

Non-Consolidated Financial Summary under Japanese GAAP
For the First Quarter of the Fiscal Year ends March 2021

Date: July 27, 2020

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

Stock exchange listing: Tokyo

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

Representative: Akira WARITA, President & CEO

Planned date of filing of the quarterly securities report: August 13, 2020

Planned date of dividend payment: -

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

1. Non-consolidated financial summary for the first quarter of the fiscal year ends March 2021 (from April 1, 2020 to June 30, 2020)

(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)
First quarter of the fiscal year ends March 2021	7,164	28.9	6,830	32.5	2,977	55.5	3,034	52.0
First quarter of the fiscal year ended March 2020	5,556	-25.5	5,153	-27.9	1,915	-53.7	1,996	-52.7

	Profit		Basic earnings per share	Diluted earnings per share
	(Millions of Yen)	Yr/Yr (% change)	(Yen)	(Yen)
First quarter of the fiscal year ends March 2021	2,108	53.4	8.20	8.19
First quarter of the fiscal year ended March 2020	1,374	-53.1	5.35	5.34

(2) Financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
First quarter of the fiscal year ends March 2021	831,291	77,388	9.3	300.17
Fiscal year ended March 2020	708,314	80,285	11.3	311.72

Owner's equity:

First quarter of the fiscal year ends March 2021: 77,111 million yen

Fiscal year ended March 2020: 80,078 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 2020	—	22.50	—	22.50	45.00
Fiscal year ends March 2021	—				
Fiscal year ends March 2021 (forecast)		—	—	—	—

Notes:

1) Revision of dividend forecasts from the latest announcement: None

2) Forecast of the dividend for the fiscal year ends March 2021 is undecided at the time of filing of this financial summary.

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)

First quarter of the fiscal year ends March 2021	259,264,702	shares
Fiscal year ended March 2020	259,264,702	shares
 - 2) Number of treasury stock

First quarter of the fiscal year ends March 2021	2,373,346	shares
Fiscal year ended March 2020	2,373,346	shares
 - 3) Average number of shares

First quarter of the fiscal year ends March 2021	256,891,356	shares
First quarter of the fiscal year ended March 2020	256,809,156	shares

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

Note: Explanation on appropriate use of business forecasts and other remarks

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 1: 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 July 27, 2020).

Notice to Readers 2: 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 Financial Summary.

Notice to Readers 3: The accompanying quarterly financial statements are prepared in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Financial Reporting Standards. The financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

Part 1. Quarterly financial statements and major notes

1. Quarterly balance sheet

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2020)	First quarter accounting period (June 30, 2020)
Assets		
Current Assets		
Cash and deposits	52,501	50,272
Cash segregated as deposits	449,312	514,312
Money held in trust	2,844	2,846
Trading products	1,877	1,601
Trading securities and other	0	0
Derivatives	1,877	1,601
Trade date accrual	3	20
Margin transaction assets	161,594	213,747
Loans on margin transactions	154,302	199,333
Cash collateral pledged for securities borrowing on margin transactions	7,292	14,413
Loans secured by securities	21,188	27,816
Cash collateral pledged for securities borrowed	21,188	27,816
Advances paid	148	63
Cash paid for offering	354	249
Short-term guarantee deposits	3,378	3,010
Other	4,121	4,586
Allowance for doubtful accounts	(49)	(71)
Total current assets	697,272	818,450
Non-current assets		
Property, plant and equipment	1,410	1,491
Intangible assets	4,410	5,497
Software	4,410	5,497
Other	0	0
Investments and other assets	5,222	5,853
Investment securities	3,874	4,908
Other	2,753	2,382
Allowance for doubtful accounts	(1,405)	(1,437)
Total non-current assets	11,042	12,840
Total assets	708,314	831,291

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2020)	First quarter accounting period (June 30, 2020)
Liabilities		
Current liabilities		
Trading products	120	113
Derivatives	120	113
Margin transaction liabilities	44,846	54,314
Borrowings on margin transactions	6,369	3,646
Cash received for securities lending on margin transactions	38,477	50,669
Borrowings secured by securities	14,782	21,382
Cash received on debt credit transaction of securities	14,782	21,382
Deposits received	270,003	295,929
Guarantee deposits received	212,539	238,625
Accounts for non-received securities and others	27	-
Short-term borrowings	78,900	136,100
Income taxes payable	1,707	889
Provision for bonuses	125	43
Other	1,580	3,312
Total current liabilities	624,628	750,706
Non-current liabilities		
Long-term borrowings	150	150
Reserve for retirement bonuses for directors	204	-
Other	202	201
Total non-current liabilities	556	351
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2,845	2,845
Total reserves under special laws	2,845	2,845
Total liabilities	628,029	753,903
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,797	9,797
Retained earnings	57,841	54,169
Treasury shares	(1,794)	(1,794)
Total shareholders' equity	77,789	74,116
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,290	2,995
Total valuation and translation adjustments	2,290	2,995
Share acquisition rights	206	277
Total net assets	80,285	77,388
Total liabilities and net assets	708,314	831,291

2. Quarterly statement of income

1) Cumulative first quarter period

	(Millions of Yen)	
	Cumulative first quarter period of the preceding fiscal year (From April 1, 2019 to June 30, 2019)	Cumulative first quarter period of the current fiscal year (From April 1, 2020 to June 30, 2020)
Operating revenue		
Commission received	3,005	4,671
Brokerage commission	2,843	4,517
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1	0
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	19	-
Other fees received	142	154
Net trading income	284	225
Financial revenue	2,266	2,268
Other operating revenue	0	0
Total operating revenue	5,556	7,164
Financial expenses	403	334
Net operating revenue	5,153	6,830
Selling, general and administrative expenses		
Trading related expenses	974	1,378
Personnel expenses	687	703
Real estate expenses	282	274
Office expenses	637	797
Depreciation	546	495
Taxes and dues	76	103
Provision of allowance for doubtful accounts	(11)	56
Other	48	48
Total selling, general and administrative expenses	3,239	3,853
Operating profit	1,915	2,977
Non-operating income		
Dividend income	79	56
Other	6	2
Total non-operating income	85	58
Non-operating expenses		
Other	4	1
Total non-operating expenses	4	1
Ordinary profit	1,996	3,034
Extraordinary losses		
Loss on sales and retirement of non-current assets	-	0
Loss on valuation of investment securities	20	-
Total extraordinary losses	20	0
Profit before income taxes	1,976	3,034
Income taxes – current	493	829
Income taxes – deferred	109	98
Total income taxes	602	927
Profit	1,374	2,108

3. Notes on quarterly Financial Statements

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

Not applicable.

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

Not applicable.

- 3) (Notes - Accounting treatments specific to quarterly financial statements)

Not applicable.

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

Not applicable.