

Non-consolidated Financial Results
For the Six Months Ended September 30, 2023
(Under Japanese GAAP)

Company name: Matsui Securities Co., Ltd.

Listing: Tokyo Stock Exchange

Securities code: 8628

URL: <https://www.matsui.co.jp/company/>

Representative: WARITA Akira, President & CEO

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Scheduled date to file quarterly securities report: November 13, 2023

Scheduled date to commence dividend payments: November 24, 2023

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, 2023 (from April 1, 2023 to September 30, 2023)

(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, 2023	19,086	27.9	16,730	20.0	7,276	28.5	7,243	29.4
September 30, 2022	14,920	-2.6	13,941	-5.5	5,660	-14.6	5,596	-15.8

	Profit		Basic earnings per share	Diluted earnings per share
	Millions of Yen	%	Yen	Yen
Six months ended				
September 30, 2023	4,752	23.1	18.48	18.44
September 30, 2022	3,860	-39.7	15.01	14.99

(2) Non-consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of Yen	Millions of Yen	%	Yen
September 30, 2023	1,083,050	76,089	7.0	294.80
March 31, 2023	976,026	76,353	7.8	295.93

Reference: Equity

As of September 30, 2023: 75,838 million yen

As of March, 31 2023: 76,115 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, 2023	—	20.00	—	20.00	40.00
Fiscal year ending March 31, 2024	—	20.00			
Fiscal year ending March 31, 2024 (Forecast)			—	—	—

Notes:

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

2) Forecast of the dividend for the fiscal year ending March 2024 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: None
 - 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, 2023	259,264,702 shares
As of March, 31 2023	259,264,702 shares
 - 2) Number of treasury shares at the end of the period

As of September 30, 2023	2,011,546 shares
As of March, 31 2023	2,059,846 shares
 - 3) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

As of September 30, 2023	257,223,656 shares
As of September 30, 2022	257,109,339 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 forecasts 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 Results ("Kessan Tanshin" dated October 26, 2023).

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, 2023)	Second quarter accounting period (September 30, 2023)
Assets		
Current Assets		
Cash and deposits	79,331	56,028
Segregated deposits	553,312	654,012
Money held in trust	3,096	3,453
Trading products	4,034	4,629
Trading securities and other	0	11
Derivatives	4,034	4,618
Trade date accrual	15	126
Margin transaction assets	280,058	303,248
Margin loans	275,075	297,281
Cash collateral provided for securities borrowed in margin transactions	4,983	5,967
Loans secured by securities	25,905	26,496
Cash collateral provided for securities borrowed	25,905	26,496
Advances paid	80	73
Deposits paid for underwritten offering, etc.	453	926
Short-term guarantee deposits	8,109	9,206
Other	6,875	7,272
Allowance for doubtful accounts	(23)	(15)
Total current assets	961,244	1,065,454
Non-current assets		
Property, plant and equipment	1,365	1,545
Intangible assets	7,882	7,806
Software	7,882	7,806
Other	0	0
Investments and other assets	5,535	8,245
Investment securities	2,886	5,589
Other	3,767	3,619
Allowance for doubtful accounts	(1,118)	(963)
Total non-current assets	14,782	17,596
Total assets	976,026	1,083,050

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2023)	Second quarter accounting period (September 30, 2023)
Liabilities		
Current liabilities		
Trading products	334	832
Derivatives	334	832
Margin transaction liabilities	53,937	54,829
Margin borrowings	10,260	10,922
Cash received for securities sold in margin transactions	43,677	43,907
Borrowings secured by securities	39,452	36,270
Cash collateral received for securities lent	39,452	36,270
Deposits received	326,031	402,398
Guarantee deposits received	250,827	276,767
Payables for securities to receive over due for delivery	11	1
Short-term borrowings	219,900	226,900
Income taxes payable	1,858	2,310
Provision for bonuses	304	150
Other	3,535	2,647
Total current liabilities	896,189	1,003,103
Non-current liabilities		
Long-term borrowings	150	100
Other	236	237
Total non-current liabilities	386	337
Reserves under special laws		
Reserve for financial instruments transaction liabilities	3,098	3,521
Total reserves under special laws	3,098	3,521
Total liabilities	899,673	1,006,961
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,803	9,804
Retained earnings	55,902	55,510
Treasury shares	(1,557)	(1,521)
Total shareholders' equity	76,092	75,738
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	23	100
Total valuation and translation adjustments	23	100
Share acquisition rights	238	251
Total net assets	76,353	76,089
Total liabilities and net assets	976,026	1,083,050

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, 2022 to September 30, 2022)	Cumulative Second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023)
Operating revenue		
Commission received	8,042	9,655
Brokerage commission	7,608	9,155
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	10	49
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Other commission received	424	451
Net trading income	909	1,140
Financial revenue	5,969	8,291
Total operating revenue	14,920	19,086
Financial expenses	979	2,356
Net operating revenue	13,941	16,730
Selling, general and administrative expenses		
Trading related expenses	2,761	2,974
Personnel expenses	1,577	1,759
Real estate expenses	449	478
Office expenses	1,927	2,368
Depreciation	1,221	1,505
Taxes and dues	244	222
Provision of allowance for doubtful accounts	(36)	6
Other	137	142
Total selling, general and administrative expenses	8,281	9,455
Operating profit	5,660	7,276
Non-operating income		
Dividend income	7	7
Gain on investments in investment partnerships	4	17
Other	12	12
Total non-operating income	23	36
Non-operating expenses		
Loss on investments in investment partnerships	78	63
Other	9	6
Total non-operating expenses	87	69
Ordinary profit	5,596	7,243
Extraordinary income		
Gain on sale of non-current assets	—	0
Gain on sale of investment securities	—	35
Gain on redemption of investment securities	18	—
Total extraordinary income	18	35
Extraordinary losses		
Loss on sale and retirement of non-current assets	18	3
Provision of reserve for financial instruments transaction liabilities	29	423
Total extraordinary losses	47	426
Profit before income taxes	5,567	6,852
Income taxes – current	1,550	2,155
Income taxes – deferred	157	(55)
Total income taxes	1,707	2,099
Profit	3,860	4,752

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, changes in accounting estimates and restatement)

Not applicable.