Consolidated Financial Summary under Japanese GAAP For the Three Months Ended June 30, 2005

Date: July 22, 2005 Company name (code number):Matsui Securities Co., Ltd. (8628)

Head Office: Hanzomon First Bldg 6F, 1-4, Kojimachi, Chiyoda-ku, Tokyo,102-8516 Japan

Stock exchange listing:

Michio Matsui: President and Chief Executive Officer Representative:

Date of board meeting approving the account settlement: July 22, 2005

Application of US GAAP: None

Note: All figures in the financial statements are rounded off to the nearest millionth.

Consolidated financial summary for the three months ended June 30, 2005

(1) Operating results

	Operating revenues	Net operating revenues	Operating income	Ordinary income	
	(Millions) (Yr/Yr of Yen) (% change)				
Three months ended June 30, 2005	9,693 (- 6.9)	9,073 (- 7.5)	5,646 (- 15.0)	5,655 (- 14.2)	
Three months ended June 30, 2004	10,407 (167.2)	9,804 (172.4)	6,642 (325.3)	6,588 (319.0)	
Year ended March 31, 2005	36,918 (47.5)	34,623 (45.9)	22,607 (58.3)	22,571 (61.0)	

	Net income	Earnings/share	Fully diluted earnings/share	Earnings/ shareholders' equity	Ordinary income/ total assets
	(Millions)(Yr/Yr of Yen % change	(Yen)	(Yen)	(%)	(%)
Three months ended June 30, 2005	3,224 (- 14.6)	12.06	10.74	26.1	3.2
Three months ended June 30, 2004	3,775 (398.9)	42.43	37.77	37.8	5.0
Year ended March 31, 2005	12,645 (73.7)	140.98	125.56	28.5	3.8

Note: 1. Investment gain and loss on equity :None

2. Average number of shares outstanding

Three months ended Jun.30, 2005 267,239,739 shares Three months ended Jun.30, 2004 88,961,403 shares Year ended Mar. 31, 2005 88,989,029 shares

- 3. Change in accounting policies: None
- 4. The % change indicated for Operating revenues, Net operating revenues, Operating income, Ordinary income and Net income is the change by the three months ended June 30, 2004 and 2005.
- 5. The Company split its stock in three-for-one on May 17, 2005. The per share data of the first quarter for the year ended March 31, 2006 are calculated under the assumption that the stock split has been carried out at the beginning of the fiscal year ended March 31, 2006. The per share data of the year ended March 31, 2005 are calculated without such assumption.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity/share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Three months ended June 30, 2005	708,651	49,226	6.9	184.16
Three months ended June 30, 2004	563,251	40,856	7.3	459.25
Year ended March 31, 2005	703,456	49,715	7.1	557.20

Note: 1. Number of shares outstanding As of Jun. 30, 2005 As of Jun. 30, 2004 As of Mar. 31, 2005 267,294,180 shares 88,962,566 shares 89,045,096 shares

(3) Scope of consolidation and equity method

Consolidated subsidiaries: 1 company

Affiliates applicable of equity method:

None

(4) Change in scope of consolidation and equity method application:

Forecast of business results

The business results of securities brokerage companies depend on the market situation considerably, which makes it difficult to forecast the future business results. Accordingly, the Company does not issue such forecast while it discloses its quarterly business results promptly instead of such forecasts.

Notice to readers:

The accompanying consolidated financial statements of the Company are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Consolidated Balance Sheets

(Millions of Yen)

Current assets		(Millions of)					
Current assets Cash and bank deposits 23,925 54,297 61,251 Cash segregated as deposits 209,002 242,003 223,003 Cash in trust 5,900 10,200 9,000 Trading assets 120 12 107 Net receivables arising from pre-settlement date trades 67 248 923 Margin account assets: 314,340 382,398 389,358 Loans receivable from customers 308,324 376,759 384,484 Cash deposited as collateral from ustomers 6,016 5,638 4,875 Cash deposits borrowed from securities finance companies - 1,493 1,610 Receivable on culties borrowed from securities borrowed from securities borrowed from securities borrowed from subscription - 1,493 1,610 Cash deposits collateral for securities borrowed from subscription 4 - - - Advance paid for subscription 4 - - - - - - - - - - - - - - -	Item	June 30, 2004	June 30, 2005	March 31, 2005			
Current assets Cash and bank deposits 23,925 54,297 61,251 Cash segregated as deposits 209,002 242,003 223,003 Cash in trust 5,900 10,200 9,000 Trading assets 120 12 107 Net receivables arising from pre-settlement date trades 67 248 923 Margin account assets: 314,340 382,398 389,358 Loans receivable from customers 308,324 376,759 384,484 Cash deposited as collateral from ustomers 6,016 5,638 4,875 Cash deposits borrowed from securities finance companies - 1,493 1,610 Receivable on culties borrowed from securities borrowed from securities borrowed from securities borrowed from subscription - 1,493 1,610 Cash deposits collateral for securities borrowed from subscription 4 - - - Advance paid for subscription 4 - - - - - - - - - - - - - - -	(Acceta)						
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Cash segregated as deposits 209,002 242,003 223,003 Cash in trust 5,900 10,200 9,000 Trading assets 120 12 107 Net receivables arising from pre-settlement date trades 67 248 923 Margin account assets: 314,340 382,398 389,358 Loans receivable from customers 308,324 376,759 384,484 Cash deposited as collateral for securities birrowed from securities finance companies 6,016 5,638 4,875 Receivable on collateralized securities - 1,493 1,610 transactions: - 1,493 1,610 Receivables from customers and others - 1,493 1,610 Receivables from customers and others - 1,493 1,610 Receivables from customers and others - - - Advance paid for subscription 4 - - Short-term guarantee deposits 1,261 6,421 6,795 Suspense account for securities to deliver - 0 -		22.025	F4 207	04.054			
deposits	·	23,925	54,297	61,251			
Cash in trust 5,900 10,200 9,000 Trading assets 120 12 107 Net receivables arising from pre-settlement date trades 67 248 923 Margin account assets: 314,340 382,398 389,358 Loans receivable from customers 308,324 376,759 384,484 Cash deposited as collateral for securities borrowed from securities finance companies 6,016 5,638 4,875 Receivable on collateralized securities - 1,493 1,610 transactions: - 1,493 1,610 Cash deposits collateral for securities borrowed Receivables from customers and others - 1,493 1,610 Receivables from customers and others - 1,493 1,610 1,610 Receivables from subscription -		209,002	242,003	223,003			
Trading assets	· ·	5.900	10.200	9.000			
Net receivables arising from pre-settlement date trades		•	·	·			
from pre-settlement date trades 67 248 923 Margin account assets: 314,340 382,398 389,358 Loans receivable from customers 308,324 376,759 384,484 Cash deposited as collateral for securities borrowed from securities finance companies 6,016 5,638 4,875 Receivable on collateralized securities transactions: - 1,493 1,610 Cash deposits collateral for securities borrowed Receivables from customers and others - 1,493 1,610 Receivables from customers and others 16 30 133 133 Advance paid for subscription Short-term guarantee deposits 1,261 6,421 6,795 Suspense account for securities to deliver Others 3,304 5,322 5,260 Others 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible assets 1,959 2,416 2,253	ŭ .	1_2	_				
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Cash deposited as collateral for securities borrowed from securities finance companies Receivable on collateralized securities transactions: Cash deposits collateral for securities from customers and others Advance paid for subscription Short-term guarantee deposits Suspense account for securities to deliver Others 3,304 5,322 5,260 Allowance for doubtful accounts Tangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 1,642 1,680 Others 2,476 2,828 2,777 Investment securities porcease for securities (104) Total fixed assets 5,552 6,394 6,185		308 324	376 759	384 484			
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Receivable on collateralized securities transactions:		5,5.5	5,555	.,6. 6			
collateralized securities transactions: - 1,493 1,610 Cash deposits collateral for securities borrowed Receivables from customers and others Advance paid for subscription 16 30 133 Advance paid for subscription 4 - - - Short-term guarantee deposits 1,261 6,421 6,795 Suspense account for securities to deliver - 0 - Others 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts	companies						
transactions: Cash deposits collateral for securities borrowed - 1,493 1,610 Receivables from customers and others 16 30 133 Advance paid for subscription 4 - - Short-term guarantee deposits 1,261 6,421 6,795 Suspense account for securities to deliver - 0 - Others 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts 1,044 (57) (31) <td></td> <td></td> <td></td> <td></td>							
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Total current assets Tangible fixed assets Tangi							
Receivables from customers and others 16 30 133 Advance paid for subscription 4 - - Short-term guarantee deposits 1,261 6,421 6,795 Suspense account for securities to deliver - 0 - Others 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		-	1,493	1,610			
Customers and others		16	20	122			
subscription 4 - - Short-term guarantee deposits 1,261 6,421 6,795 Suspense account for securities to deliver - 0 - Others 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		16	30	133			
Short-term guarantee deposits 1,261 6,421 6,795 Suspense account for securities to deliver - 0 - Others 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		4	_	_			
deposits 1,261 6,795 Suspense account for securities to deliver - 0 Others 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185							
Suspense account for securities to deliver - 0 - Others 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		1,261	6,421	6,795			
Securities to deliver 3,304 5,322 5,260 Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		_	0	_			
Allowance for doubtful accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185			-				
accounts (239) (167) (171) Total current assets 557,699 702,258 697,270 Fixed assets 1,117 1,150 1,155 Intangible fixed assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		3,304	5,322	5,260			
Fixed assets Tangible fixed assets 1,117 1,150 1,155 Intangible assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		(239)	(167)	(171)			
Fixed assets Tangible fixed assets 1,117 1,150 1,155 Intangible assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185	Total current assets	557,699	702,258	697,270			
Intangible assets 1,959 2,416 2,253 Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185	Fixed assets	·	•				
Software 1,900 2,379 2,215 Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185	Tangible fixed assets	1,117	1,150	1,155			
Others 59 37 39 Investments and others 2,476 2,828 2,777 Investment securities 1,479 1,642 1,680 Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185	Intangible assets	1,959	2,416	2,253			
Investments and others 2,476 2,828 2,777	Software	1,900	2,379				
Investment securities							
Others 1,100 1,242 1,128 Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		-	•				
Allowance for doubtful accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		•					
accounts (104) (57) (31) Total fixed assets 5,552 6,394 6,185		, ·	·	·			
		(104)	(57)	(31)			
Total assets 563,251 708,651 703,456		5,552	6,394	6,185			
	Total assets	563,251	708,651	703,456			

(Millions of Yen)

CLiabilities Current liabilities Trading assets 102	T	(Millions of Ye					
Current liabilities	Item	June 30, 2004	June 30, 2005	March 31, 2005			
Current liabilities	(1) = 1/2/2 = N						
Trading assets	, , ,						
Margin account liabilities: 85,774 92,886 142,920 Loans from securities finance companies finance companies finance companies sold on customers' account 54,364 56,493 103,384 Proceeds of securities account 31,411 36,393 39,535 account Payables on collateralized securities transactions: 40,826 85,840 73,780 Cash deposits as collateral for securities loaned 90,691 123,322 106,567 Guarantee money received 134,281 147,427 137,467 Suspense account for undelivered securities 17 2 1 Suspense account for undelivered securities 17 2 1 Short-term borrowings 46,177 113,746 93,829 Commercial paper 3,000 2,000 1,000 Bond due within one year 500 2,000 1,000 Accrued income taxes 2,442 1,946 6,342 Accrued bonuses 49 44 301 Others 1,421 1,679 2,202 Total current liabilities 405,280	Current liabilities						
Loans from securities finance companies Proceeded of securities sold on customers' account Payables on collateralized securities transactions: Cash deposits as collateral for securities loaned Deposits received 90,691 123,322 106,567 Guarantee money received 90,691 123,322 106,567 Guarantee money received 134,281 147,427 137,467 Suppense account for undelivered securities 17 2 1 undelivered securities 546,177 113,746 93,829 Commercial paper 3,000 2,000 1,000 Bond due within one year 500 Accrued income taxes 4,9 4,4 301 0,000 Chers 1,421 1,679 2,202 Total current liabilities 405,280 568,892 564,409 Long-term liabilities Bond 40,000 40,000 40,000 Conyetrom borrowings 35,449 8,453 7,203 Reserve for directors' terirement boruses 0 0 0 0 0 Total long-term liabilities 115,689 88,493 87,443 Statutory reserves 1,426 2,040 1,888 Total Isabilities 522,395 659,425 653,740 (Capital surplus Statutory reserves 1,426 2,040 1,888 Total liabilities 522,395 659,425 653,740 (Capital surplus 9,312 9,417 9,317 Earned surplus 9,	Trading assets	102		0			
finance companies Proceeds of securities sold on customers' account Payables on collateralized securities transactions: Cash deposits as collateral for securities loaned Deposits received Depo	l	85,774	92,886	142,920			
sold on customers' account 31,411 36,393 39,535 account Payables on collateralized securities transactions: 40,826 85,840 73,780 Cash deposits as collateral for securities loaned 40,826 85,840 73,780 Deposits received securities counted on undelivered securities 90,691 123,322 106,567 Guarantee money received Suspense account for undelivered securities 17 2 1 Short-term borrowings 46,177 113,746 93,829 Commercial paper Short-term borrowings 46,177 113,746 93,829 Commercial paper Short-term borrowings 3,000 2,000 1,000 Bond due within one year 40,000 2,000 1,000 Accrued income taxes 2,442 1,946 6,342 Accrued bonuses 49 44 301 Others 1,421 1,679 2,202 Total current liabilities 40,000 40,000 40,000 Long-term liabilities 40,000 40,000 40,000 Corvertible bond 40,000 <td< td=""><td>finance companies</td><td>54,364</td><td>56,493</td><td>103,384</td></td<>	finance companies	54,364	56,493	103,384			
cöltateralized securities transactions: 40,826 85,840 73,780 transactions: Cash deposits as collateral for securities loaned 40,826 85,840 73,780 Deposits received 90,691 123,322 106,567 Guarantee money received 134,281 147,427 137,467 Suspense account for undelivered securities 17 2 1 Short-term borrowings 46,177 113,746 93,829 Commercial paper 3,000 2,000 1,000 Bond due within one year 500 1,946 6,342 Accrued horuses 2,442 1,946 6,342 Accrued bonuses 49 44 301 Others 1,421 1,679 2,202 Total current liabilities 405,280 568,892 564,409 Bond 40,000 40,000 40,000 Conyetible bond 40,000 39,800 40,000 Conyetim liabilities 35,449 8,453 7,203 Reserve for directors 241	sold on customers' account	31,411	36,393	39,535			
collateral for securities loaned 40,826 85,840 73,780 Deposits received 90,691 123,322 106,567 Guarantee money received 134,281 147,427 137,467 Suspense account for undelivered securities 17 2 1 Short-term borrowings 46,177 113,746 93,829 Commercial paper 3,000 2,000 1,000 Bond due within one year 500	collateralized securities transactions:	40,826	85,840	73,780			
Guarantee money received 134,281 147,427 137,467 Suspense account for undelivered securities 17 2 1 Short-term borrowings 46,177 113,746 93,829 Commercial paper 3,000 2,000 1,000 Bond due within one year 500 46,177 113,746 93,829 Accrued income taxes 2,442 1,946 6,342 Accrued bonuses 49 44 301 Others 1,421 1,679 2,202 Total current liabilities 405,280 568,892 564,409 Long-term liabilities 40,000 40,000 40,000 Bond 40,000 39,800 40,000 Convertible bond 40,000 39,800 40,000 Long-term borrowings 35,449 8,453 7,203 Reserve for directors' retirement bonuses 0 0 0 Others 0 0 0 0 Total long-term liabilities 115,689 88,493 87,443 <td>collateral for</td> <td>40,826</td> <td>85,840</td> <td>73,780</td>	collateral for	40,826	85,840	73,780			
Guarantee money received 134,281 147,427 137,467 Suspense account for undelivered securities 17 2 1 Short-term borrowings 46,177 113,746 93,829 Commercial paper 3,000 2,000 1,000 Bond due within one year 500	Deposits received	90,691	123,322	106,567			
undelivered securities 17 2 1 Short-term borrowings 46,177 113,746 93,829 Commercial paper 3,000 2,000 1,000 Bond due within one year 500 4 4 34 Accrued income taxes 2,442 1,946 6,342 4 301 Accrued bonuses 49 44 301	Guarantee money received	134,281	147,427	137,467			
Short-term borrowings Commercial paper 3,000 2,000 1,000	Suspense account for	17	2	1			
Commercial paper 3,000 2,000 1,000		46 177	113 746	93 829			
Bond due within one year Accrued income taxes 2,442 1,946 6,342	_	•	·				
Accrued income taxes		-	2,000	1,000			
Accrued bonuses 49 44 301 Others 1,421 1,679 2,202 Total current liabilities 405,280 568,892 564,409 Long-term liabilities 40,000 40,000 40,000 Convertible bond 40,000 39,800 40,000 Long-term borrowings 35,449 8,453 7,203 Reserve for directors' 241 241 241 retirement bonuses 0 0 0 0 Others 0 0 0 0 Total long-term liabilities 115,689 88,493 87,443 Statutory reserves Reserve for securities 1,426 2,040 1,888 Reserve for securities 1,426 2,040 1,888 Total Isiabilities 522,395 659,425 653,740 (Shareholders' equity) 0 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 28,070 <	,		1 946	6 342			
Others 1,421 1,679 2,202 Total current liabilities 405,280 568,892 564,409 Long-term liabilities 40,000 40,000 40,000 Bond 40,000 39,800 40,000 Convertible bond 40,000 39,800 40,000 Long-term borrowings 35,449 8,453 7,203 Reserve for directors' retirement bonuses 0 0 0 Others 0 0 0 Total long-term liabilities 115,689 88,493 87,443 Statutory reserves 1,426 2,040 1,888 Total Statutory reserves 1,426 2,040 1,888 Total liabilities 522,395 659,425 653,740 (Shareholders' equity) (Shareholders' equity) 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes		,	·	· ·			
Total current liabilities		-					
Long-term liabilities Bond 40,000 40,000 40,000 40,000 Convertible bond 40,000 39,800 40,000 A0,000 A0,00				•			
Bond Convertible bond Long-term borrowings 40,000 40,000 40,000 39,800 40,000 40,000 Long-term borrowings Reserve for directors' retirement bonuses Others 241 241 241 241 Others 0 0 0 Total long-term liabilities Statutory reserves Reserve for securities transactions Total Statutory reserves 1,426 1,426 2,040 2,040 1,888 Total Isabilities 522,395 659,425 653,740 (Shareholders' equity) Common stock Capital surplus Capital surplus Net unrealized gain (loss) on Investment securities, net of taxes Treasury stock 11,463 11,569 9,312 9,312 9,417 28,070 28,070 28,070 28,737 11,469 28,070 28,737 28,070 28,737 Total shareholders' equity 40,856 49,226 49,715 49,226 49,715 49,715 700,054 Total liabilities and 50,054 49,226 700,054 49,715		403,200	300,032	304,403			
Convertible bond Long-term borrowings 40,000 39,800 40,000 40,000 40,000 Reserve for directors' retirement bonuses Others 241 241 241 Others 0 0 0 Total long-term liabilities Statutory reserves Reserve for securities transactions 115,689 88,493 87,443 Total Statutory reserves 1,426 2,040 1,888 Total Statutory reserves 1,426 2,040 1,888 Total liabilities 522,395 659,425 653,740 (Shareholders' equity) Common stock Capital surplus 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 202 700,654 700,654		40.000	40.000	40.000			
Long-term borrowings Reserve for directors' Reserve for securities Reserve for securitie							
retirement bonuses 241 241 241 Others 0 0 0 Total long-term liabilities 115,689 88,493 87,443 Statutory reserves 1,426 2,040 1,888 Reserve for securities transactions 1,426 2,040 1,888 Total Statutory reserves 1,426 2,040 1,888 Total liabilities 522,395 659,425 653,740 (Shareholders' equity) 0 0 0 0 (Shareholders' equity) 0	Long-term borrowings	35,449	8,453	7,203			
Others 0 0 0 Total long-term liabilities 115,689 88,493 87,443 Statutory reserves Reserve for securities transactions 1,426 2,040 1,888 Total Statutory reserves 1,426 2,040 1,888 Total liabilities 522,395 659,425 653,740 (Shareholders' equity) 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 1,888 0		241	241	241			
Statutory reserves Reserve for securities transactions 1,426 2,040 1,888 Total Statutory reserves 1,426 2,040 1,888 Total liabilities 522,395 659,425 653,740 (Shareholders' equity) 0 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 700,456 700,456		0	0	0			
Reserve for securities transactions 1,426 2,040 1,888 Total Statutory reserves 1,426 2,040 1,888 Total liabilities 522,395 659,425 653,740 (Shareholders' equity) 0 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 700,654 700,654 700,654	Total long-term liabilities	115,689	88,493	87,443			
transactions Total Statutory reserves Total liabilities 1,426 2,040 1,888 Total Statutory reserves 1,426 2,040 1,888 Total liabilities 522,395 659,425 653,740 (Shareholders' equity) Common stock Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and	Statutory reserves						
Total Statutory reserves 1,426 2,040 1,888 Total Statutory reserves 522,395 659,425 653,740 (Shareholders' equity) Common stock 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and		1 426	2 040	1 888			
Total liabilities 522,395 659,425 653,740 (Shareholders' equity) 11,463 11,569 11,469 Common stock 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 700,456 700,456		•		,			
(Shareholders' equity) Common stock	Total Statutory reserves						
Common stock 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 503,054 709,054 709,054	l otal liabilities	522,395	659,425	653,740			
Common stock 11,463 11,569 11,469 Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 503,054 709,054 709,054	(Shareholders' equity)						
Capital surplus 9,312 9,417 9,317 Earned surplus 19,867 28,070 28,737 Net unrealized gain (loss) on Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 503,054 700,054 700,054		11,463	11,569	11,469			
Net unrealized gain (loss) on Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 503,054 709,654 709,654							
Investment securities, net of taxes 232 191 213 Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 503,054 700,054 700,054		19,867	28,070	28,737			
taxes Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and	Net unrealized gain (loss) on						
Treasury stock (18) (21) (21) Total shareholders' equity 40,856 49,226 49,715 Total liabilities and 503,054 700,054 700,054		232	191	213			
Total shareholders' equity 40,856 49,726 49,715 Total liabilities and 503,054 709,654 709,456		(18)	(21)	(21)			
Total liabilities and							
	Total liabilities and						

Consolidated Statements of Income

	Three months ended Three months ended Year ended		
Item	June 30, 2004	June 30, 2005	March 31, 2005
Operating revenues			
Commissions	7,990	6,718	27,083
Net gain (loss) on trading	13	(31)	(88)
Interest and dividend income	2,403	3,005	9,923
Total operating revenues	10,407	9,693	36,918
Interest expenses	603	620	2,295
Net operating revenues	9,804	9,073	34,623
Selling, general and administrative expenses	3,162	3,427	12,016
Transaction related expenses	926	981	3,339
Employees' compensation and benefits	522	501	1,927
Occupancy and rental	67	72	273
Data processing and office supplies	1,329	1,497	5,373
Depreciation	175	237	754
Duties and taxes other than income taxes	56	58	195
Provision of allowance for doubtful accounts	48	21	
Others	38	58	154
Operating income	6,642	5,646	22,607
Non-operating income	42	34	73
Non-operating expenses	96	25	108
Ordinary income	6,588	5,655	22,571
Special profits	42		49
Special losses	165	184	653
Income before income taxes	6,465	5,471	21,967
Income taxes - current	2,375	1,914	9,487
Income taxes - deferred	315	333	(164)
Net income	3,775	3,224	12,645
	Li		

Summary of Quarterly Consolidated Statements of Income

(Millions of Yen)

(Millions of Yen)				ren)		
	1Q of the	2Q of the	3Q of the	4Q of the	Total for the	1Q for the
	year ended	year ended	year ended	year ended	year ended	year ended
Item					Mar. 31, 2005	
	('04. 4. 1 ₎	('04. 7. 1 ₎	('04.10. 1 ₎	('05. 1. 1 ₎	('04. 4. 1) ('05. 3.31)	('05. 4. 1 ₎
	⁽ '04. 6.30 ⁾	⁽ '04. 9.30 ⁾	⁽ '04.12.31 ⁾	⁽ '05. 3.31 ⁾	105. 3.31 ⁷	⁽ '05. 6.30 ⁾
Operating revenues	10,407	8,536	7,989	9,986	36,918	9,693
Commissions	7,990	6,116	5,531	7,446	27,083	6,718
Net gain (loss) on trading	13	(2)	(7)	(92)	(88)	(31)
Interest and dividend income	2,403	2,421	2,466	2,633	9,923	3,005
Interest expenses	603	534	626	532	2,295	620
Net operating revenues	9,804	8,001	7,363	9,454	34,623	9,073
Selling, general and administrative expenses	3,162	2,683	2,950	3,221	12,016	3,427
Transaction related expenses	926	753	770	890	3,339	981
Employees' compensation and benefits	522	399	489	517	1,927	501
Occupancy and rental	67	67	69	70	273	72
Data processing and office supplies	1,329	1,248	1,348	1,449	5,373	1,497
Depreciation	175	182	191	207	754	237
Duties and taxes other than income taxes	56	47	40	51	195	58
Provision of allowance for doubtful accounts	48	(48)	-	-	-	21
Others	38	35	44	37	154	58
Operating income	6,642	5,319	4,412	6,233	22,607	5,646
Non-operating income and expenses	(55)	12	22	(15)	(35)	9
Ordinary income	6,588	5,330	4,435	6,218	22,571	5,655
Special profits and losses	(123)	(112)	(146)	(223)	(604)	(184)
Income before income taxes	6,465	5,218	4,289	5,995	21,967	5,471
Income taxes-current	2,375	2,449	1,741	2,922	9,487	1,914
Income taxes-deferred	315	(190)	70	(359)	(164)	333
Net income	3,775	2,959	2,478	3,433	12,645	3,224