Annual Results for FY2022

Matsui Securities Co., Ltd.

April 27, 2023

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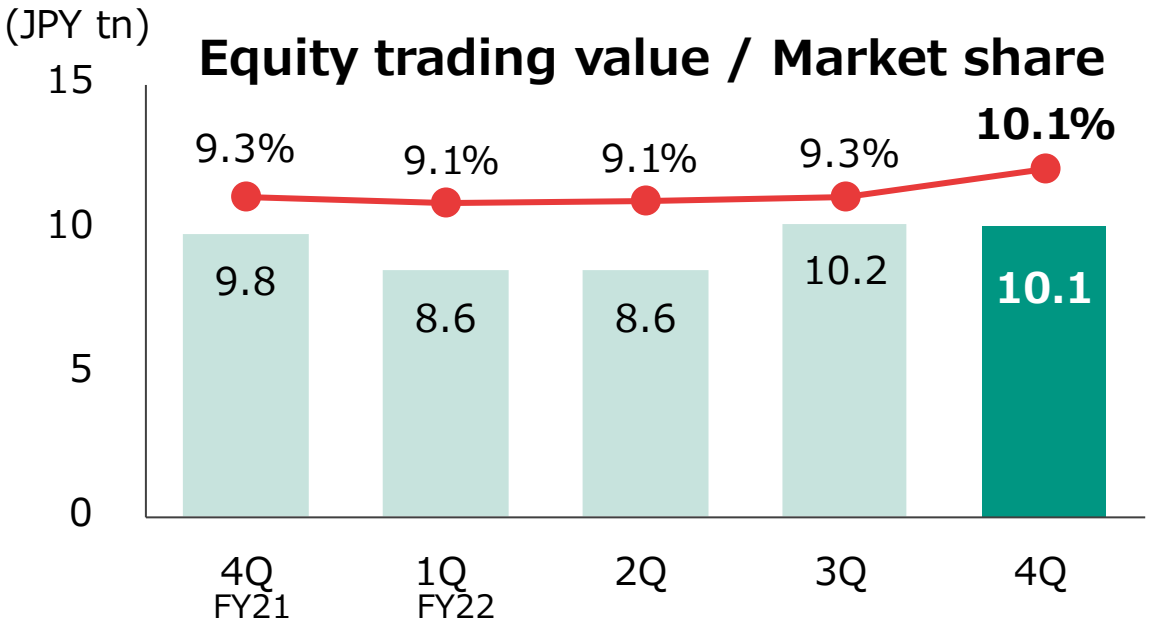
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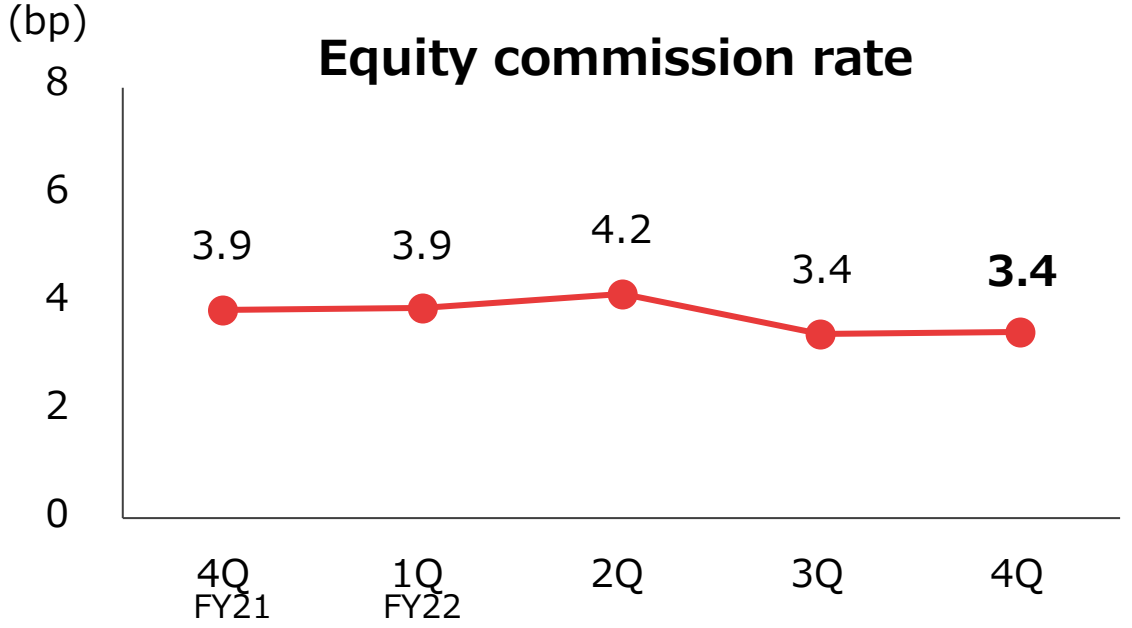
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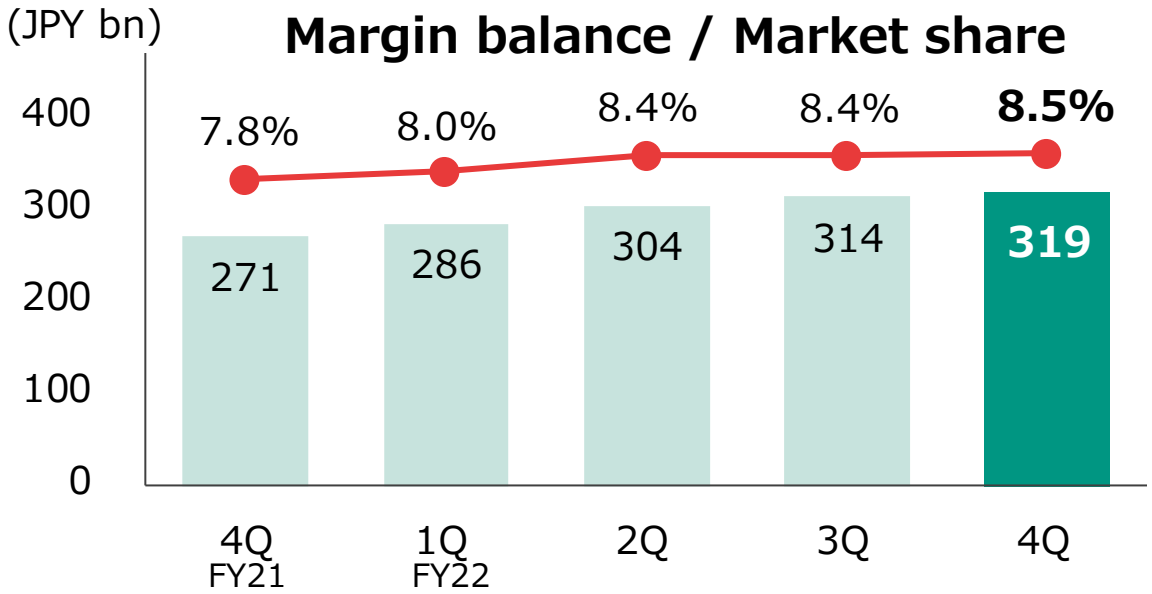
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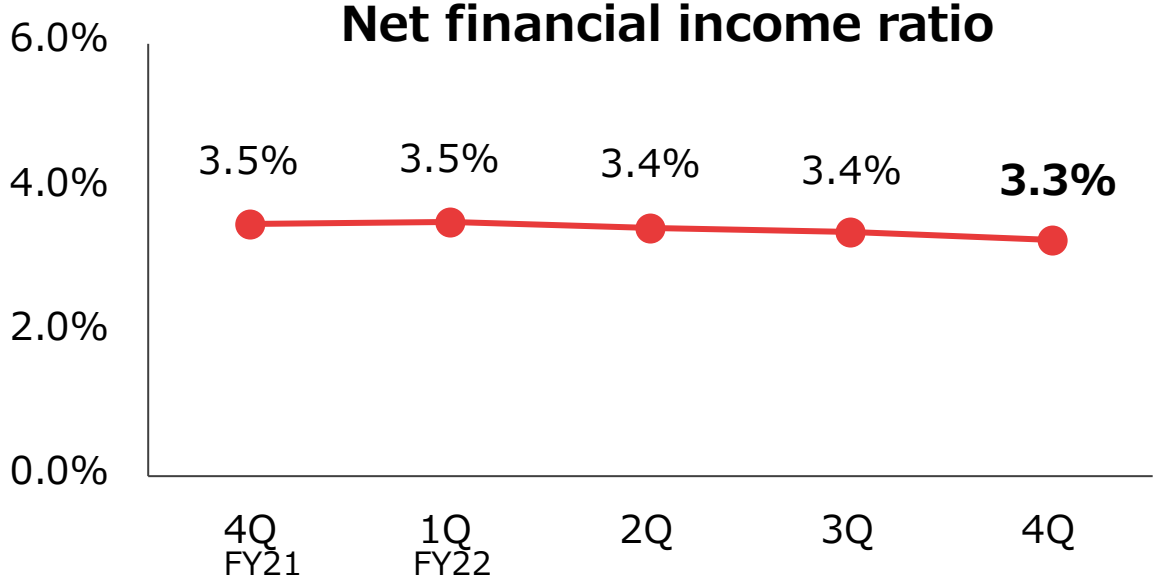
Appendix

Business Results

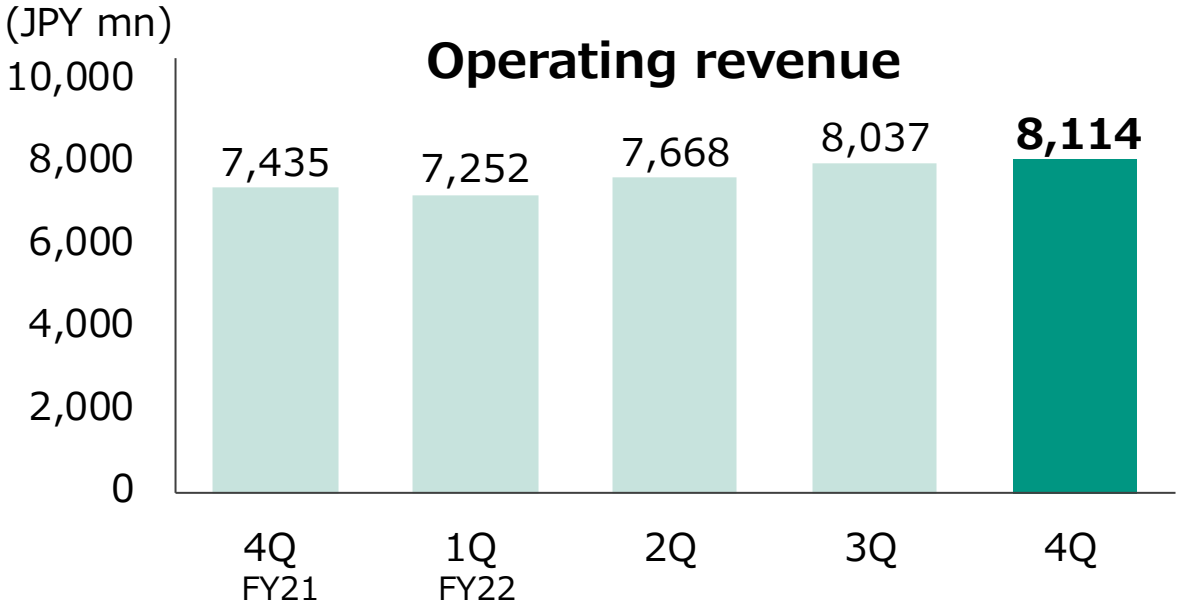


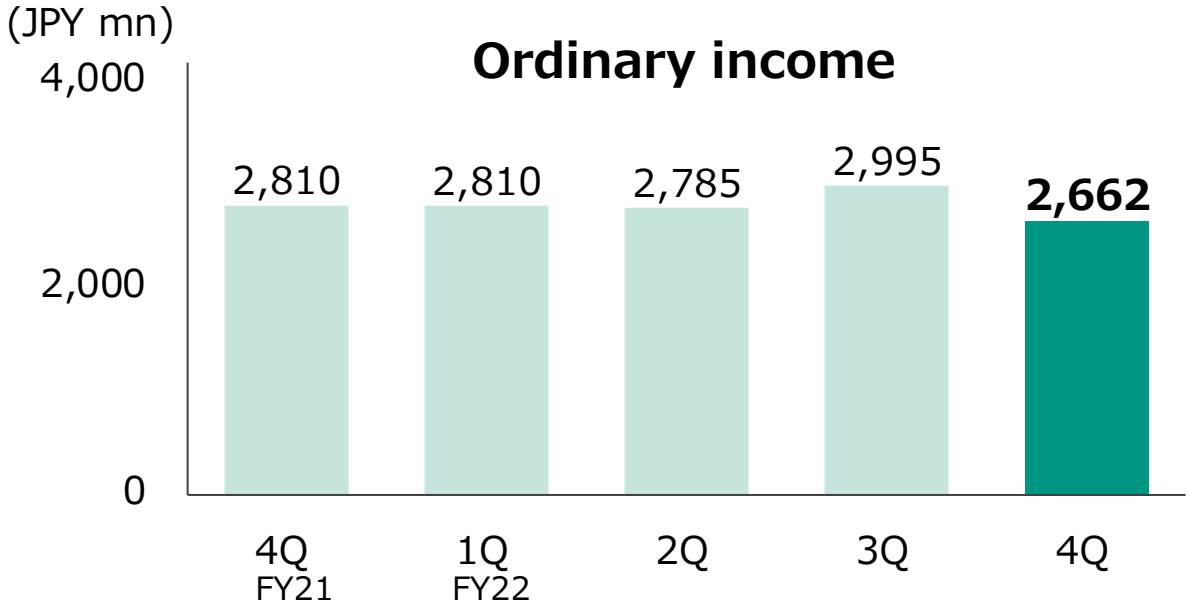


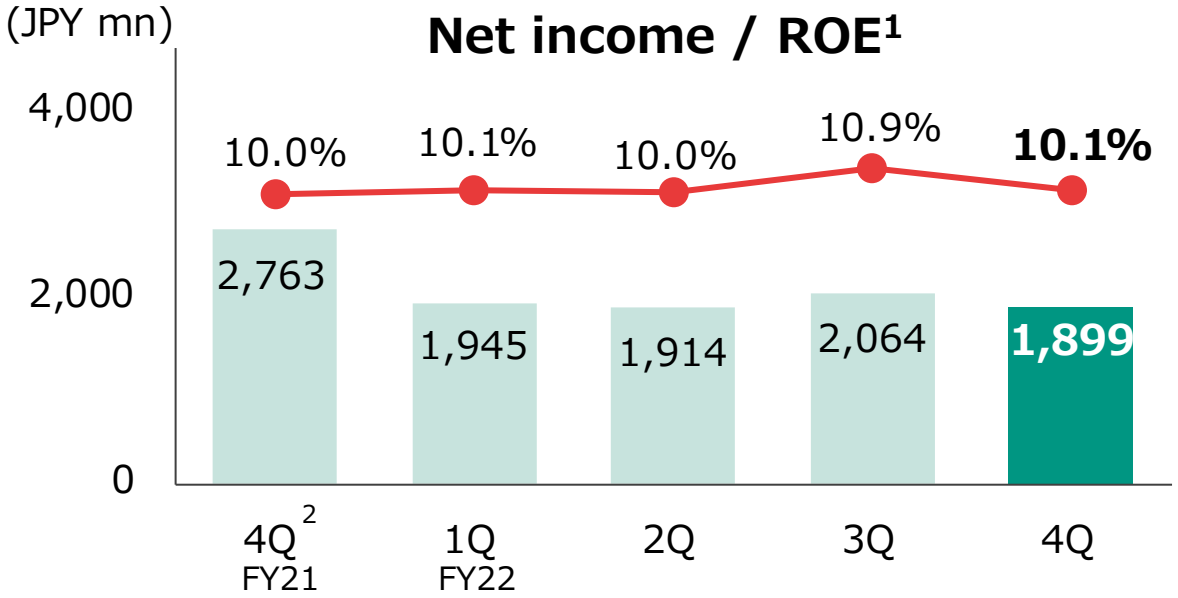


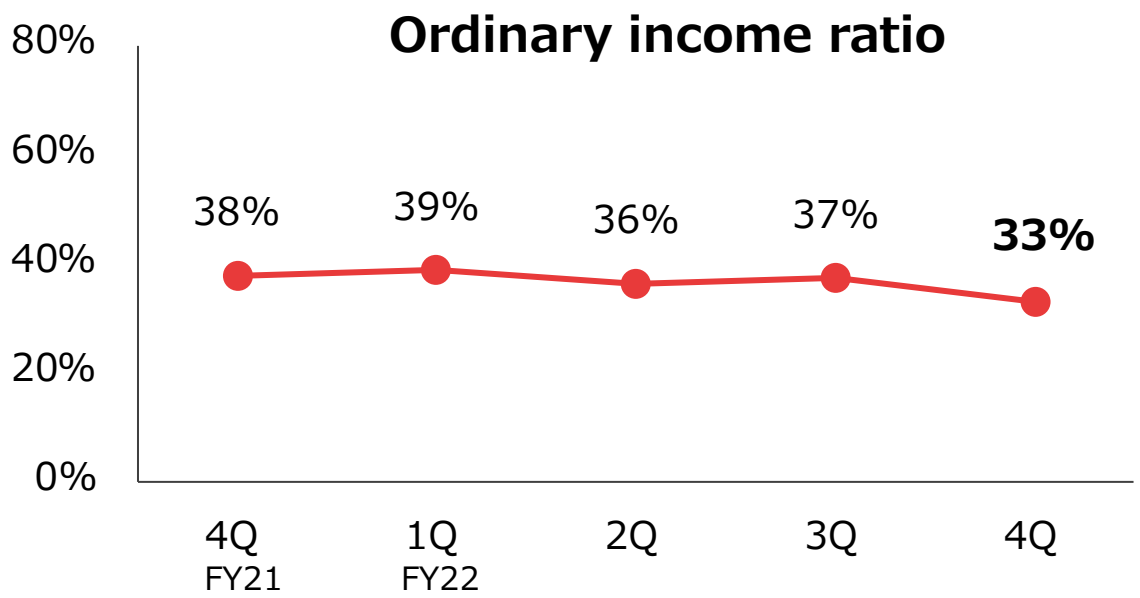


Financial Results









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

Financial Summary

Summary of Financial Results

MATSUI 松井証券

FY2022

(JPY mn)

	FY2021	FY2022	YoY
Operating Revenues	30,616	**31,071**	**1%**
Net operating revenues	29,439	**28,415**	**-3%**
SG&A	16,667	**17,067**	**2%**
Operating income	12,772	**11,349**	**-11%**
Ordinary income	12,791	**11,253**	**-12%**
Net income	11,439	**7,823**	**-32%**
Ordinary income ratio	42%	**36%**	-
Matsui's trading value (JPY tn)	38.4	**37.4**	**-3%**
Average margin balance (JPY bn)	315	**294**	**-7%**

Net income of FY2021 includes 3.9 billion yen in extraordinary profit (Gain on Sale of Investment Securities/ Gain on Sale of Non-current Assets)

Breakdown of Net Operating Revenues

FY2022

(JPY mn)

	FY2021	FY2022	YoY
Commissions	17,454	**16,067**	**-8%**
Brokerage	16,639	**15,157**	**-9%**
Equity & ETF	15,618	**14,001**	**-10%**
Futures & Options	1,021	**1,156**	**13%**
Others	738	**857**	**16%**
Net trading income	876	**2,345**	**168%**
Net interest income	11,108	**10,003**	**-10%**
Interest & dividend income	12,285	**12,659**	**3%**
Interest expenses	1,177	**2,656**	**126%**
Net operating revenues	29,439	**28,415**	**-3%**

Breakdown of SG&A

FY2022

(JPY mn)

	FY2021	FY2022	YoY
Trading related expenses	6,214	**5,636**	**-9%**
Stock exchanges and securities	1,459	**1,410**	**-3%**
Communications expenses	1,929	**1,589**	**-18%**
Advertisement	1,904	**1,671**	**-12%**
Personnel expenses	3,054	**3,239**	**6%**
Occupancy & rental	1,052	**928**	**-12%**
Data processing & office supplies	3,322	**4,141**	**25%**
Depreciation	2,376	**2,540**	**7%**
Taxes and dues	515	**360**	**-30%**
Provision of allowance for doubtful accounts	△ 56	△ **12**	-
Others	189	**233**	**24%**
Total SG&A	16,667	**17,067**	**2%**

Summary of Financial Results

MATSUI 松井証券

Quarterly

(JPY mn)

	3QFY2022	4QFY2022	QoQ
Operating Revenues	8,037	**8,114**	**1%**
Net operating revenues	7,286	**7,187**	**-1%**
SG & A	4,281	**4,505**	**5%**
Operating income	3,006	**2,682**	**-11%**
Ordinary income	2,995	**2,662**	**-11%**
Net income	2,064	**1,899**	**-8%**
Ordinary income ratio	37%	**33%**	-
Matsui's trading value (JPY tn)	10.2	**10.1**	**-1%**
Average margin balance (JPY bn)	297	**306**	**3%**

Breakdown of Net Operating Revenues

Quarterly

(JPY mn)

	3QFY2022	4QFY2022	QoQ
Commissions	4,033	**3,992**	**-1%**
Brokerage	3,806	**3,743**	**-2%**
Equity & ETF	3,531	**3,504**	**-1%**
Futures & Options	275	**240**	**-13%**
Others	203	**230**	**14%**
Net trading income	748	**688**	**-8%**
Net interest income	2,505	**2,508**	**0%**
Interest & dividend income	3,256	**3,434**	**5%**
Interest expenses	751	**926**	**23%**
Net operating revenues	7,286	**7,187**	**-1%**

Breakdown of SG&A

MATSUI 松井証券

Quarterly

	3QFY2022	4QFY2022	QoQ
Trading related expenses	1,421	**1,453**	2%
Stock exchanges and securities	364	**366**	0%
Communications expenses	300	**313**	4%
Advertisement	513	**522**	2%
Personnel expenses	794	**867**	9%
Occupancy & rental	222	**257**	15%
Data processing & office supplies	1,118	**1,096**	-2%
Depreciation	642	**678**	6%
Taxes and dues	28	**88**	218%
Provision of allowance for doubtful accounts	6	**17**	171%
Others	49	**48**	-2%
Total SG & A	4,281	**4,505**	5%

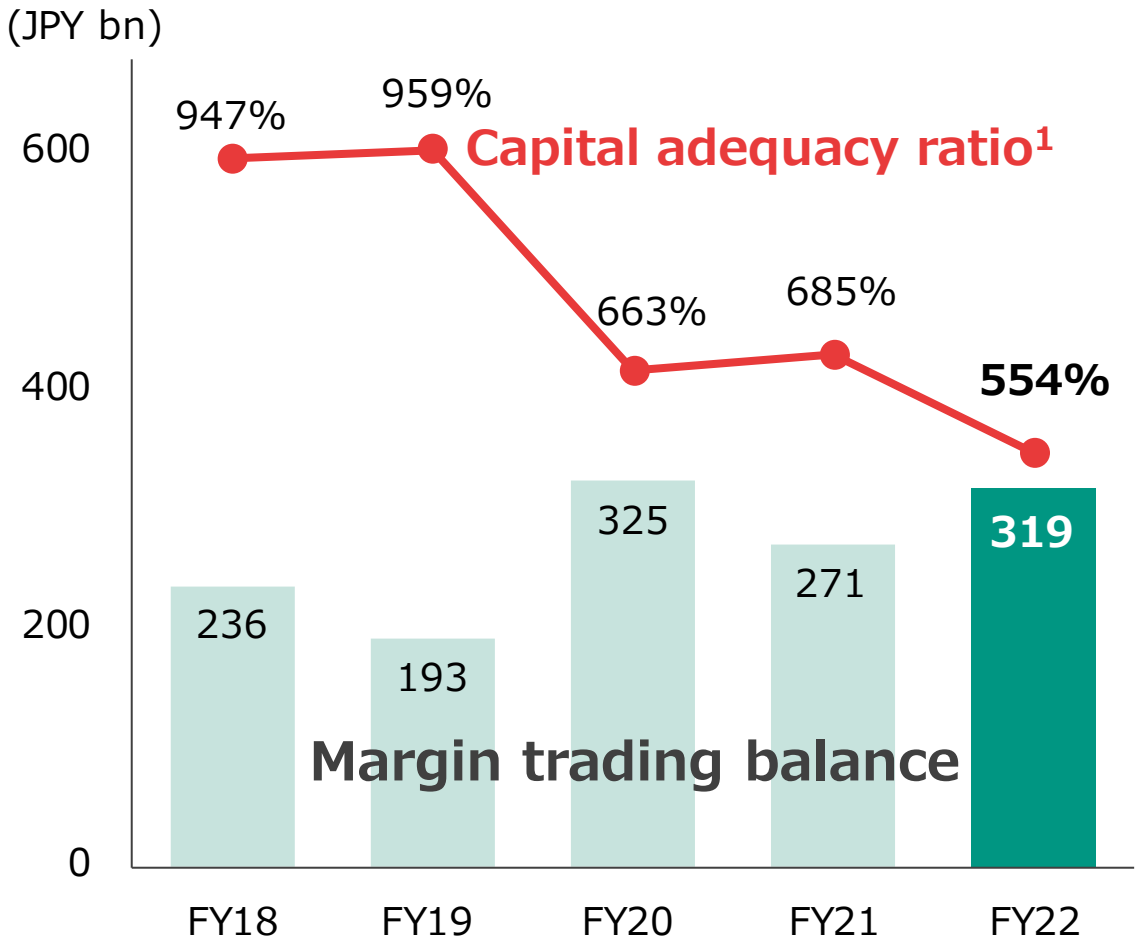
Regulatory Capital

Capital adequacy ratio (As of 31 March 2023)

(JPY mn)

Tier 1		(A)	70,947
Tier 2	Net unrealized gain on investment		260
	Statutory reserves		3,098
	Allowance for doubtful accounts		22
	Sub total	(B)	3,381
Assets to be deducted from equity capital		(C)	15,124
Net Capital (A) + (B) - (C)		(D)	59,204
Total risk	Market risk		17
	Counterparty risk		6,589
	Basic risk		4,066
	Total	(E)	10,673
Capital Adequacy ratio		(D)/(E)	**554%**

Margin trading balance and capital adequacy ratio



Note 1 : The average of capital adequacy ratio of the five major online brokers is 393%. (as of Dec. 30, 2022)

Shareholders Return

Plan to pay year-end dividend of 20 yen per share for FY22

Dividends for FY22

- Interim : **20 yen** per share
- Year-end : **20 yen** per share (Plan)
- DOE : 13%
- ROE : 10%

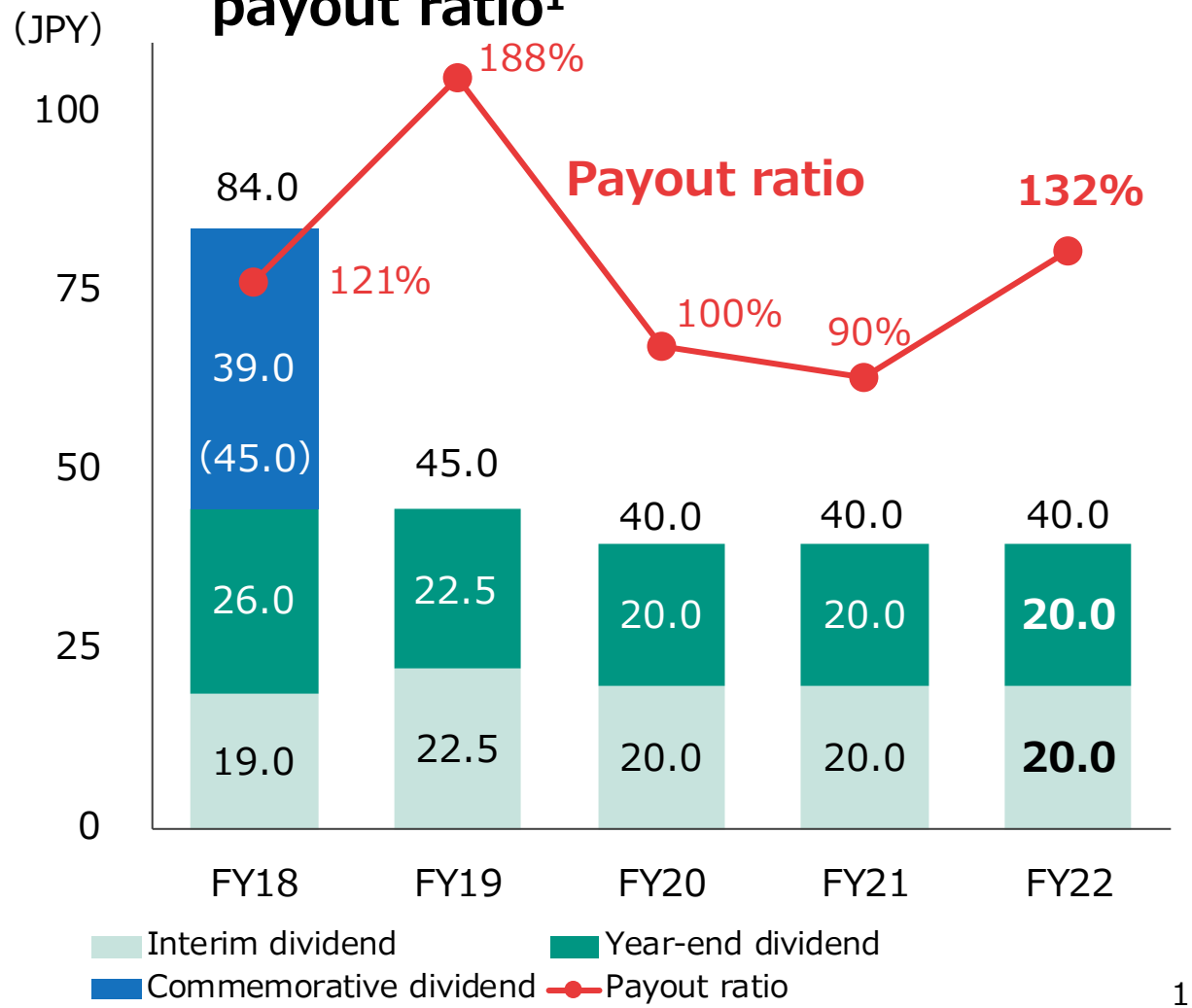
Dividend policy

Dividends Payout Ratio : 60% and above

and

Dividends on Equity(DOE) : 8% and above

Matsui's dividend per share and payout ratio[1]

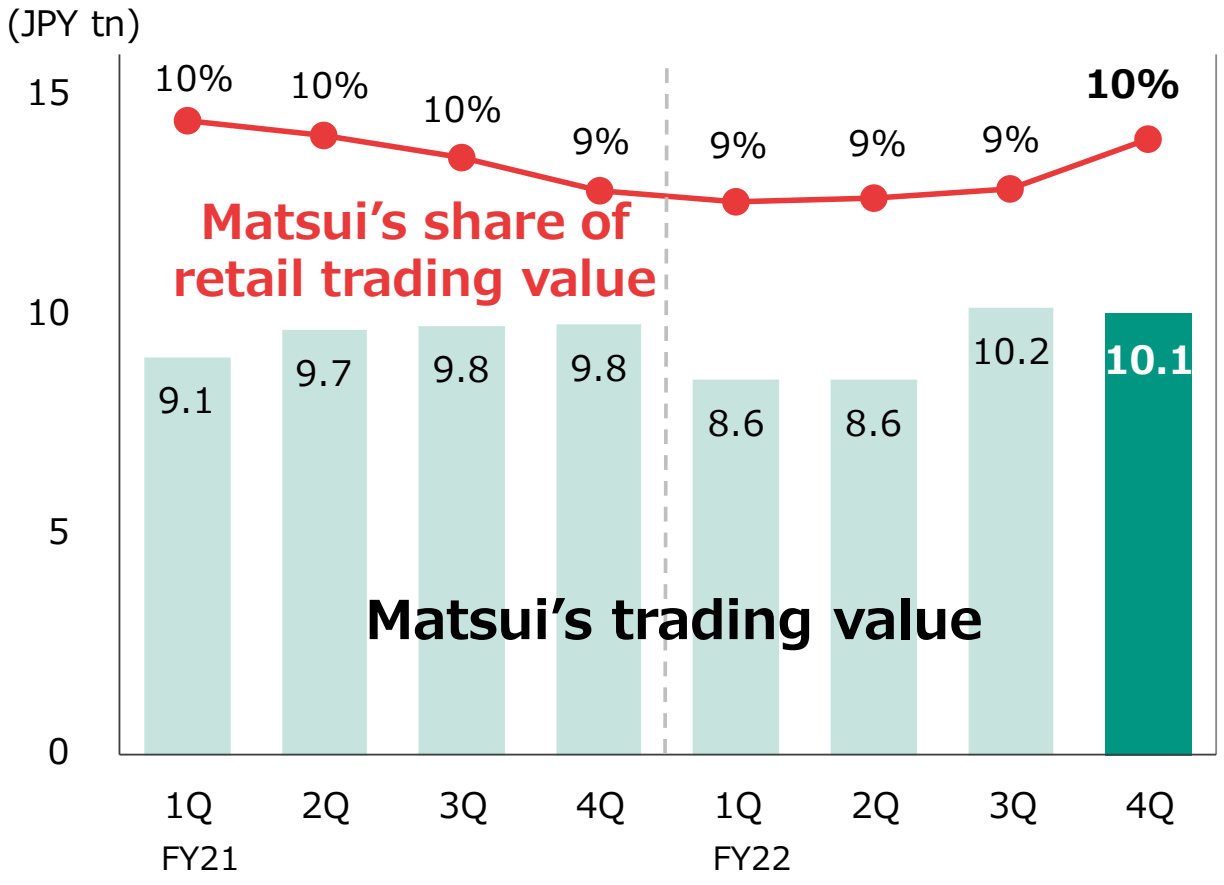


Note 1：Payout ratio for the ordinary dividend

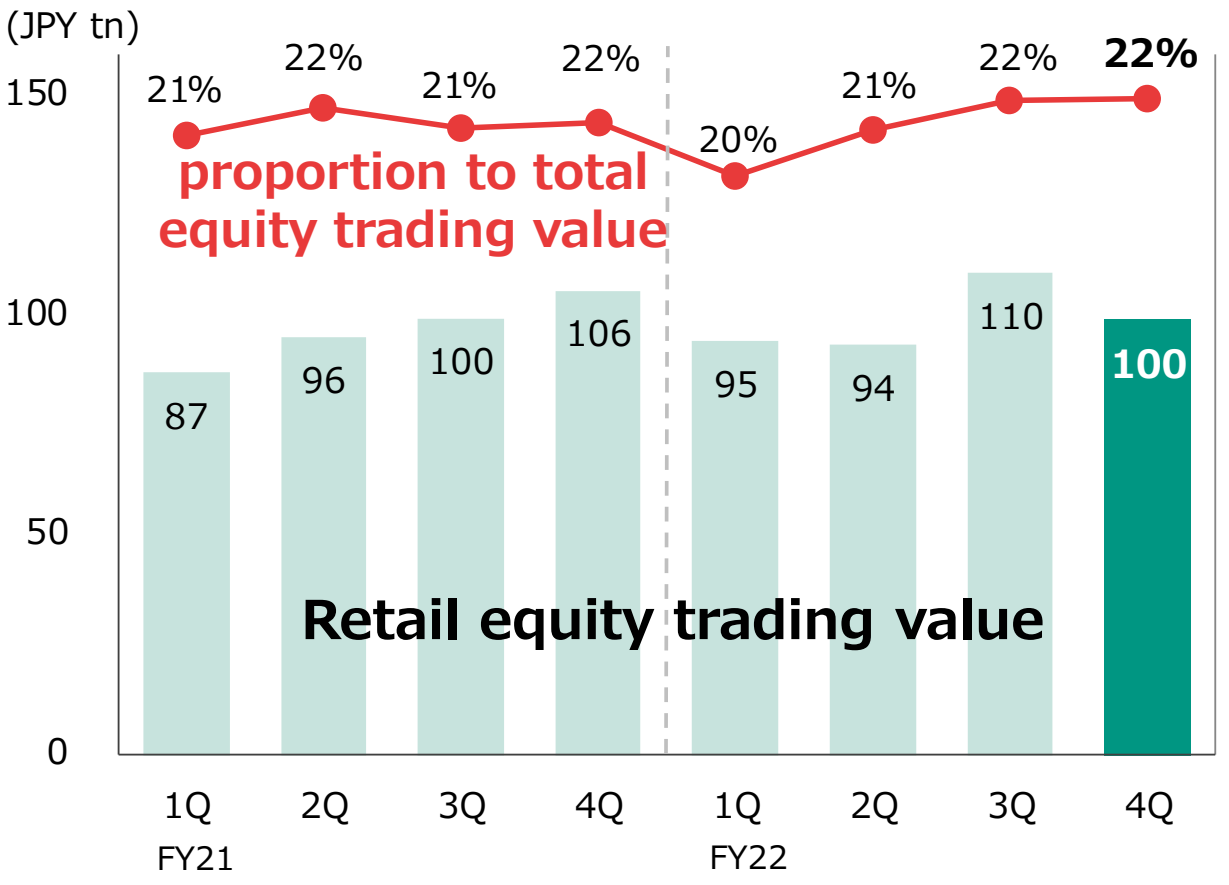
Business Results

Equity Trading Value

Matsui's equity trading value and its market share[1]



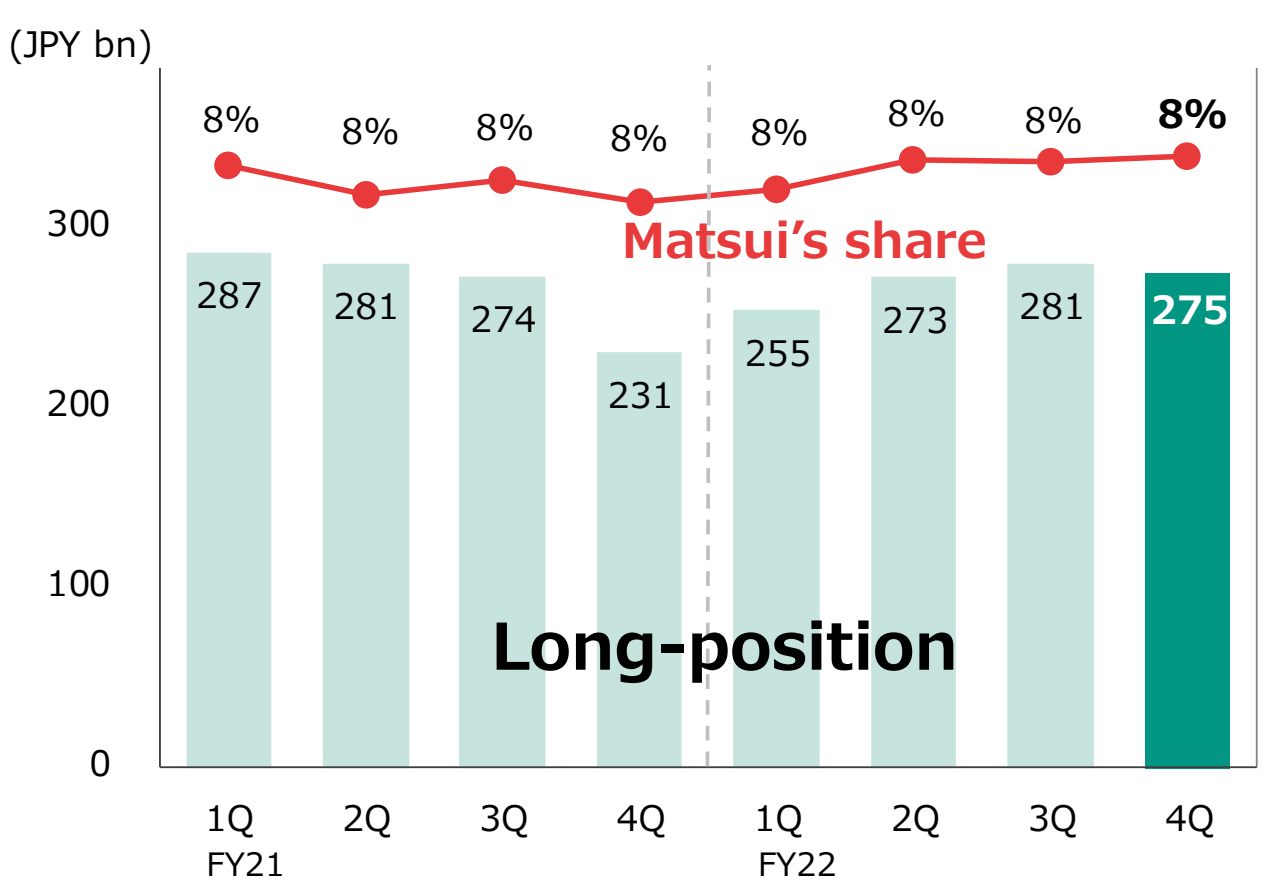
Retail equity trading value[1] and proportion to total equity trading value



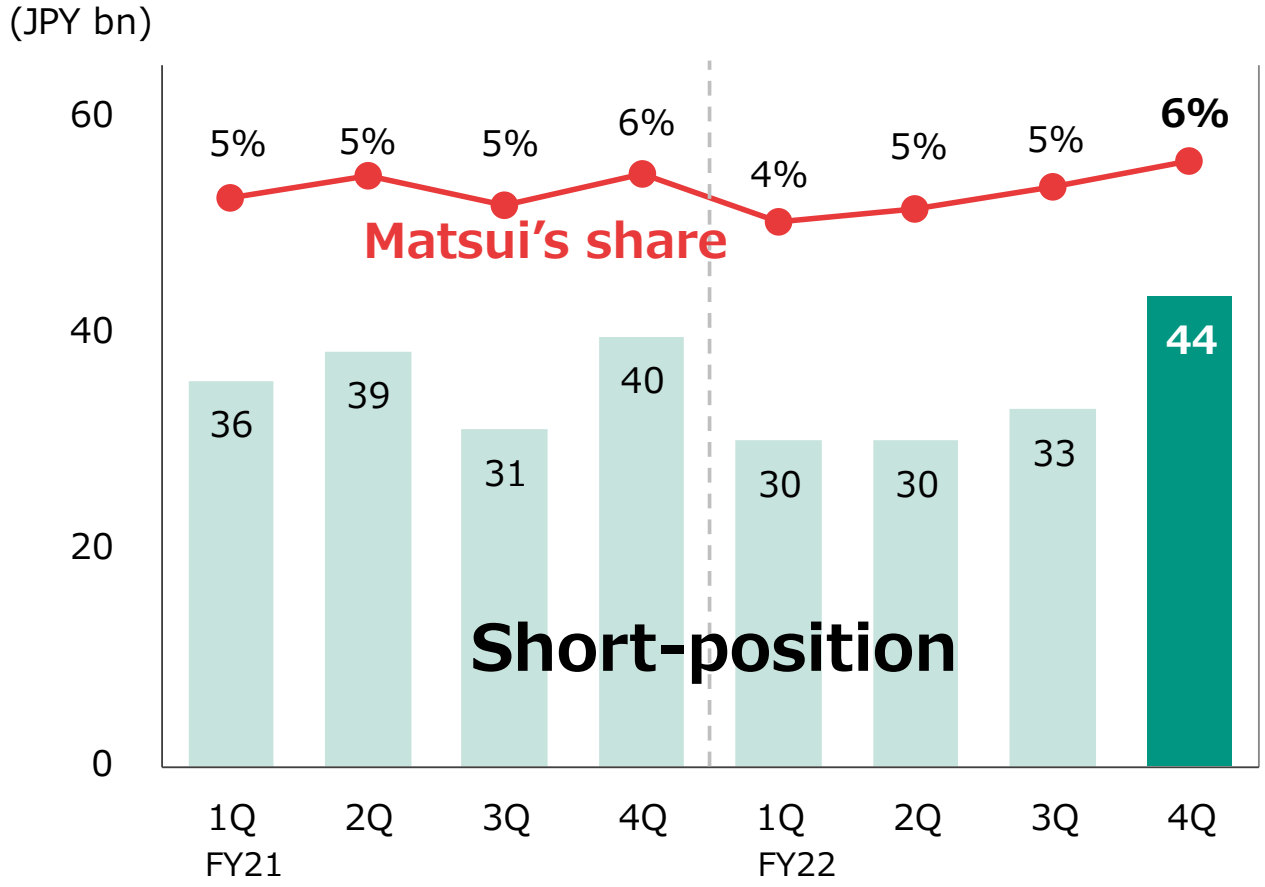
Source: TSE
Note 1: Sum of the retail equity trading value on 2 major stock exchanges

Margin Trading Balance

Matsui's long-position on margin[1] and its market share[2]

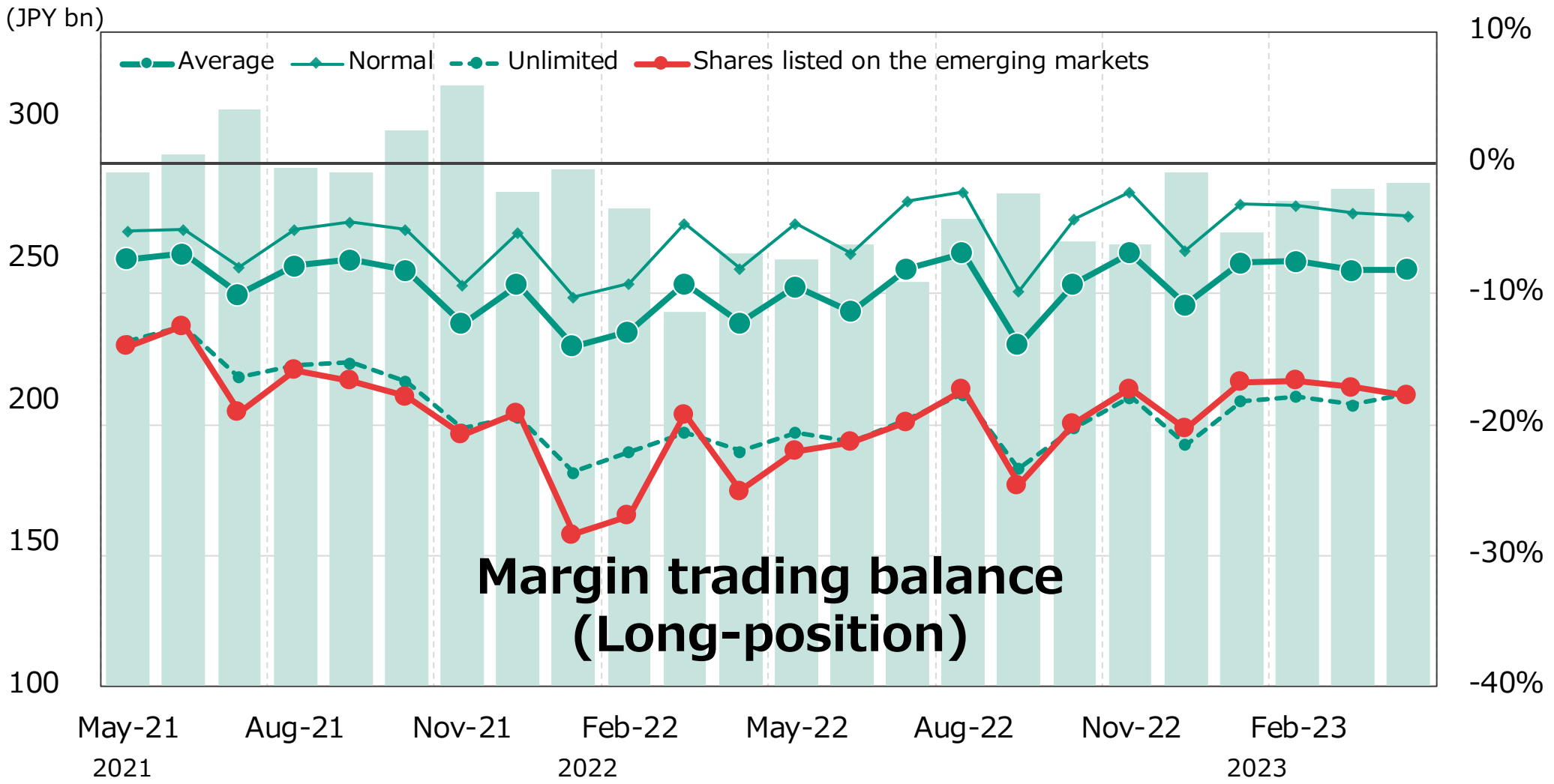


Matsui's short-position on margin[1] and its market share[2]



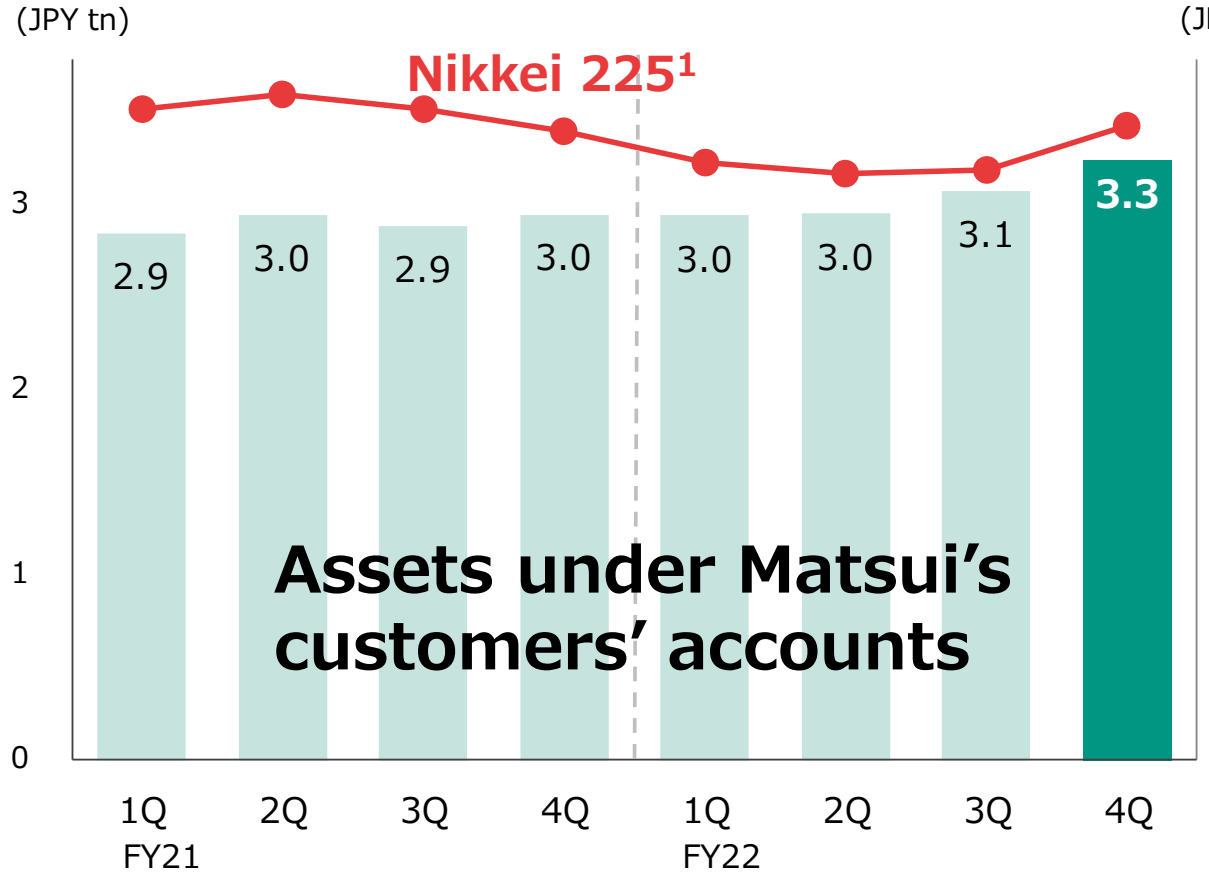
Source: TSE, Company Websites
Note1 : Balance as of the end of each quarter
Note2 : Total market share in 2 major stock exchanges

Unrealized Losses (Long-position)

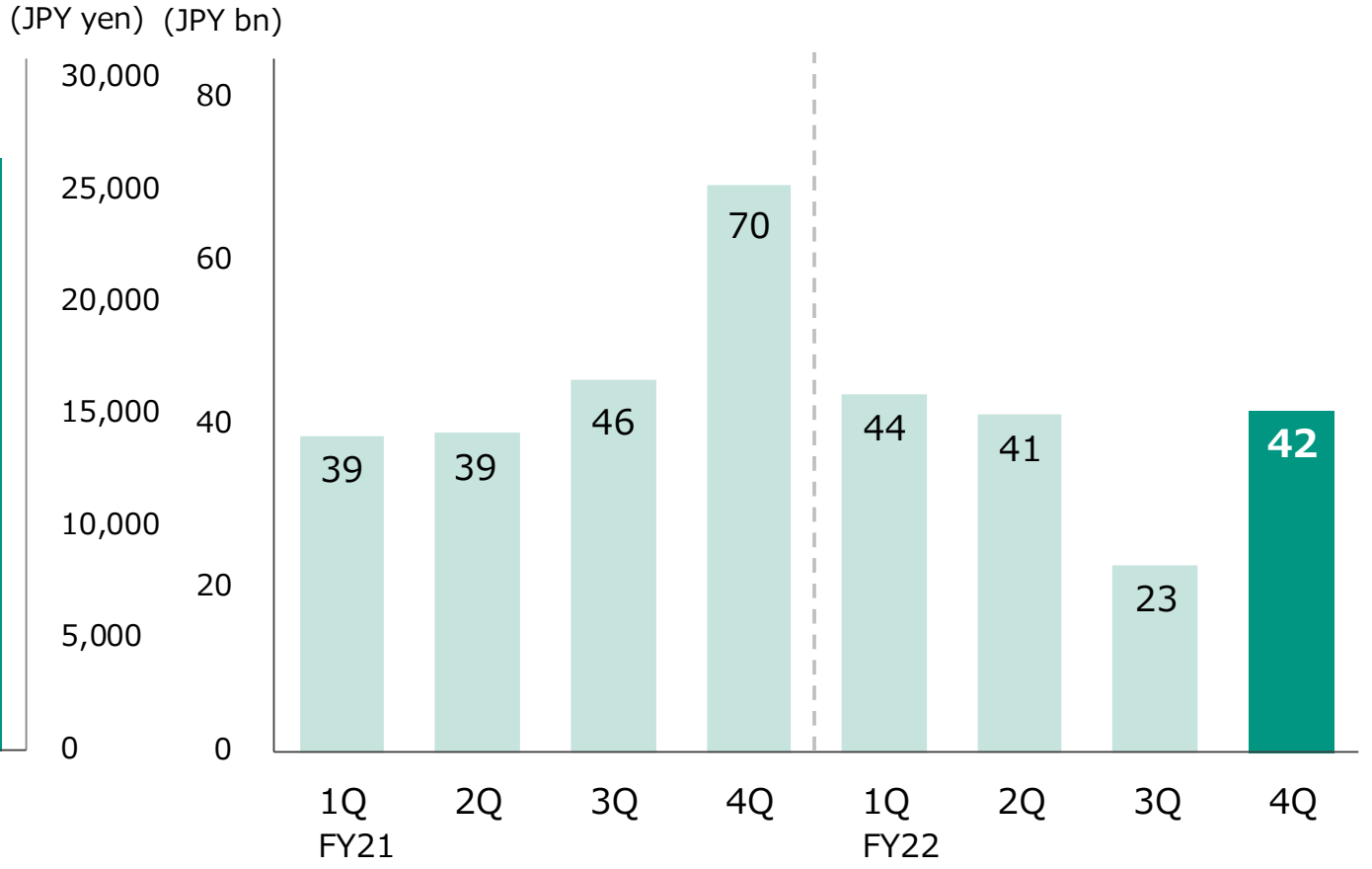


Assets under Customers' Accounts

Assets under Matsui's customers' accounts



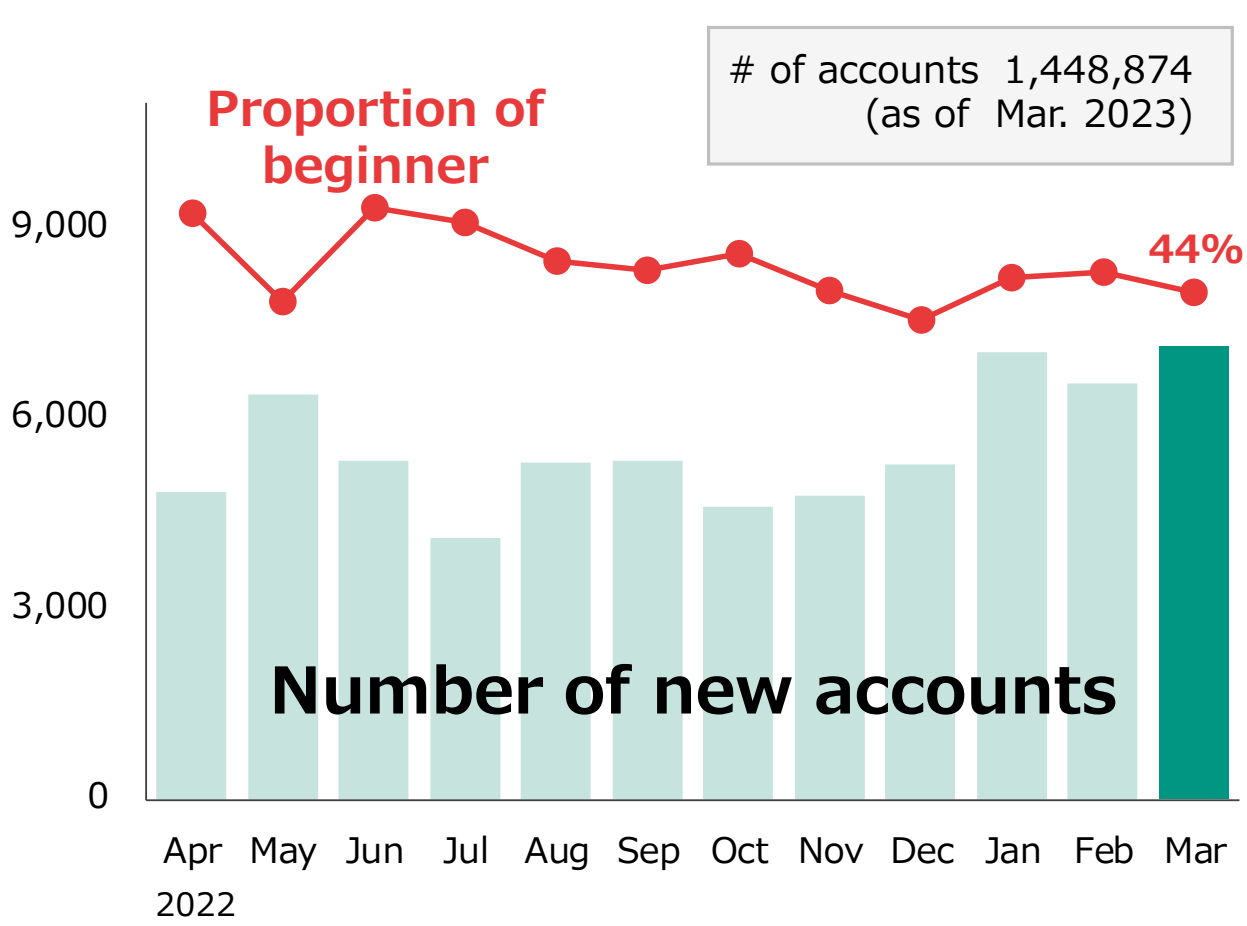
Net inflow in cash and stocks[2]



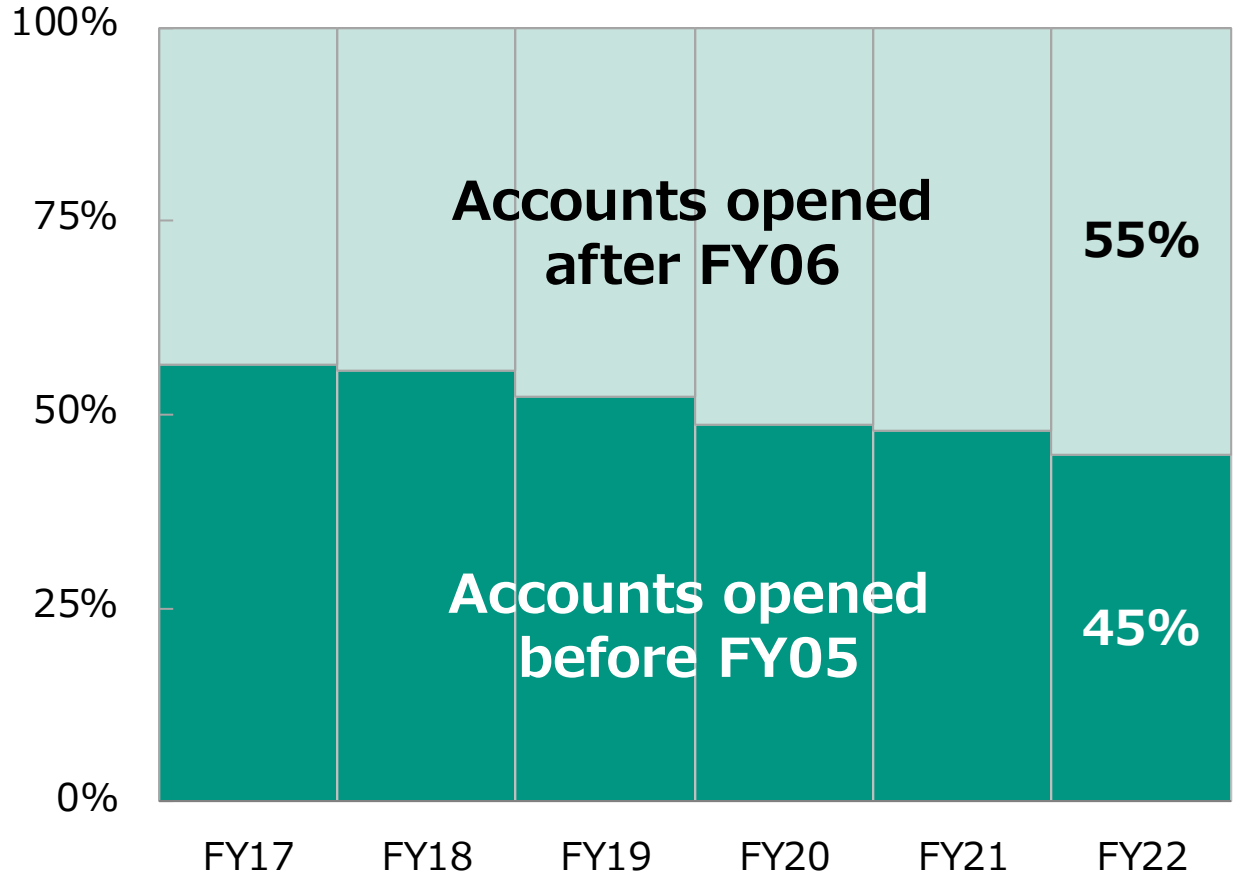
Note 1: Nikkei 225 is the closed price at the end of each quarter
Note 2: Including the net inflow in mutual funds

Number of Accounts

Number of accounts at Matsui



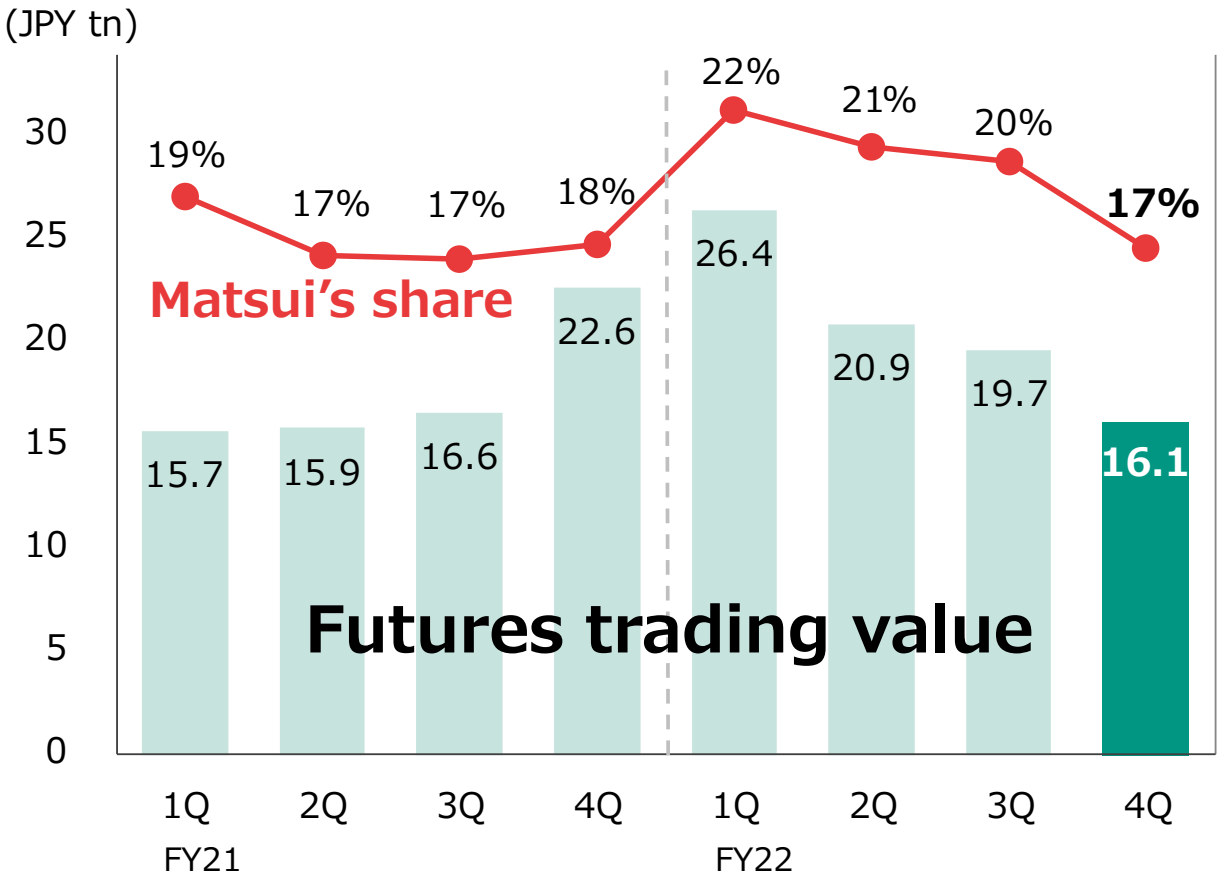
Breakdown of trading value[1] by customers opening the accounts in each fiscal year



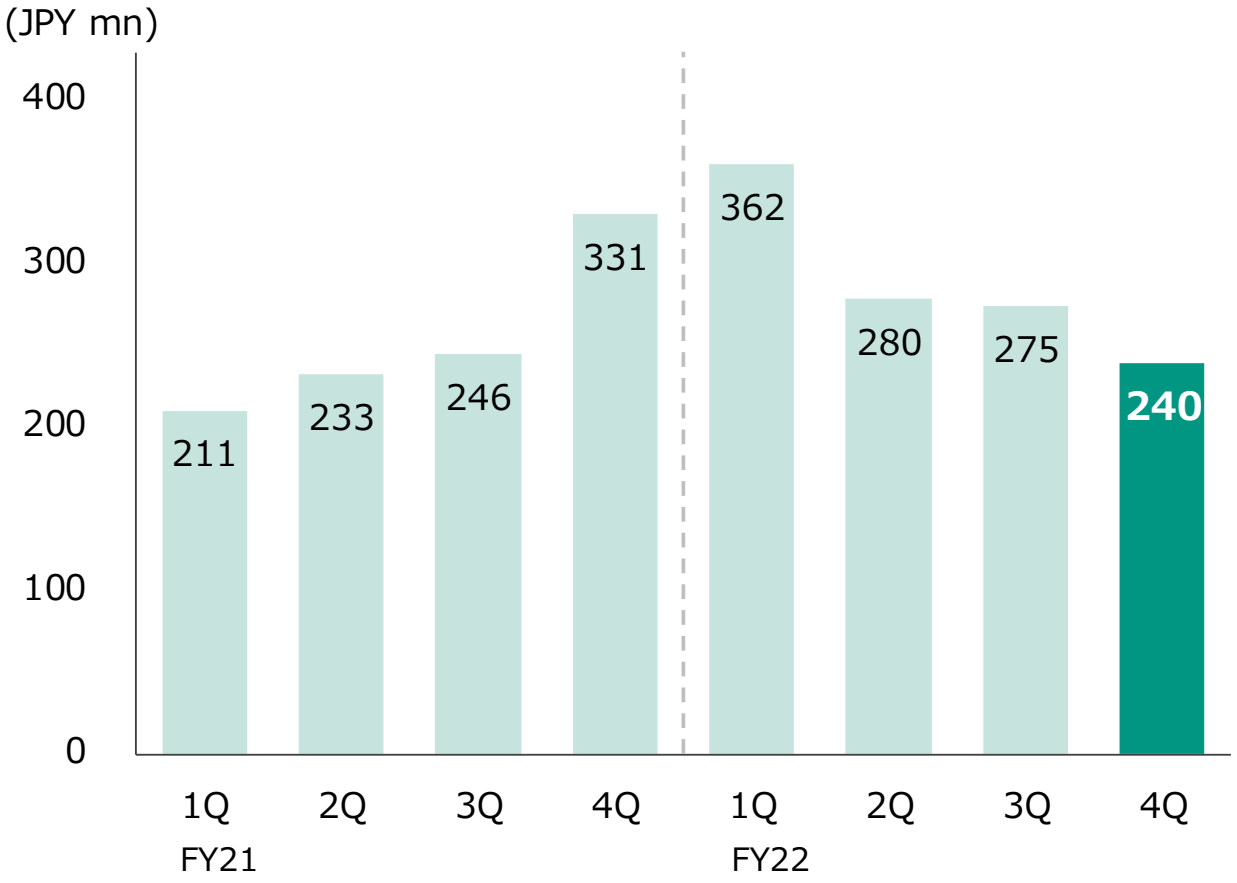
Note 1： Excluding “Margin Trading Service for Day-trades”

Futures Trading

Matsui's OSE Nikkei 225 Futures trading value1 and its market share[1]



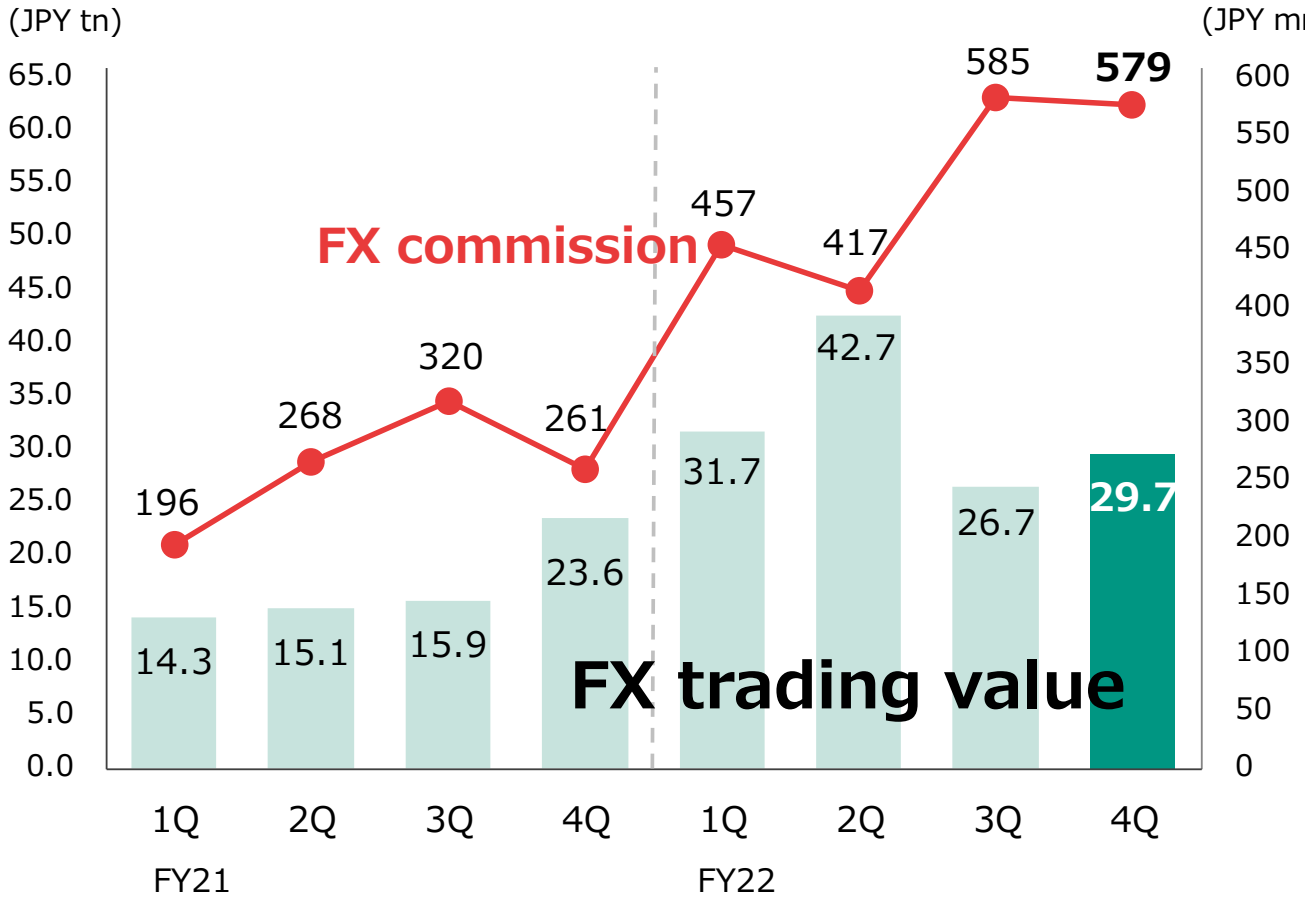
Commissions of Futures and Options



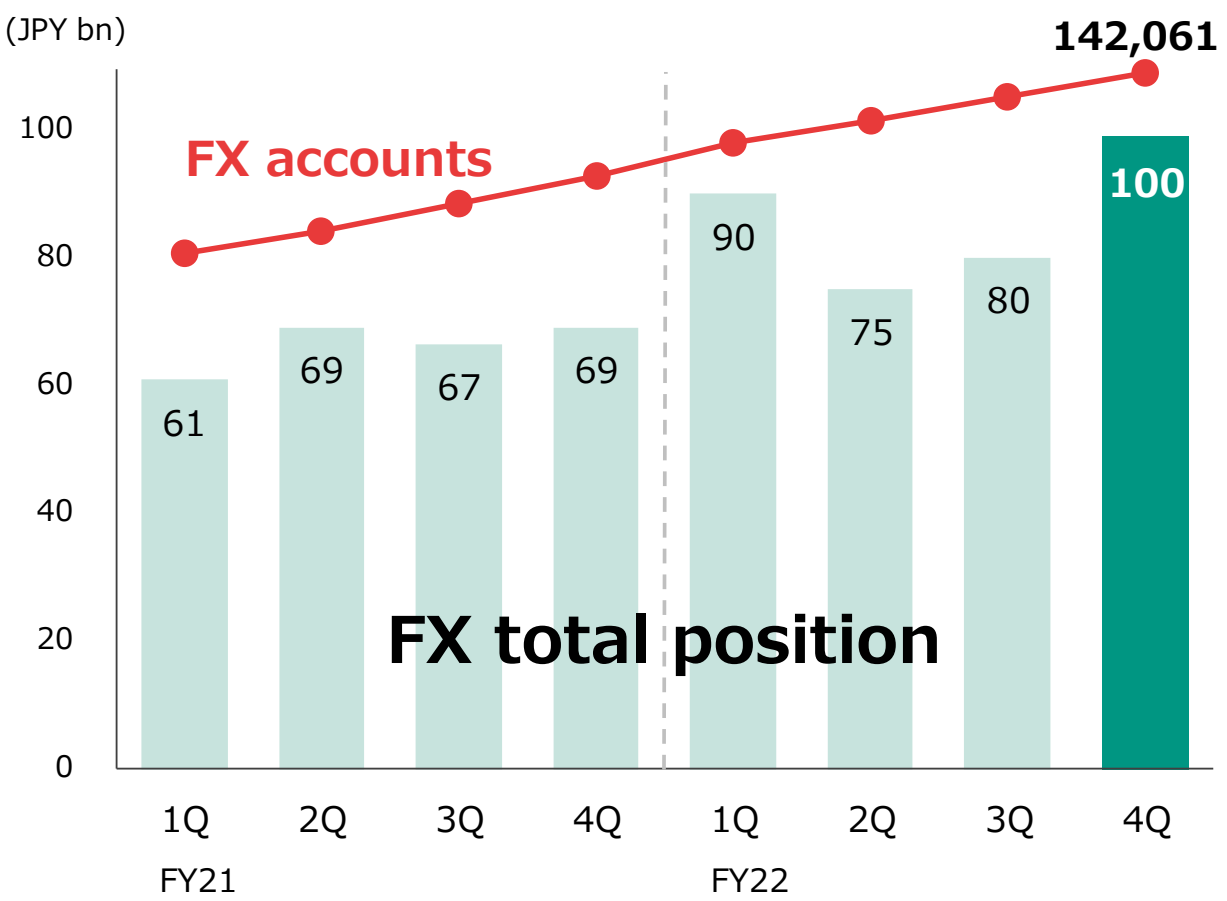
Note1 : Source : OSE

FX Margin Trading

FX trading value and commission

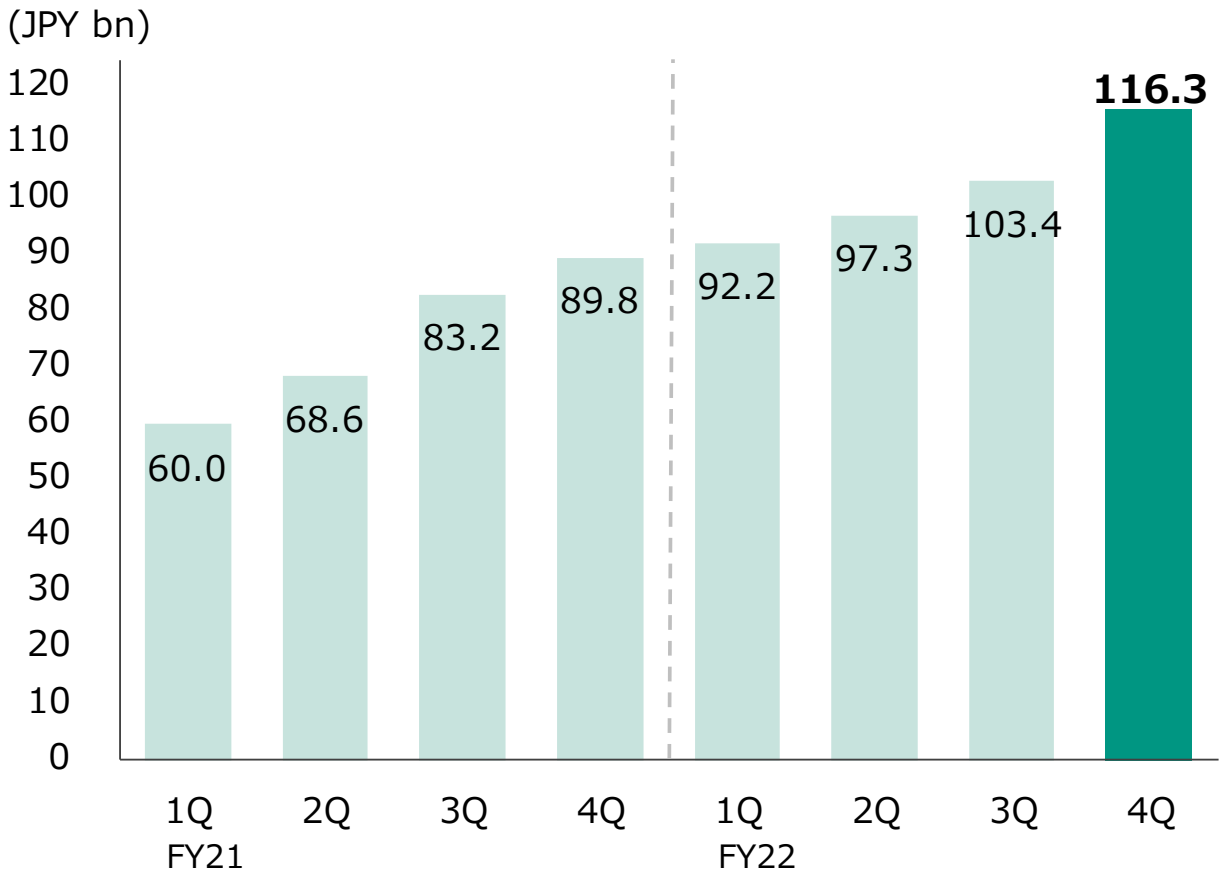


FX total position and accounts

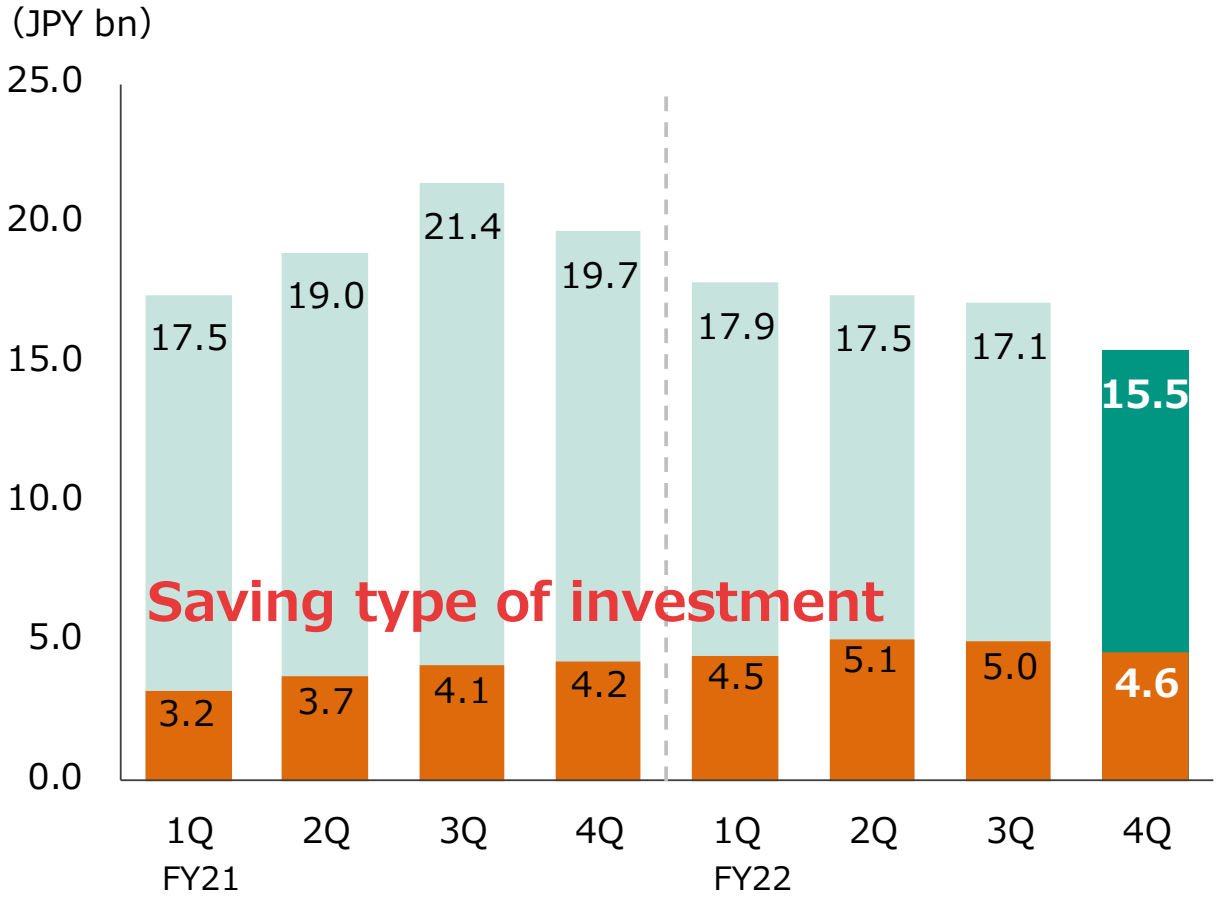


Mutual Fund

Matsui's AUM of mutual fund



Matsui's mutual fund sales



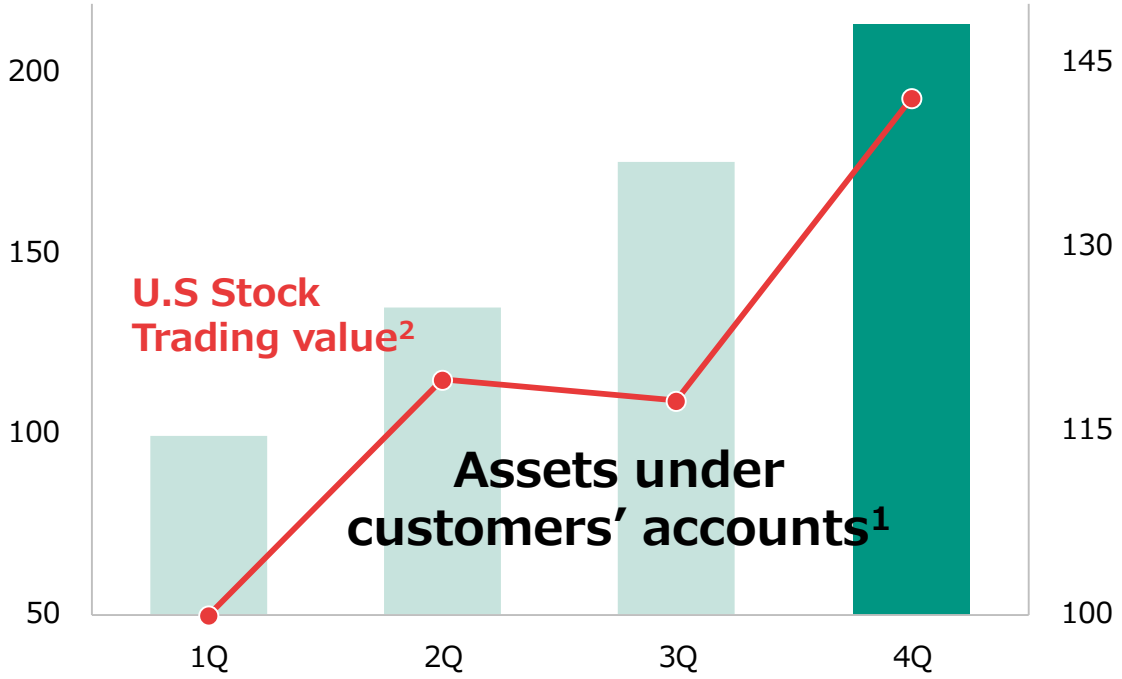
Management Strategy
Recent Developments

U.S. Stock Business

Expand services to make a new source of revenue

■ Trading value and balance increase

Feb. 2022
Launch the service



Note:1, 2 : Assets under customers' accounts and trading value in 1Q FY2022 are shown as 100

■ Encourage transactions at free seminars

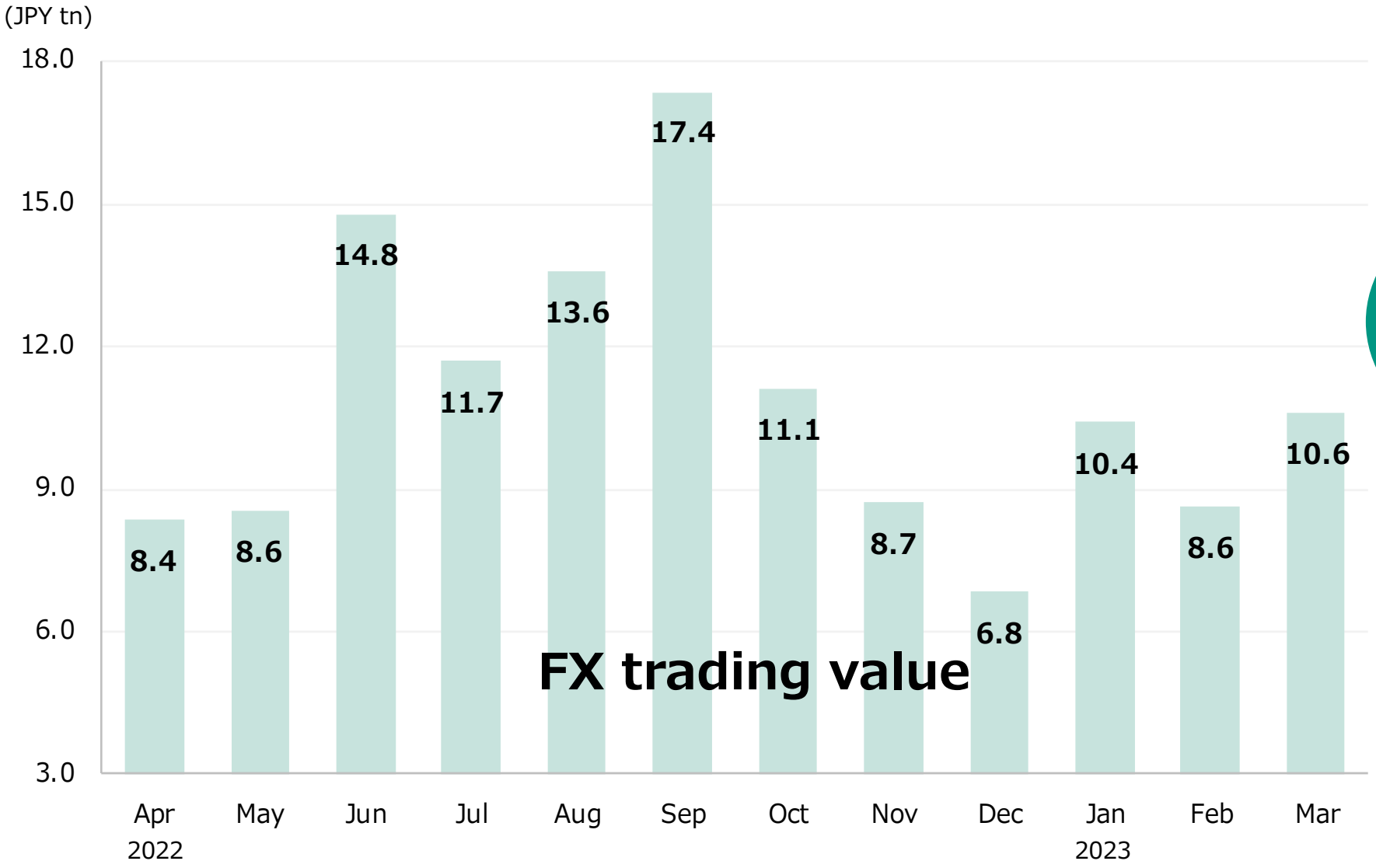
✓ Popular YouTuber explains recommended stocks



Around fall 2023
Margin trading will start

FX Business

Steady growth as a pillar of revenue



Automatic trading will start in Apr. 2023

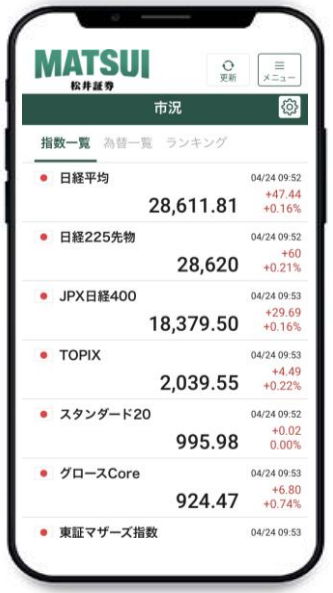
Equity Trading Business

Enhance service quality

■ Trading environment to be mobile-first

✓ App, browser (smartphone) each provide a comfortable trading environment





■ Expand useful information for investment

✓ New tool "Market Lab" release

✓ Add the popular “Kaisha Shikihou” (quarterly report) for retail investors



IPO Underwriting Business

Participation rate achieved over 60%

■ **Rise to 3rd place in the ranking among the industry**

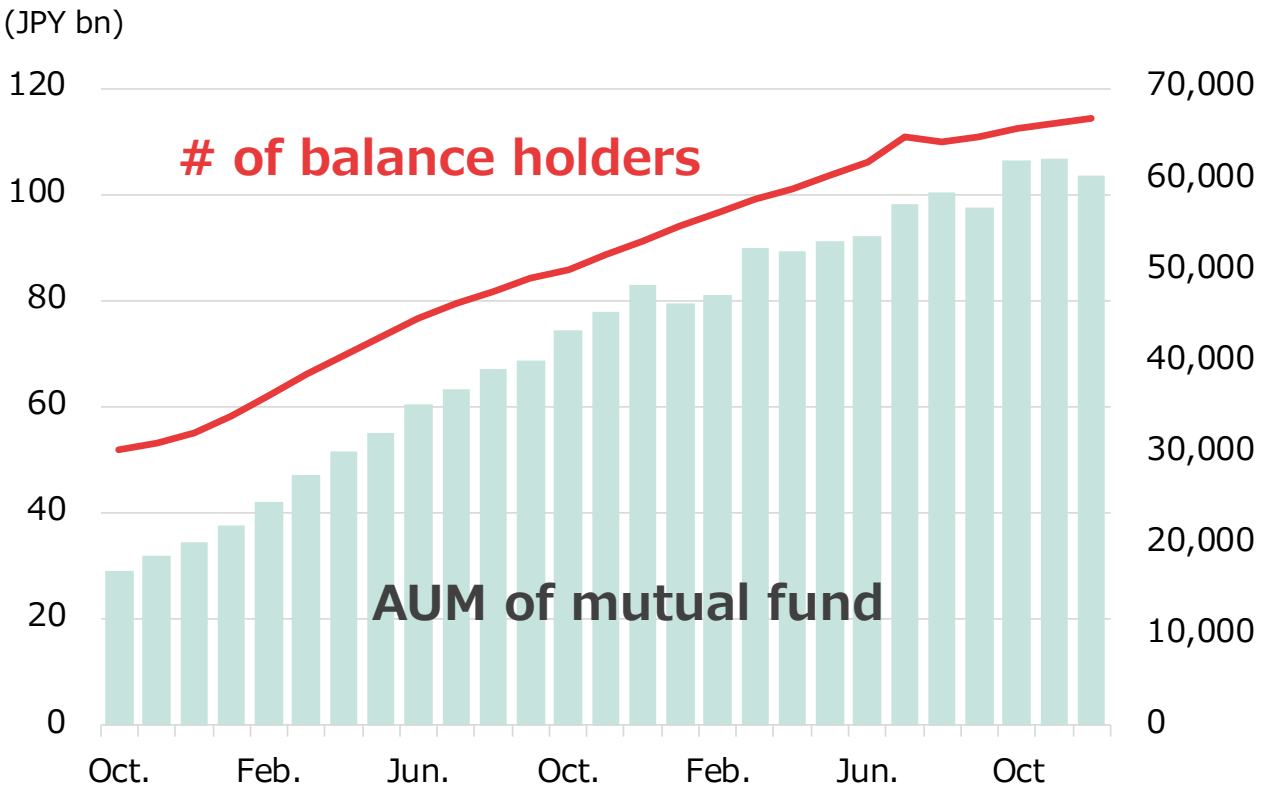
			NO.	Participation Ratio
1	(1)	SBI	92	99%
2	(4)	RAKUTEN	64	69%
3	(7)	**MATSUI**	**59**	**63%**
4	(6)	MONEX	54	58%
5	(2)	MIZUHO	51	55%
6	(10)	DAIWA	47	51%
7	(3)	SMBC NIKKO	46	49%
8	(-)	OKASAN	43	46%
9	(-)	IWAI COSMO	42	45%

Note: Results for Apr. 2022- Mar. 2023, FY2021 ranking in parentheses

Mutual Fund Business

Continue efforts to increase balances and customers

■ Increase in balance and number of holders



■ Expand functions of Tsumitate NISA

- ✓ "Daily" savings available
- ✓ Enable to use tax-free allowance in full by setting up increase twice a year

■ Promote transactions with campaigns



Enhance Branding

Renewal of corporate brand

■ Efforts to increase awareness

- ✓ Appoint Mizuki Yamamoto as an image character
- ✓ Strengthen advertising such as TV commercials



https://www.youtube.com/watch?v=dnCqBFbc7iE

■ Status after renewal

- ✓ Increase the number of accounts opened compared to the previous quarter
- ✓ The Company’s awareness has grown significantly

Create a Trigger for Investment

MATSUI 松井証券

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

- **Reached the second largest YouTube channel among the industry**
  - ✓Continuously provide new programs

- **Provide various information on website specialized for video contents**
  - ✓Upload special programs that alert to sudden market changes and support decision-making for investment

Sustainability Disclosure

MATSUI 松井証券

Expand disclosure of non-financial information

Materiality

Materiality			Contribution to SDGs
Business	Sound development of society	Improve accessibility to financial markets	
		Efforts to improve the fairness of the securities market	
	Support for investment and asset building	Provide various financial products and services	
		Provide information for retail investors	
Management	Well-being and Diversity of Directors and Employees	Recruite, Retain, and train diverse Employees	
		Prepare diverse careers and highly specialized employees	
		Create a rewarding work environment	
	Management structure which supports business growth	Enhance corporate governance	
		Thorough compliance	
		Maintain advanced information security	

Environment

Policy

We recognize that climate change
business through financial markets
Given the characteristics of our bus
However, we believe that one of ou
Development Goals by protecting t
We will collect and analyze the nec
the quality and quantity of our disc

Electricity consu

Power consumption (kwh)	
GHG emissions (t-CO2)	

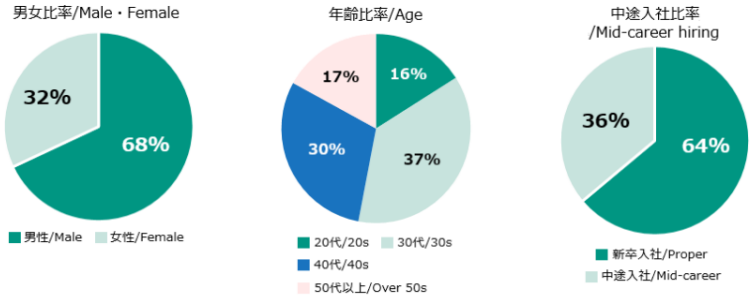
Social

Policy

The Company recognizes that cooperation with all stakeholders is essential for sustainable growth and medium- to long-term improvement of corporate value. In order to realize cooperation with stakeholders, we have established six action guidelines and clarified our basic stance toward each stakeholder.
Click here for details of the Code of Conduct.

Diversity of Directors and Employees

The Company believes that it is important to diversify our directors and employees and create an organization that makes the most of their individuality. Regardless of age, gender, nationality, work history, etc., we fully assess the abilities and aptitudes of each individual and hire the necessary human resources.



https://www.matsui.co.jp/company/sustainability/

Developments in FY2023

MATSUI 松井証券

■ Expand the lineup of products and services
- ✓ FX (automatic trading service, app renewal)
- ✓ U.S. stocks (expand # of tradable stocks, margin transaction)
- ✓ Provide banking services

■ Improve the service quality continuously
- ✓ Expand investment information
- ✓ Enhance UI/UX
- ✓ Simplification of account opening

■ Enhance our communication with customers
- ✓ Add video contents
- ✓ Enhance the way of investment consultation

Appendix

Summary of Financial Results

(JPY mn)

	FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Operating Revenues	7,476	7,840	7,865	7,435	7,252	7,668	8,037	8,114
Net operating revenues	7,181	7,566	7,594	7,098	6,858	7,083	7,286	7,187
SG & A	4,122	4,002	4,265	4,279	4,032	4,249	4,281	4,505
Operating income	3,060	3,564	3,329	2,819	2,826	2,834	3,006	2,682
Ordinary income	3,103	3,545	3,333	2,810	2,810	2,785	2,995	2,662
Net income	3,954	2,443	2,280	2,763	1,945	1,914	2,064	1,899
Ordinary income ratio	41%	45%	42%	38%	39%	36%	37%	33%
Matsui's trading value (JPY tn)	9.1	9.7	9.8	9.8	8.6	8.6	10.2	10.1
Average margin balance (JPY bn)	321	322	322	293	281	293	297	306

Breakdown of Net Operating Revenues

(JPY mn)

	FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Commissions	4,249	4,470	4,410	4,325	3,933	4,109	4,033	3,992
Brokerage	4,062	4,247	4,199	4,131	3,734	3,875	3,806	3,743
Equity & ETF	3,851	4,014	3,953	3,800	3,372	3,595	3,531	3,504
Futures & Options	211	233	246	331	362	280	275	240
Others	177	192	175	194	195	229	203	230
Net trading income	137	237	284	218	454	455	748	688
Net interest income	2,795	2,858	2,900	2,555	2,471	2,519	2,505	2,508
Interest & dividend income	3,090	3,132	3,171	2,892	2,865	3,103	3,256	3,434
Interest expenses	295	274	271	337	394	585	751	926
Net operating revenues	7,181	7,566	7,594	7,098	6,858	7,083	7,286	7,187

Breakdown of SG&A

(JPY mn)

	FY2021				FY2022			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Trading related expenses	1,564	1,500	1,649	1,501	1,366	1,396	1,421	1,453
Stock exchanges and securities	354	359	370	376	351	329	364	366
Communications expenses	483	466	488	492	479	498	300	313
Advertisement	492	450	563	399	304	333	513	522
Personnel expenses	706	733	765	850	778	800	794	867
Occupancy & rental	256	240	239	318	224	226	222	257
Data processing & office supplies	805	777	864	876	902	1,025	1,118	1,096
Depreciation	588	592	588	609	609	612	642	678
Taxes and dues	163	124	125	103	114	129	28	88
Provision of allowance for doubtful accounts	△ 22	△ 5	△ 9	△ 19	△ 33	△ 2	6	17
Others	62	41	44	42	72	65	49	48
Total SG & A	4,122	4,002	4,265	4,279	4,032	4,249	4,281	4,505

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