



Matsui Securities Co., Ltd.

(First Section of TSE: 8628)

Annual Results for FY2014

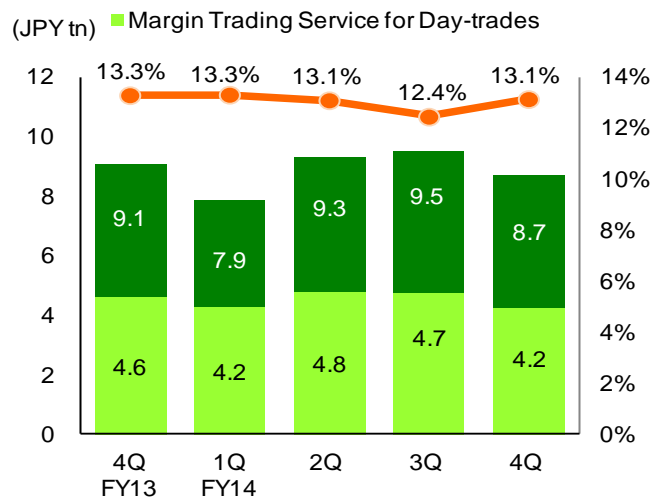
April 2015

Table of Contents

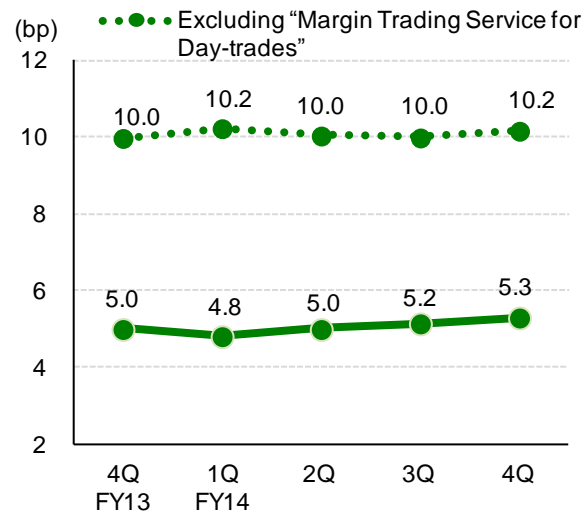
Section 1	Financial Summary	5
Section 2	Results of Operation	16
Section 3	Recent Developments	25

Results of Operation

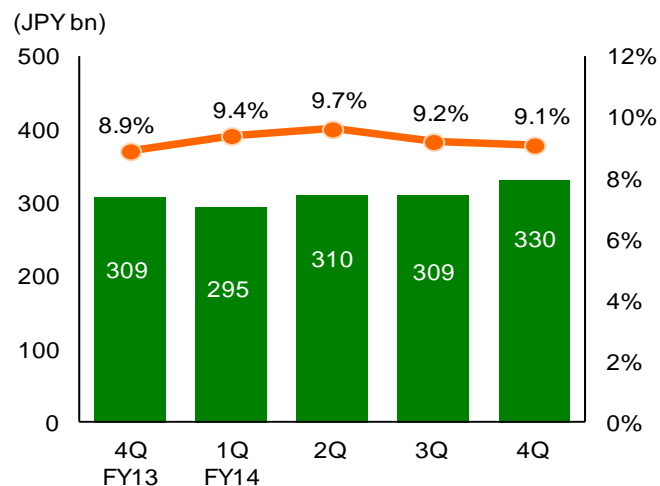
◆ Equity trading value / Market share



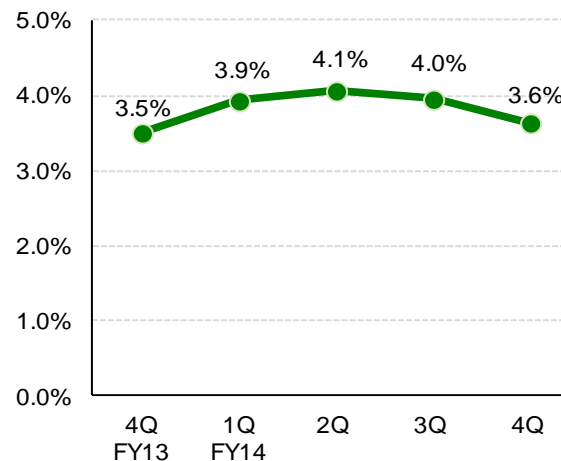
◆ Equity commission rate



◆ Margin balance / Market share

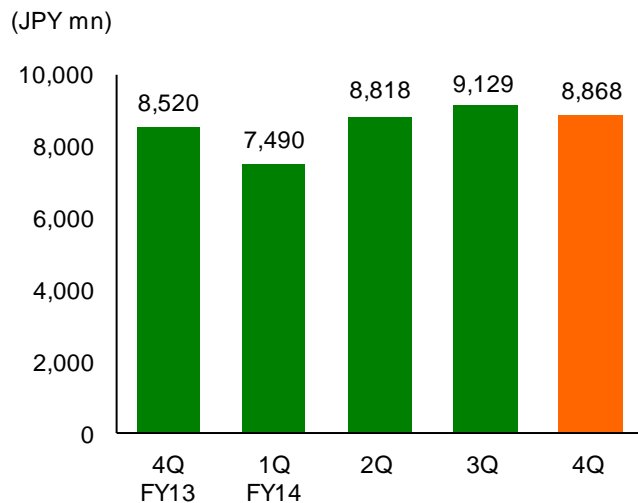


◆ Net interest income ratio

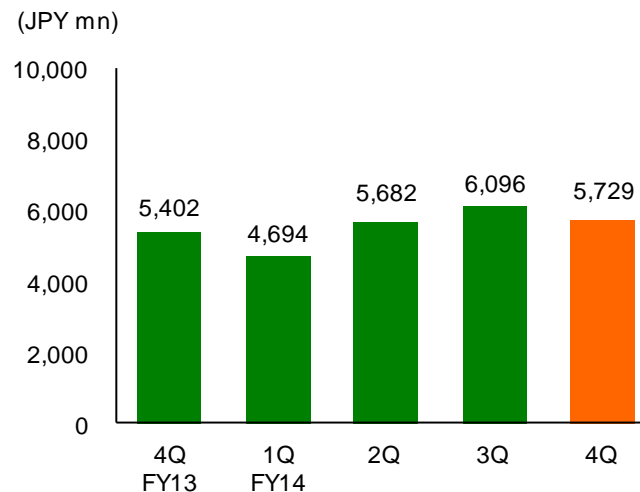


Financial Results

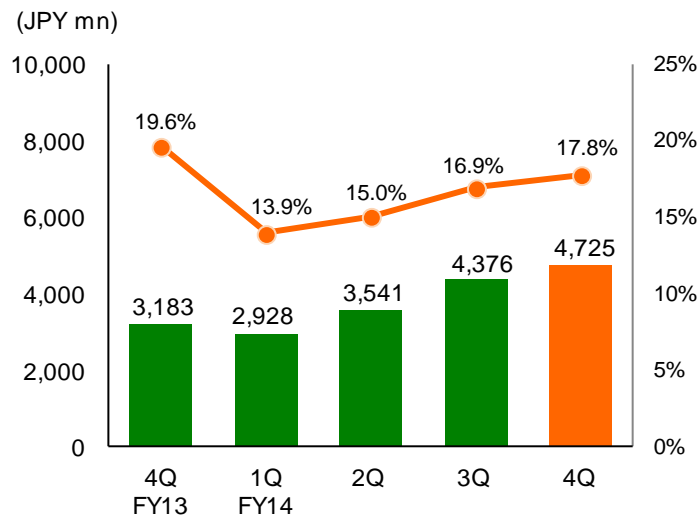
◆ Operating revenues



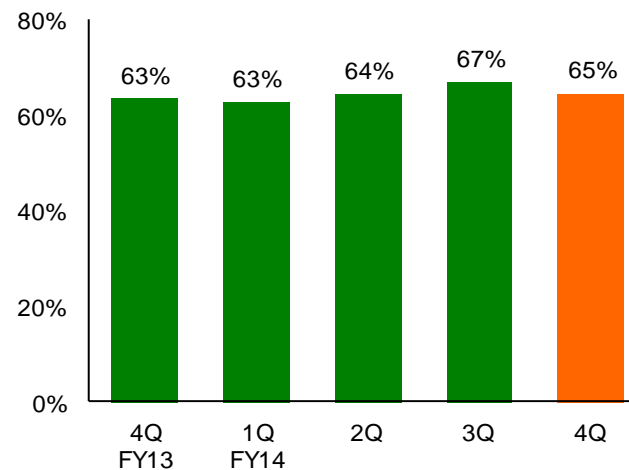
◆ Ordinary income



◆ Net income / ROE¹

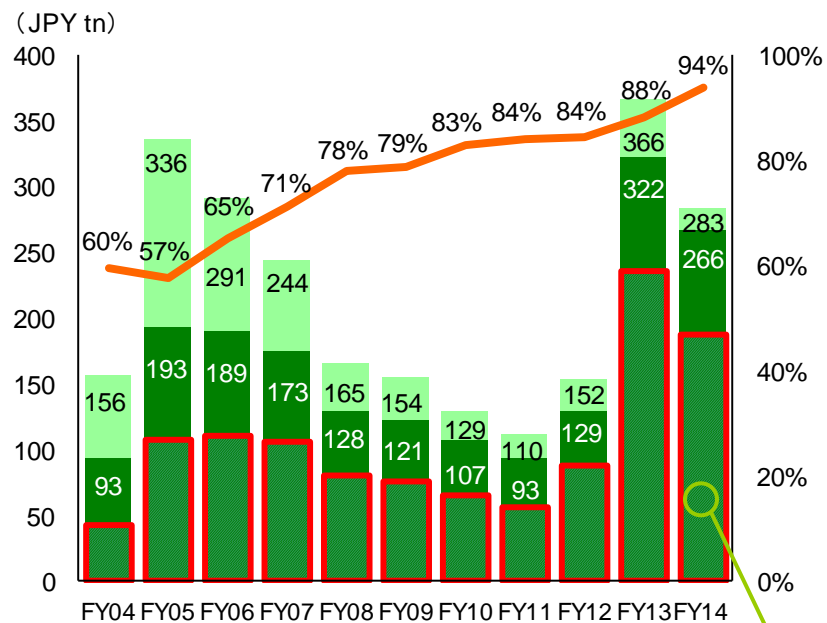


◆ Ordinary income ratio



Overview of Retail Equity Trading Market

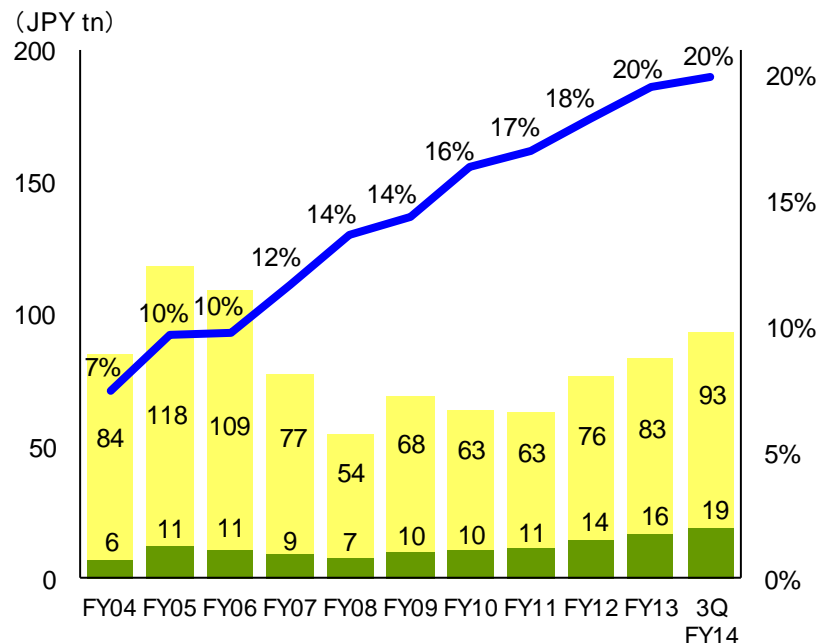
◆ Equity trading value of individuals¹ (FLOW)



■ Equity trading value of individuals
■ Equity trading value of 7 on-line brokers
— Proportion of trading value of 7 on-line brokers

Super active traders²
JPY 190 tn
(Estimate)

◆ Equity holdings by individuals¹ (STOCK)



■ Equity holdings by individuals
■ Equity holdings by 5 on-line brokers
— Proportion of equity holdings by 5 on-line brokers

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 (FY14)

(JPY mn)

	FY14 (Apr.14-Mar.15)	FY13 (Apr.13-Mar.14)	YoY
Operating Revenues	34,306	39,883	-14%
Commissions	21,167	27,349	-23%
Interest & dividend income	13,126	12,519	5%
Interest expenses	1,413	1,145	23%
Net operating revenues	32,893	38,738	-15%
SG&A	10,806	11,648	-7%
Operating income	22,087	27,090	-18%
Ordinary income	22,202	27,175	-18%
Net income	15,571	16,300	-4%
Ordinary income ratio	65%	68%	-
Matsui's trading value (JPY tn)	35.4	39.5	-10%
Daily average trading value on TSE (JPY tn)	2.7	2.9	-8%

Breakdown of Net Operating Revenues (FY14)

(JPY mn)

	FY14 (Apr.14-Mar.15)	FY13 (Apr.13-Mar.14)	YoY
Commissions	21,167	27,349	-23%
Brokerage	20,025	26,180	-24%
Equity	18,022	23,867	-24%
Futures & Options	1,290	1,516	-15%
Others	1,139	1,164	-2%
Net gain (loss) on trading	8	11	-28%
Interest & dividend income (1)	13,126	12,519	5%
Total operating revenues	34,306	39,883	-14%
Interest expenses (2)	1,413	1,145	23%
Net operating revenues	32,893	38,738	-15%
Net interest income (1) - (2)	11,713	11,373	3%
Average margin balance (JPY bn)	301	315	-4%

Breakdown of SG&A (FY14)

(JPY mn)

	FY14 (Apr.14-Mar.15)	FY13 (Apr.13-Mar.14)	YoY
Transaction related expenses	4,719	4,957	-5%
Advertisement	547	594	-8%
Employees' compensation & benefits	2,030	2,075	-2%
Occupancy & rental	878	905	-3%
Data processing & office supplies	1,677	1,745	-4%
Depreciation	1,246	1,635	-24%
Duties & taxes other than income taxes	194	226	-14%
Provision of allowance for doubtful accounts	-77	-68	-
Others	138	173	-21%
Total SG&A	10,806	11,648	-7%

Summary of Financial Results (Quarterly)

(JPY mn)

	FY14	FY14	QoQ	FY14		FY13	YoY	FY14
	4Q	3Q		2Q	1Q	4Q		TOTAL
Operating Revenues	8,868	9,129	-3%	8,818	7,490	8,520	4%	34,306
Commissions	5,577	5,835	-4%	5,349	4,406	5,395	3%	21,167
Interest & dividend income	3,289	3,290	-0%	3,466	3,082	3,123	5%	13,126
Interest expenses	442	292	52%	426	253	281	57%	1,413
Net operating revenues	8,426	8,837	-5%	8,392	7,238	8,239	2%	32,893
SG&A	2,705	2,778	-3%	2,718	2,604	2,838	-5%	10,806
Operating income	5,720	6,059	-6%	5,674	4,633	5,400	6%	22,087
Ordinary income	5,729	6,096	-6%	5,682	4,694	5,402	6%	22,202
Net income	4,725	4,376	8%	3,541	2,928	3,183	48%	15,571
Ordinary income ratio	65%	67%	-	64%	63%	63%	-	65%
Matsui's trading value (JPY tn)	8.7	9.5	-9%	9.3	7.9	9.1	-4%	35.4
Daily average trading value on TSE (JPY tn)	3.0	3.0	-2%	2.3	2.3	2.9	4%	2.7

Breakdown of Net Operating Revenues (Quarterly)

(JPY mn)

	FY14	FY14	QoQ	FY14		FY13	YoY	FY14
	4Q	3Q		2Q	1Q	4Q		TOTAL
Commissions	5,577	5,835	-4%	5,349	4,406	5,395	3%	21,167
Brokerage	5,221	5,540	-6%	5,064	4,200	5,069	3%	20,025
Equity	4,624	4,917	-6%	4,674	3,807	4,547	2%	18,022
Futures & Options	349	411	-15%	274	256	323	8%	1,290
Others	355	295	21%	285	203	326	9%	1,139
Net gain (loss) on trading	2	3	-41%	3	1	1	75%	8
Interest & dividend income (1)	3,289	3,290	-0%	3,466	3,082	3,123	5%	13,126
Total operating revenues	8,868	9,129	-3%	8,818	7,490	8,520	4%	34,306
Interest expenses (2)	442	292	52%	426	253	281	57%	1,413
Net operating revenues	8,426	8,837	-5%	8,392	7,238	8,239	2%	32,893
Net interest income (1) - (2)	2,846	2,998	-5%	3,039	2,830	2,841	0%	11,713
Average margin balance (JPY bn)	313	303	3%	299	288	324	-3%	301

Breakdown of SG&A (Quarterly)

(JPY mn)

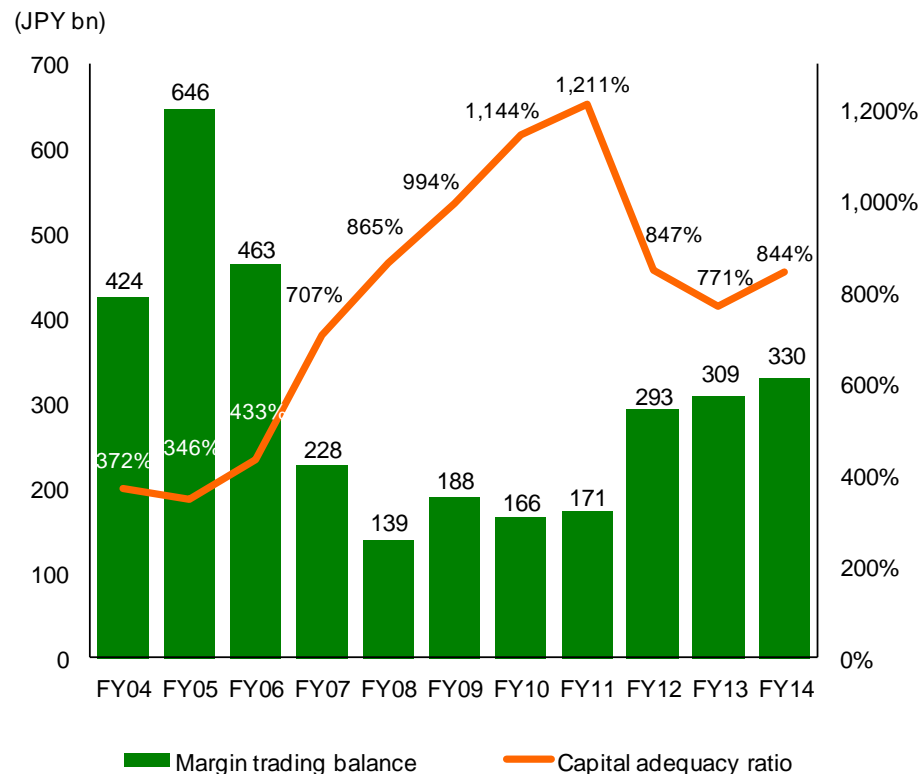
	FY14	FY14	QoQ	FY14		FY13	YoY	FY14
	4Q	3Q		2Q	1Q	4Q		TOTAL
Transaction related expenses	1,187	1,198	-1%	1,219	1,115	1,240	-4%	4,719
Advertisement	153	130	18%	144	119	183	-16%	547
Employees' compensation & benefits	614	483	27%	468	465	468	31%	2,030
Occupancy & rental	216	220	-2%	222	222	219	-2%	878
Data processing & office supplies	395	435	-9%	421	427	420	-6%	1,677
Depreciation	264	302	-12%	315	364	407	-35%	1,246
Duties & taxes other than income taxes	54	49	11%	45	46	40	35%	194
Provision of allowance for doubtful accounts	-59	50	-	7	-75	-4	-	-77
Others	34	43	-20%	20	41	49	-31%	138
Total SG&A	2,705	2,778	-3%	2,718	2,604	2,838	-5%	10,806

Regulatory Capital

◆ Capital adequacy ratio (As of 31 March 2015)

		(JPY mn)
Tier 1 (A)		82,271
Tier 2	Net unrealized gain on investment	2,622
	Statutory reserves	2,660
	Allowance for doubtful accounts	11
Sub total (B)		5,294
Assets to be deducted from equity capital (C)		5,092
Net Capital (D)		82,472
Total risk (E)	Market risk	620
	Counterparty risk	6,589
	Basic risk	2,566
	Total	9,776
Capital Adequacy ratio (D)/(E)		843.5%

◆ Margin trading balance and capital adequacy ratio



Revision of Basic Dividend Policy

【Before】

Dividends Payout Ratio: 30% and above

【After】

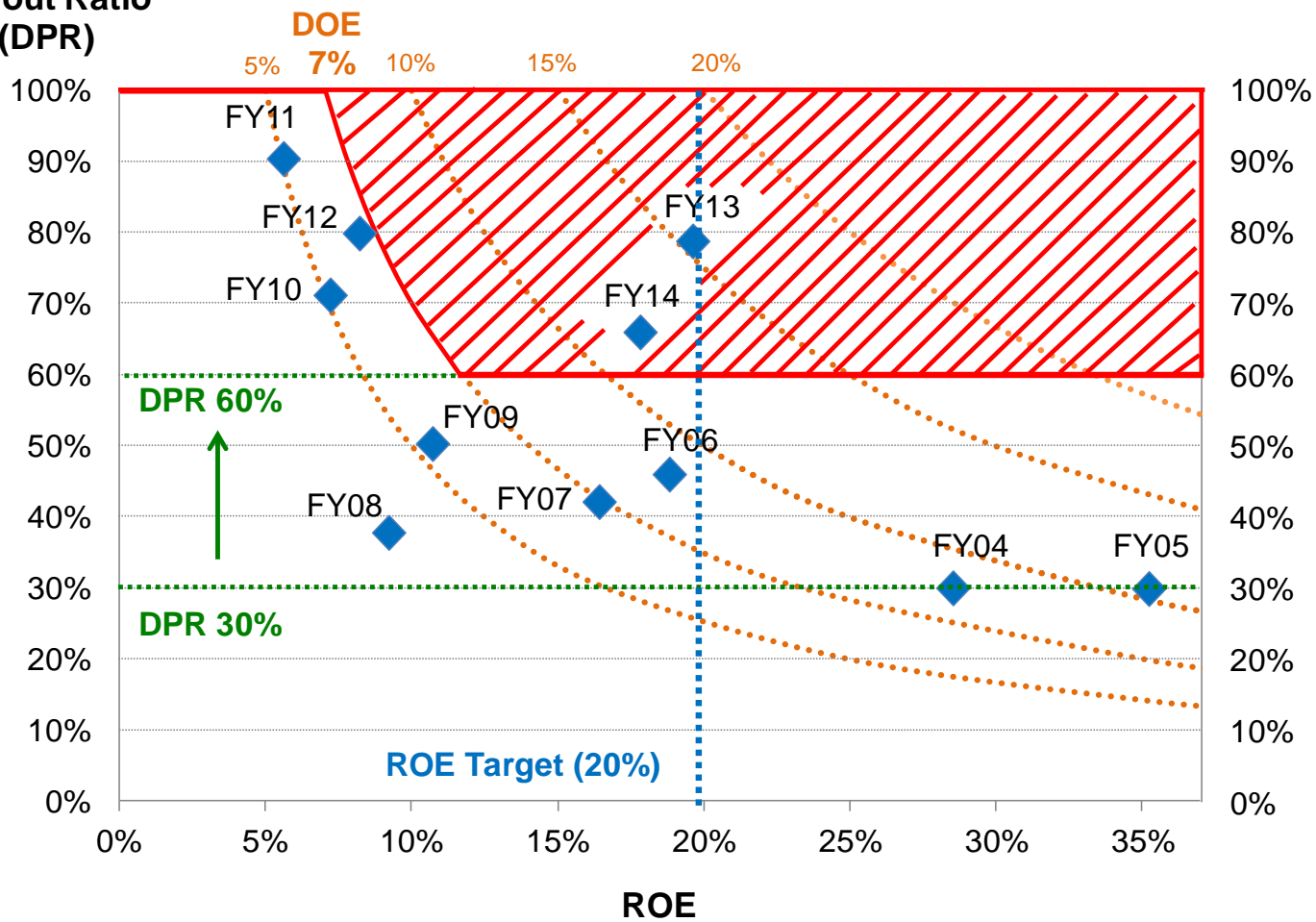
- 1) Dividends Payout Ratio: Between 60% and 100% inclusive, and
- 2) Dividends on Equity (DOE): 7% and above

※ Recently raised Return On Equity(ROE) target from 10% to 20%

Shareholders Return I

◆ Dividend payment for last 10 years

Dividend Payout Ratio (DPR)

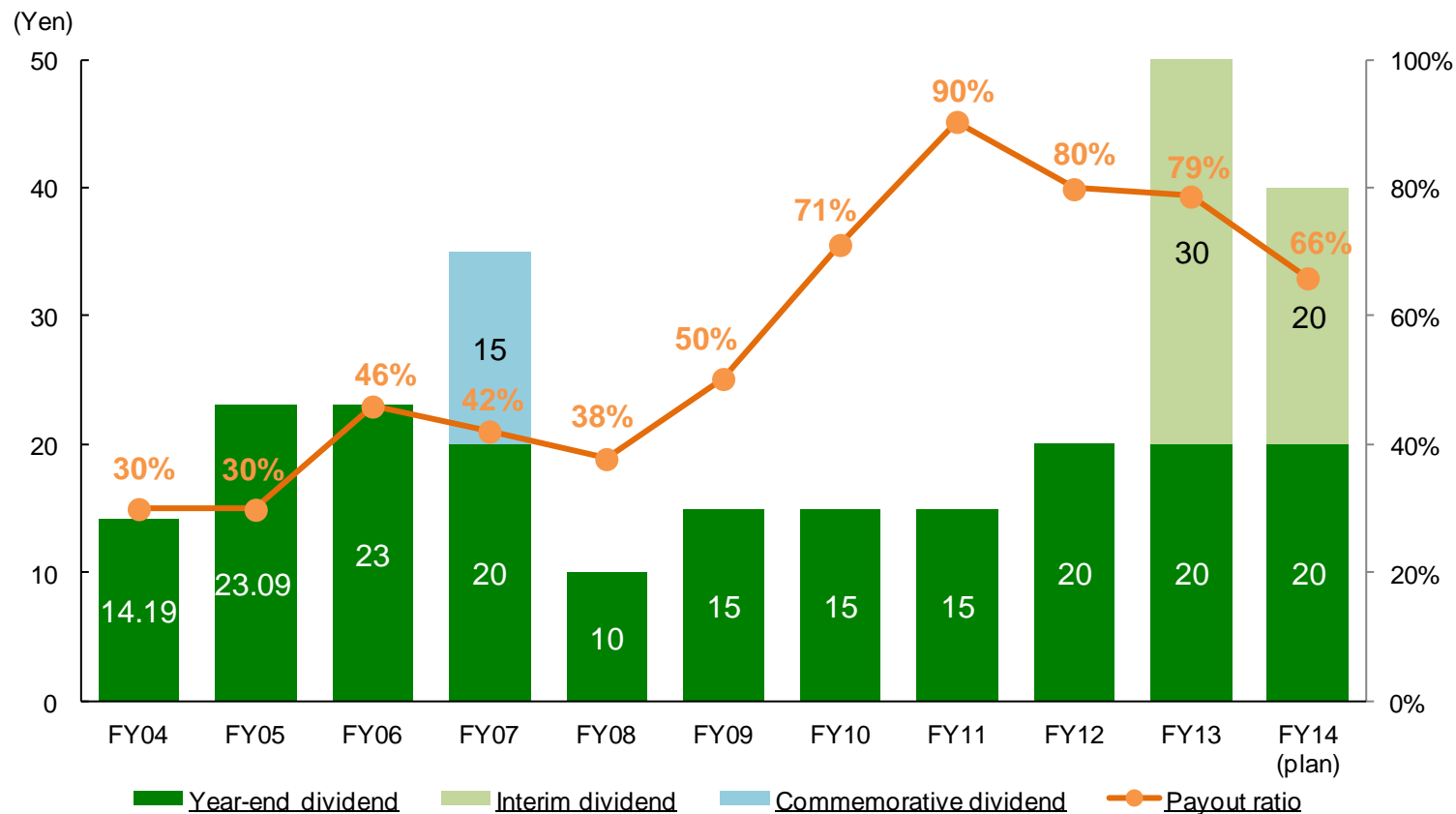


Note1: ROE =
$$\frac{\text{Net income for fiscal year}}{(\text{Total net assets at the beginning of fiscal year} + \text{Total net assets at the end of fiscal year}) / 2}$$

Note2: DOE =
$$\frac{\text{Dividends per share (annual)}}{(\text{Stockholders' equity per share at the beginning of fiscal year} + \text{Stockholders' equity per share at the end of fiscal Year}) / 2}$$

Shareholders Return II

◆ Matsui's dividend per share and payout ratio¹

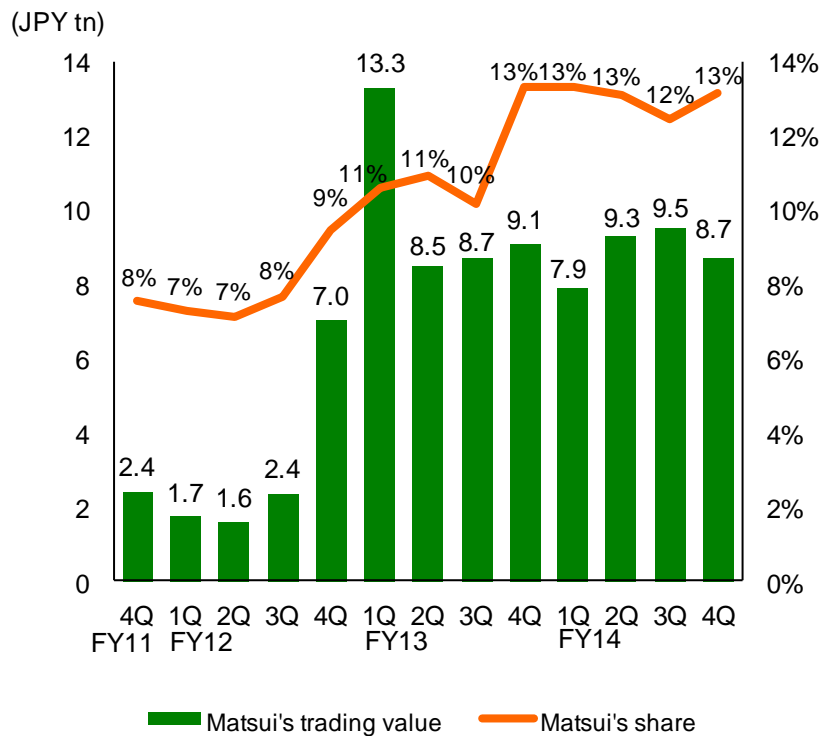


Results of Operation

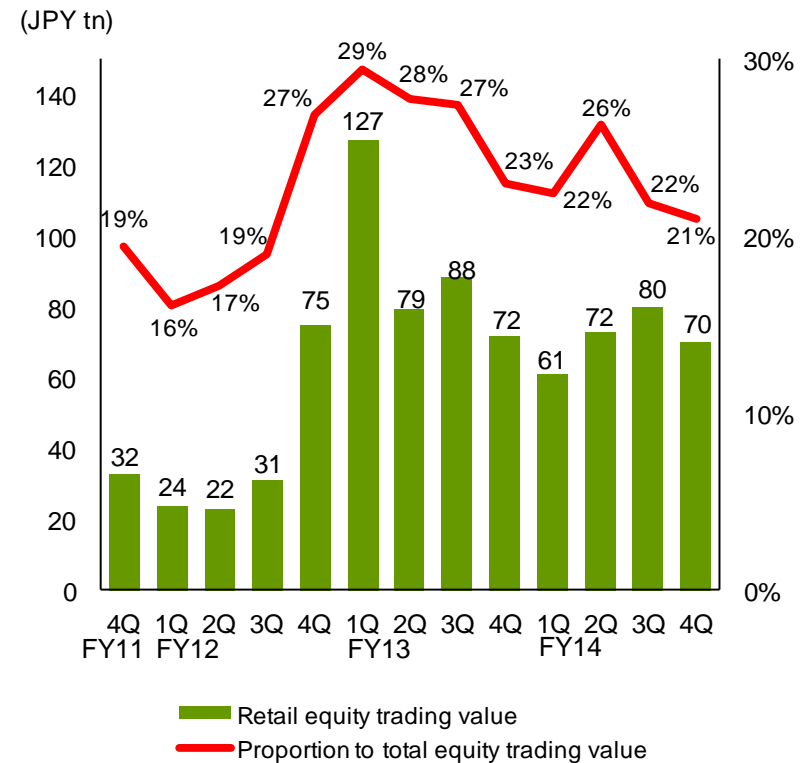
Section 2

Equity Trading Value

◆ Matsui's equity trading value and its market share¹

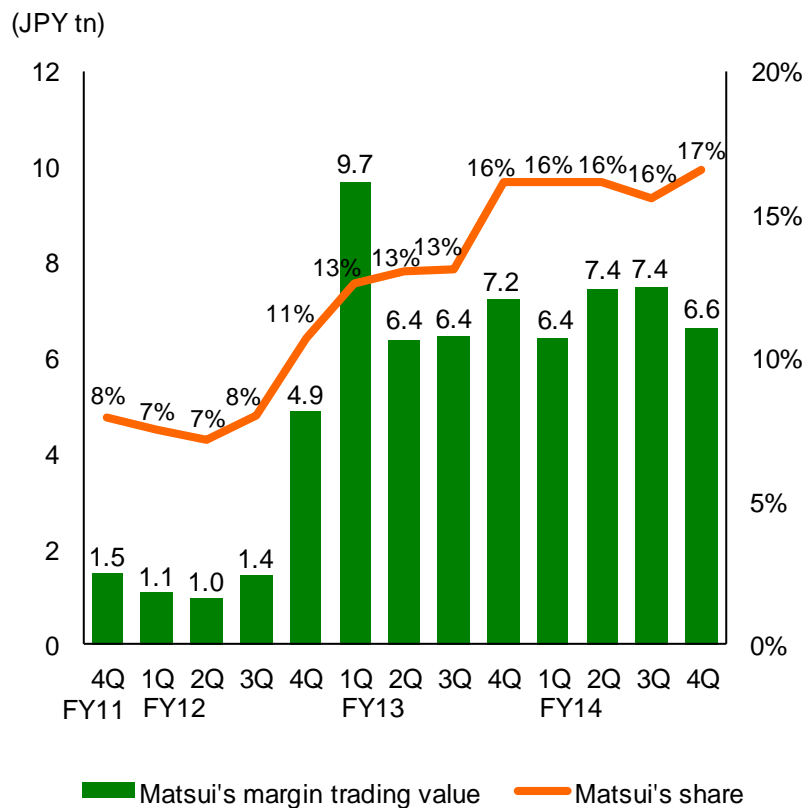


◆ Retail equity trading value¹ and proportion to total equity trading value

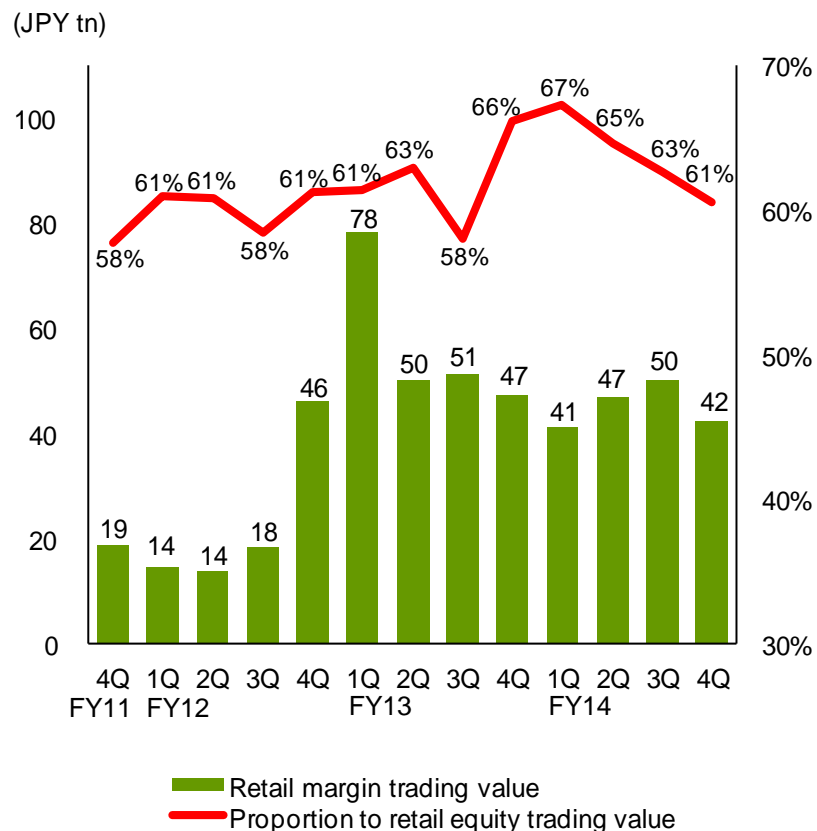


Margin Trading Value

◆ Matsui's margin trading value and its market share¹

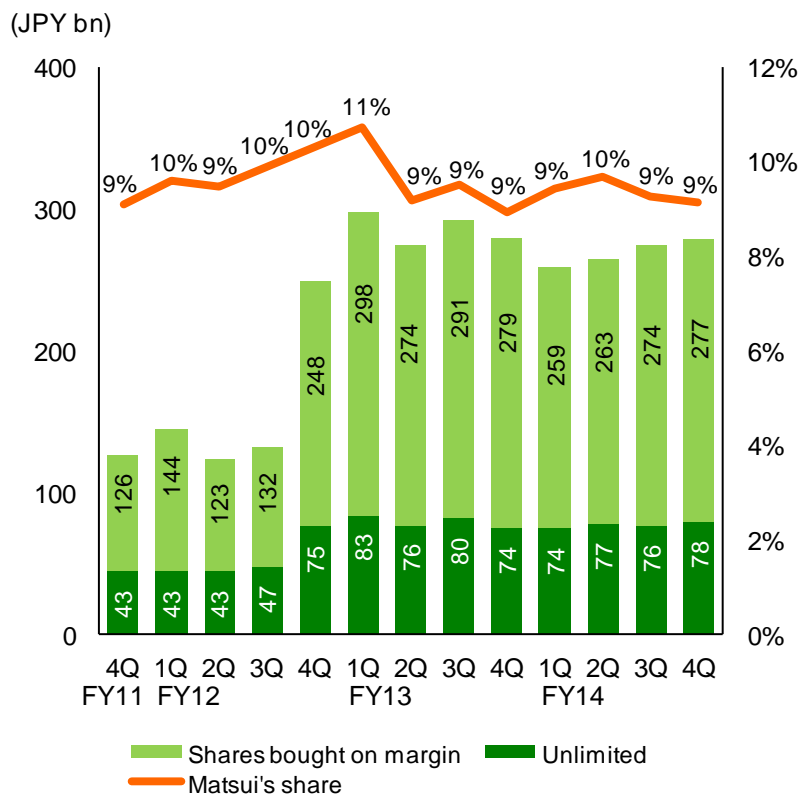


◆ Retail margin trading value¹ and proportion to total retail equity trading value

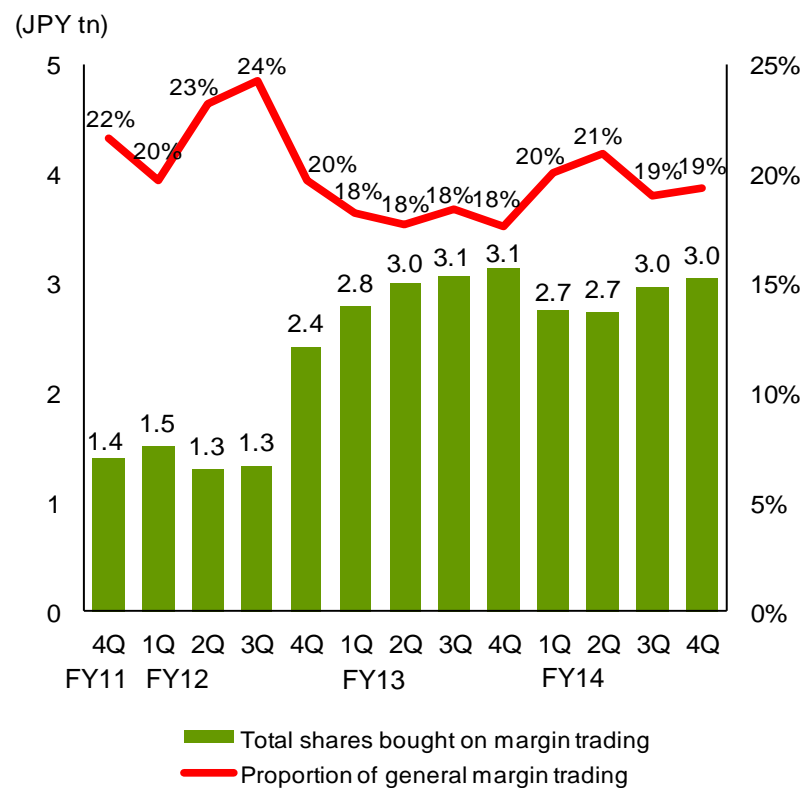


Margin Trading Balance

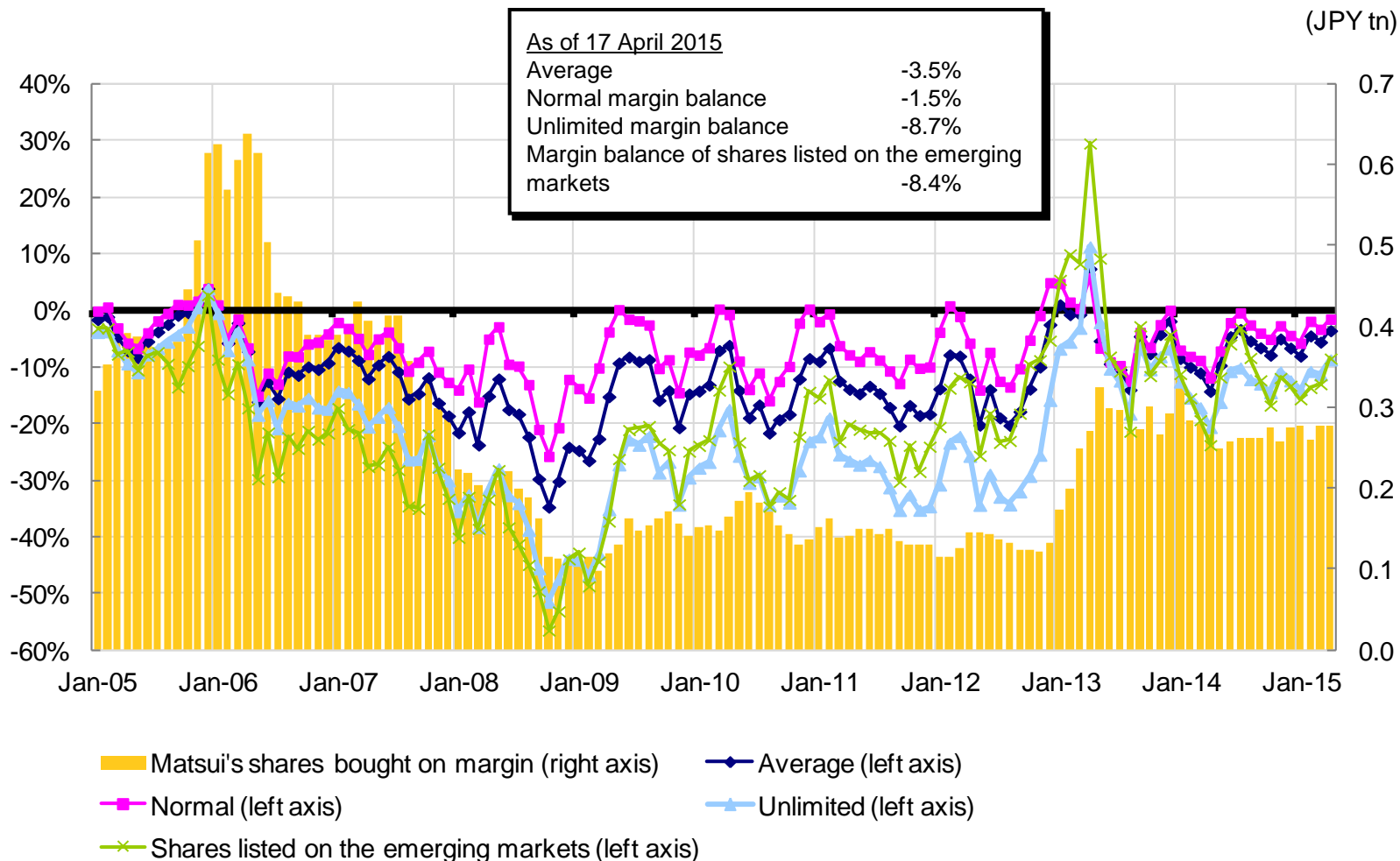
◆ Matsui's shares bought on margin¹ and its market share²



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

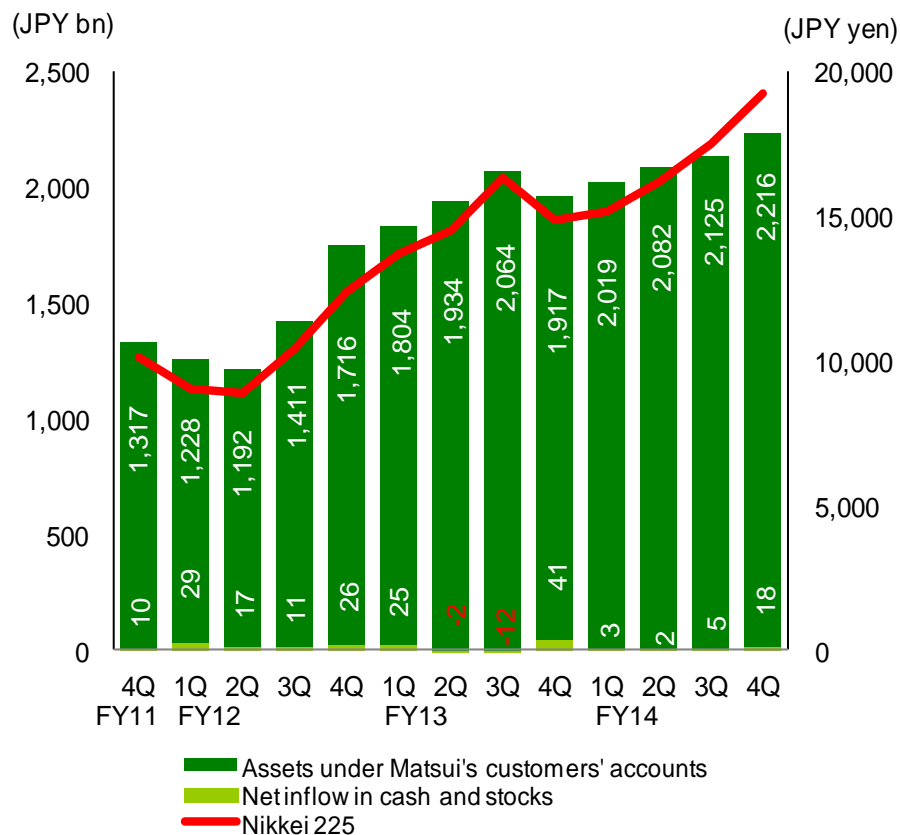


Unrealized Losses on Matsui's Margin Balance

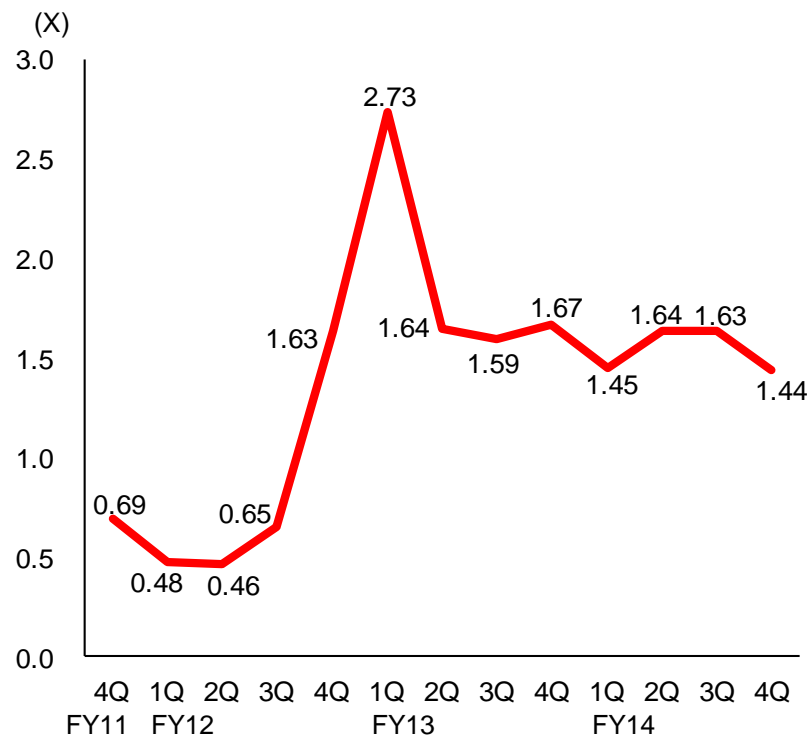


Assets under Customers' Accounts / Trading Turnover

◆ Assets under Matsui's customers' accounts

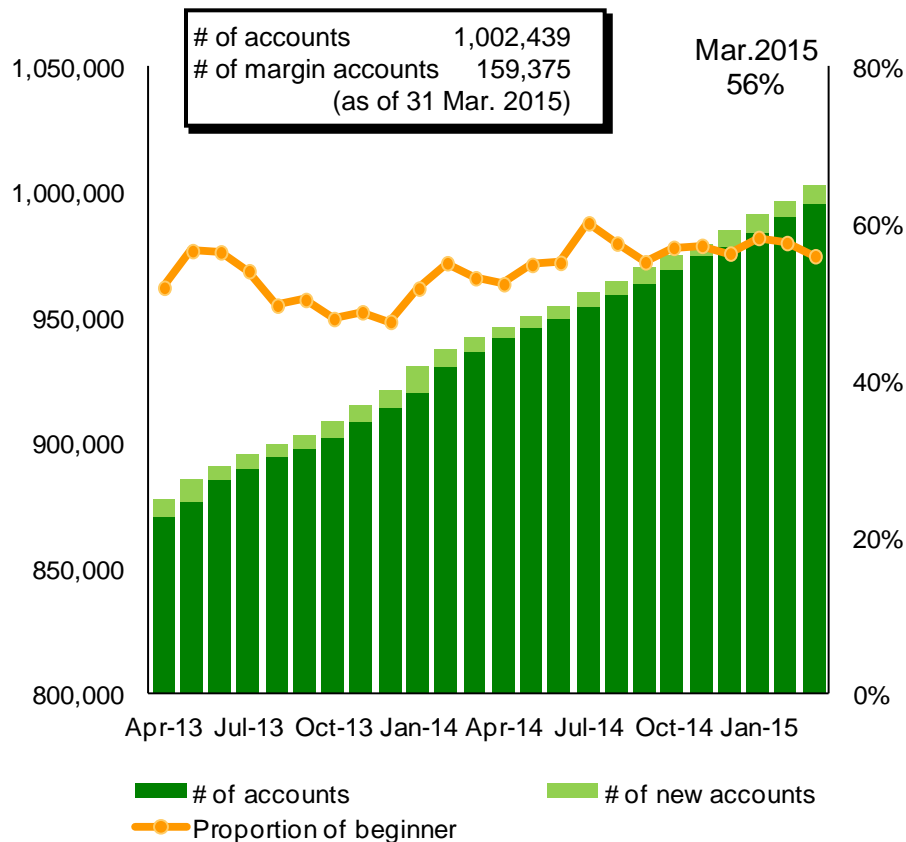


◆ Equity trading turnover¹ of Matsui's customers

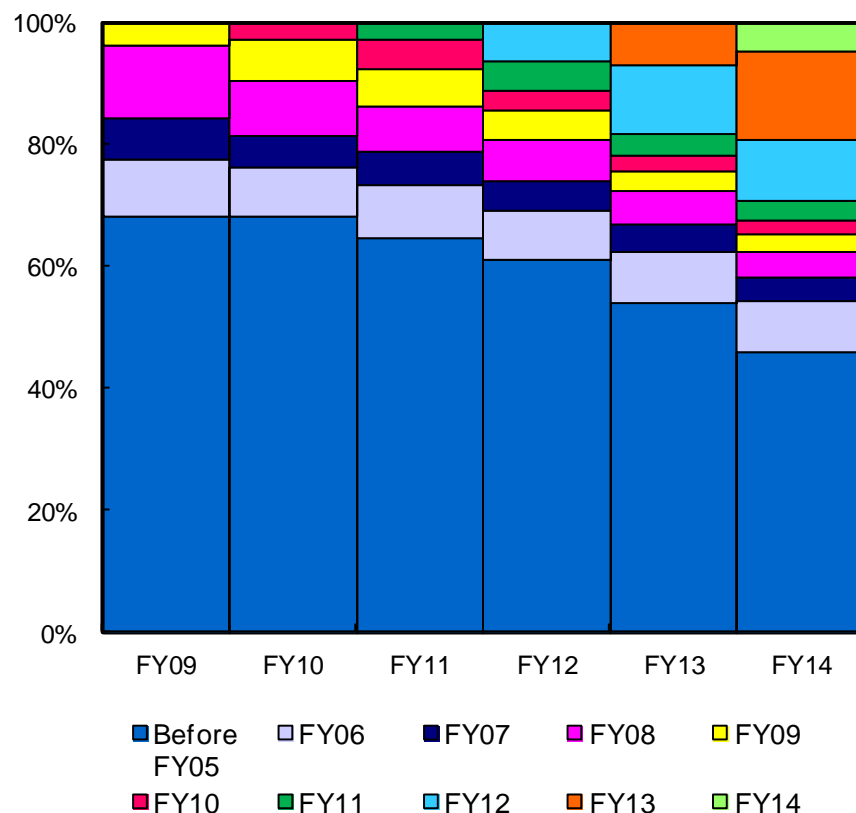


Number of Accounts / Breakdown of Trading Value

◆ Number of accounts at Matsui¹

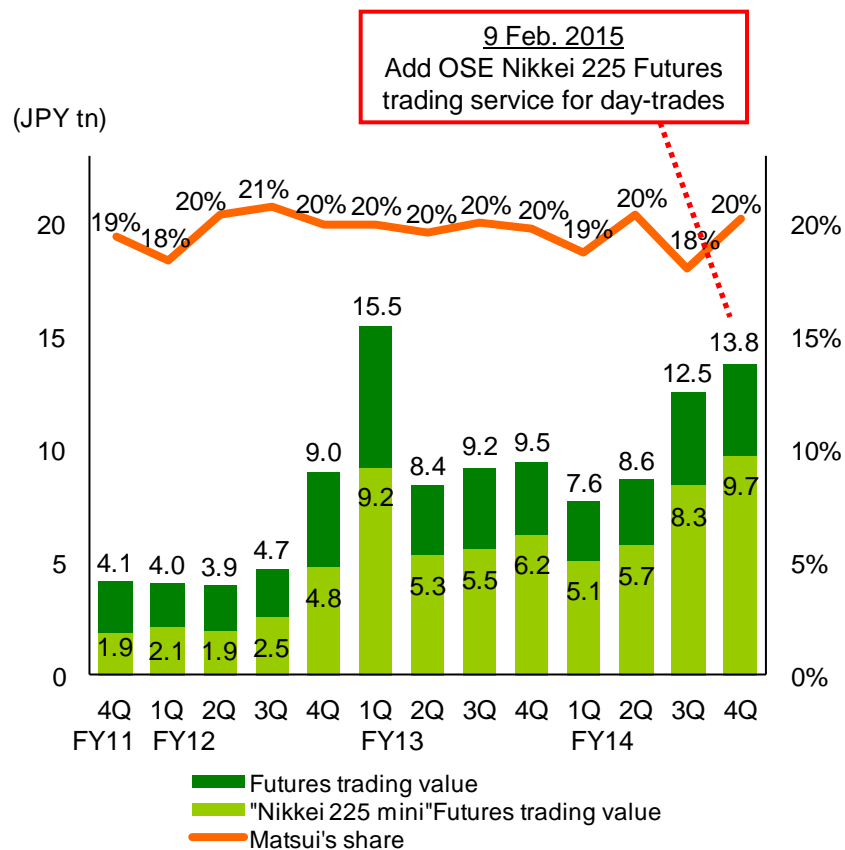


◆ Breakdown of trading value by customers opening the accounts in each fiscal year

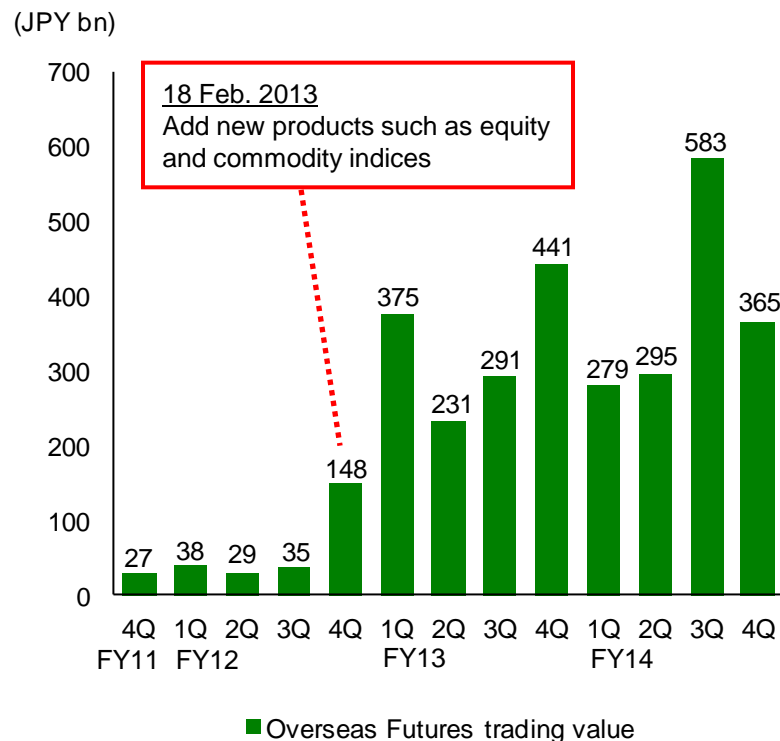


Futures trading value

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

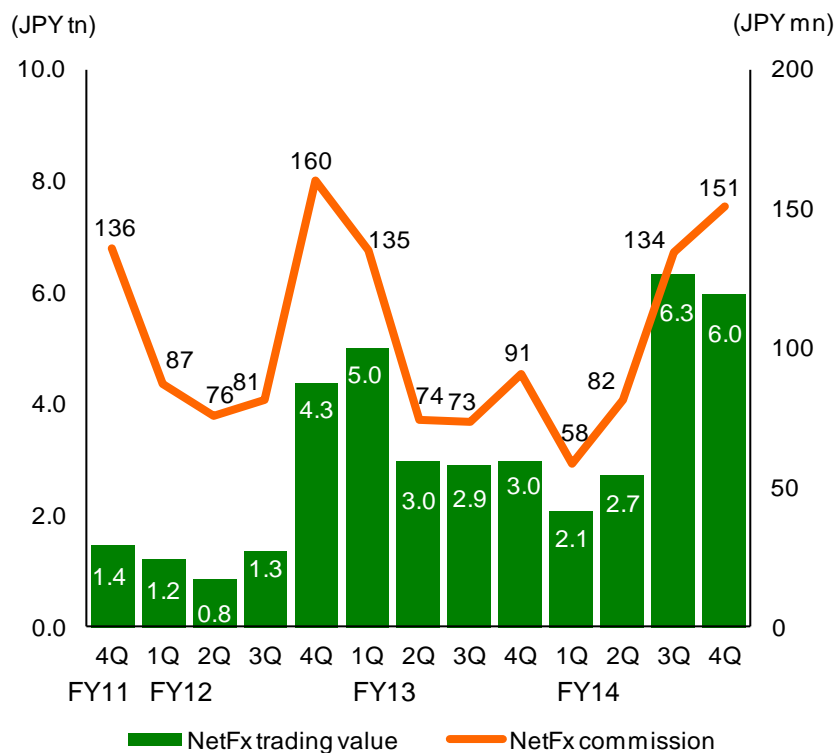


◆ Matsui's Overseas Futures¹ trading value (CME)

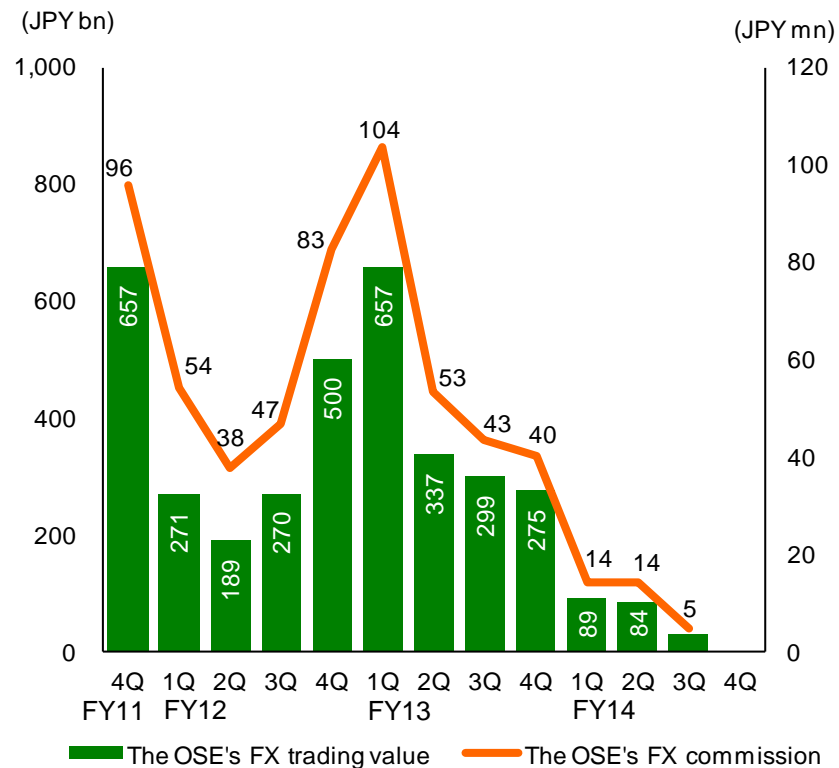


FX Margin Trading

◆ 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 are to provide superior quality of trading platform for retail investors based upon "customer-centric approach"



Business Strategy

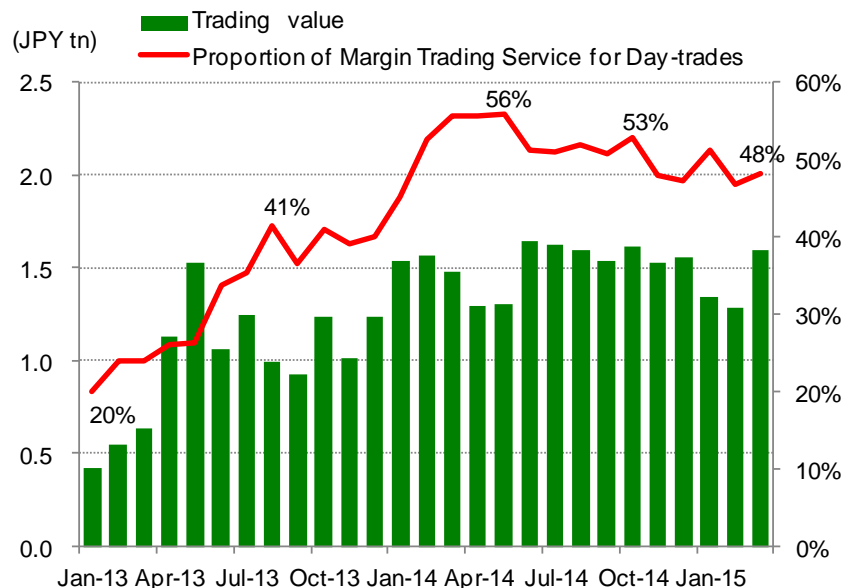
- ◆ Stimulate demand for customers and offer services in advance of other firms
- ◆ Develop unique and innovative services regardless of industry practice or tradition
- ◆ Focus on profitable online based brokerage business in Japan and adopt a policy of no heedless diversification and no useless activity

Basic Policy for Service Development

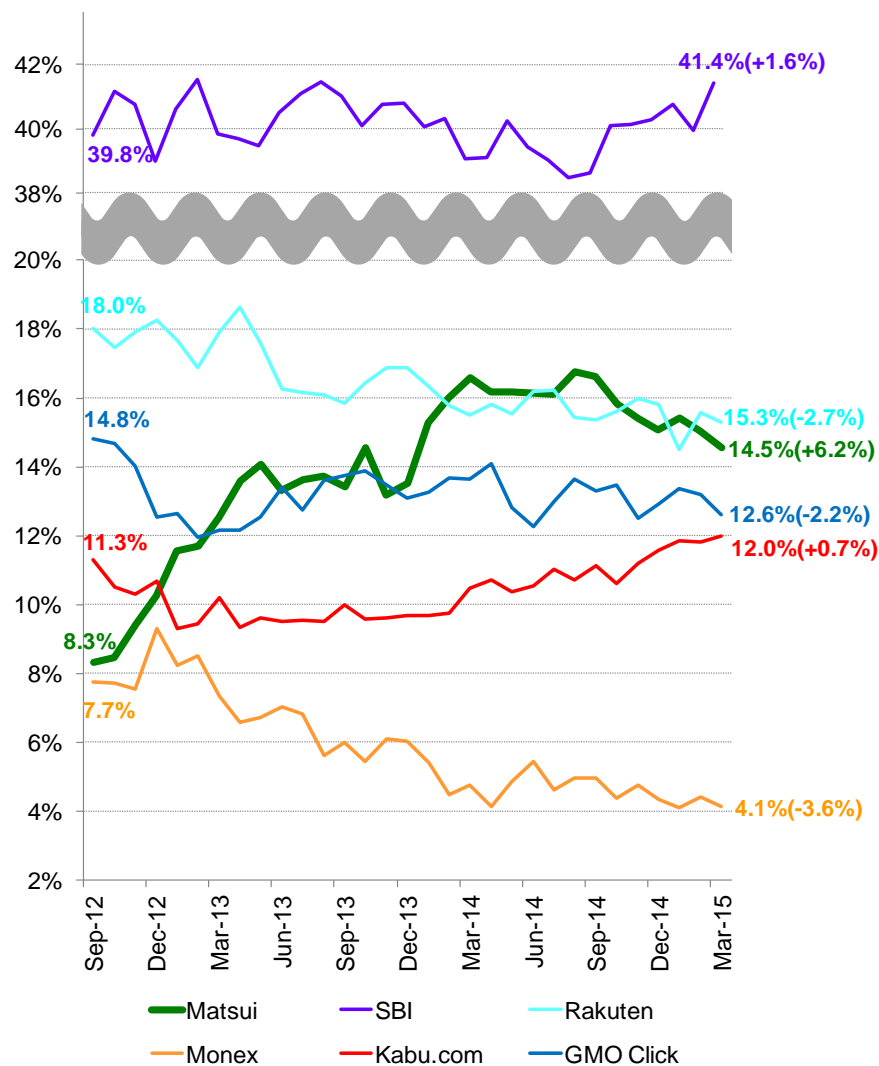
- ◆ Continue to focus on expansion of services for active customers
e.g. Margin trading services for day-trading, Premium short-selling services, Intraday-trading service for Nikkei 225 Futures
- ◆ Develop suitable services for inactive but affluent customers (who have low transaction value but high assets in custody)
e.g. Trading system and platform, automated asset allocation platform

Margin Trading Service for Day-trades

◆ Trading results



◆ Market share¹ of margin trading



◆ Future Developments

Implement continuous improvements of “Premium Short-Selling Service”, such as increase number of eligible stocks for short-selling, development of trading tools, expansion of investment information etc.

OSE Nikkei 225 Futures Trading Service for Day-trades

Introduced OSE Nikkei 225 Futures trading service for day-trades in Feb. 2015

◆ Advantage

- Lowest level of commission among online securities

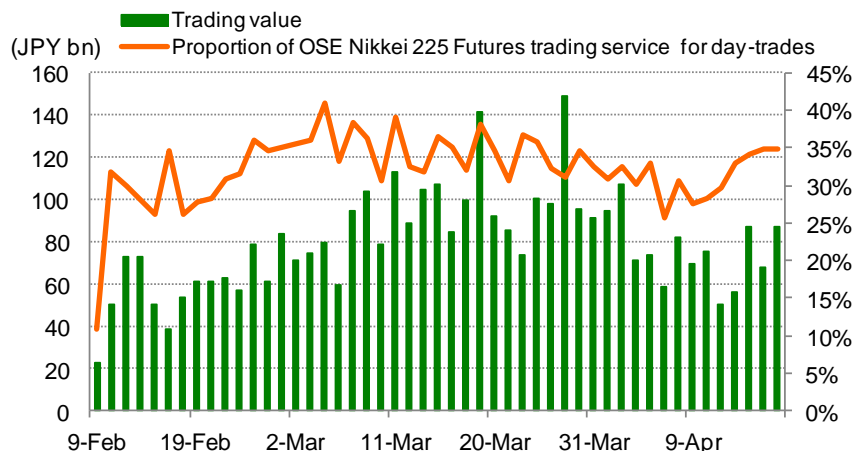
¥per unit	Matsui for day-trades	Matsui Normal	SBI	Raku	Kabu	Monex
Nikkei 225 Futures	250	300	500	278	300	330
Nikkei 225 mini	25	40	50	38	38	50

- Highest level of leverage among online securities

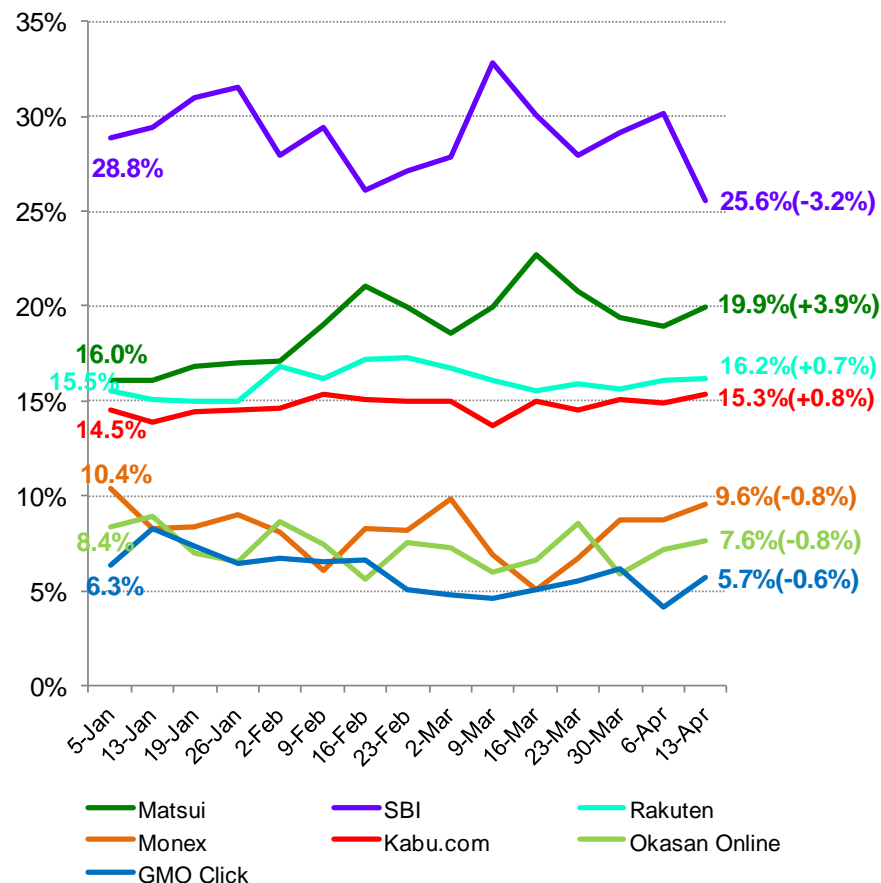
	Matsui(for day-trades)	Matsui(Normal)
Leverage	Approximately 50x	Approximately 30x

※ as of 20 Apr. 2015

◆ Trading Results



◆ Market share¹ of OSE Nikkei 225 Futures trading



NISA I

Active account ratio for NISA¹ is 42.5%, high level among Online Securities brokers

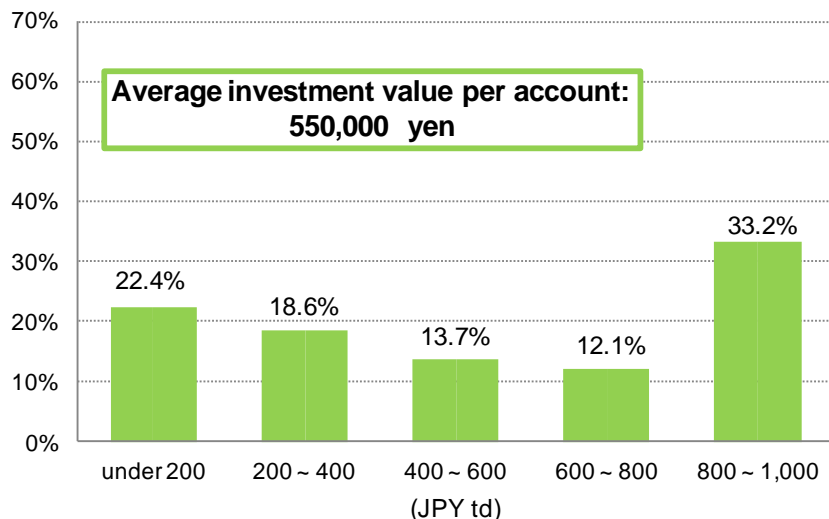
◆ Number of NISA accounts and customers' assets (as of Mar. 31, 2015)

Total number of accounts	89,473
Number of active accounts ²	38,019
Active account ratio	42.5%
Total investment value(JPY mn) ³	20,749
Customers' assets(JPY mn)	42,600

◆ Top 3 ranking in trading value (from Jan. to Mar. 2015)

Rank	Equity	ETF / REIT
1	Mizuho Financial Group	WTI Crude Oil Price Linked ETF
2	Mitsui Corporation	NEXT FUNDS Nikkei 225 Leveraged Index ETF
3	Mitsubishi UFJ Financial Group	NEXT FUNDS NOMURA Crude Oil Long Index Linked ETF

◆ Distribution of the invested amount (as of Mar. 31, 2015)



◆ Situation of NISA

NISA has been introduced since January 2014. Main customer base is advanced and senior investors. From January 2016, in order to promote investment in NISA account, the upper limit of 1 million yen for annual investment amount will be raised to 1.2 million yen and “Junior NISA” will be also introduced in April 2016.

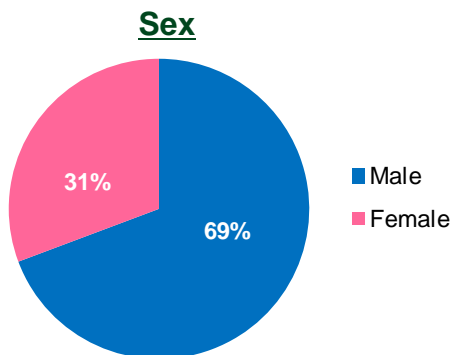
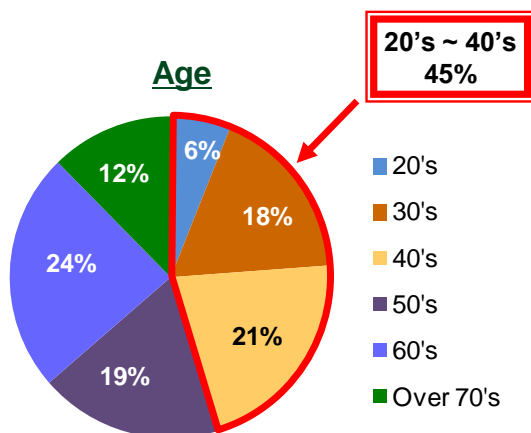
◆ Matsui's development

Matsui has offered commission free campaign for the infant accounts and promoted the use of “Living Donation Support Service” ; it would be critical to promote the transfer of assets to future generations and to support to the generations for their investment management in order to shift individual financial assets from savings to investment.

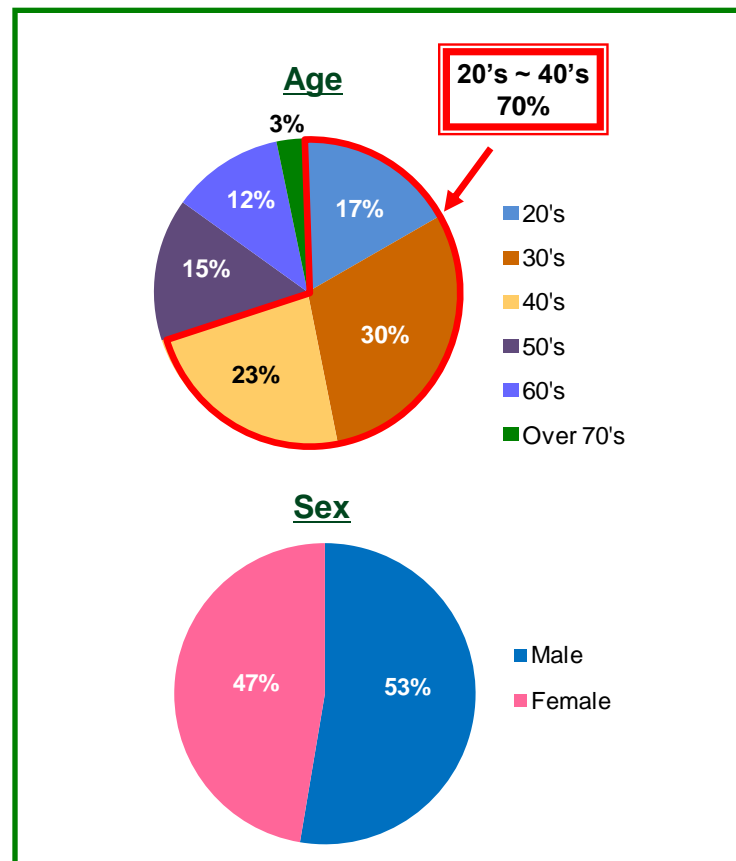
NISA II

Number of new customers¹ accounts is 14,753 (as of Mar. 31, 2015),
65% of the new customers' accounts is beginner

◆ Breakdown of NISA accounts
89,473 accounts (as of Mar. 31, 2015)



◆ Breakdown of new customers
14,753 accounts (as of Mar. 31, 2015)



The material is intended to provide the financial results for the quarter ended 31 March 2015 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 2015. 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

Shinji OIDA : s-oida@matsui.co.jp