

Consolidated Financial Summary under Japanese GAAP
For the Six Months Ended September 30, 2006

Date: October 27, 2006
 Company name (code number): Matsui Securities Co., Ltd. (8628)
 Head Office: Tokyo
 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
 Date of board meeting approving the account settlement: October 27, 2006
 Application of US GAAP: None

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

1. Consolidated financial summary for the six months ended September 30, 2006

(1) Operating results

	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)
Six months ended Sep. 30, 2006	21,625	(-3.7)	20,154	(-4.3)	11,061	(-21.1)	11,207	(-20.1)
Six months ended Sep. 30, 2005	22,463	(18.6)	21,067	(18.3)	14,019	(17.2)	14,026	(17.7)
Year ended Mar. 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)
Six months ended Sep. 30, 2006	6,582	(-16.0)	24.51	21.90
Six months ended Sep. 30, 2005	7,839	(16.4)	29.31	26.13
Year ended Mar. 31, 2006	20,650	(63.3)	77.11	68.78

- Note:
- Investment gain and loss on equity method: None
 - Average number of shares outstanding

Six months ended Sep. 30, 2006	268,484,171 shares
Six months ended Sep. 30, 2005	267,481,993 shares
Year ended Mar. 31, 2006	267,808,149 shares
 - Change in accounting policies: None
 - The % change indicated for Operating revenues, Net operating revenues, Operating income, Ordinary income and Net income is the change by the six months ended September 30, 2005 and 2006.
 - The Company split its stock in three-for-one on May 17, 2005. The per share data of the six months ended September 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 position

	Total assets	Net assets	Equity ratio	Net assets/share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of Sep. 30, 2006	830,979	68,042	8.2	253.14
As of Sep. 30, 2005	813,944	54,285	6.7	202.57
As of Mar. 31, 2006	1,067,210	67,645	6.3	252.17

- Note:
- Number of shares outstanding

As of Sep. 30, 2006	268,792,158 shares
As of Sep. 30, 2005	267,985,503 shares
As of Mar. 31, 2006	268,250,059 shares
 - The figures as of Sep. 30, 2005 and as of Mar. 31, 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) Cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at end of period
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Six months ended Sep. 30, 2006	− 3,812	− 560	− 11,100	86,931
Six months ended Sep. 30, 2005	10,189	− 983	8,852	79,309
Year ended March 31, 2006	− 30,650	− 949	72,750	102,403

(4) Scope of consolidation and equity method

Consolidated subsidiaries: 1 company

Affiliates applicable of equity method: None

(5) Change in scope of consolidation and equity method application: None

2. 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	September 30, 2005	September 30, 2006	March 31, 2006
(Assets)			
Current assets			
Cash and bank deposits	79,309	26,931	102,403
Cash segregated as deposits	307,004	262,006	322,005
Cash in trust	1,500	75,000	1,000
Trading assets	10	—	—
Net receivables arising from pre-settlement date trades	652	13	705
Margin account assets:	399,520	433,832	610,279
Loans receivable from customers	381,785	430,208	606,561
Cash deposited as collateral for securities borrowed from securities finance companies	17,735	3,624	3,719
Receivables on collateralized securities transactions:	2,654	1,773	1,747
Cash deposits collateral for securities borrowed	2,654	1,773	1,747
Receivables from customers and others	188	61	17
Advance paid for subscription	—	—	66
Short-term guarantee deposits	9,975	16,920	13,066
Suspense account for securities to deliver	18	—	—
Others	6,286	7,435	9,149
Allowance for doubtful accounts	(183)	(281)	(391)
Total current assets	806,933	823,689	1,060,045
Fixed assets			
Tangible fixed assets	1,155	1,083	1,111
Intangible assets	2,710	2,944	2,779
Software	2,675	2,917	2,748
Others	35	27	31
Investments and others	3,146	3,263	3,275
Investment securities	2,013	1,691	1,934
Others	1,182	2,182	2,102
Allowance for doubtful accounts	(49)	(610)	(760)
Total fixed assets	7,012	7,290	7,165
Total assets	813,944	830,979	1,067,210

(Millions of Yen)

Item	September 30, 2005	September 30, 2006	March 31, 2006
(Liabilities)			
Current liabilities			
Margin account liabilities:	143,598	102,107	218,035
Loans from securities finance companies	73,513	69,549	178,733
Proceeds of securities sold on customers' account	70,085	32,558	39,302
Payables on collateralized securities transactions:			
Cash deposits as collateral for securities loaned	67,241	86,234	153,120
Deposits received	166,094	137,337	155,473
Guarantee money received	177,638	174,435	196,235
Suspense account for undelivered securities	4	16	8
Short-term borrowings	100,718	119,915	118,650
Commercial paper	2,000	8,000	—
Bond due within one year	10,000	10,000	20,000
Accrued income taxes	5,900	3,977	12,141
Accrued bonuses	83	69	383
Others	2,322	2,433	3,046
Total current liabilities	675,599	644,523	877,091
Long-term liabilities			
Bond	30,000	40,000	40,000
Convertible bond	39,800	39,800	39,800
Long-term borrowings	11,725	35,310	39,643
Reserve for directors' retirement bonuses	235	206	235
Others	0	0	0
Total long-term liabilities	81,761	115,316	119,678
Statutory reserves			
Reserve for securities transactions	2,299	3,098	2,795
Total Statutory reserves	2,299	3,098	2,795
Total liabilities	759,659	762,937	999,565
(Shareholders' equity)			
Common stock	11,681	—	11,750
Capital surplus	9,529	—	9,598
Earned surplus	32,685	—	45,497
Net unrealized gain (loss) on Investment securities, net of taxes	412	—	822
Treasury stock	(21)	—	(22)
Total shareholders' equity	54,285	—	67,645
Total liabilities and shareholders' equity	813,944	—	1,067,210

(Millions of Yen)

Item	September 30, 2005	September 30, 2006	March 31, 2006
(Net assets)			
Shareholders' equity			
Common stock	—	11,825	—
Capital surplus	—	9,673	—
Earned surplus	—	45,885	—
Treasury stock	—	(22)	—
Total shareholders' equity	—	67,361	—
Valuation and translation adjustments			
Net unrealized gain (loss) on investment securities, net of taxes	—	681	—
Total valuation and translation adjustments	—	681	—
Total net assets	—	68,042	—
Total liabilities and net assets	—	830,979	—

Consolidated Statements of Income

(Millions of Yen)

Item	Six months ended September 30, 2005	Six months ended September 30, 2006	Year ended March 31, 2006
Operating revenues			
Commissions	16,242	13,513	42,477
Net gain (loss) on trading	(89)	(77)	(244)
Interest and dividend income	6,309	8,188	14,839
Total operating revenues	22,463	21,625	57,072
Interest expenses	1,396	1,471	2,922
Net operating revenues	21,067	20,154	54,150
Selling, general and administrative expenses	7,048	9,092	17,034
Transaction related expenses	2,080	2,674	5,000
Employees' compensation and benefits	886	951	1,979
Occupancy and rental	152	182	324
Data processing and office supplies	3,156	4,403	7,173
Depreciation	489	593	1,050
Duties and taxes other than income taxes	138	152	353
Provision of allowance for doubtful accounts	29	—	949
Others	117	138	206
Operating income	14,019	11,061	37,116
Non-operating income	39	157	175
Non-operating expenses	32	12	230
Ordinary income	14,026	11,207	37,062
Special profits	—	218	189
Special losses	444	303	1,031
Income before income taxes	13,582	11,123	36,220
Income taxes – current	5,813	3,916	16,746
Income taxes – deferred	(70)	625	(1,176)
Net income	7,839	6,582	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})
Operating revenues	9,693	12,770	16,379	18,230	57,072
Commissions	6,718	9,524	13,060	13,175	42,477
Net gain (loss) on trading	(31)	(58)	(700)	544	(244)
Interest and dividend income	3,005	3,304	4,019	4,511	14,839
Interest expenses	620	776	795	731	2,922
Net operating revenues	9,073	11,994	15,584	17,499	54,150
Selling, general and administrative expenses	3,427	3,621	4,311	5,676	17,034
Transaction related expenses	981	1,099	1,322	1,598	5,000
Employees' compensation and benefits	501	384	470	624	1,979
Occupancy and rental	72	80	85	86	324
Data processing and office supplies	1,497	1,659	1,991	2,027	7,173
Depreciation	237	252	273	288	1,050
Duties and taxes other than income taxes	58	80	94	120	353
Provision of allowance for doubtful accounts	21	8	17	903	949
Others	58	59	60	29	206
Operating income	5,646	8,373	11,274	11,823	37,116
Non-operating income and expenses	9	(2)	(98)	37	(54)
Ordinary income	5,655	8,371	11,176	11,860	37,062
Special profits and losses	(184)	(260)	(97)	(301)	(842)
Income before income taxes	5,471	8,111	11,079	11,559	36,220
Income taxes-current	1,914	3,898	4,874	6,059	16,746
Income taxes-deferred	333	(403)	(130)	(977)	(1,176)
Net income	3,224	4,615	6,334	6,477	20,650

(Millions of Yen)

Item	1Q for the year ended Mar. 31, 2007 '06. 4. 1 '06. 6.30)	2Q for the year ended Mar. 31, 2007 '06. 7. 1 '06. 9.30)	Total for the six months ended Sep. 30, 2006 '06. 4. 1 '06. 9.30)
Operating revenues	11,820	9,805	21,625
Commissions	7,524	5,989	13,513
Net gain (loss) on trading	(1)	(76)	(77)
Interest and dividend income	4,297	3,891	8,188
Interest expenses	700	771	1,471
Net operating revenues	11,120	9,033	20,154
Selling, general and administrative expenses	4,666	4,426	9,092
Transaction related expenses	1,368	1,306	2,674
Employees' compensation and benefits	452	499	951
Occupancy and rental	90	93	182
Data processing and office supplies	2,309	2,094	4,403
Depreciation	288	305	593
Duties and taxes other than income taxes	80	72	152
Provision of allowance for doubtful accounts	—	—	—
Others	80	58	138
Operating income	6,454	4,607	11,061
Non-operating income and expenses	53	93	146
Ordinary income	6,507	4,700	11,207
Special profits and losses	(117)	33	(84)
Income before income taxes	6,390	4,733	11,123
Income taxes-current	1,806	2,110	3,916
Income taxes-deferred	780	(155)	625
Net income	3,804	2,778	6,582