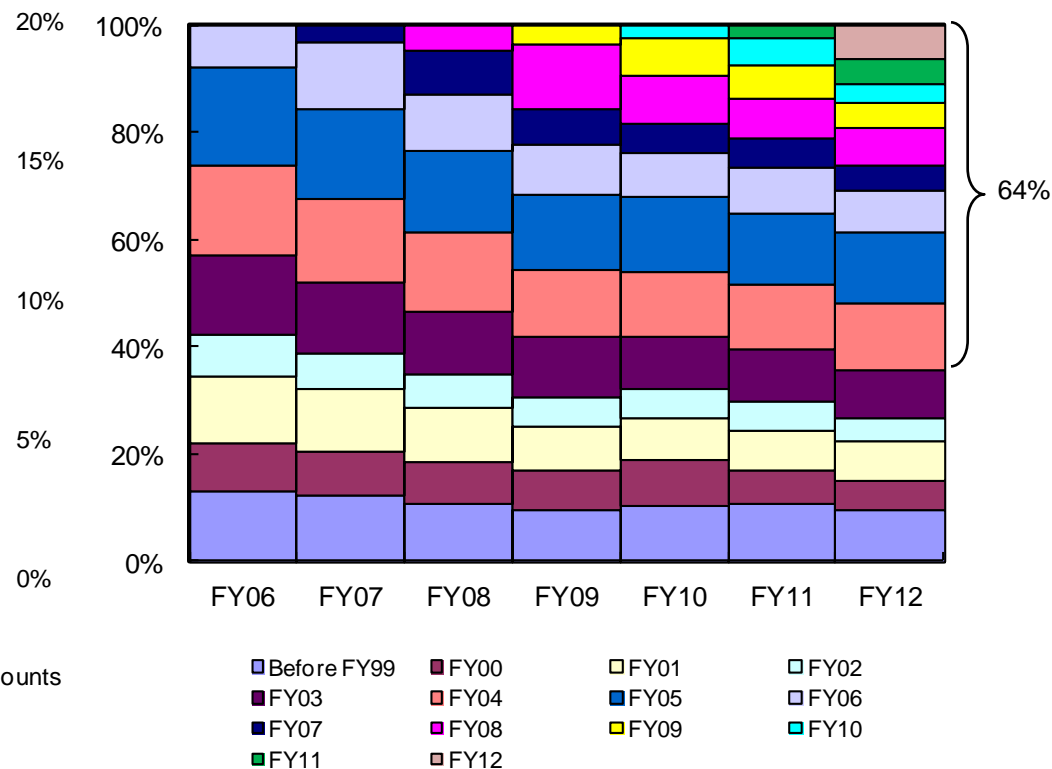
Note 2: Nikkei 225 is the closed price at the end of each quarter

Number of Accounts / Breakdown of Trading Value

◆ Number of accounts at Matsui¹



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

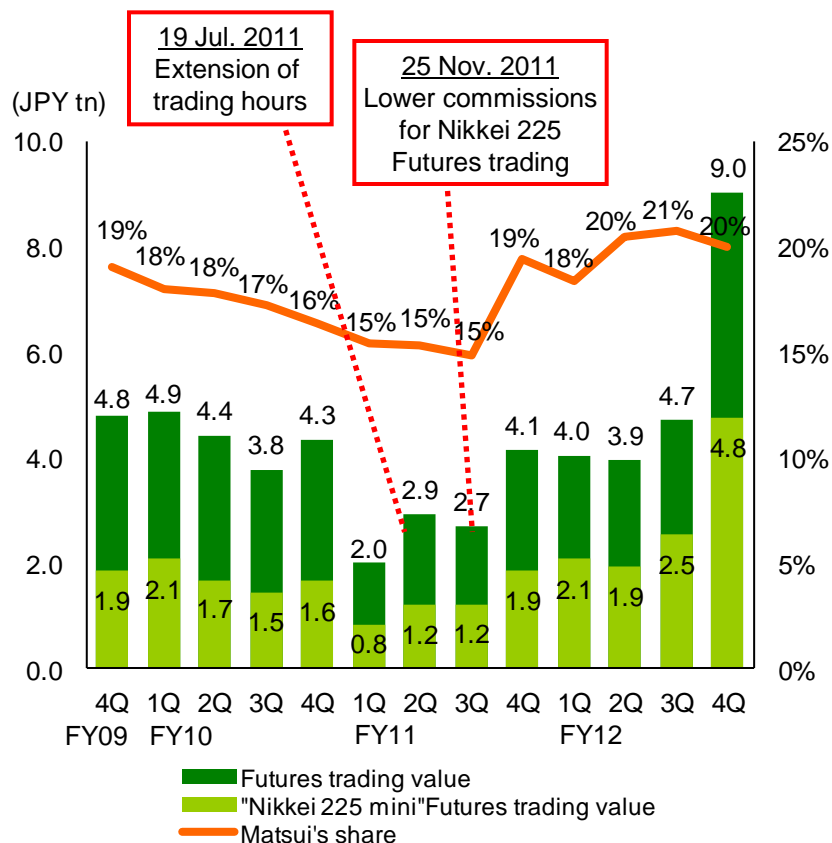


Note 1: Number of accounts as of the end of each month. Dormant accounts were closed down 5,009 in Sep.2012

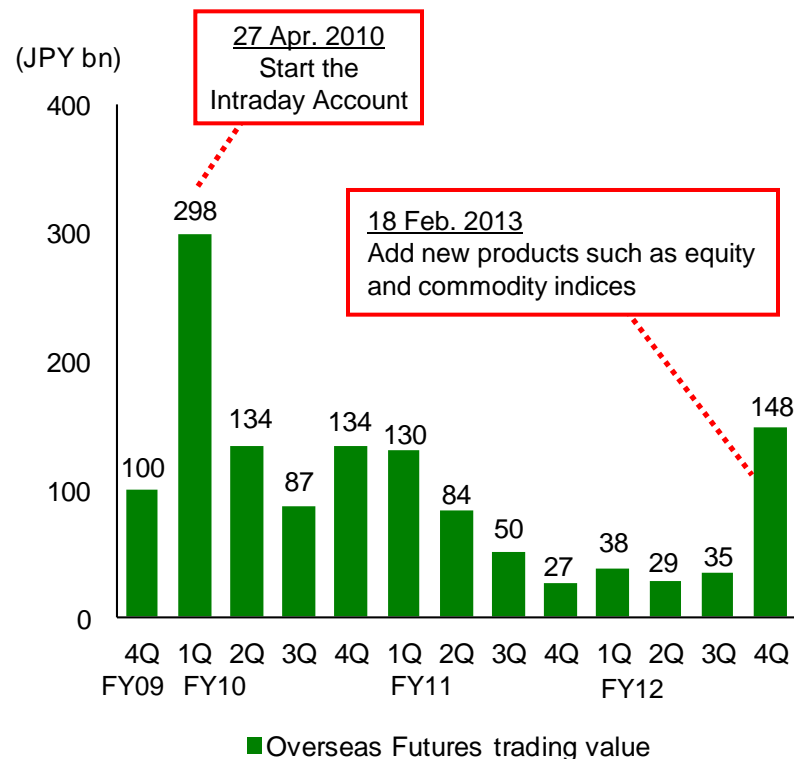
Note 2: Active accounts: number of accounts with more than one transaction per month

Futures trading value

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

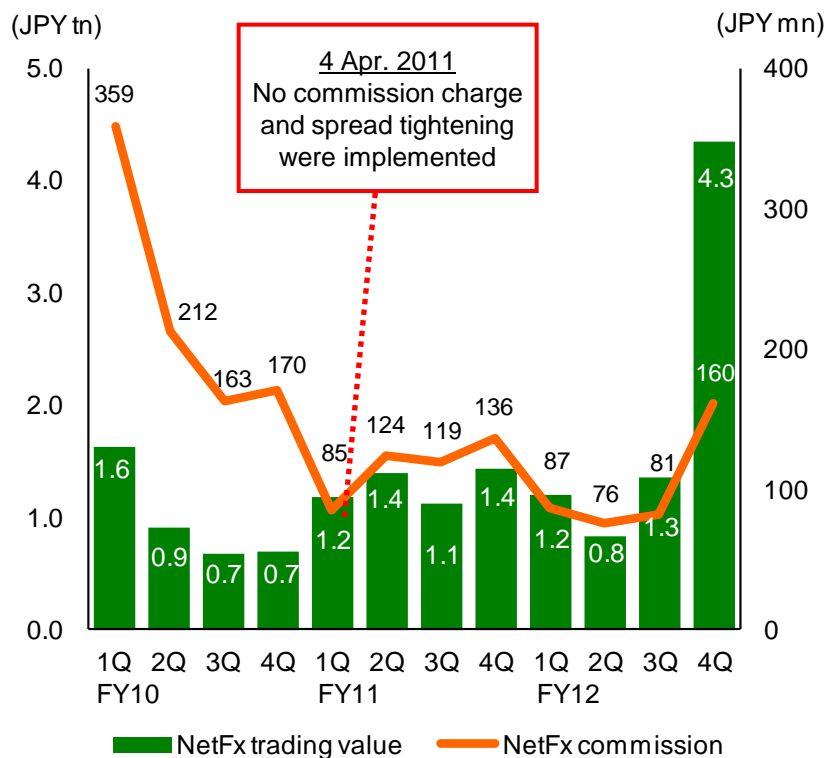


◆ Matsui's Overseas Futures trading value (CME)

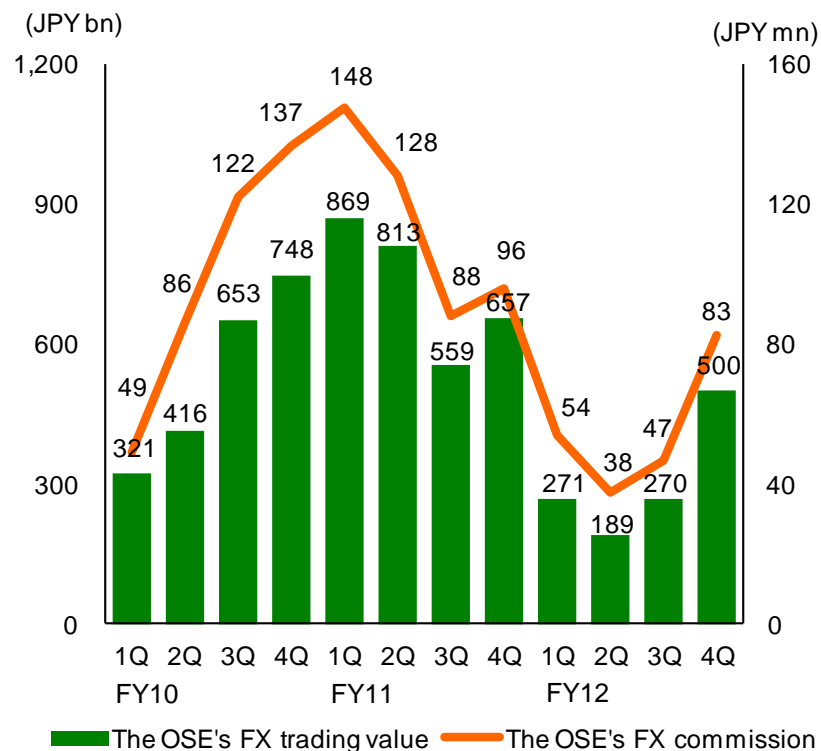


FX Margin Trading

◆ 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

Introduced “Margin Account for Day-trades” from Jan. 2013

~ It is designed to take full advantage of the benefits under the newly relaxed deposit rules for margin trading and basically charges no commission and interest

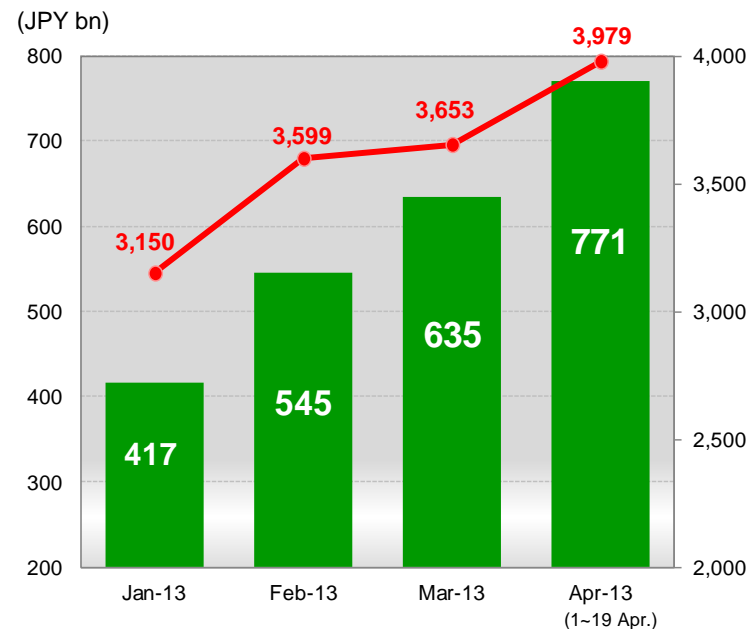
◆ Outline of Margin Account for Day-trades

Commisson	0Yen	
Interest rate p.a.	Trading value per an order	rate
	JPY3mn or above	0%
	Under JPY3mn	2%
Due date	One day	
Eligible shares	All shares listed on exchanges for long-position and shares selected by the Company for short-position (614 shares as of Apr. 19)	
Number of accounts	15,759 (as of Apr. 19)	

◆ Recent Developments

- Add 88 eligible shares for short-position
- Lower the commissions for settlement of the overdue positions*
- Add the conditional orders such as “market-on-close order”, “stop order”, etc.

◆ Trading Results



◆ Future Developments

Plan to implement continuous improvements of the service, such as enhancement of trading tools and order functions etc.

Overseas Futures Trading (CME)

Introduced Overseas Futures trading from Feb. 2013

◆Products

	Product Name	Exchange
Equities	Nikkei 225 (Yen)	CME
	E-mini S&P 500	
	E-mini NASDAQ-100	
	E-mini Dow (\$5)	
Metals	Gold	COMEX
	Silver	
	Copper	
	Platinum	
Energy	Light Sweet Crude Oil (WTI)	NYMEX
	E-mini Light Sweet Crude Oil (WTI)	
	Henry Hub Natural Gas	
	Heating Oil	
	RBOB Gasoline	
Agriculture	Corn	CBOT
	Wheat	
	Soybeans	

Note: CME(Chicago Mercantile Exchange), CBOT(Chicago Board of Trade), COMEX(Commodity Exchange), NYMEX(New York Mercantile Exchange)

◆Number of Accounts

■ Equity indices : 18,056

■ Commodity : 608

(as of 19 Apr.)

◆Features

1. Various products

Able to trade equity and commodity indices such as Dow, S&P500, gold and oil etc.

2. High volatility

Great opportunity for active traders to make a profit in a short term with high volatility

3. Available for 24 hours trading

Able to trade in line with market trends and the announcements of major economic indicators etc.

◆Qualification at Matsui

1. Low commission charge

JPY 525 per one unit, lowest level among the industries

2. Trade with Yen currency

No need to exchange yen to foreign currency

3. High leverage by using “Intraday account”

Improve the trading capacity by using “Intraday account” which requires smaller amount of margin during a given period of time

Details of Newly Offered Services

Campaign/Promotion	Improvement in Quality of Services to Customers
<ul style="list-style-type: none"> ◆ Cash back campaign for OSE FX trading (2013/1/2-3/30) ◆ Starting campaign for new customers (2013/2/1-4/26) ~No commission charge for the customers who open the new account ◆ Starting campaign for Overseas Futures trading (2013/2/18-3/30) ~No commission charge for the customers who trade equity and commodity indices ◆ Starting campaign for trading ETF and ETN <ul style="list-style-type: none"> • NEXT NOTES ETN (2013/3/1-3/29) • CSOP FTSE CHINA A50 ETF (2013/3/13-4/12) • ChinaAMC CSI 300 Index ETF-JDR (2013/3/14-4/12) 	<ul style="list-style-type: none"> ◆ Introduce “Margin Account for Day-trades” (2013/1/4-) ◆ Introduce Overseas Futures trading (CME) (2013/2/18-) ~Add new products such as equity and commodity indices ◆ Open OSE FX trading website for smartphone (2013/3/16-) ◆ Add the conditional orders for “Margin Account for Day-trades” (2013/4/1-) ~“market-on-close order”, “stop order”, etc.

The material is intended to provide the financial results for the quarter ended 31 March 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 April 2013. 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.

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