

Non-consolidated Financial Results
For the Three Months Ended June 30, 2022
(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 12, 2022
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, 2022 (from April 1, 2022 to June 30, 2022)

(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, 2022	7,252	-3.0	6,858	-4.5	2,826	-7.6	2,810	-9.4
June 30, 2021	7,476	4.4	7,181	5.1	3,060	2.8	3,103	2.2

	Profit		Basic earnings per share	Diluted earnings per share
	Millions of Yen	%	Yen	Yen
Three months ended				
June 30, 2022	1,945	-50.8	7.57	7.56
June 30, 2021	3,954	87.6	15.38	15.36

(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, 2022	906,293	75,539	8.3	292.83
March 31, 2022	879,394	78,719	8.9	305.27

Reference: Equity

As of June 30, 2022: 75,284 million yen

As of March, 31 2022: 78,483 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, 2022	—	20.00	—	20.00	40.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (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 2023 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, 2022	259,264,702 shares
As of March, 31 2022	259,264,702 shares
 - 2) Number of treasury shares at the end of the period

As of June 30, 2022	2,171,646 shares
As of March, 31 2022	2,171,646 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of June 30, 2022	257,093,056 shares
As of June 30, 2021	256,985,856 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 28, 2022).

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, 2022)	First quarter accounting period (June 30, 2022)
Assets		
Current Assets		
Cash and deposits	57,300	59,671
Segregated deposits	530,512	530,712
Money held in trust	3,012	3,084
Trading products	2,534	3,178
Trading securities and other	0	0
Derivatives	2,534	3,178
Trade date accrual	25	-
Margin transaction assets	235,567	260,204
Margin loans	231,435	255,285
Cash collateral provided for securities borrowed in margin transactions	4,132	4,918
Loans secured by securities	22,436	23,562
Cash collateral provided for securities borrowed	22,436	23,562
Advances paid	52	62
Deposits paid for underwritten offering, etc.	763	469
Short-term guarantee deposits	9,103	6,879
Other	5,493	6,138
Allowance for doubtful accounts	(54)	(26)
Total current assets	866,742	893,932
Non-current assets		
Property, plant and equipment	1,264	1,182
Intangible assets	6,858	6,668
Software	6,858	6,668
Other	0	0
Investments and other assets	4,529	4,512
Investment securities	2,008	2,180
Other	3,829	3,607
Allowance for doubtful accounts	(1,307)	(1,275)
Total non-current assets	12,652	12,362
Total assets	879,394	906,293

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2022)	First quarter accounting period (June 30, 2022)
Liabilities		
Current liabilities		
Trading products	508	1,032
Derivatives	508	1,032
Trade date accrual	-	14
Margin transaction liabilities	47,250	36,648
Margin borrowings	7,347	6,433
Cash received for securities sold in margin transactions	39,903	30,215
Borrowings secured by securities	21,409	26,101
Cash collateral received for securities lent	21,409	26,101
Deposits received	309,469	313,342
Guarantee deposits received	244,992	249,696
Payables for securities to receive over due for delivery	28	-
Short-term borrowings	167,850	197,850
Income taxes payable	2,839	708
Provision for bonuses	309	56
Other	2,766	1,995
Total current liabilities	797,420	827,442
Non-current liabilities		
Other	185	220
Total non-current liabilities	185	220
Reserves under special laws		
Reserve for financial instruments transaction liabilities	3,070	3,092
Total reserves under special laws	3,070	3,092
Total liabilities	800,675	830,754
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,799	9,799
Retained earnings	58,364	55,167
Treasury shares	(1,642)	(1,642)
Total shareholders' equity	78,466	75,270
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	16	15
Total valuation and translation adjustments	16	15
Share acquisition rights	236	255
Total net assets	78,719	75,539
Total liabilities and net assets	879,394	906,293

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, 2021 to June 30, 2021)	Cumulative first quarter period of the current fiscal year (From April 1, 2022 to June 30, 2022)
Operating revenue		
Commission received	4,249	3,933
Brokerage commission	4,062	3,734
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	10	5
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Other commission received	177	195
Net trading income	137	454
Financial revenue	3,090	2,865
Other operating revenue	0	-
Total operating revenue	7,476	7,252
Financial expenses	295	394
Net operating revenue	7,181	6,858
Selling, general and administrative expenses		
Trading related expenses	1,564	1,366
Personnel expenses	706	778
Real estate expenses	256	224
Office expenses	805	902
Depreciation	588	609
Taxes and dues	163	114
Provision of allowance for doubtful accounts	(22)	(33)
Other	62	72
Total selling, general and administrative expenses	4,122	4,032
Operating profit	3,060	2,826
Non-operating income		
Dividend income	47	7
Gain on investments in investment partnerships	-	3
Other	2	1
Total non-operating income	49	11
Non-operating expenses		
Loss on investments in investment partnerships	3	21
Other	3	7
Total non-operating expenses	6	27
Ordinary profit	3,103	2,810
Extraordinary income		
Gain on sale of investment securities	2,590	-
Gain on redemption of investment securities	-	18
Total extraordinary income	2,590	18
Extraordinary losses		
Provision of reserve for financial instruments transaction liabilities	-	22
Loss on sale and retirement of non-current assets	-	0
Total extraordinary losses	-	22
Profit before income taxes	5,693	2,805
Income taxes – current	1,533	647
Income taxes – deferred	206	213
Total income taxes	1,739	860
Profit	3,954	1,945

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)

The “Implementation Guidance on Accounting Standard for Measurement of Fair Value” (ASBJ Guidance No. 31, June 17, 2021, hereinafter referred to as the “Implementation Guidance on Fair Value Measurement Accounting Standard”), is applied from the beginning of the first quarter accounting period of the current fiscal year. In accordance with the transitional treatment prescribed in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard, a new accounting policy prescribed by the Implementation Guidance on Fair Value Measurement Accounting Standard is applied prospectively. There is no impact on the quarterly financial statements.

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

Not applicable.