

Non-Consolidated Financial Summary under Japanese GAAP
For the Three Months Ended June 30, 2019

Date: July 29, 2019

Company name (Securities code): Matsui Securities Co., Ltd. (8628)

Stock exchange listing: Tokyo

(URL <https://www.matsui.co.jp/en/>)

Representative: Michio MATSUI, President and Chief Executive Officer

Planned date of filing of the quarterly securities report: August 13, 2019

Planned date of dividend payment: -

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

1. Non-consolidated financial summary for the three months ended June 30, 2019

(1) Operating results

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit	
	(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, 2019	5,556	-25.5	5,153	-27.9	1,915	-53.7	1,996	-52.7
Three months ended June 30, 2018	7,462	3.4	7,143	3.6	4,136	4.3	4,216	5.0

	Profit		Basic earnings per share	Diluted earnings per share
	(Millions of Yen)	(Yr/Yr % change)	(Yen)	(Yen)
Three months ended June 30, 2019	1,374	-53.1	5.35	5.34
Three months ended June 30, 2018	2,930	5.4	11.41	11.40

(2) Financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of June 30, 2019	671,132	81,000	12.0	314.58
As of March 31, 2019	695,993	96,579	13.9	375.45

Owner's equity: As of June 30, 2019 80,787 million yen

As of March 31, 2019 96,420 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March 31, 2019	—	19.00	—	65.00	84.00
Year ends March 31, 2020	—				
Year ends March 31, 2020 (forecast)		22.50	—	22.50	45.00

Note: Revision of dividend forecasts from the latest announcement: None

Year-end dividend of 65.00 yen per share for the year ended March 31, 2019 includes commemorative dividend of 39.00 yen (100th anniversary commemorative dividend).

Notes:

- (1) Accounting treatments specific to quarterly financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies based on revisions of accounting standard: None
 - 2) Changes in accounting policies other than ones based on revisions of accounting standard: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Number of issued and outstanding shares (common stock)
 - 1) Number of issued and outstanding shares (including treasury stock)

As of June 30, 2019	259,264,702 shares
As of March 31, 2019	259,264,702 shares
 - 2) Number of treasury stock

As of June 30, 2019	2,455,546 shares
As of March 31, 2019	2,455,463 shares
 - 3) Average number of shares

For the Three months ended June 30, 2019	256,809,156 shares
For the Three months ended June 30, 2018	256,759,069 shares

Note: This quarterly financial summary is not subject to quarterly review procedures by certified public accountants or audit corporations.

Note: 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 monthly business information instead of such forecasts.

Notice to Readers:

The accompanying 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.

Quarterly financial statements and major notes

(1) Quarterly balance sheet

(Millions of Yen)

	March 31, 2019	June 30, 2019
Assets		
Current Assets		
Cash and deposits	36,120	23,872
Cash segregated as deposits	424,512	420,712
Money held in trust	2,988	2,844
Trading products:	1,260	1,579
Trading securities and other	0	0
Derivatives	1,260	1,579
Trade date accrual	5	6
Margin transaction assets:	202,490	194,488
Loans on margin transactions	194,027	185,994
Cash collateral pledged for securities borrowing on margin transactions	8,463	8,493
Loans secured by securities:	9,507	8,343
Cash collateral pledged for securities borrowed	9,507	8,343
Advances paid	44	62
Cash paid for offering	84	231
Short-term guarantee deposits	3,329	3,375
Other	5,065	4,944
Allowance for doubtful accounts	(129)	(50)
Total current assets	685,275	660,405
Non-current assets		
Property, plant and equipment	1,255	1,431
Intangible assets:	4,514	4,581
Software	4,514	4,581
Other	0	0
Investments and other assets:	4,948	4,715
Investment securities	3,710	3,437
Other	2,619	2,727
Allowance for doubtful accounts	(1,381)	(1,449)
Total non-current assets	10,718	10,727
Total assets	695,993	671,132

(Millions of Yen)

	March 31, 2019	June 30, 2019
Liabilities		
Current liabilities		
Trading products:	164	120
Derivatives	164	120
Margin transaction liabilities:	45,488	42,423
Borrowings on margin transactions	4,016	3,112
Cash received for securities lending on margin transactions	41,473	39,311
Loans payable secured by securities:	7,878	5,605
Cash received on debt credit transaction of securities	7,878	5,605
Deposits received	238,794	247,694
Guarantee deposits received	202,329	203,206
Accounts for non-received securities and others	0	1
Short-term loans payable	97,800	85,050
Income taxes payable	1,832	535
Provision for bonuses	178	28
Other	1,723	2,243
Total current liabilities	596,188	586,906
Non-current liabilities		
Reserve for retirement bonuses for directors	204	204
Other	179	179
Total non-current liabilities	383	383
Reserves under special laws		
Reserve for financial products transaction liabilities	2,843	2,843
Total reserves under special laws	2,843	2,843
Total liabilities	599,414	590,132
Net assets		
Shareholders' equity		
Capital stock	11,945	11,945
Capital surplus	9,796	9,796
Retained earnings	74,177	58,858
Treasury shares	(1,856)	(1,856)
Total shareholders' equity	94,061	78,742
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,358	2,044
Total valuation and translation adjustments	2,358	2,044
Share acquisition rights	160	214
Total net assets	96,579	81,000
Total liabilities and net assets	695,993	671,132

(2) Quarterly statement of income

(Millions of Yen)

	Three months ended June 30, 2018	Three months ended June 30, 2019
Operating revenue		
Commission received	4,034	3,005
Commission to consignees	3,848	2,843
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	5	1
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	17	19
Other fees received	164	142
Net trading income	364	284
Financial revenue	3,064	2,266
Other operating revenue	0	0
Total operating revenue	7,462	5,556
Financial expenses	319	403
Net operating revenue	7,143	5,153
Selling, general and administrative expenses		
Trading related expenses	1,042	974
Personnel expenses	610	687
Real estate expenses	210	282
Office cost	569	637
Depreciation	413	546
Taxes and dues	101	76
Provision of allowance for doubtful accounts	14	(11)
Other	47	48
Total selling, general and administrative expenses	3,006	3,239
Operating profit	4,136	1,915
Non-operating income		
Dividend income	79	79
Other	1	6
Total non-operating income	80	85
Non-operating expenses		
Other	0	4
Total non-operating expenses	0	4
Ordinary profit	4,216	1,996
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	-
Loss on valuation of investment securities	-	20
Total extraordinary losses	0	20
Profit before income taxes	4,216	1,976
Income taxes – current	1,116	493
Income taxes – deferred	170	109
Total income taxes	1,285	602
Profit	2,930	1,374

(3) Notes on quarterly financial statements

(Notes - Uncertainties of entity's ability to continue as going concern)

Not applicable.

(Notes when there are significant changes in amounts of shareholders' equity)

Not applicable.

(Notes - Accounting treatments specific to quarterly financial statements)

Not applicable.

(Notes - Changes in accounting policies, accounting estimates and retrospective restatement)

Not applicable.

Notice to readers:

This document is an English translation of summary information and financial statements with major notes presented in the original Japanese Financial Summary ("Kessan Tanshin" dated June 29, 2019).

This English translation is prepared for reference purposes only and does not constitute any offer or sale of securities or other similar action whether inside or outside Japan. If any questions arise in this document, please refer to the original Japanese document.