

Annual Results for FY2021

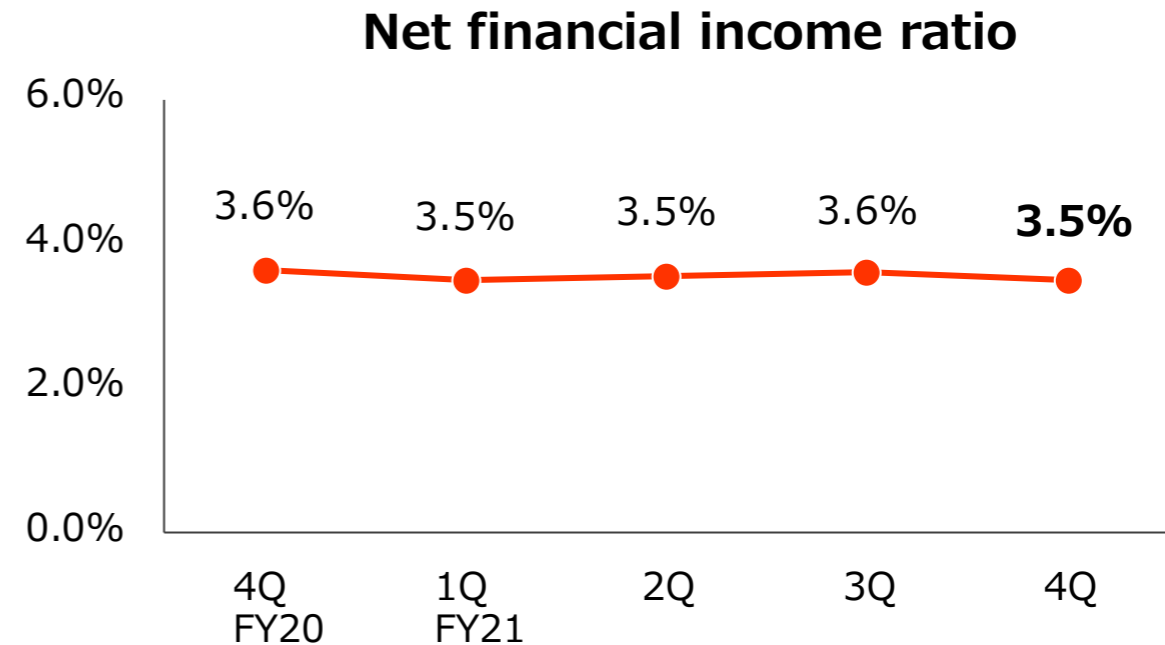
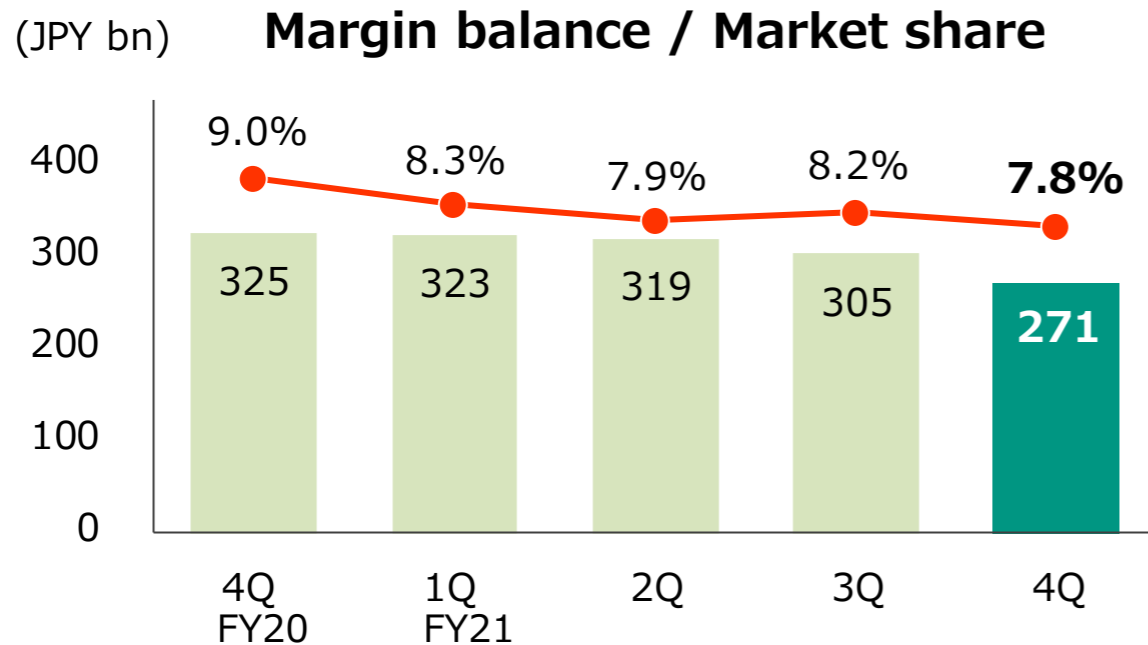
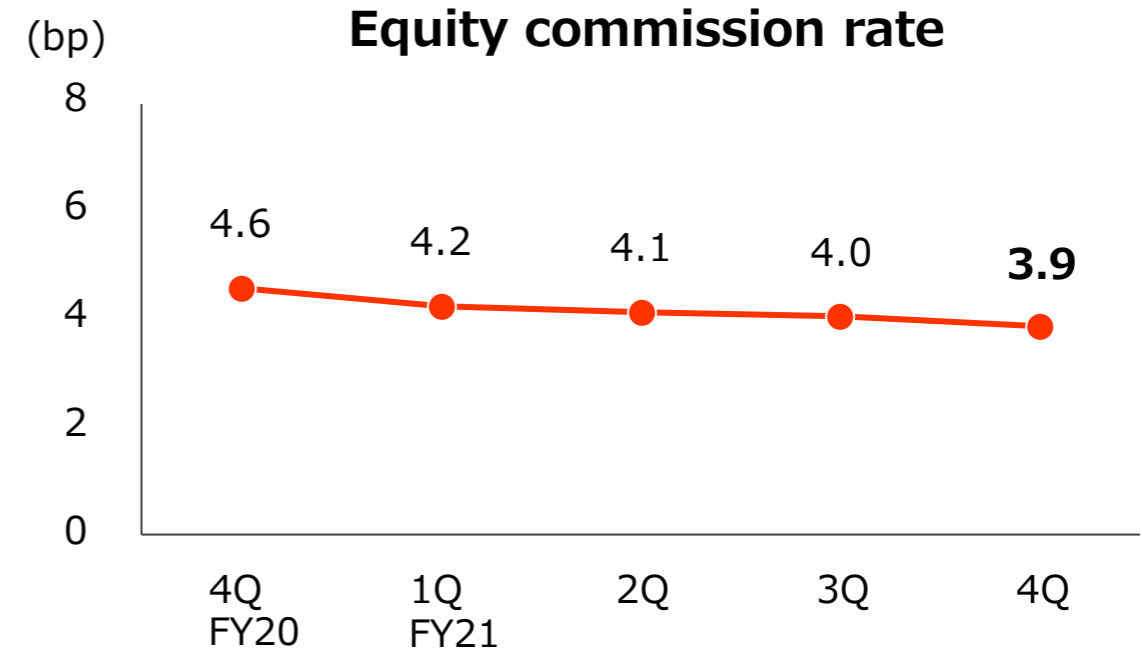
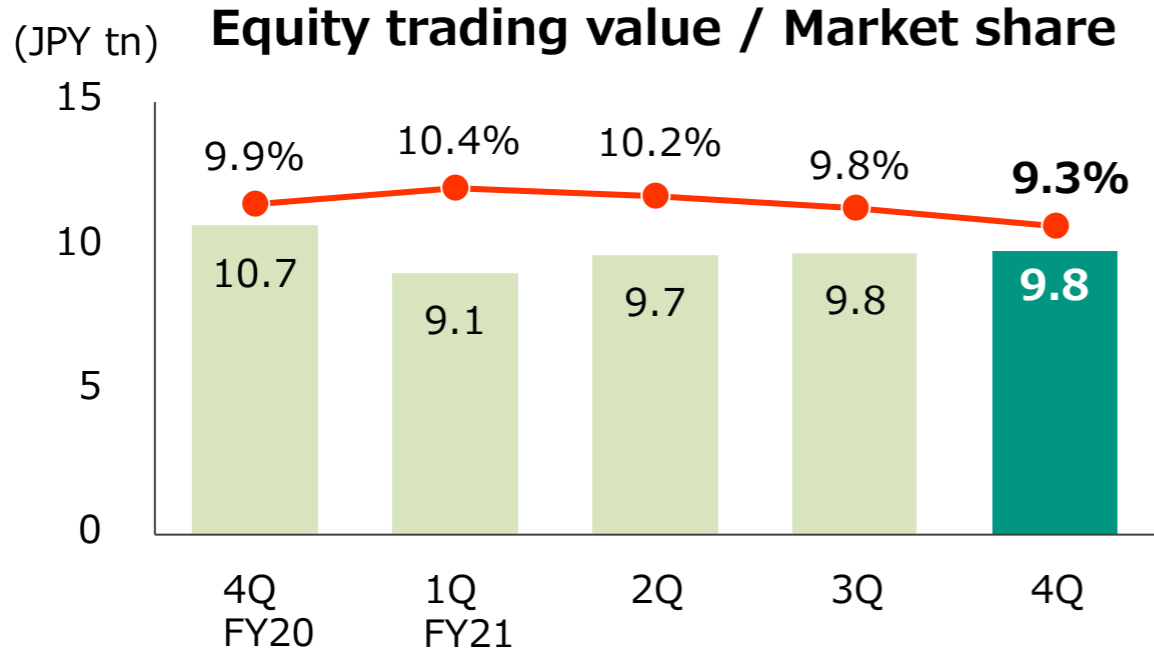
Matsui Securities Co., Ltd.

April 27, 2022

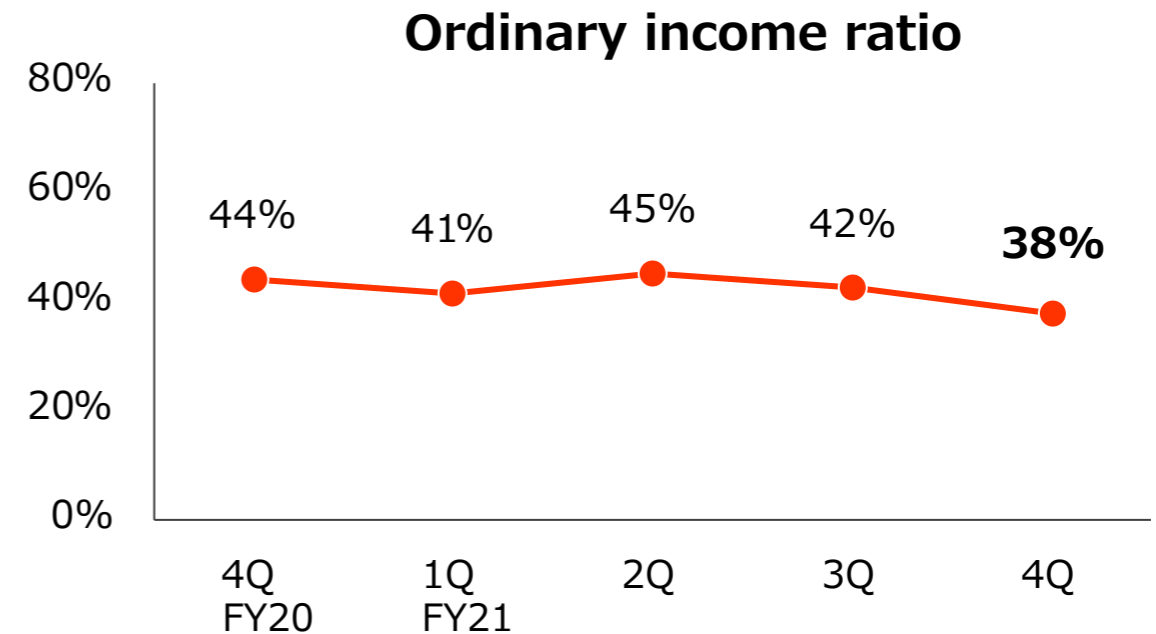
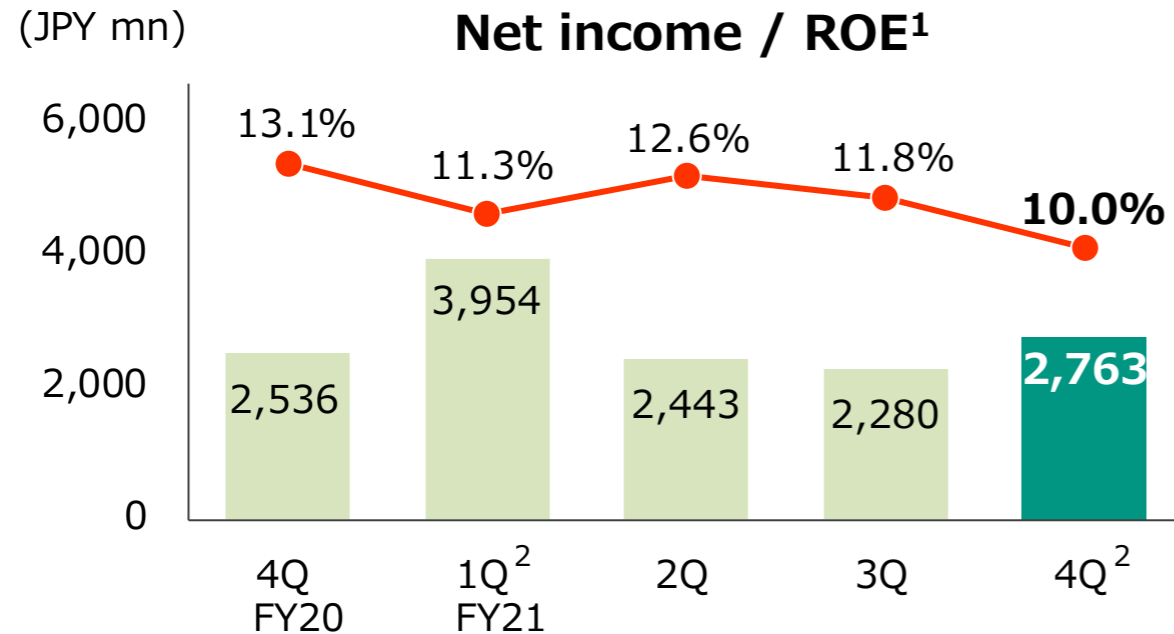
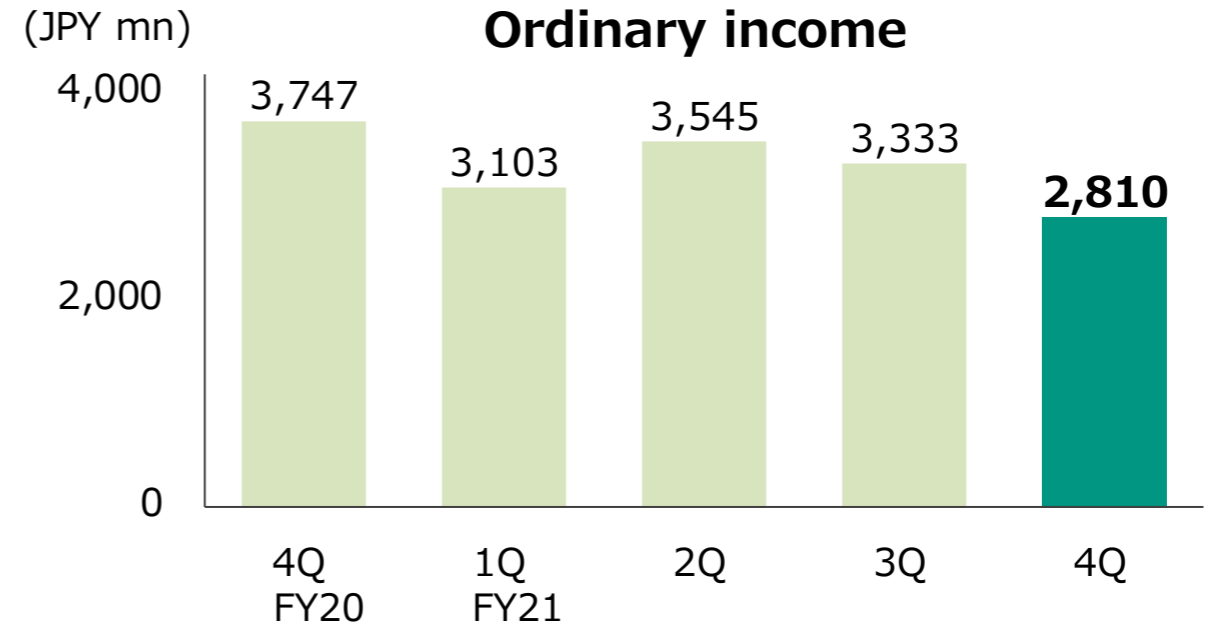
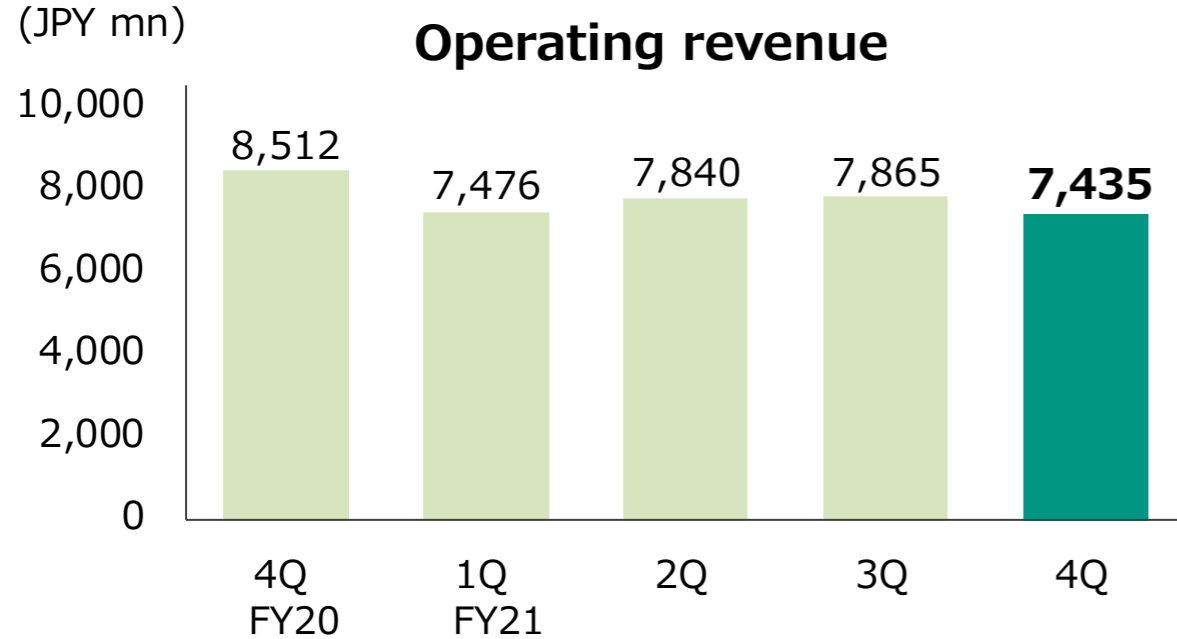
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- 2. Business Results**
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Appendix

Business Results



Financial Results



Note 1: Annualized on each quarter

Note 2: Net income of 1QFY21 and 4QFY21 includes 2.6 billion yen and 1.2 billion yen respectively in extraordinary profit and loss (before tax). ROE excludes the impact of this change.

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Summary of Financial Results

FY2021

(JPY mn)

	FY2020	FY2021	YoY
Operating Revenues	30,082	30,616	2%
Net operating revenues	28,672	29,439	3%
SG&A	15,845	16,667	5%
Operating income	12,827	12,772	-0%
Ordinary income	12,919	12,791	-1%
Net income	10,283	11,439	11%
Ordinary income ratio	43%	42%	-
Matsui's trading value (JPY tn)	37.4	38.4	3%
Average margin balance (JPY bn)	256	315	23%

**Net income of FY21 includes 3.9 billion yen in extraordinary profit
(Gain on Sale of Investment Securities/ Gain on Sale of Non-current Assets)**

Breakdown of Revenues

FY2021

(JPY mn)

	FY2020	FY2021	YoY
Commissions	18,557	17,454	-6%
Brokerage	17,812	16,639	-7%
Equity & ETF	16,787	15,618	-7%
Futures & Options	1,025	1,021	-0%
Others	681	738	8%
Net trading income	828	876	6%
Interest & dividend income	10,696	12,285	15%
Interest expenses	1,410	1,177	-17%
Net interest income	9,286	11,108	20%

Breakdown of SG&A

FY2021

(JPY mn)

	FY2020	FY2021	YoY
Trading related expenses	5,930	6,214	5%
Stock exchanges and securities	1,526	1,459	-4%
Communications expenses	1,903	1,929	1%
Advertisement	1,564	1,904	22%
Personnel expenses	2,833	3,054	8%
Occupancy & rental	1,010	1,052	4%
Data processing & office supplies	3,176	3,322	5%
Depreciation	2,121	2,376	12%
Taxes and dues	492	515	5%
Provision of allowance for doubtful accounts	94	△ 56	-
Others	189	189	-0%
Total SG&A	15,845	16,667	5%

Summary of Financial Results

Quarterly

(JPY mn)

	3Q FY2021	4Q FY2021	QoQ
Operating Revenues	7,865	7,435	-5%
Net operating revenues	7,594	7,098	-7%
SG & A	4,265	4,279	0%
Operating income	3,329	2,819	-15%
Ordinary income	3,333	2,810	-16%
Net income	2,280	2,763	21%
Ordinary income ratio	42%	38%	-
Matsui's trading value (JPY tn)	9.8	9.8	0%
Average margin balance (JPY bn)	322	293	-9%

**Net income of 4QFY21 includes 1.3 billion yen in extraordinary profit
(Gain on Sale of Non-current Assets)**

Breakdown of Revenues

Quarterly

(JPY mn)

	3Q FY2021	4Q FY2021	QoQ
Commissions	4,410	4,325	-2%
Brokerage	4,199	4,131	-2%
Equity & ETF	3,953	3,800	-4%
Futures & Options	246	331	35%
Others	175	194	11%
Net trading income	284	218	-23%
Interest & dividend income	3,171	2,892	-9%
Interest expenses	271	337	24%
Net interest income	2,900	2,555	-12%

Breakdown of SG&A

Quarterly

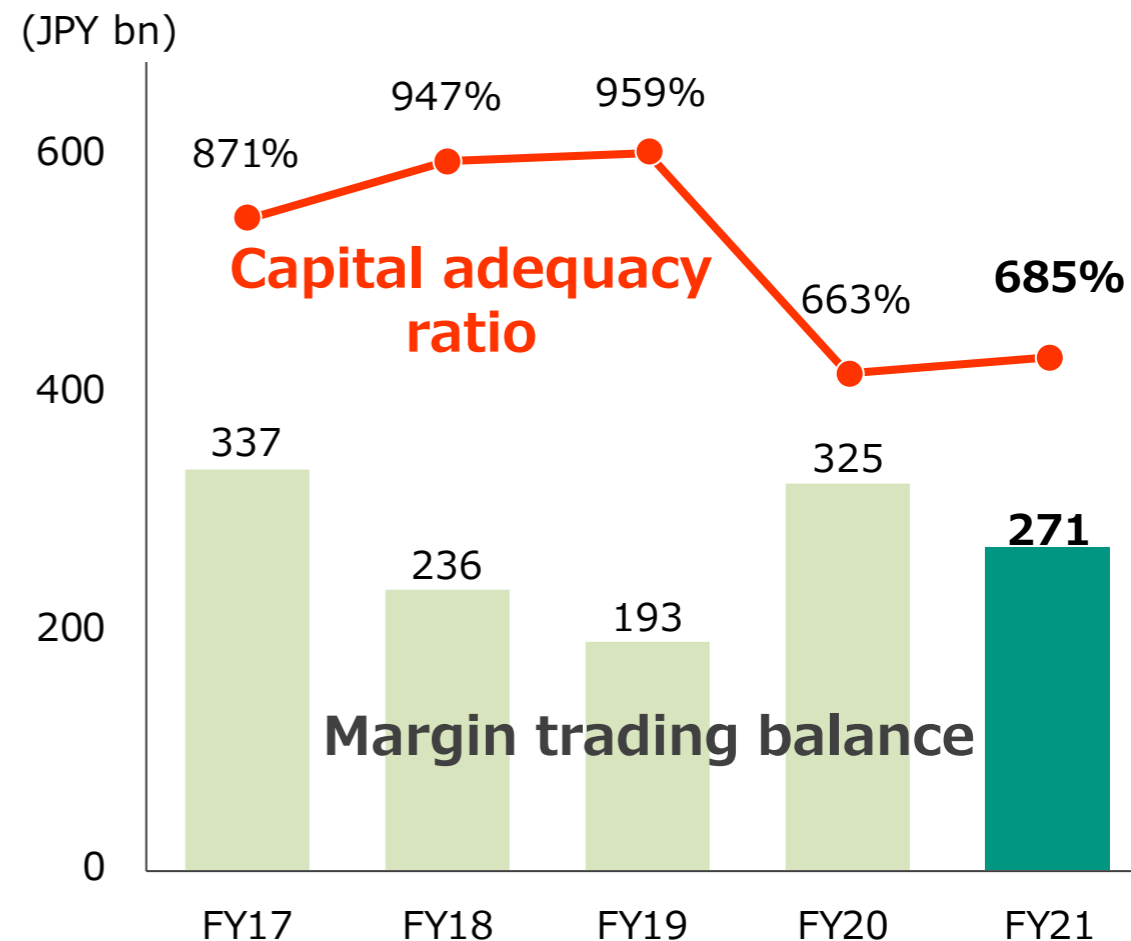
(JPY mn)

	3Q FY2021	4Q FY2021	QoQ
Trading related expenses	1,649	1,501	-9%
Stock exchanges and securities	370	376	2%
Communications expenses	488	492	1%
Advertisement	563	399	-29%
Personnel expenses	765	850	11%
Occupancy & rental	239	318	33%
Data processing & office supplies	864	876	1%
Depreciation	588	609	3%
Taxes and dues	125	103	-18%
Provision of allowance for doubtful accounts	△ 9	△ 19	-
Others	44	42	-5%
Total SG & A	4,265	4,279	0%

Capital adequacy ratio (As of 31 March 2022)

(JPY mn)		
Tier 1	(A)	73,324
Tier 2	Net unrealized gain on investment	252
	Statutory reserves	3,070
	Allowance for doubtful accounts	54
	Sub total	(B) 3,377
Assets to be deducted from equity capital	(C)	12,928
Net Capital		
	(A) + (B) - (C)	(D) 63,772
Total risk	Market risk	3
	Counterparty risk	5,431
	Basic risk	3,874
	Total	(E) 9,309
Capital Adequacy ratio		(D)/(E) 685%

Margin trading balance and capital adequacy ratio



Plan to pay year-end dividend of 20 yen per share for FY21

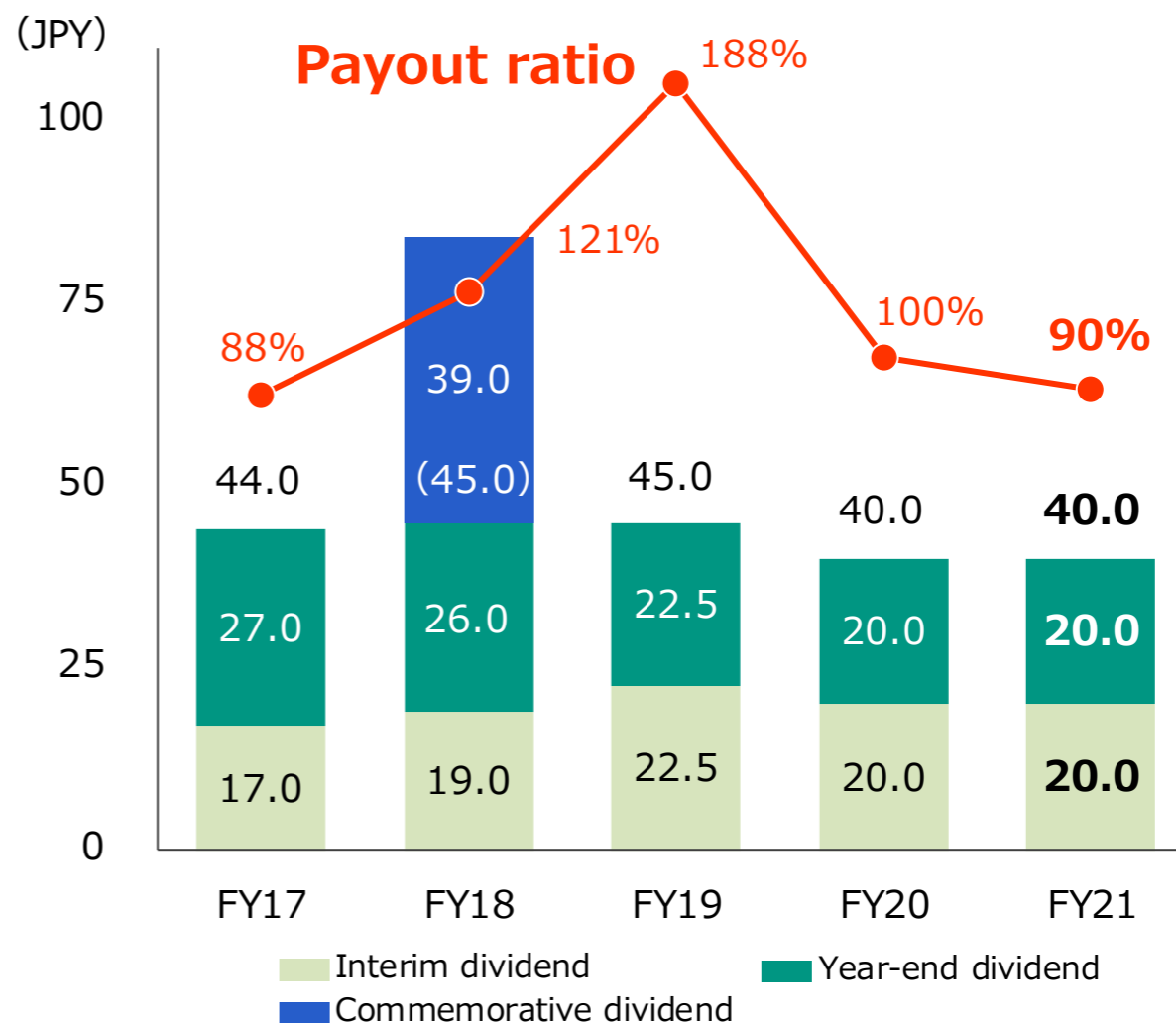
Dividends for FY21

- Interim : **20 yen** per share
- Year-end : **20 yen** per share (Plan)
- DOE : 13%
- ROE : 15%

Dividend policy

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

Matsui's dividend per share and payout ratio¹

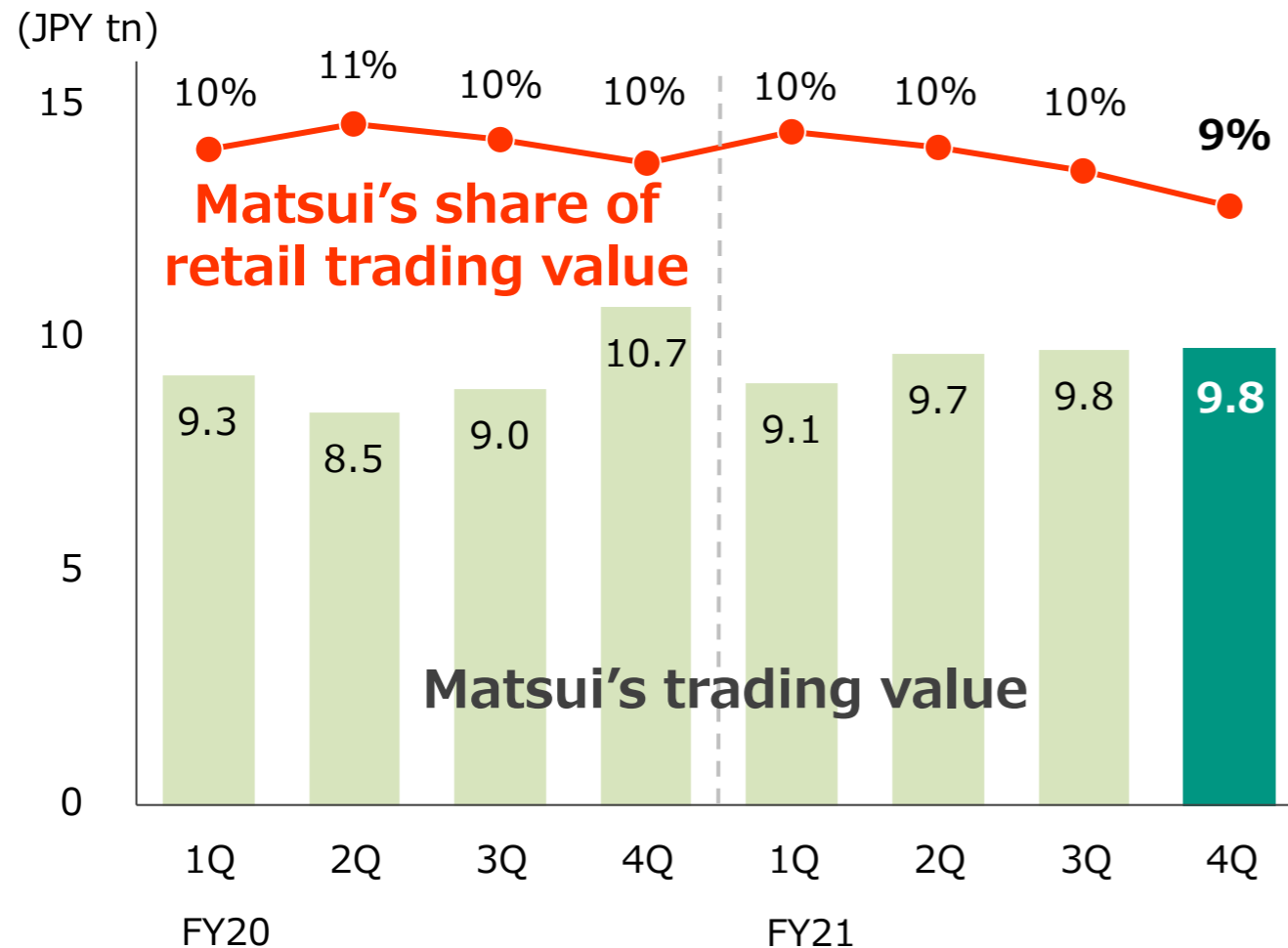


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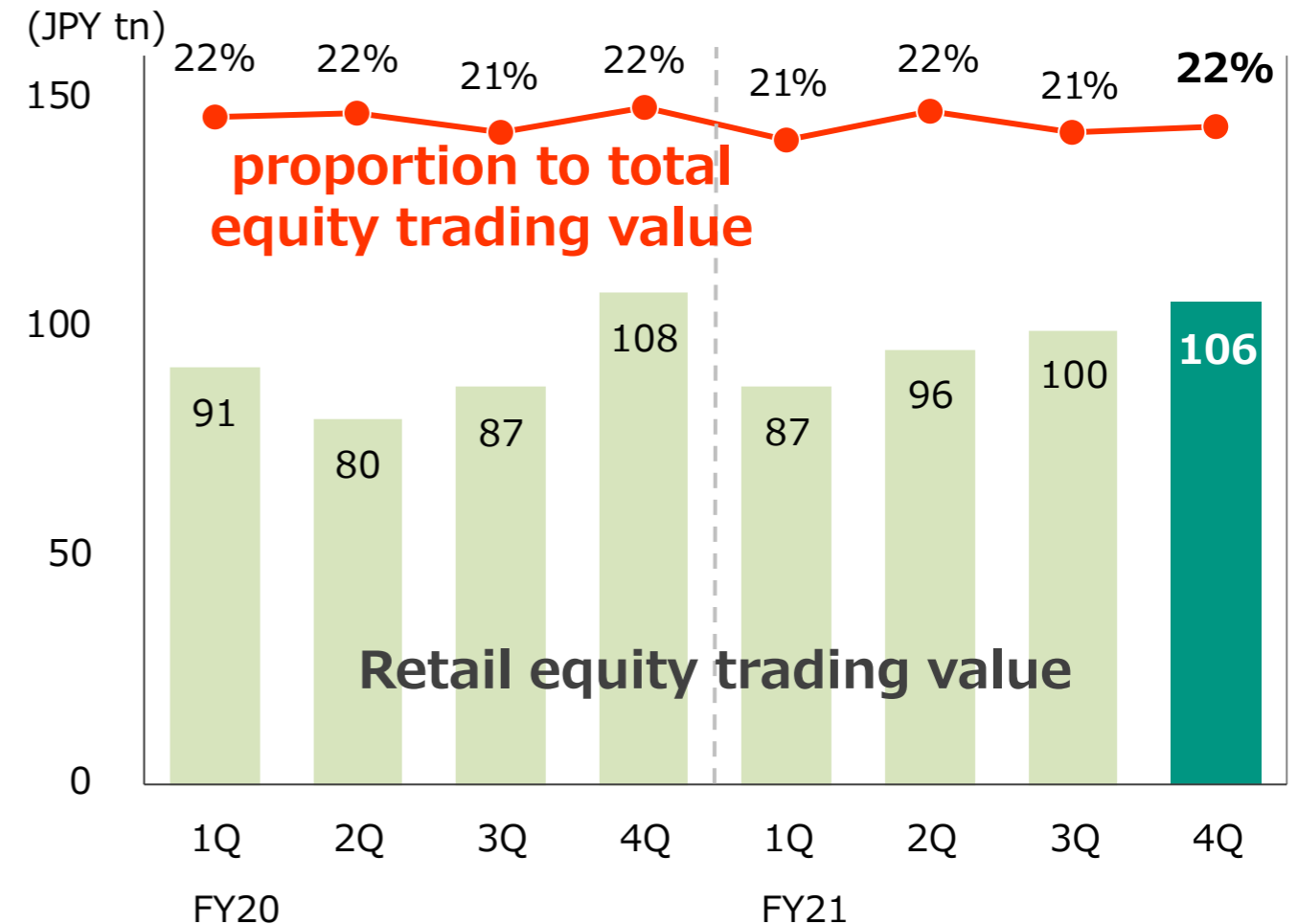
Appendix

Equity Trading Value

Matsui's equity trading value and its market share¹

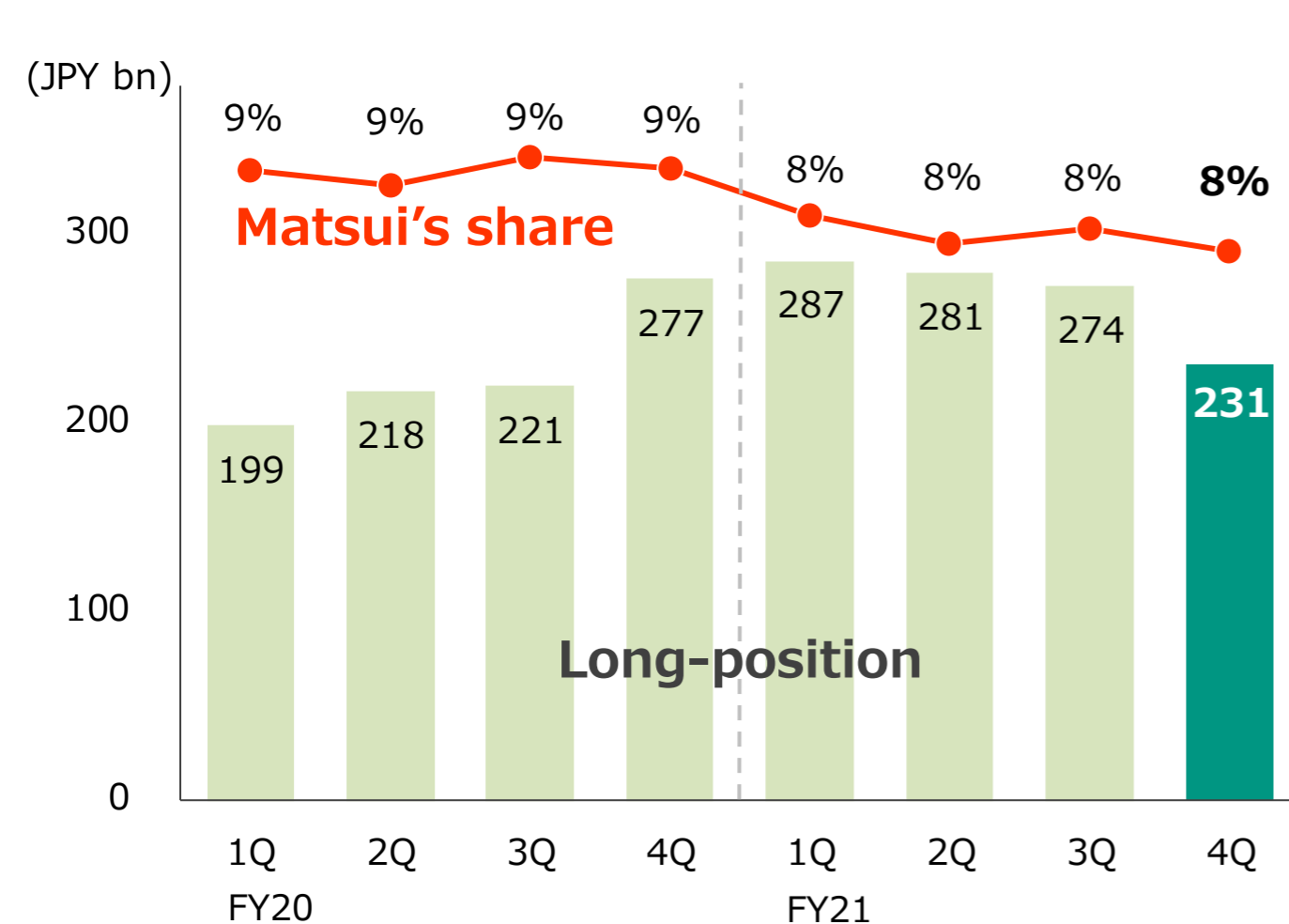


Retail equity trading value¹ and proportion to total equity trading value

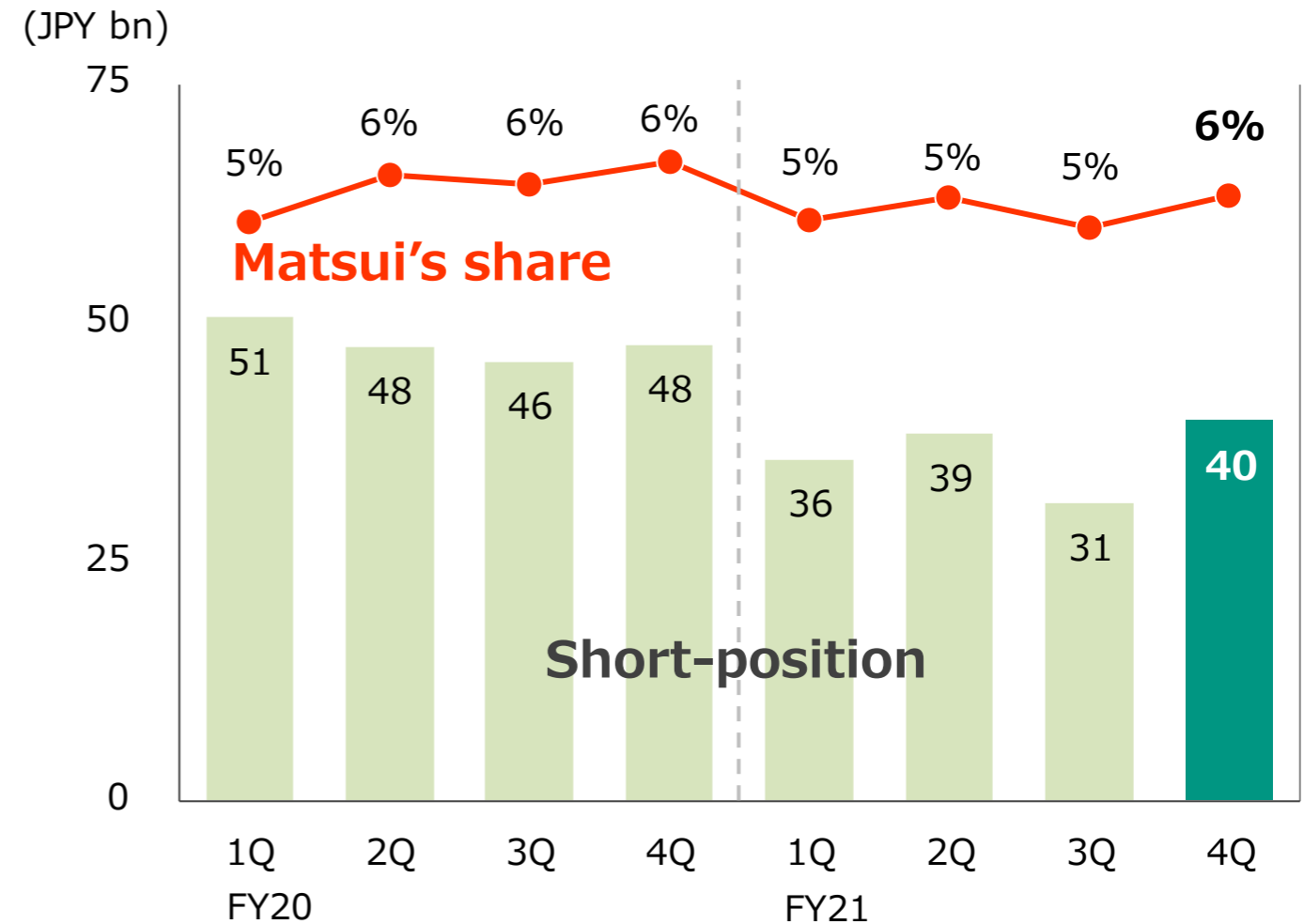


Margin Trading Balance

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



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

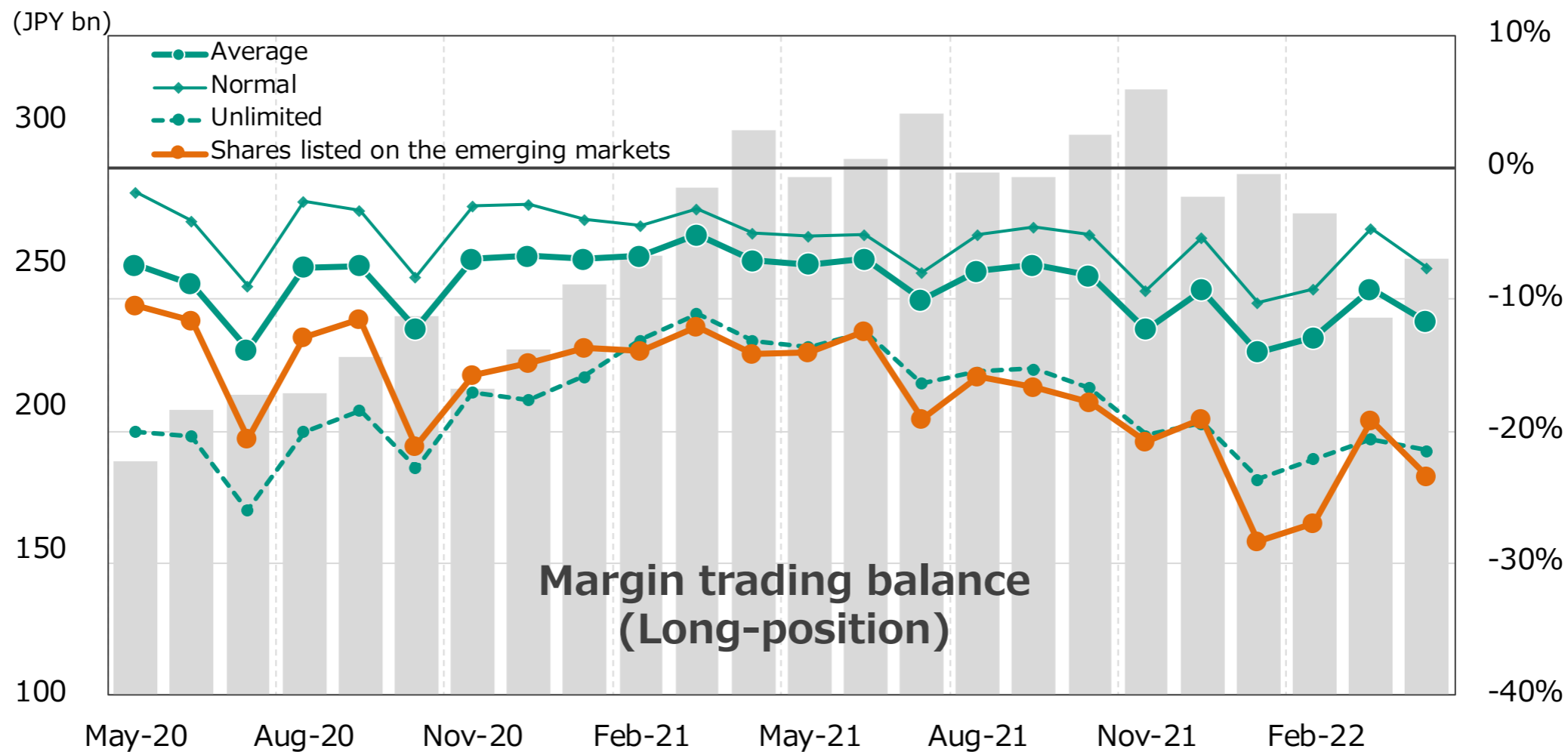


Source: TSE, Company Websites

Note1 : Balance as of the end of each quarter

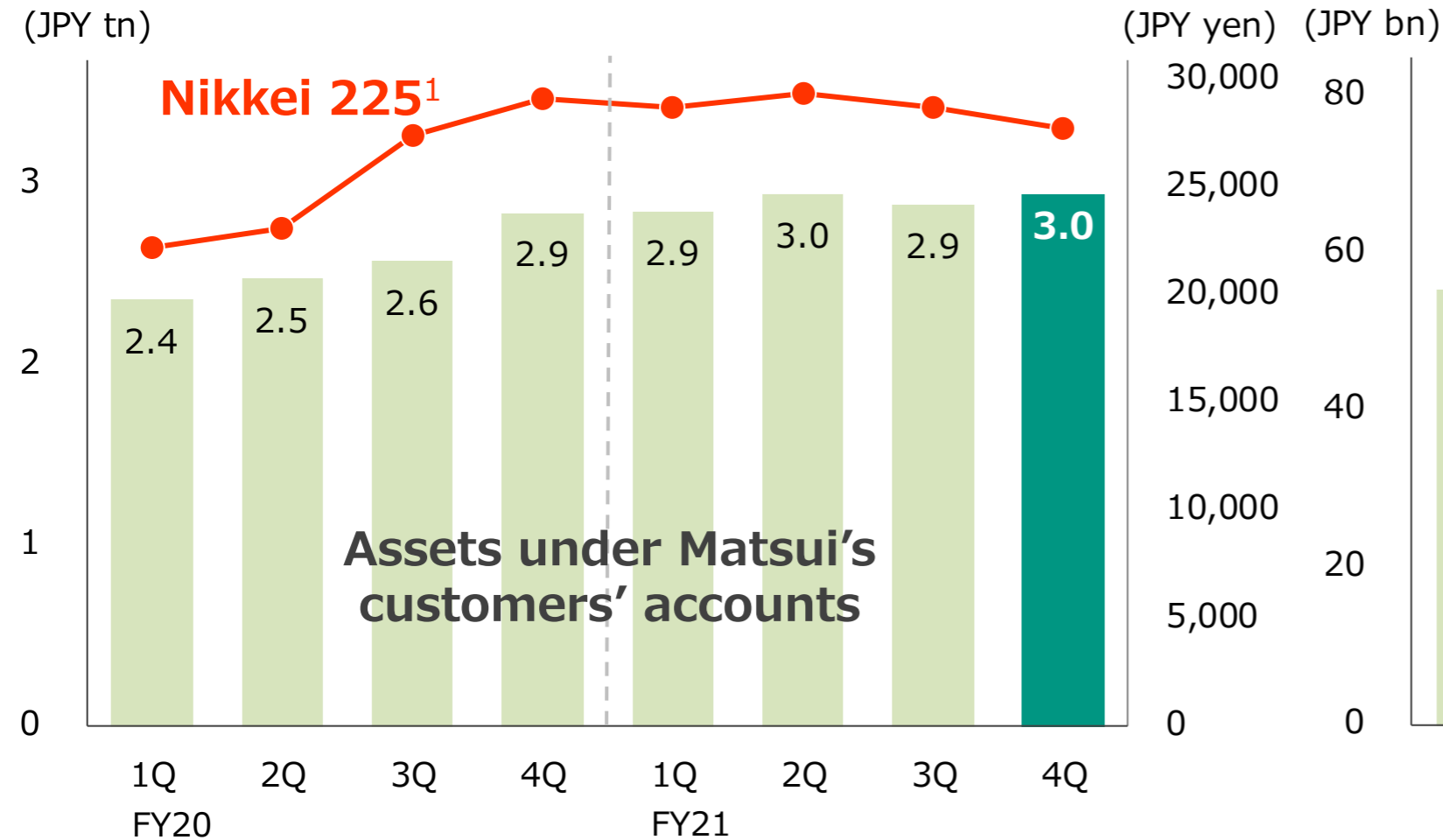
Note2 : Total market share in 2 major stock exchanges

Unrealized Losses (Long-position)

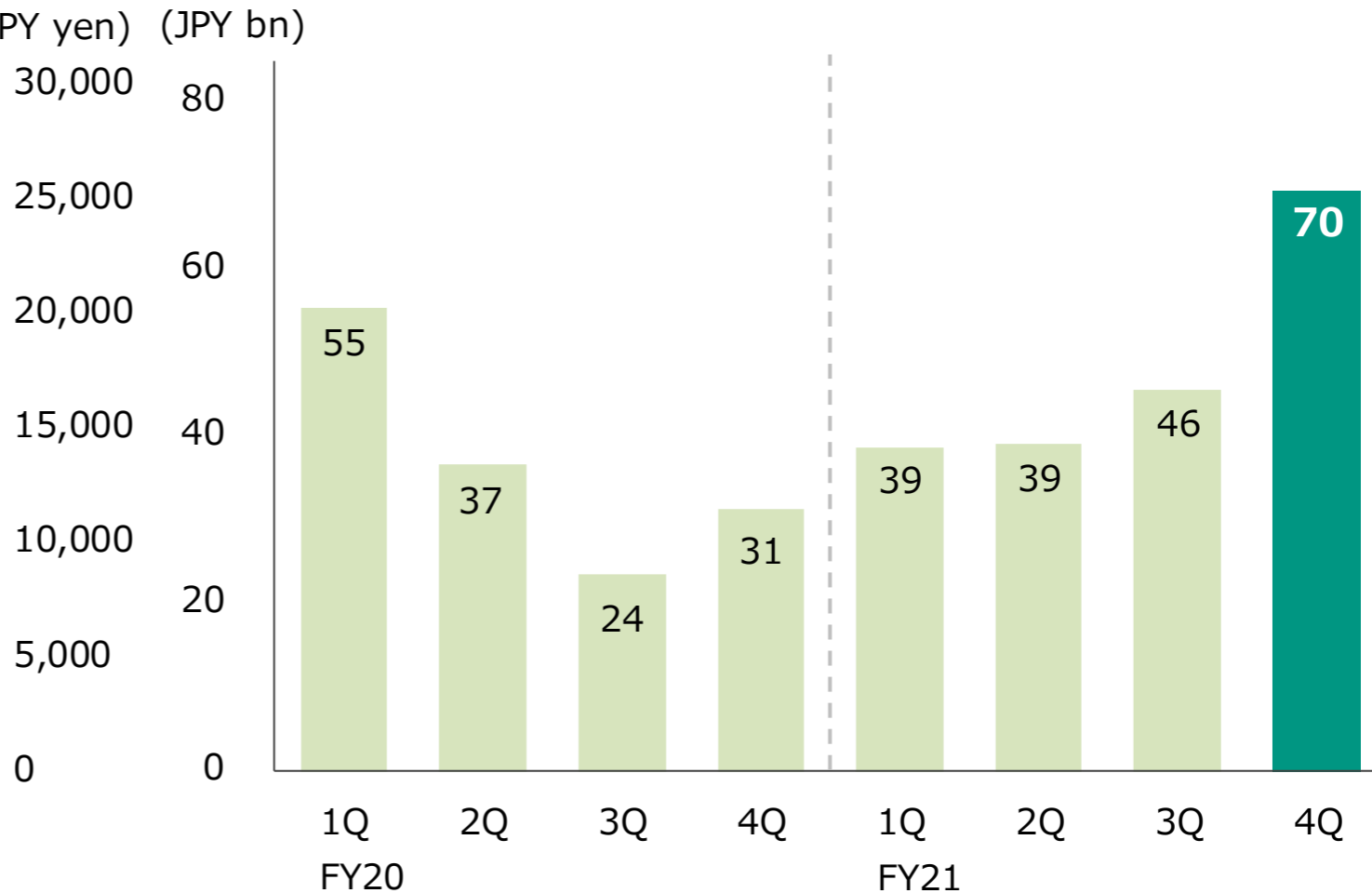


Assets under Customers' Accounts

Assets under Matsui's customers' accounts



Net inflow in cash and stocks²

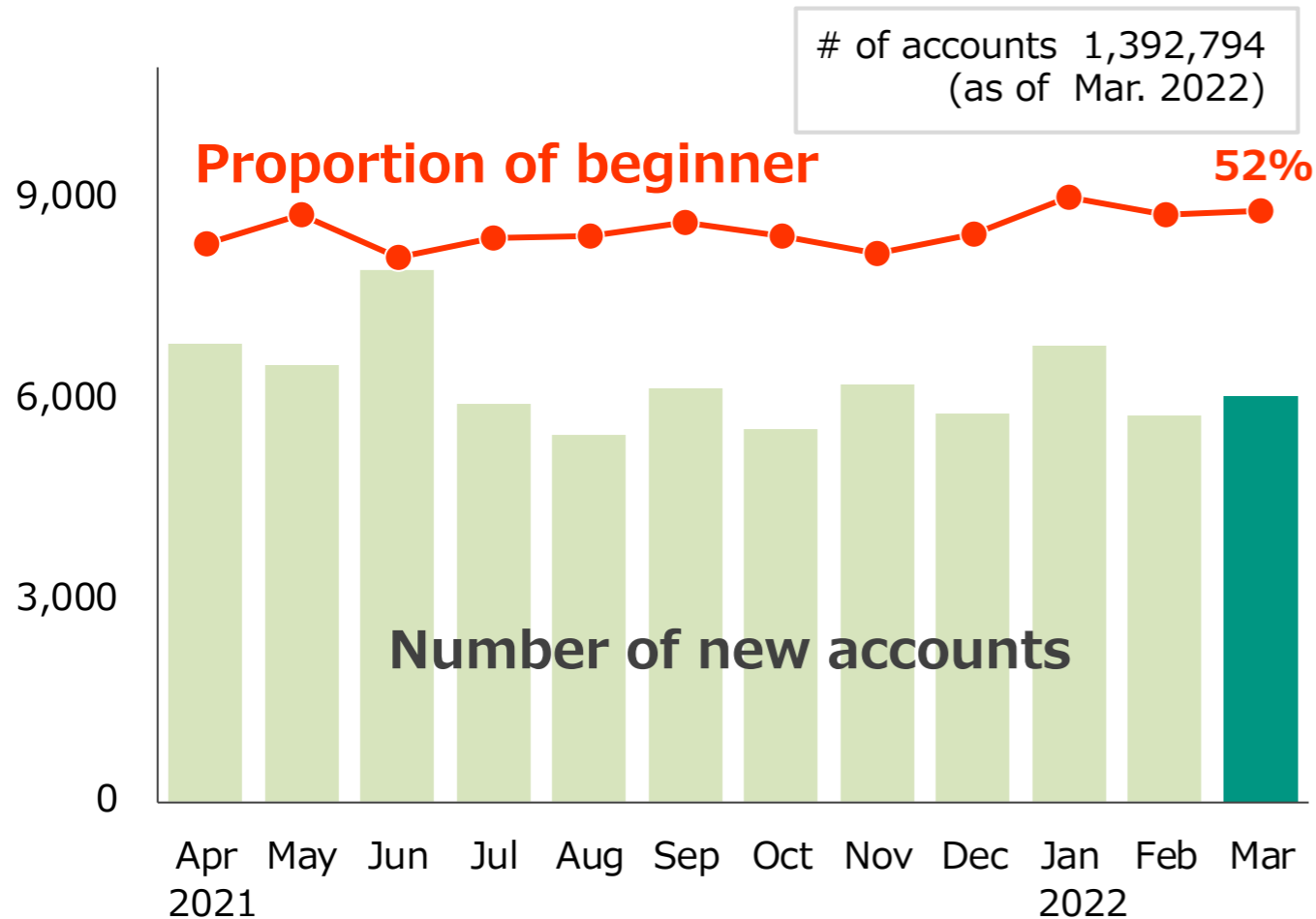


Note 1: Nikkei 225 is the closed price at the end of each quarter

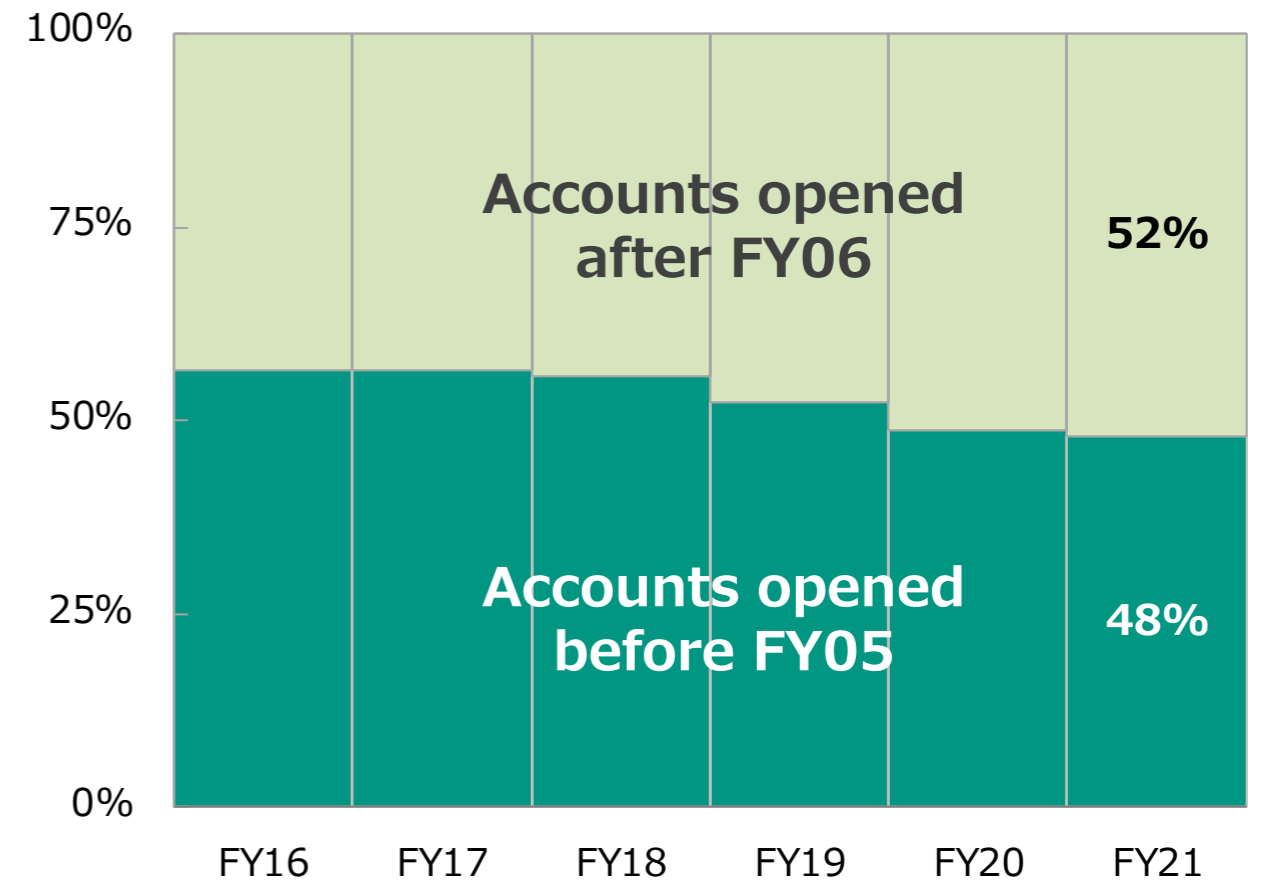
Note 2: Including the net inflow in mutual funds

Number of Accounts

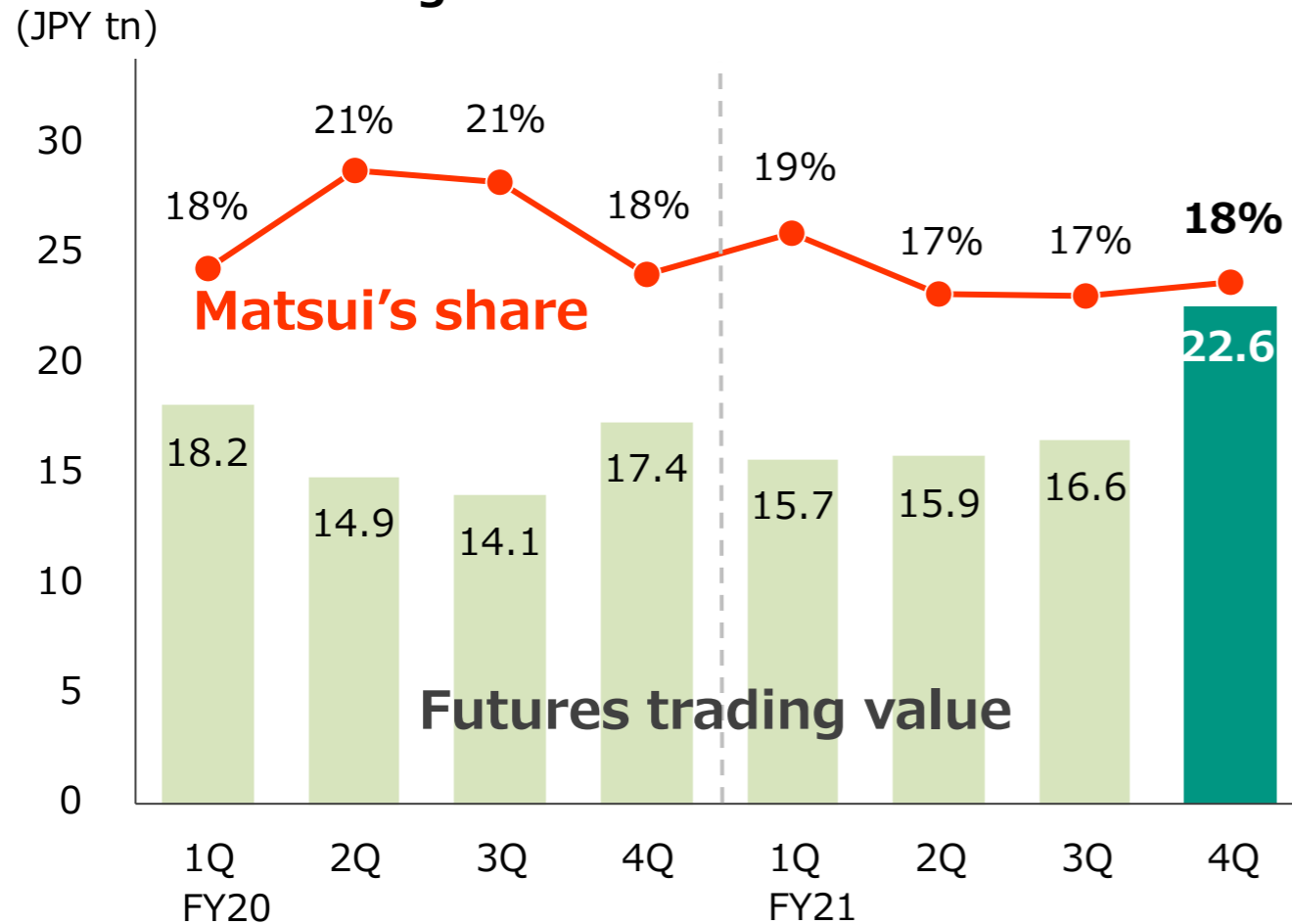
Number of accounts at Matsui



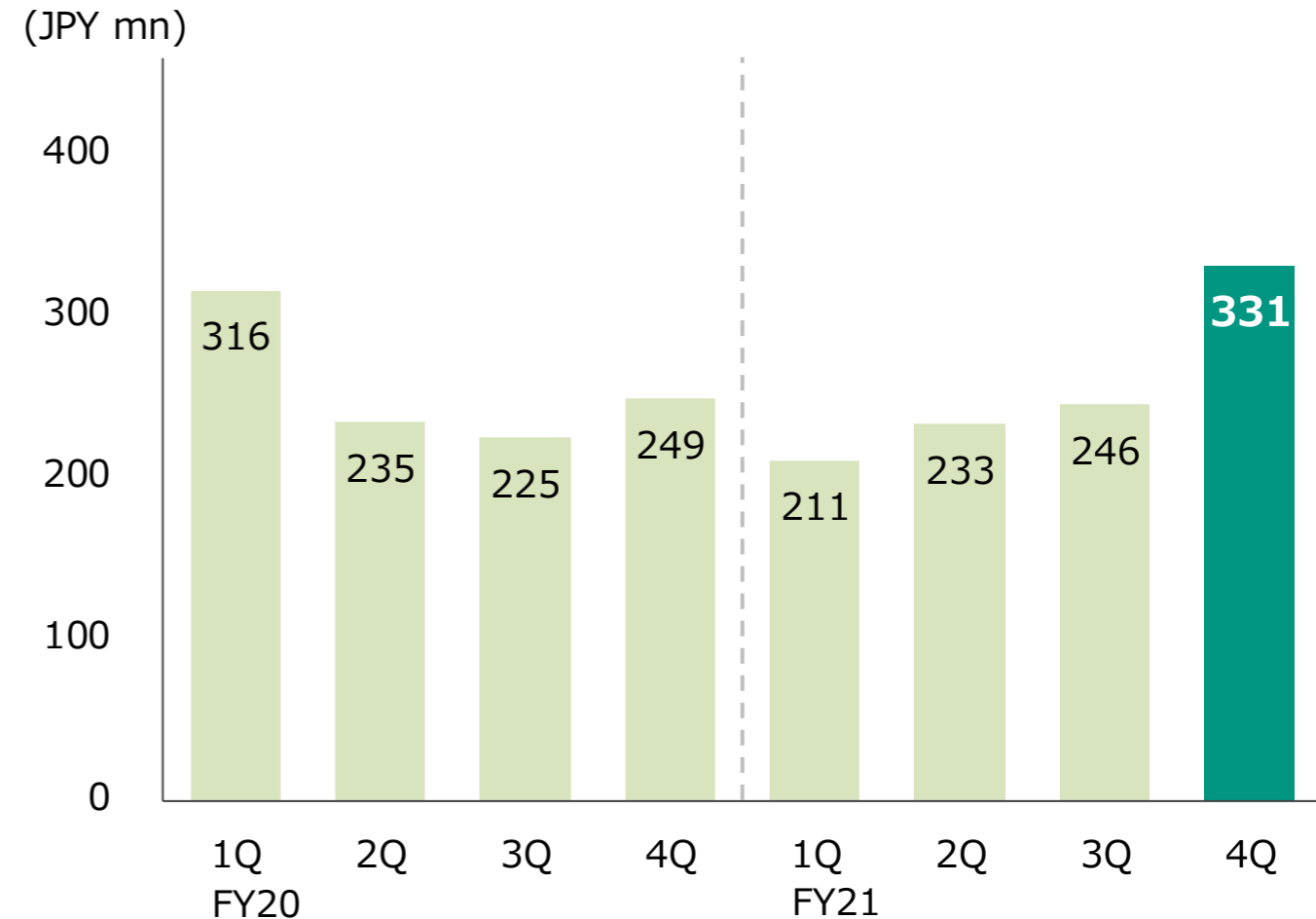
Breakdown of trading value¹ by customers opening the accounts in each fiscal year



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

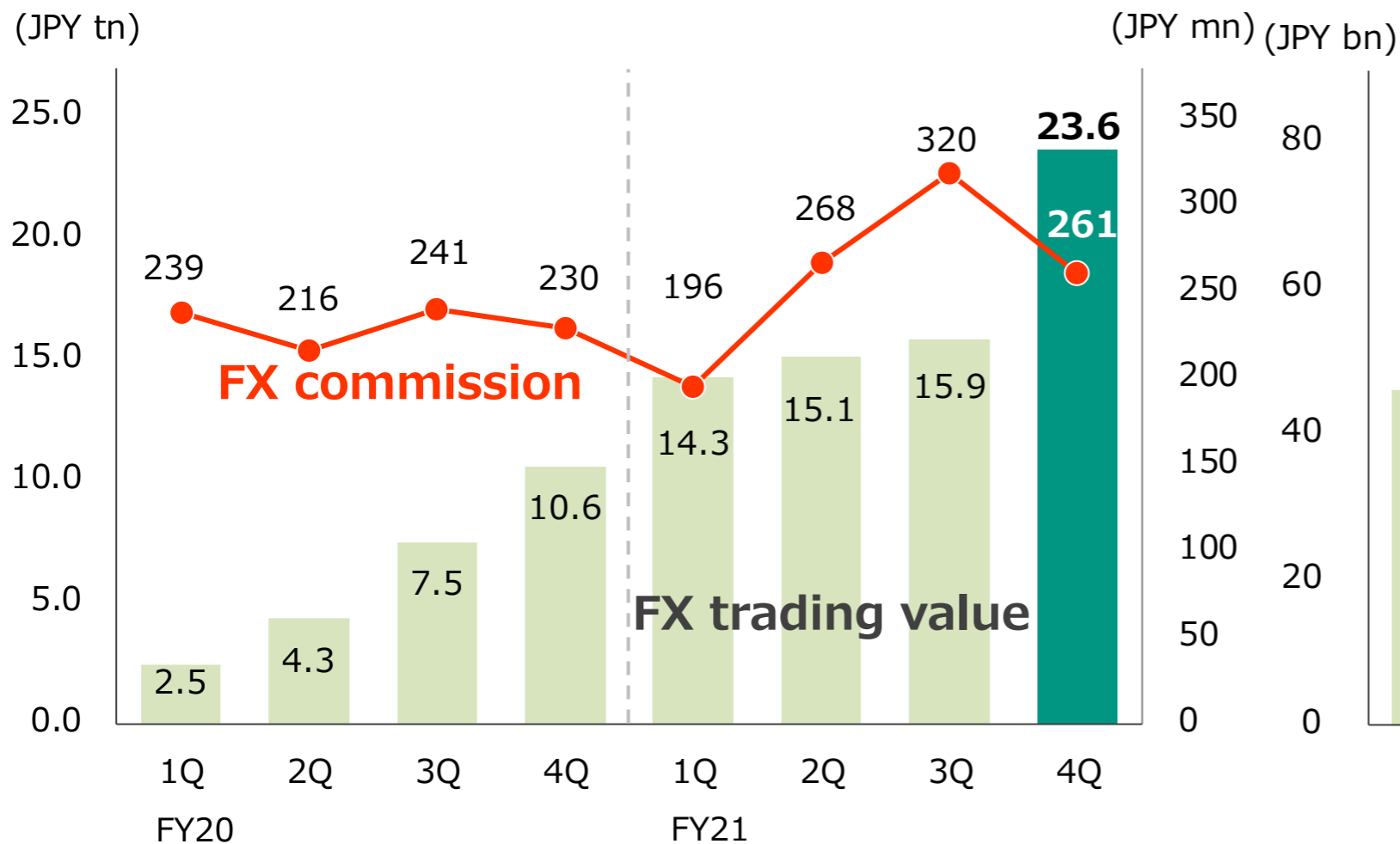


Commissions of Futures and Options

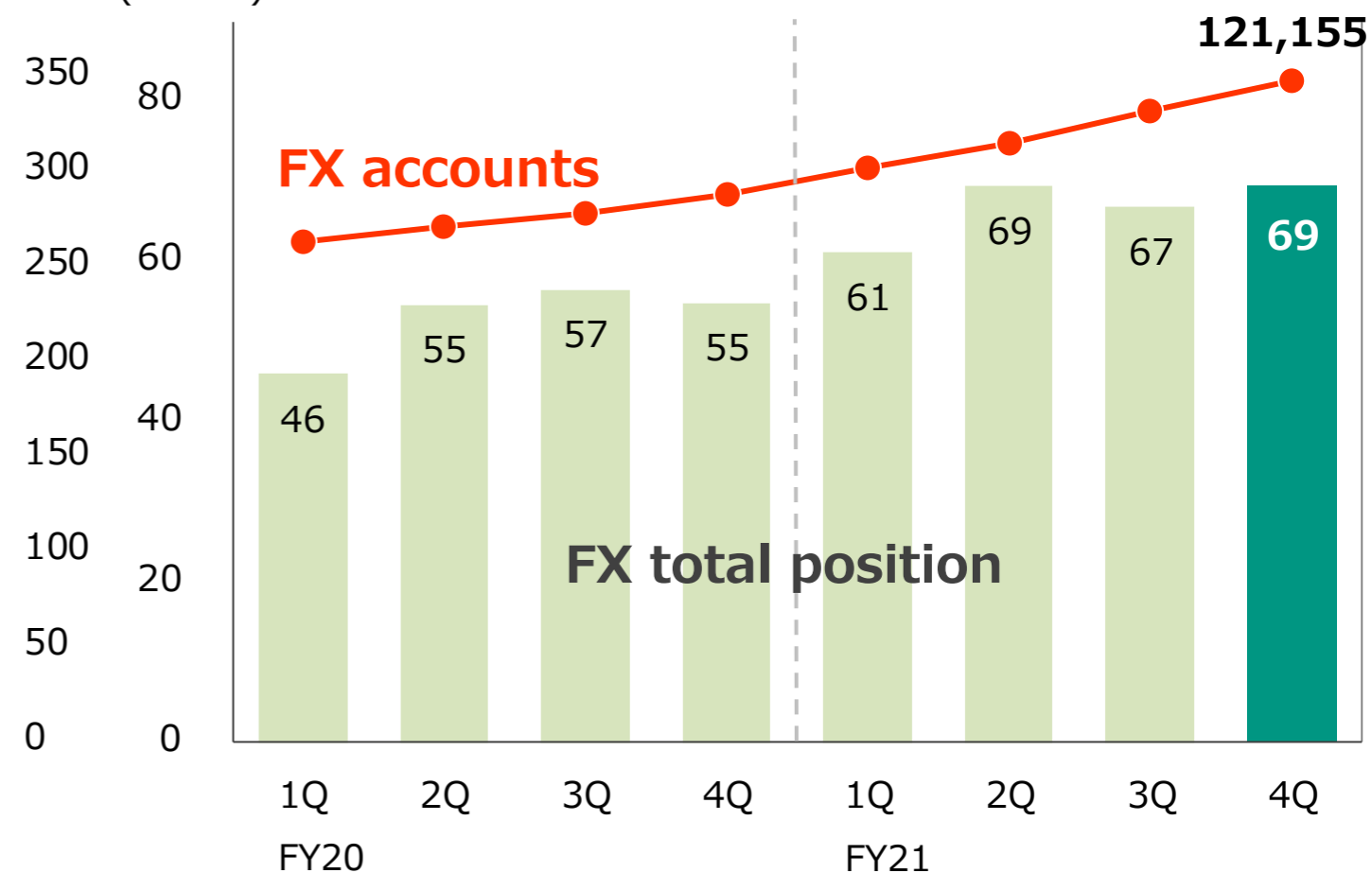


FX Margin Trading

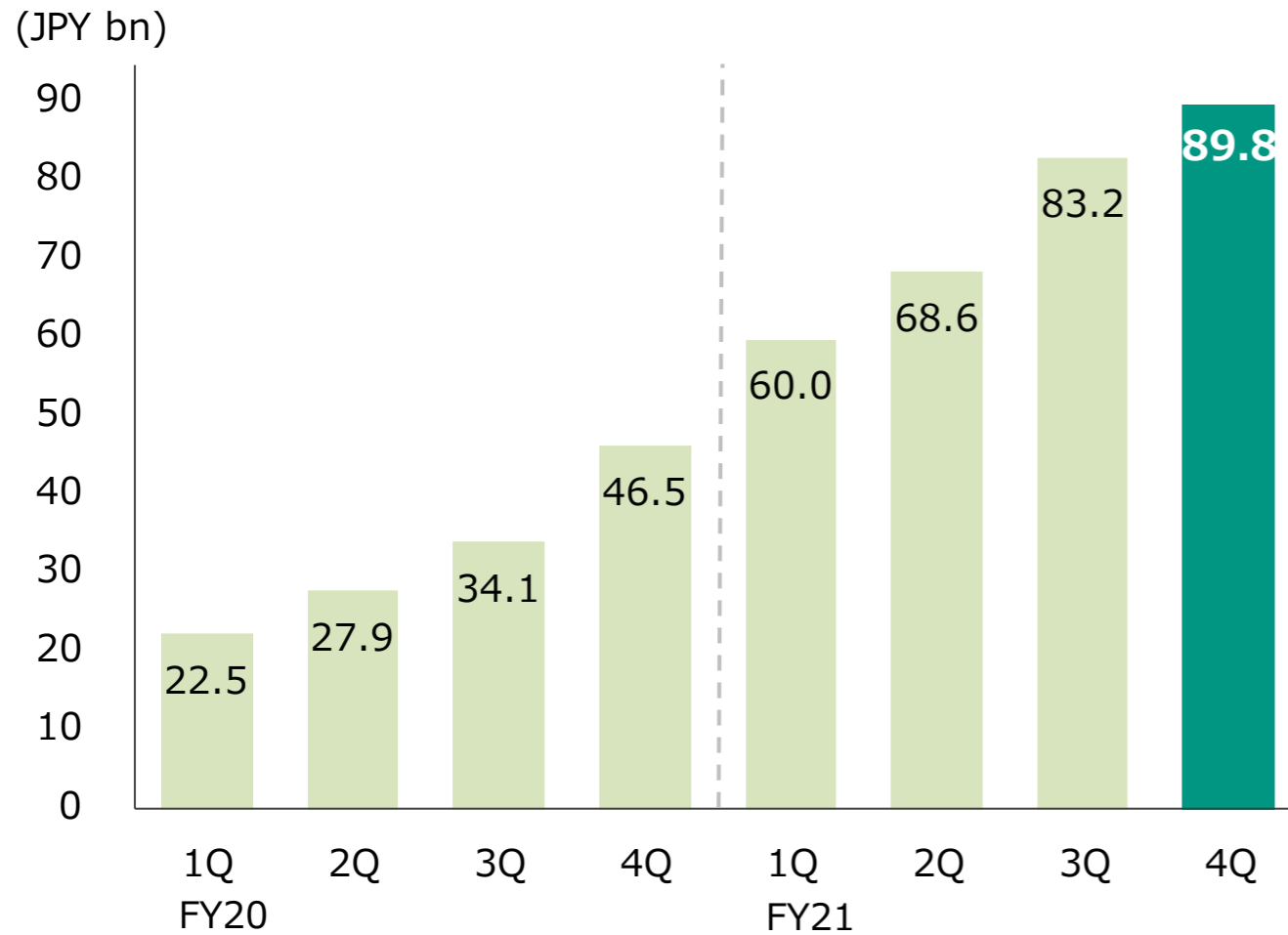
FX trading value and commission



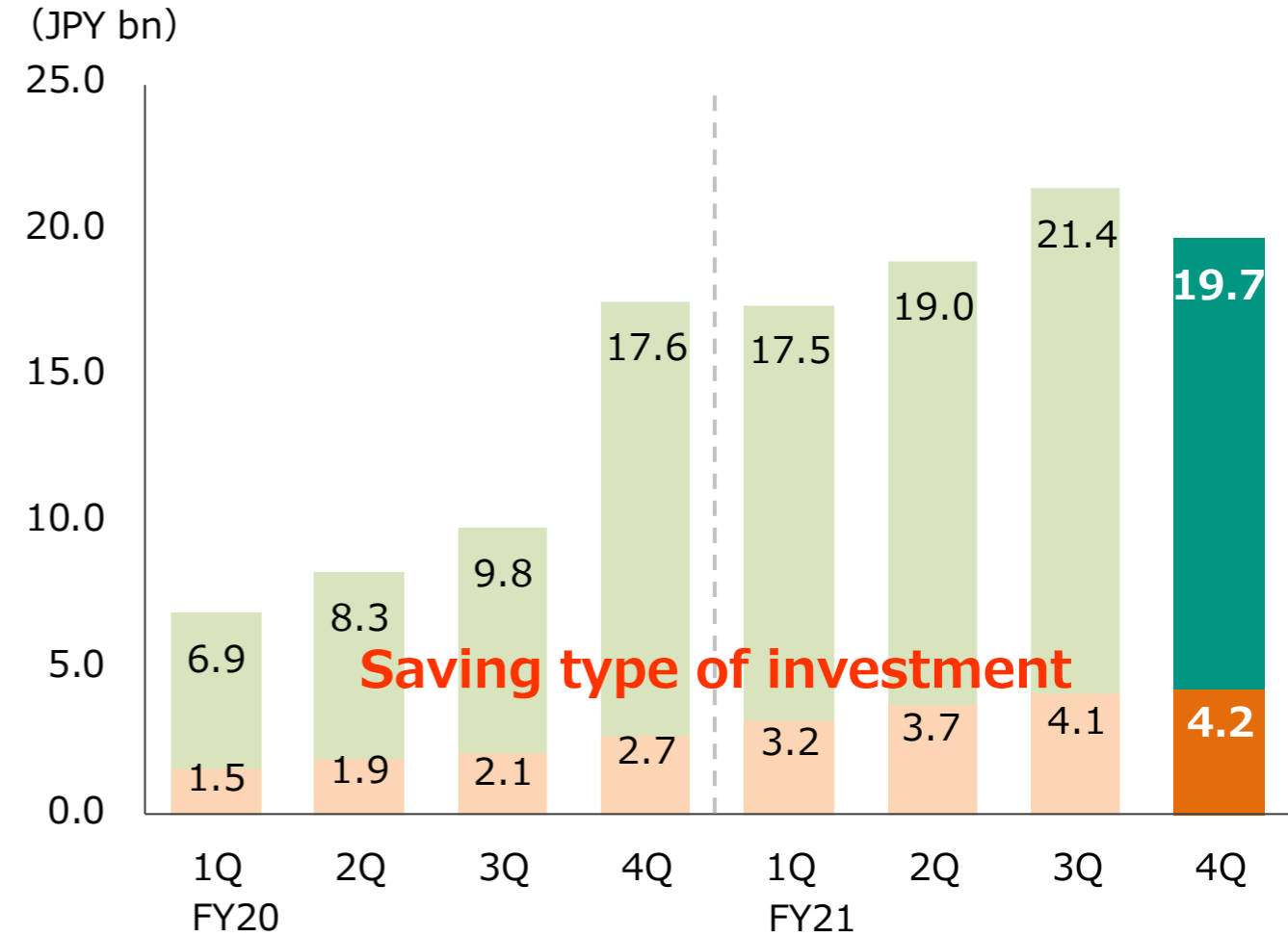
FX total position and accounts



Matsui's AUM of mutual fund



Matsui's mutual fund sales



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Appendix



Corporate Principle

Support to enrich the life of customers
by providing valuable products and services
for retail investors

Management Goals

Provide superior **customer experience value**

Management Strategy

- ✓ Expand the lineup of products and services
- ✓ Improve the service quality continuously
- ✓ Enhance our communication with customers

Introduce the service on February 28

- ◆ Introduce the application for smartphone in March



- ◆ Provide the video contents available before the start of the service



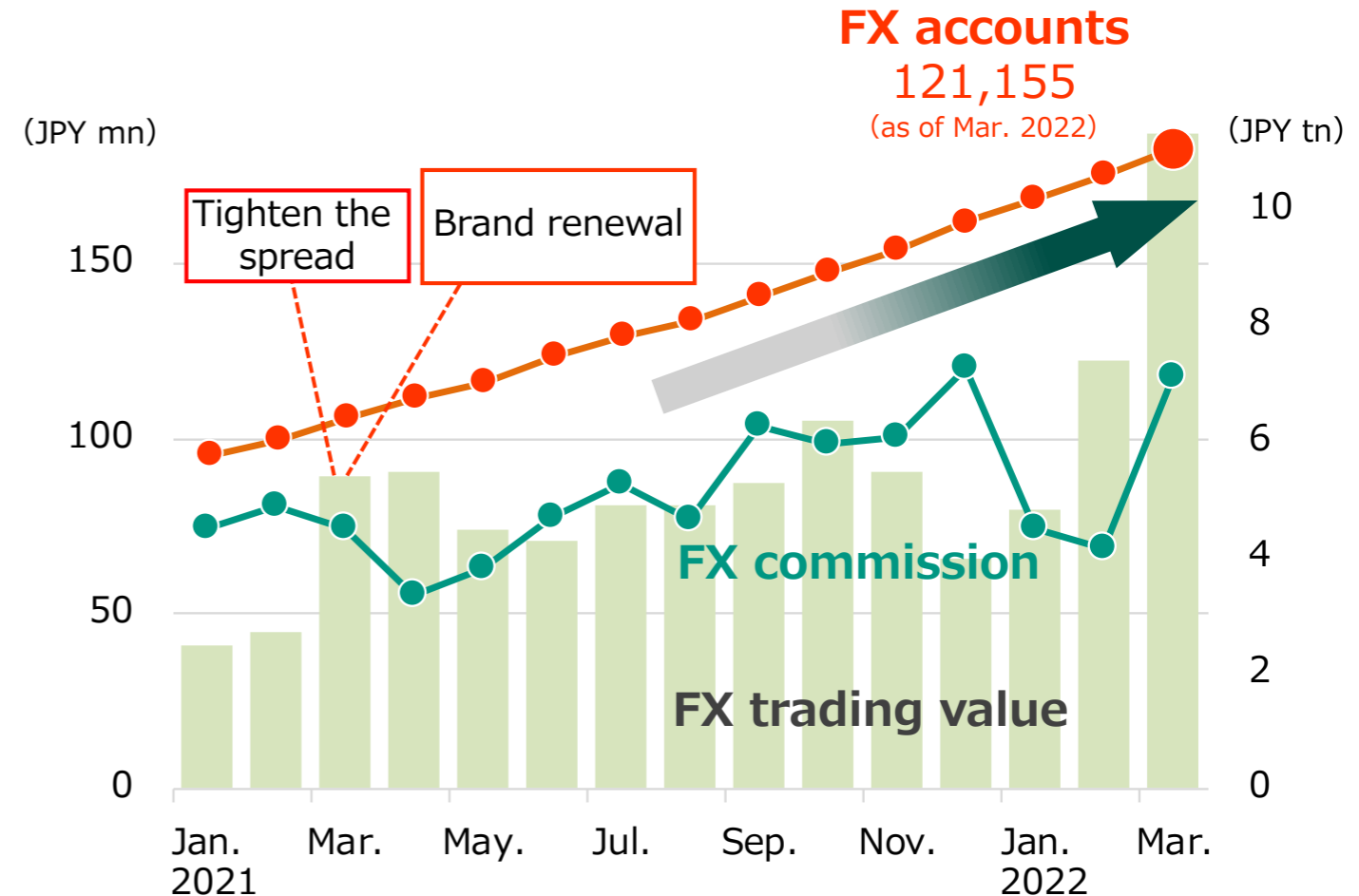
- ◆ Future developments

- ✓ Expand the # of tradable stocks (over 1,000 stocks in FY2022)
- ✓ Prepare for foreign currency settlement and margin transaction

Expand the business in line with the brand renewal and enhancement of promotion

◆ Increase the brand recognition ◆ Trading results

Provide promotion movie through TV and YouTube



Improve the service quality on smartphone

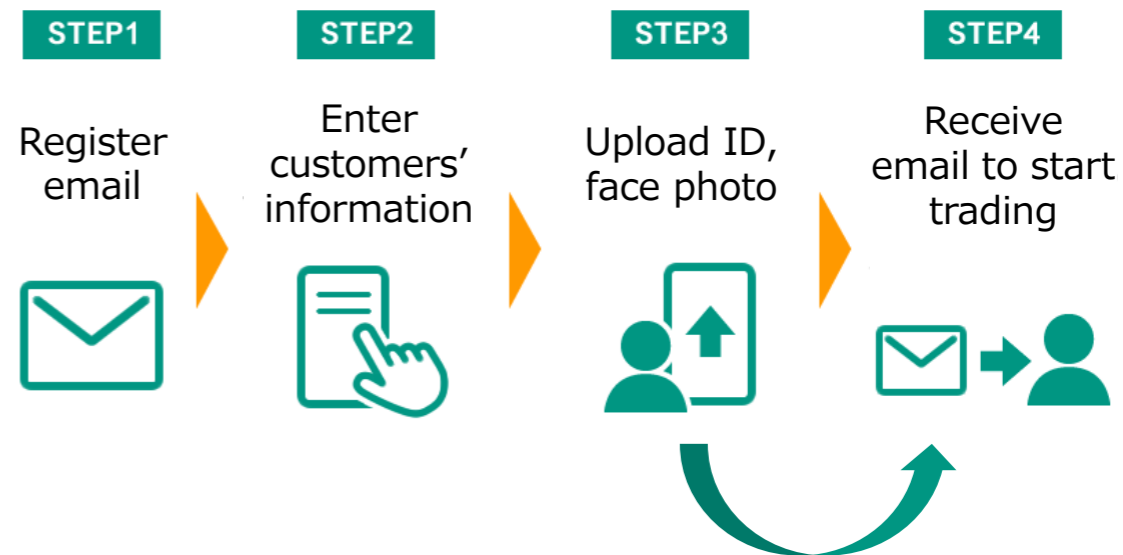
◆ Upgrade of the trading application

- ✓ Upgrade continuously
- ✓ Improve stock chart, add the trading function of IPO/PO



◆ Introduce eKYC

- ✓ Shorten the lead time from applying account opening to start trading



Able to trade on the same day as the application

Increase the number of IPO underwritings 2.5 times YonY as a result of leverage the network

◆ LP Investment in venture capitals

Invest in **16 VCs**

Continue to leverage the network

IPO participation
Achieved the target of **40%**
Target to **50%** in FY2022

◆ Rise to 7th place in the ranking among the industry

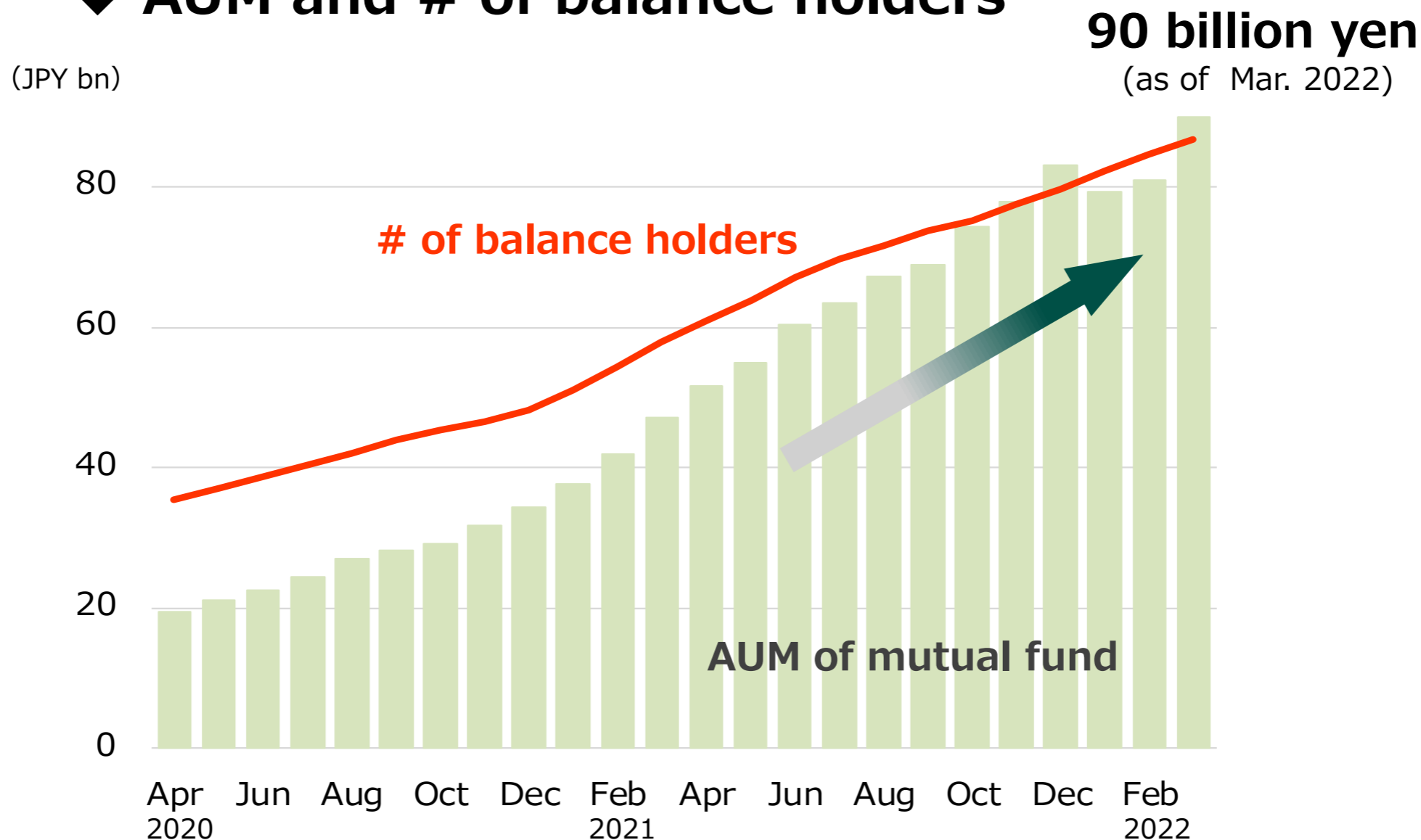
			<u>No.</u>	<u>Participation Ratio</u>
1	(1)	SBI	117	98%
2	(2)	MIZUHO	76	63%
3	(3)	SMBC NIKKO	76	63%
4	(5)	RAKUTEN	70	58%
5	(6)	NOMURA	61	51%
6	(7)	MONEX	51	43%
7	(12)	MATSUI	50	42%
8	(8)	OKASAN	47	39%



Note: Results for Apr. 2021 - Mar. 2022, and the number in parentheses are rankings for the same period of the previous year

AUM doubled since the end of previous fiscal year

◆ AUM and # of balance holders



Intend to increase the brand recognition to become the "first imaged broker"

◆ Continue to enhance the promotion for new customers acquisition

- ✓ Continue to provide promotion movie through TV and YouTube
- ✓ Advertise in the subway by using the famous trader
- ✓ Collaborate with radio program to develop new channel to reach young generations



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

◆ Provide various information on website specialized for video contents

- ✓ Provide useful investment ideas, fresh topics on stocks of high interest in the market
- ✓ Provide new contents for U.S. stocks
- ✓ Provide over 1,000 contents and increase the number of views

◆ Reached the second largest YouTube channel among the industry

- ✓ Provide abundant information to have fun learning to invest

◆ Main contents

- | 取締役会のスキルマトリクス | | | | | | | | | | |
|------------------|----------|----|----------|----------|------------------|------------------------------|----------------------|------------------------|----------|--|
| 社内取締役 | | | | | | | | | | |
| 氏名
役職 | 委員会 | | 経験 | | | | | | | |
| | 指名
報酬 | 監査 | 企業
経営 | 金融
業界 | マーケ
ーティ
ング | IT
DX
情報セ
キュリ
ティ | 財務
会計
企業
金融 | 法務
コンプ
ライア
ンス | 人事
労務 | |
| 和里田 聡
代表取締役社長 | ◎ | | ● | ● | ● | | ● | | | |
| 鶴澤 慎一
常務取締役 | | | ● | ● | | ● | ● | | | |
| 佐藤 裕彦
取締役 | | | | | | | | | | |
| 榎真 取締役 | | | | | | | | | | |
| 柴田 取締役 | | | | | | | | | | |
| 芳賀 取締役 | | | | | | | | | | |
| 田中 取締役 | | | | | | | | | | |
| 松井 取締役 | | | | | | | | | | |

役職員のダイバーシティ

当社は、役員・従業員の多様化を図り、個性を活かす組織づくりが重要であると考えています。年齢・性別・国籍・職歴等を問わず、個々の能力や適性を十分見極め、必要な人材を採用しています。

男女比率

性別	比率
男性	68%
女性	32%

年齢比率

年齢	比率
20代	16%
30代	37%
40代	30%
50代以上	17%

中途入社比率

入社経路	比率
新卒入社	64%
中途入社	36%

また、管理職への登用においても、同様の考え方を取り入れております。管理職における多様性は、女性比率：8.6%/中途入社比率：22.9%(2021年11月末時点)となっています。

役員のダイバーシティについてはこちらをご覧ください。

◆ 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

- ✓ Expand video contents for support trading
- ✓ Promote DX at customer call center

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Summary of Financial Results

(JPY mn)

	FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating Revenues	7,164	7,024	7,381	8,512	7,476	7,840	7,865	7,435
Net operating revenues	6,830	6,610	7,042	8,190	7,181	7,566	7,594	7,098
SG & A	3,853	3,717	3,811	4,464	4,122	4,002	4,265	4,279
Operating income	2,977	2,893	3,232	3,726	3,060	3,564	3,329	2,819
Ordinary income	3,034	2,878	3,260	3,747	3,103	3,545	3,333	2,810
Net income	2,108	3,381	2,258	2,536	3,954	2,443	2,280	2,763
Ordinary income ratio	42%	41%	44%	44%	41%	45%	42%	38%
Matsui's trading value (JPY tn)	9.3	8.5	9.0	10.7	9.1	9.7	9.8	9.8
Average margin balance (JPY bn)	219	252	265	289	321	322	322	293

Breakdown of Revenues

(JPY mn)

	FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Commissions	4,671	4,118	4,421	5,347	4,249	4,470	4,410	4,325
Brokerage	4,517	3,908	4,240	5,147	4,062	4,247	4,199	4,131
Equity & ETF	4,200	3,674	4,015	4,898	3,851	4,014	3,953	3,800
Futures & Options	316	235	225	249	211	233	246	331
Others	154	184	155	188	177	192	175	194
Net trading income	225	189	197	217	137	237	284	218
Interest & dividend income	2,268	2,717	2,763	2,948	3,090	3,132	3,171	2,892
Interest expenses	334	415	339	322	295	274	271	337
Net interest income	1,934	2,302	2,424	2,626	2,795	2,858	2,900	2,555

Breakdown of SG&A

(JPY mn)

	FY2020				FY2021			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Trading related expenses	1,378	1,306	1,418	1,828	1,564	1,500	1,649	1,501
Stock exchanges and securities	387	367	367	405	354	359	370	376
Communications expenses	464	466	470	503	483	466	488	492
Advertisement	303	258	342	661	492	450	563	399
Personnel expenses	703	652	677	801	706	733	765	850
Occupancy & rental	274	240	241	255	256	240	239	318
Data processing & office supplies	797	769	778	832	805	777	864	876
Depreciation	495	547	535	544	588	592	588	609
Taxes and dues	103	157	114	117	163	124	125	103
Provision of allowance for doubtful accounts	56	3	△ 6	42	△ 22	△ 5	△ 9	△ 19
Others	48	41	54	45	62	41	44	42
Total SG & A	3,853	3,717	3,811	4,464	4,122	4,002	4,265	4,279

The material is intended to provide the financial results for the quarter ended 31 March 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 27 April 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.

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