

Consolidated Financial Summary under Japanese GAAP
For the Three Months Ended June 30, 2006

Date: July 28, 2006
Company name (code number): Matsui Securities Co., Ltd. (8628)
Stock exchange listing: Tokyo
(URL http://www.matsui.co.jp/about_matsui/en/)
Representative: Michio Matsui: President and Chief Executive Officer
Contact: Shinichi Uzawa: Chief Financial Officer

1. Preparation of consolidated financial summary

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|--|------|
| 1) Simplified accounting policy: | None |
| 2) Change in accounting policy: | None |
| 3) Change in scope of consolidation and equity method: | None |

2. Consolidated financial summary for the three months ended June 30, 2006

(1) Operating results

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

	Operating revenues		Net operating revenues		Operating income		Ordinary income	
	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)
Three months ended June 30, 2006	11,820	(21.9)	11,120	(22.6)	6,454	(14.3)	6,507	(15.1)
Three months ended June 30, 2005	9,693	(-6.9)	9,073	(-7.5)	5,646	(-15.0)	5,655	(-14.2)
Year ended March 31, 2006	57,072	(54.6)	54,150	(56.4)	37,116	(64.2)	37,062	(64.2)

	Net income		Earnings/share	Fully diluted earnings/share
	(Millions of Yen)	(Yr/Yr % change)	(Yen)	(Yen)
Three months ended June 30, 2006	3,804	(18.0)	14.18	12.65
Three months ended June 30, 2005	3,224	(-14.6)	12.06	10.74
Year ended March 31, 2006	20,650	(63.3)	77.11	68.78

- Note: 1. Average number of shares outstanding
- | | | |
|--|----------------------------------|--------------------|
| | Three months ended Jun. 30, 2006 | 268,254,994 shares |
| | Three months ended Jun. 30, 2005 | 267,239,739 shares |
| | Year ended Mar. 31, 2006 | 267,808,149 shares |
2. 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, 2005 and 2006.
3. The Company split its stock in three-for-one on May 17, 2005. The per share data of the three months ended June 30, 2005 and 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.

(2) Financial conditions

	Total assets	Net assets	Equity ratio	Net assets/share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of June 30, 2006	924,003	65,169	7.1	242.93
As of June 30, 2005	708,651	49,226	6.9	184.16
As of March 31, 2006	1,067,210	67,645	6.3	252.17

- Note: 1. Number of shares outstanding
- | | | |
|--|---------------------|--------------------|
| | As of Jun. 30, 2006 | 268,255,994 shares |
| | As of Jun. 30, 2005 | 267,294,180 shares |
| | As of Mar. 31, 2006 | 268,250,059 shares |
2. The figures for the first quarter of the year ended March 2006 and the year ended March 2006 that previously appeared under the headings "Shareholders' equity", "Shareholders' equity ratio" and "Shareholders' equity/share" are shown in the columns "Net assets", "Equity ratio" and "Net assets/share" respectively.

3. 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)

Item	June 30, 2006	June 30, 2005	March 31, 2006
(Assets)			
Current assets			
Cash and bank deposits	111,484	54,297	102,403
Cash segregated as deposits	276,005	242,003	322,005
Cash in trust	1,000	10,200	1,000
Trading assets	—	12	—
Net receivables arising from pre-settlement date trades	86	248	705
Margin account assets:	505,065	382,398	610,279
Loans receivable from customers	503,782	376,759	606,561
Cash deposited as collateral for securities borrowed from securities finance companies	1,283	5,638	3,719
Receivables on collateralized securities transactions:			
Cash deposits collateral for securities borrowed	256	1,493	1,747
Cash deposits collateral for securities borrowed	256	1,493	1,747
Receivables from customers and others	49	30	17
Advance paid for subscription	—	—	66
Short-term guarantee deposits	15,521	6,421	13,066
Suspense account for securities to deliver	—	0	—
Others	7,816	5,322	9,149
Allowance for doubtful accounts	(373)	(167)	(391)
Total current assets	916,909	702,258	1,060,045
Fixed assets			
Tangible fixed assets	1,104	1,150	1,111
Intangible assets	2,747	2,416	2,779
Software	2,718	2,379	2,748
Others	29	37	31
Investments and others	3,243	2,828	3,275
Investment securities	1,782	1,642	1,934
Others	2,189	1,242	2,102
Allowance for doubtful accounts	(728)	(57)	(760)
Total fixed assets	7,094	6,394	7,165
Total assets	924,003	708,651	1,067,210

(Millions of Yen)

Item	June 30, 2006	June 30, 2005	March 31, 2006
(Liabilities)			
Current liabilities			
Margin account liabilities:	94,774	92,886	218,035
Loans from securities finance companies	70,561	56,493	178,733
Proceeds of securities sold on customers' account	24,213	36,393	39,302
Payables on collateralized securities transactions:	117,661	85,840	153,120
Cash deposits as collateral for securities loaned	117,661	85,840	153,120
Deposits received	148,398	123,322	155,473
Guarantee money received	189,682	147,427	196,235
Suspense account for undelivered securities	15	2	8
Short-term borrowings	160,150	113,746	118,650
Commercial paper	3,000	2,000	—
Bond due within one year	20,000	—	20,000
Accrued income taxes	1,831	1,946	12,141
Accrued bonuses	38	44	383
Others	3,428	1,679	3,046
Total current liabilities	738,977	568,892	877,091
Long-term liabilities			
Bond	40,000	40,000	40,000
Convertible bond	39,800	39,800	39,800
Long-term borrowings	36,893	8,453	39,643
Reserve for directors' retirement bonuses	206	241	235
Others	0	0	0
Total long-term liabilities	116,899	88,493	119,678
Statutory reserves			
Reserve for securities transactions	2,958	2,040	2,795
Total Statutory reserves	2,958	2,040	2,795
Total liabilities	858,834	659,425	999,565
(Shareholders' equity)			
Common stock	—	11,569	11,750
Capital surplus	—	9,417	9,598
Earned surplus	—	28,070	45,497
Net unrealized gain (loss) on Investment securities, net of taxes	—	191	822
Treasury stock	—	(21)	(22)
Total shareholders' equity	—	49,226	67,645
Total liabilities and shareholders' equity	—	708,651	1,067,210

(Millions of Yen)

Item	June 30, 2006	June 30, 2005	March 31, 2006
(Net assets)			
Shareholders' equity			
Common stock	11,752	—	—
Capital surplus	9,600	—	—
Earned surplus	43,107	—	—
Treasury stock	(22)	—	—
Total shareholders' equity	64,436	—	—
Valuation and translation adjustments			
Net unrealized gain (loss) on investment securities, net of taxes	732	—	—
Total valuation and translation adjustments	732	—	—
Total net assets	65,169	—	—
Total liabilities and net assets	924,003	—	—

Consolidated Statements of Income

Item	Three months ended June 30, 2006	Three months ended June 30, 2005	(Millions of Yen) Year ended March 31, 2006
Operating revenues			
Commissions	7,524	6,718	42,477
Net gain (loss) on trading	(1)	(31)	(244)
Interest and dividend income	4,297	3,005	14,839
Total operating revenues	11,820	9,693	57,072
Interest expenses	700	620	2,922
Net operating revenues	11,120	9,073	54,150
Selling, general and administrative expenses	4,666	3,427	17,034
Transaction related expenses	1,368	981	5,000
Employees' compensation and benefits	452	501	1,979
Occupancy and rental	90	72	324
Data processing and office supplies	2,309	1,497	7,173
Depreciation	288	237	1,050
Duties and taxes other than income taxes	80	58	353
Provision of allowance for doubtful accounts	—	21	949
Others	80	58	206
Operating income	6,454	5,646	37,116
Non-operating income	58	34	175
Non-operating expenses	5	25	230
Ordinary income	6,507	5,655	37,062
Special profits	46	—	189
Special losses	163	184	1,031
Income before income taxes	6,390	5,471	36,220
Income taxes – current	1,806	1,914	16,746
Income taxes – deferred	780	333	(1,176)
Net income	3,804	3,224	20,650

Summary of Quarterly Consolidated Statements of Income

(Millions of Yen)

Item	1Q of the year ended Mar. 31, 2006 (^{'05. 4. 1} _{'05. 6.30})	2Q of the year ended Mar. 31, 2006 (^{'05. 7. 1} _{'05. 9.30})	3Q of the year ended Mar. 31, 2006 (^{'05.10. 1} _{'05.12.31})	4Q of the year ended Mar. 31, 2006 (^{'06.1. 1} _{'06.3.31})	Total for the year ended Mar. 31, 2006 (^{'05. 4. 1} _{'06. 3.31})	1Q of the year ended Mar. 31, 2007 (^{'06. 4. 1} _{'06. 6.30})
Operating revenues	9,693	12,770	16,379	18,230	57,072	11,820
Commissions	6,718	9,524	13,060	13,175	42,477	7,524
Net gain (loss) on trading	(31)	(58)	(700)	544	(244)	(1)
Interest and dividend income	3,005	3,304	4,019	4,511	14,839	4,297
Interest expenses	620	776	795	731	2,922	700
Net operating revenues	9,073	11,994	15,584	17,499	54,150	11,120
Selling, general and administrative expenses	3,427	3,621	4,311	5,676	17,034	4,666
Transaction related expenses	981	1,099	1,322	1,598	5,000	1,368
Employees' compensation and benefits	501	384	470	624	1,979	452
Occupancy and rental	72	80	85	86	324	90
Data processing and office supplies	1,497	1,659	1,991	2,027	7,173	2,309
Depreciation	237	252	273	288	1,050	288
Duties and taxes other than income taxes	58	80	94	120	353	80
Provision of allowance for doubtful accounts	21	8	17	903	949	—
Others	58	59	60	29	206	80
Operating income	5,646	8,373	11,274	11,823	37,116	6,454
Non-operating income and expenses	9	(2)	(98)	37	(54)	53
Ordinary income	5,655	8,371	11,176	11,860	37,062	6,507
Special profits and losses	(184)	(260)	(97)	(301)	(842)	(117)
Income before income taxes	5,471	8,111	11,079	11,559	36,220	6,390
Income taxes-current	1,914	3,898	4,874	6,059	16,746	1,806
Income taxes-deferred	333	(403)	(130)	(977)	(1,176)	780
Net income	3,224	4,615	6,334	6,477	20,650	3,804