

Non-consolidated Financial Results
For the Six Months Ended September 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: November 12, 2021
Scheduled date to commence dividend payments: November 22, 2021
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 Six Months ended September 30, 2021 (from April 1, 2021 to September 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	%
Six months ended								
September 30, 2021	15,316	8.0	14,747	9.7	6,624	12.9	6,647	12.4
September 30, 2020	14,188	25.9	13,440	29.4	5,869	47.2	5,912	45.4

	Profit		Basic earnings per share	Diluted earnings per share
	Millions of Yen	%	Yen	Yen
Six months ended				
September 30, 2021	6,397	16.6	24.89	24.85
September 30, 2020	5,488	95.6	21.36	21.33

(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				
September 30, 2021	943,815	78,839	8.3	305.81
March 31, 2021	961,791	79,213	8.2	307.23

Reference: Equity

As of September 30, 2021: 78,611 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	—	20.00			
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 September 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 September 30, 2021	2,209,146 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 September 30, 2021	257,009,606 shares
As of September 30, 2020	256,910,223 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 October 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)	Second quarter accounting period (September 30, 2021)
Assets		
Current Assets		
Cash and deposits	56,952	51,106
Segregated deposits	564,012	557,912
Money held in trust	2,846	2,934
Trading products	2,146	2,131
Trading securities and other	24	0
Derivatives	2,121	2,131
Trade date accrual	-	10
Margin transaction assets	282,931	285,841
Margin loans	277,143	280,818
Cash collateral provided for securities borrowed in margin transactions	5,788	5,023
Loans secured by securities	30,353	21,226
Cash collateral provided for securities borrowed	30,353	21,226
Advances paid	65	84
Deposits paid for underwritten offering, etc.	764	705
Short-term guarantee deposits	4,510	5,258
Other	4,749	5,704
Allowance for doubtful accounts	(107)	(74)
Total current assets	949,221	932,837
Non-current assets		
Property, plant and equipment	1,608	1,644
Intangible assets	5,618	5,745
Software	5,618	5,745
Other	0	0
Investments and other assets	5,345	3,589
Investment securities	3,490	1,258
Other	3,208	3,677
Allowance for doubtful accounts	(1,353)	(1,347)
Total non-current assets	12,571	10,978
Total assets	961,791	943,815

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2021)	Second quarter accounting period (September 30, 2021)
Liabilities		
Current liabilities		
Trading products	219	190
Derivatives	219	190
Trade date accrual	39	-
Margin transaction liabilities	57,226	42,082
Margin borrowings	9,406	3,553
Cash received for securities sold in margin transactions	47,819	38,529
Borrowings secured by securities	23,160	25,669
Cash collateral received for securities lent	23,160	25,669
Deposits received	335,941	342,218
Guarantee deposits received	248,255	249,903
Payables for securities to receive over due for delivery	2	-
Short-term borrowings	207,900	196,900
Income taxes payable	3,658	2,865
Provision for bonuses	253	109
Other	2,740	1,877
Total current liabilities	879,393	861,813
Non-current liabilities		
Long-term borrowings	50	-
Other	201	189
Total non-current liabilities	251	189
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2,933	2,974
Total reserves under special laws	2,933	2,974
Total liabilities	882,578	864,976
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,799	9,799
Retained earnings	57,205	58,462
Treasury shares	(1,743)	(1,670)
Total shareholders' equity	77,205	78,536
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,741	75
Total valuation and translation adjustments	1,741	75
Share acquisition rights	267	228
Total net assets	79,213	78,839
Total liabilities and net assets	961,791	943,815

2. Quarterly Statement of Income

1) Cumulative second quarter period

	(Millions of Yen)	
	Cumulative second quarter period of the preceding fiscal year (From April 1, 2020 to September 30, 2020)	Cumulative second quarter period of the current fiscal year (From April 1, 2021 to September 30, 2021)
Operating revenue		
Commission received	8,789	8,719
Brokerage commission	8,425	8,309
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	26	42
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	-	0
Other commission received	338	369
Net trading income	414	374
Financial revenue	4,984	6,222
Other operating revenue	1	1
Total operating revenue	14,188	15,316
Financial expenses	749	569
Net operating revenue	13,440	14,747
Selling, general and administrative expenses		
Trading related expenses	2,684	3,064
Personnel expenses	1,356	1,439
Real estate expenses	513	495
Office expenses	1,566	1,582
Depreciation	1,042	1,179
Taxes and dues	261	287
Provision of allowance for doubtful accounts	59	(27)
Other	90	103
Total selling, general and administrative expenses	7,570	8,123
Operating profit	5,869	6,624
Non-operating income		
Dividend income	56	47
Other	7	11
Total non-operating income	63	58
Non-operating expenses		
Loss on investments in investment partnerships	19	29
Other	2	6
Total non-operating expenses	21	34
Ordinary profit	5,912	6,647
Extraordinary income		
Gain on sale of non-current assets	-	22
Gain on sale of investment securities	1,994	2,590
Total extraordinary income	1,994	2,612
Extraordinary losses		
Loss on sale and retirement of non-current assets	0	3
Provision of reserve for financial instruments transaction liabilities	-	41
Total extraordinary losses	0	44
Profit before income taxes	7,906	9,216
Income taxes – current	2,399	2,697
Income taxes – deferred	19	122
Total income taxes	2,417	2,819
Profit	5,488	6,397

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; hereinafter referred to as the "Revenue Recognition Accounting Standard"), etc. has been applied from the beginning of the first quarter accounting period of the current fiscal year. As a result, the accounting treatment of some of the consideration payments made to customers, such as cash refunds, which were previously recorded as Selling, General and Administrative (SGA) expenses, has been changed to deduction from transaction prices.

Furthermore, in applying the Revenue Recognition Accounting Standard etc., the Company has adopted the transitional treatment which is set forth in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard, which requires that the cumulative impact amount 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, and such amount is 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. The Company has adopted and applied this new accounting policy from the beginning balance of retained earnings of the current fiscal year. There is no impact amount effecting the beginning balance of retained earnings. Furthermore, the impact on commissions received and SGA expenses for the cumulative second quarter period of the current fiscal year due to the application of the Revenue Recognition Accounting Standard etc. is negligible.

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

The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as "Fair Value Measurement Accounting Standard"), etc. 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.