

Annual Results for FY2023 Matsui Securities Co., Ltd. April 25, 2024

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Financial Results





Note 1: Annualized on each quarter.

Financial Summary

Summary of Financial Results



FY2023

| | FY2022 | FY2023 | YoY |
|---------------------------------|--------|--------|-----|
| Operating Revenues | 31,071 | 40,207 | 29% |
| Net operating revenues | 28,415 | 35,245 | 24% |
| SG&A | 17,067 | 20,080 | 18% |
| Operating income | 11,349 | 15,165 | 34% |
| Ordinary income | 11,253 | 15,054 | 34% |
| Net income | 7,823 | 9,790 | 25% |
| Ordinary income ratio | 36% | 37% | - |
| Matsui's trading value (JPY tn) | 37.4 | 51.4 | 37% |
| Average margin balance (JPY bn) | 294 | 332 | 13% |

Breakdown of Net Operating Revenues



FY2023

| | FY2022 | FY2023 | YoY |
|----------------------------|--------|--------|-----|
| Commissions | 16,067 | 20,390 | 27% |
| Brokerage | 15,157 | 19,368 | 28% |
| Equity & ETF | 14,001 | 18,303 | 31% |
| Futures & Options | 1,156 | 1,065 | -8% |
| Others | 857 | 952 | 11% |
| Net trading income | 2,345 | 3,157 | 35% |
| Net interest income | 10,003 | 11,698 | 17% |
| Interest & dividend income | 12,659 | 16,660 | 32% |
| Interest expenses | 2,656 | 4,961 | 87% |
| Net operating revenues | 28,415 | 35,245 | 24% |

Breakdown of SG&A

FY2023

| UZJ | | | (JPY mn) |
|---|--------|--------|----------|
| | FY2022 | FY2023 | ΥοΥ |
| Trading related expenses | 5,636 | 6,682 | 19% |
| Stock exchanges and securities | 1,410 | 1,576 | 12% |
| Communications expenses | 1,589 | 1,282 | -19% |
| Advertisement | 1,671 | 2,705 | 62% |
| Personnel expenses | 3,239 | 3,589 | 11% |
| Occupancy & rental | 928 | 991 | 7% |
| Data processing & office supplies | 4,141 | 4,925 | 19% |
| Depreciation | 2,540 | 3,193 | 26% |
| Taxes and dues | 360 | 443 | 23% |
| Provision of allowance for doubtful accounts | △ 12 | △ 10 | _ |
| Others | 233 | 266 | 14% |
| Total SG&A | 17,067 | 20,080 | 18% |

Summary of Financial Results



Quarterly

| | 3QFY2023 | 4QFY2023 | QoQ |
|---------------------------------|----------|----------|-----|
| Operating Revenues | 9,812 | 11,308 | 15% |
| Net operating revenues | 8,566 | 9,949 | 16% |
| SG & A | 5,035 | 5,590 | 11% |
| Operating income | 3,530 | 4,359 | 23% |
| Ordinary income | 3,478 | 4,333 | 25% |
| Net income | 2,277 | 2,761 | 21% |
| Ordinary income ratio | 35% | 38% | - |
| Matsui's trading value (JPY tn) | 11.9 | 15.1 | 26% |
| Average margin balance (JPY bn) | 338 | 350 | 3% |

Breakdown of Net Operating Revenues



Quarterly

| | 3QFY2023 | 4QFY2023 | QoQ |
|----------------------------|----------|----------|------|
| Commissions | 4,470 | 6,265 | 40% |
| Brokerage | 4,224 | 5,989 | 42% |
| Equity & ETF | 3,961 | 5,704 | 44% |
| Futures & Options | 262 | 285 | 9% |
| Others | 234 | 267 | 14% |
| Net trading income | 1,313 | 704 | -46% |
| Net interest income | 2,783 | 2,980 | 7% |
| Interest & dividend income | 4,030 | 4,339 | 8% |
| Interest expenses | 1,247 | 1,359 | 9% |
| Net operating revenues | 8,566 | 9,949 | 16% |

Breakdown of SG&A





(1PY mn)

Quarterly

| | | | (JPY IIII) |
|---|----------|----------|------------|
| | 3QFY2023 | 4QFY2023 | QoQ |
| Trading related expenses | 1,600 | 2,108 | 32% |
| Stock exchanges and securities | 362 | 429 | 18% |
| Communications expenses | 319 | 346 | 8% |
| Advertisement | 643 | 1,020 | 59% |
| Personnel expenses | 899 | 931 | 3% |
| Occupancy & rental | 268 | 245 | -9% |
| Data processing & office supplies | 1,293 | 1,265 | -2% |
| Depreciation | 827 | 862 | 4% |
| Taxes and dues | 110 | 111 | 1% |
| Provision of allowance for doubtful accounts | △ 19 | 3 | - |
| Others | 57 | 66 | 16% |
| Total SG & A | 5,035 | 5,590 | 11% |

Regulatory Capital



Capital adequacy ratio (As of March 29, 2024)

(1DV mn)

| | | | (JPY mn) | | | | |
|------------------|---|---------|----------|--|--|--|--|
| Tier 1 | | (A) | 70,517 | | | | |
| Tier 2 | Fier 2Net unrealized gain on investment | | | | | | |
| | Statutory reserves | 4,133 | | | | | |
| | Allowance for doubtful accounts | | | | | | |
| | 4,811 | | | | | | |
| Assets to be ded | (C) | 20,567 | | | | | |
| Net Capital | | | | | | | |
| | (A) + (B) - (C) | (D) | 54,761 | | | | |
| Total risk | Market risk | | 37 | | | | |
| | Counterparty risk | | 7,887 | | | | |
| | 5,071 | | | | | | |
| | 12,996 | | | | | | |
| Capital Adequad | y ratio | (D)/(E) | 421% | | | | |

Margin trading balance and capital adequacy ratio



Note 1 : The average of capital adequacy ratio of the five major online brokers is 348%. (as of Dec. 30, 2023)

Shareholders Return



Plan to pay year-end dividend of 20 yen per share for FY23

Dividends for FY23• Interim: 20 yen per share• Year-end: 20 yen per share (Plan)• DOE: 14%• ROE: 13%Dividend policyDividends Payout Ratio : 60% and above

and

Dividends on Equity(DOE) : 8% and above





Payout ratio

Business Results

Equity Trading Value



Matsui's equity trading value and its market share¹

Retail equity trading value¹ 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





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





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





Note 1 : Excluding "Margin Trading Service for Day-trades"

Futures Trading



Commissions of Futures and Options



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

Note1 : Source : OSE

Forex Margin Trading



Trading value and commission

Total position and accounts



Mutual Fund



Matsui's AUM of mutual fund

Matsui's mutual fund sales



Management Strategy Recent Developments

Actions for the New NISA



Lower the hurdle to take the first step of investment

No commission

- ✓ Both Growth / Tsumitate Quota eligible to free commissions
- ✓ Earn points under the point reward program based on balance of mutual fund



NISA users¹ by age

 ✓ More than half are beginners in their 30-50s



Note1: Customers who opened an account after Oct 2023 and traded from Jan to Mar 2024

Banking Service "MATSUI Bank"

MATSU ^{松井証券}

Steady expansion of users and balance

- Valuable, useful service
 - ✓ Favorable interest rate
 0.2% per annum (0.159% after tax)
 - ✓ Point reward:
 - 1% of debit spending
- ✓ Auto-transfer of bank balances, quick deposit/withdraw
- \checkmark App available for banking services

Results after launched

- ✓ Balance: over 33 billion yen
- ✓ Accounts: over 50,000

%As of Mar. 31, 2024



[&]quot;MATSUI Bank" applies the interest rates as of Jan. 4, 2024. For individual customers, interest will be withheld at a tax rate of 20.315% (national tax 15.315% (including special income tax for reconstruction) and local tax 5%) (separate withholding tax). MaruYu is not available. The interest rate on Yen savings deposits is a floating rate. Matsui Securities operates as a bank agent for SBI Sumishin Net Bank.

U.S. Equity Business



Trading value increased with expanding services, further acquiring new customers

- Actions in FY23
- ✓ Oct. 2023

Offered margin trading

- U.S. equity consulting service
- ✓ Dec. 2023

Free exchange commission

✓ Jan. 2024

Offered as a product of NISA

Trading value



Note: Rebased at 100 as of Jan. 2023

Forex Business



Constant growth through enhancing services and marketing

- Actions in FY23
- ✓ Released an auto-trade function
- \checkmark Added the function to forex app
- \checkmark Raised swap point levels
- ✓ Sponsorship of a popular e-sports tournament

Various promotions





Equity Trading Business



Upgrade UI/UX for a more comfortable trading environment

Market Lab

- ✓ Upgrade an operability of checking portfolio
- ✓ Add a keyword searching function

Japanese Equity App

- ✓ Add an biometric authentication
- \checkmark Activated with trading tools on PC

Evaluation

✓ No.1 in the Securities/Insurance sector, Usability Ranking 2024[※]

<Corporate website (PC) Edition>



Note: Tribeck Inc. conducts

IPO Underwriting Business

Participation rate achieved 68%, 2nd in the industry

Actions in FY23

Network building through investment in venture capital

✓ Support IR activities after listing



| | | | NO. | Participation Ratio |
|---|------|------------|-----|---------------------|
| 1 | (1) | SBI | 90 | 91% |
| 2 | (3) | MATSUI | 67 | 68% |
| 3 | (7) | SMBC NIKKO | 62 | 63% |
| 4 | (2) | RAKUTEN | 62 | 63% |
| 5 | (4) | MONEX | 56 | 57% |
| 6 | (8) | OKASAN | 50 | 51% |
| 7 | (5) | MIZUHO | 47 | 47% |
| 8 | (6) | DAIWA | 41 | 41% |
| 9 | (10) | NOMURA | 41 | 41% |
| | | | | |

IPO underwriting ranking

Note: results for Apr. 2023 – Mar. 2024, FY22ranking in parentheses

Lending Business



Balance and revenue increase

- System renewal
- ✓ Rose lending ratio through workflow efficiency
- ✓ Stabilized and streamlined inventory control operations
- ✓ Reduce maintenance loads

Balance and revenue



Note: Rebased at 100 as of Apr. 2022

Mutual Fund Business



Balance exceeded 200 billion yen, doubled in a year

- Point reward campaign
- ✓ Up to 1% per year, monthly reward points
- \checkmark Entries increases every month



(JPY bn) (account) 250 100,000 # of balance holders (right axis) 90,000 200 80,000 70,000 150 60,000 AUM of mutual fund (left axis) 100 50,000 Jul Jan Apr Oct Jan 2023 2024

Balance and holders

Create a Trigger for Investment



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

- Provide various information on website specialized for video contents
- ✓ Upload special programs that alert to sudden market changes and support decision-making for investment
- Reached the largest YouTube channel among the industry

✓ Continuously provide new programs



Reliable Online Brokerage Firm



More comprehensive support system by enhancing stock trading helpline

Stock trading helpline

- ✓ Support customer decision making
- ✓ Dedicated staff respond
- ✓ U.S. Stock consulting service started in Oct. 2023



Evaluation

✓ Awarded the highest rating, 3 stars
 for the 13th consecutive year



<Call center>

- Easy-to-understand explanation
- Reliability as a professional



<Web support>

 Usability focused on the customer's perspective

Sustainability Disclosure



Enhanced communication points with stakeholders

Integrated report Co



Corporate website

human capital

Policy

Company basic policy is to promote the creation of an organization with diverse human resources, including gender, age, and work experience.

In addition, we have set an organizational goal of "becoming an organization where each employee has a sense of ownership and learns and grows autonomously," and we aim to grow the company as individuals grow.

Human resources strategy



Management Strategy



Mission Supporting the prosperous lives of customers Delivering valuable financial products and services Vision to retail investors ✓ Offering high-value-added services and receive fair compensation for the value Management Aiming to raise profits and shareholder value goals through the effective use of management resources \checkmark Achieving ROE over cost of equity (currently 8%) Building a strong corporate brand \checkmark Management ✓ Expanding product lineup, offering distinctive services strategy with our uniqueness ✓ Enhancing service quality

Developments in FY2024



Building a strong corporate brand

- ✓ Raise recognition
- ✓ Growth of customer base
- Expanding product lineup, offering distinctive services with our uniqueness
 - ✓ Forex (continuous service improvement)
 ✓ U.S. Equity (expand information for investment)
 ✓ MATSUI Bank (Further enhance convenience)

Enhancing service quality

- ✓ Enhance UI/UX
- ✓ Comprehensive customer service

Appendix

Summary of Financial Results



| | FY2022 | | | | | FY2 | 023 | |
|---------------------------------|--------|-------|-------|-------|-------|-------|-------|--------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Operating Revenues | 7,252 | 7,668 | 8,037 | 8,114 | 9,472 | 9,615 | 9,812 | 11,308 |
| Net operating revenues | 6,858 | 7,083 | 7,286 | 7,187 | 8,232 | 8,498 | 8,566 | 9,949 |
| SG & A | 4,032 | 4,249 | 4,281 | 4,505 | 4,636 | 4,818 | 5,035 | 5,590 |
| Operating income | 2,826 | 2,834 | 3,006 | 2,682 | 3,596 | 3,680 | 3,530 | 4,359 |
| Ordinary income | 2,810 | 2,785 | 2,995 | 2,662 | 3,594 | 3,650 | 3,478 | 4,333 |
| Net income | 1,945 | 1,914 | 2,064 | 1,899 | 2,360 | 2,392 | 2,277 | 2,761 |
| Ordinary income ratio | 39% | 36% | 37% | 33% | 38% | 38% | 35% | 38% |
| Matsui's trading value (JPY tn) | 8.6 | 8.6 | 10.2 | 10.1 | 11.8 | 12.5 | 11.9 | 15.1 |
| Average margin balance (JPY bn) | 281 | 293 | 297 | 306 | 312 | 331 | 338 | 350 |

Breakdown of Net Operating Revenues



| | FY2022 | | | | .023 | | | |
|----------------------------|--------|-------|-------|-------|-------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| Commissions | 3,933 | 4,109 | 4,033 | 3,992 | 4,850 | 4,805 | 4,470 | 6,265 |
| Brokerage | 3,734 | 3,875 | 3,806 | 3,743 | 4,611 | 4,544 | 4,224 | 5,989 |
| Equity & ETF | 3,372 | 3,595 | 3,531 | 3,504 | 4,342 | 4,295 | 3,961 | 5,704 |
| Futures & Options | 362 | 280 | 275 | 240 | 269 | 249 | 262 | 285 |
| Others | 195 | 229 | 203 | 230 | 208 | 244 | 234 | 267 |
| Net trading income | 454 | 455 | 748 | 688 | 443 | 698 | 1,313 | 704 |
| Net interest income | 2,471 | 2,519 | 2,505 | 2,508 | 2,939 | 2,996 | 2,783 | 2,980 |
| Interest & dividend income | 2,865 | 3,103 | 3,256 | 3,434 | 4,178 | 4,112 | 4,030 | 4,339 |
| Interest expenses | 394 | 585 | 751 | 926 | 1,239 | 1,117 | 1,247 | 1,359 |
| Net operating revenues | 6,858 | 7,083 | 7,286 | 7,187 | 8,232 | 8,498 | 8,566 | 9,949 |



| | FY2 | .022 | | | FY2 | 023 | |
|-------|---|---|--|--|--|--|--|
| 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| 1,366 | 1,396 | 1,421 | 1,453 | 1,468 | 1,506 | 1,600 | 2,108 |
| 351 | 329 | 364 | 366 | 408 | 376 | 362 | 429 |
| 479 | 498 | 300 | 313 | 307 | 310 | 319 | 346 |
| 304 | 333 | 513 | 522 | 489 | 553 | 643 | 1,020 |
| 778 | 800 | 794 | 867 | 870 | 889 | 899 | 931 |
| 224 | 226 | 222 | 257 | 236 | 242 | 268 | 245 |
| 902 | 1,025 | 1,118 | 1,096 | 1,143 | 1,225 | 1,293 | 1,265 |
| 609 | 612 | 642 | 678 | 743 | 761 | 827 | 862 |
| 114 | 129 | 28 | 88 | 114 | 108 | 110 | 111 |
| △ 33 | △ 2 | 6 | 17 | △ 19 | 26 | △ 19 | 3 |
| 72 | 65 | 49 | 48 | 81 | 61 | 57 | 66 |
| 4,032 | 4,249 | 4,281 | 4,505 | 4,636 | 4,818 | 5,035 | 5,590 |
| | 1,366 351 479 304 778 224 902 609 114 △ 33 | 1Q2Q1,3661,3963513294794983043337788002242269021,025609612114129△ 33△ 27265 | $1,366$ $1,396$ $1,421$ 351 329 364 479 498 300 304 333 513 778 800 794 224 226 222 902 $1,025$ $1,118$ 609 612 642 114 129 28 $\triangle 33$ $\triangle 2$ 6 72 65 49 | 1Q2Q3Q4Q1,3661,3961,4211,4533513293643664794983003133043335135227788007948672242262222579021,0251,1181,0966096126426781141292888 \triangle 33 \triangle 261772654948 | $1Q$ $2Q$ $3Q$ $4Q$ $1Q$ $1,366$ $1,396$ $1,421$ $1,453$ $1,468$ 351 329 364 366 408 479 498 300 313 307 304 333 513 522 489 778 800 794 867 870 224 226 222 257 236 902 $1,025$ $1,118$ $1,096$ $1,143$ 609 612 642 678 743 114 129 28 88 114 $\Delta 33$ $\Delta 2$ 6 17 $\triangle 19$ 72 65 49 48 81 | $1Q$ $2Q$ $3Q$ $4Q$ $1Q$ $2Q$ $1,366$ $1,396$ $1,421$ $1,453$ $1,468$ $1,506$ 351 329 364 366 408 376 479 498 300 313 307 310 304 333 513 522 489 553 778 800 794 867 870 889 224 226 222 257 236 242 902 $1,025$ $1,118$ $1,096$ $1,143$ $1,225$ 609 612 642 678 743 761 114 129 28 88 114 108 $\Delta 33$ $\Delta 2$ 6 17 $\Delta 19$ 26 72 65 49 48 81 61 | 1Q2Q3Q4Q1Q2Q3Q1,3661,3961,4211,4531,4681,5061,6003513293643664083763624794983003133073103193043335135224895536437788007948678708898992242262222572362422689021,0251,1181,0961,1431,2251,2936096126426787437618271141292888114108110 $\triangle 33$ $\triangle 2$ 617 $\triangle 19$ 26 $\triangle 19$ 72654948816157 |



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