

Non-consolidated Financial Results
For the Three Months Ended June 30, 2021
(Under Japanese GAAP)

Company name: Matsui Securities Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 8628
URL: <https://www.matsui.co.jp/en/>
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Scheduled date to file quarterly securities report: August 13, 2021
Scheduled date to commence dividend payments: -
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: Yes

(Yen amounts are rounded to millions, unless otherwise noted.)

1. Non-consolidated financial results for the Three Months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Three months ended								
June 30, 2021	7,476	4.4	7,181	5.1	3,060	2.8	3,103	2.2
June 30, 2020	7,164	28.9	6,830	32.5	2,977	55.5	3,034	52.0

	Profit		Basic earnings per share	Diluted earnings per share
	Millions of Yen	%	Yen	Yen
Three months ended				
June 30, 2021	3,954	87.6	15.38	15.36
June 30, 2020	2,108	53.4	8.20	8.19

(2) Non-consolidated 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, 2021	933,627	76,332	8.1	296.01
March 31, 2021	961,791	79,213	8.2	307.23

Reference: Equity

As of June, 30 2021: 76,071 million yen

As of March, 31 2021: 78,947 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	20.00	—	20.00	40.00
Fiscal year ending March 31, 2022	—				
Fiscal year ending March 31, 2022 (Forecast)		—	—	—	—

Notes:

1) Revisions to the forecast of cash dividends most recently announced: None

2) Forecast of the dividend for the fiscal year ends March 2022 is undecided at the time of filing of this financial Results.

*Notes

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement
 - 1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
 - 2) Changes in accounting policies due to other reasons: None
 - 3) Changes in accounting estimates: None
 - 4) Restatement: None
- (3) Number of issued shares (common shares)
 - 1) Total number of issued shares at the end of the period (including treasury shares)

As of June, 30 2021	259,264,702 shares
As of March, 31 2021	259,264,702 shares
 - 2) Number of treasury shares at the end of the period

As of June, 30 2021	2,278,846 shares
As of March, 31 2021	2,304,946 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of June, 30 2021	256,985,856 shares
As of June, 30 2020	256,891,356 shares

*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Proper use of earnings forecasts, and other special matters

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 Results information and financial statements with major notes presented in the original Japanese Financial Results ("Kessan Tanshin" dated July 27, 2021).

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 Results.

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, 2021)	First quarter accounting period (June 30, 2021)
Assets		
Current Assets		
Cash and deposits	56,952	50,734
Segregated deposits	564,012	539,312
Money held in trust	2,846	2,940
Trading products	2,146	2,150
Trading securities and other	24	28
Derivatives	2,121	2,122
Margin transaction assets	282,931	292,319
Margin loans	277,143	286,917
Cash collateral provided for securities borrowed in margin transactions	5,788	5,403
Loans secured by securities	30,353	25,160
Cash collateral provided for securities borrowed	30,353	25,160
Advances paid	65	56
Deposits paid for underwritten offering, etc.	764	651
Short-term guarantee deposits	4,510	3,815
Other	4,749	5,458
Allowance for doubtful accounts	(107)	(88)
Total current assets	949,221	922,508
Non-current assets		
Property, plant and equipment	1,608	1,745
Intangible assets	5,618	5,855
Software	5,618	5,855
Other	0	0
Investments and other assets	5,345	3,519
Investment securities	3,490	1,131
Other	3,208	3,733
Allowance for doubtful accounts	(1,353)	(1,345)
Total non-current assets	12,571	11,119
Total assets	961,791	933,627

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2021)	First quarter accounting period (June 30, 2021)
Liabilities		
Current liabilities		
Trading products	219	200
Derivatives	219	200
Trade date accrual	39	42
Margin transaction liabilities	57,226	39,247
Margin borrowings	9,406	3,428
Cash received for securities sold in margin transactions	47,819	35,819
Borrowings secured by securities	23,160	23,635
Cash collateral received for securities lent	23,160	23,635
Deposits received	335,941	329,114
Guarantee deposits received	248,255	242,222
Payables for securities to receive over due for delivery	2	-
Short-term borrowings	207,900	215,900
Income taxes payable	3,658	1,621
Provision for bonuses	253	49
Other	2,740	2,078
Total current liabilities	879,393	854,110
Non-current liabilities		
Long-term borrowings	50	50
Other	201	201
Total non-current liabilities	251	251
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2,933	2,933
Total reserves under special laws	2,933	2,933
Total liabilities	882,578	857,294
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,799	9,799
Retained earnings	57,205	56,019
Treasury shares	(1,743)	(1,723)
Total shareholders' equity	77,205	76,040
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,741	31
Total valuation and translation adjustments	1,741	31
Share acquisition rights	267	261
Total net assets	79,213	76,332
Total liabilities and net assets	961,791	933,627

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, 2020 to June 30, 2020)	Cumulative first quarter period of the current fiscal year (From April 1, 2021 to June 30, 2021)
Operating revenue		
Commission received	4,671	4,249
Brokerage commission	4,517	4,062
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	0	10
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	-	0
Other commission received	154	177
Net trading income	225	137
Financial revenue	2,268	3,090
Other operating revenue	0	0
Total operating revenue	7,164	7,476
Financial expenses	334	295
Net operating revenue	6,830	7,181
Selling, general and administrative expenses		
Trading related expenses	1,378	1,564
Personnel expenses	703	706
Real estate expenses	274	256
Office expenses	797	805
Depreciation	495	588
Taxes and dues	103	163
Provision of allowance for doubtful accounts	56	(22)
Other	48	62
Total selling, general and administrative expenses	3,853	4,122
Operating profit	2,977	3,060
Non-operating income		
Dividend income	56	47
Other	2	2
Total non-operating income	58	49
Non-operating expenses		
Loss on investments in investment partnerships	-	3
Other	1	3
Total non-operating expenses	1	6
Ordinary profit	3,034	3,103
Extraordinary income		
Gain on sale of investment securities	-	2,590
Total extraordinary income	-	2,590
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	-
Total extraordinary losses	0	-
Profit before income taxes	3,034	5,693
Income taxes – current	829	1,533
Income taxes – deferred	98	206
Total income taxes	927	1,739
Profit	2,108	3,954

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 equity)

Not applicable.

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

Not applicable.

4) (Notes - Changes in accounting policies)

-Application of the "Accounting Standard for Revenue Recognition", etc.

The "Accounting Standard for Revenue Recognition" (Accounting Standards Board of Japan ("ASBJ") Statement No. 29, March 31, 2020), etc. are applied from the beginning of the first quarter accounting period of the current fiscal year. As a result, the treatment of some of the payments made to customers, such as cashbacks, which were previously recorded as Selling, General and Administrative Expenses, is changed to a deduction from transaction prices.

In applying the Accounting Standard for Revenue Recognition, etc., the Company has adopted the transitional treatment prescribed in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. This treatment requires the cumulative effect, which is calculated on the assumption that the new accounting policy is retrospectively applied to the accounting periods prior to the beginning of the first quarter accounting period of the current fiscal year, to be added to or deducted from the amount of Retained Earnings of the beginning of the first quarter accounting period of the current fiscal year. Also, according to this treatment, the Company has applied the new accounting policy from the beginning of the first quarter accounting period of the current fiscal year. There is no effect on the beginning balance of Retained Earnings as a result of this treatment. The impact of the application of the Accounting Standard for Revenue Recognition, etc. on Commissions Received and Selling, General and Administrative Expenses for the cumulative first quarter period of the current fiscal year is immaterial.

-Application of Accounting Standard for Measurement of Fair Value, etc.

The "Accounting Standard for Fair Value Measurement" (ASBJ Statement No.30, July 4, 2019), hereinafter referred to as the "Fair Value Measurement Accounting Standard"), etc. are applied from the beginning of the first quarter accounting period of the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 19 of the Fair Value Measurement Accounting Standard and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), a new accounting policy prescribed by the Fair Value Measurement Accounting Standard, etc. is applied prospectively. There is no impact on the quarterly financial statements.

5) (Notes - Changes in accounting estimates and restatement)

Not applicable.