

Non-Consolidated Financial Summary under Japanese GAAP
For the Three Months Ended December 31, 2018

Date: January 28, 2019

Company name (Securities code): Matsui Securities Co., Ltd. (8628)

Stock exchange listing: Tokyo

(URL <https://www.matsui.co.jp/en/>)

Representative: Michio Matsui, President and Chief Executive Officer

Dividend payable date (as planned): -

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

1. Non-consolidated financial summary for the nine months ended December 31, 2018

(1) Operating results

	Operating revenue		Net operating revenue		Operating profit		Ordinary profit	
	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)
Nine months ended December 31, 2018	21,505	-7.8	20,523	-6.8	11,245	-14.2	11,380	-13.8
Nine months ended December 31, 2017	23,327	12.5	22,023	11.0	13,099	17.7	13,200	17.4

	Profit		Basic earnings per share	Diluted earnings per share
	(Millions of Yen)	(Yr/Yr % change)	(Yen)	(Yen)
Nine months ended December 31, 2018	7,882	-13.7	30.70	30.66
Nine months ended December 31, 2017	9,136	17.4	35.58	35.56

(2) Financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of December 31, 2018	700,666	94,649	13.5	367.99
As of March 31, 2018	836,318	98,751	11.8	384.12

Owner's equity: As of December 31, 2018 94,500 million yen As of March 31, 2018 98,626 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Year ended March 31, 2018	-	17.00	-	27.00	44.00
Year ends March 31, 2019	-	19.00	-		
Year ends March 31, 2019 (estimation)				65.00	84.00

Note: Revision of dividend forecasts from the latest announcement: None

Dividend of 65.00 yen per share for the year ends March 31, 2019 (estimation) includes commemorative dividend of 39.00 yen (100th anniversary commemorative dividend).

For more information, please refer to online press release "Notice Regarding Dividends for the Fiscal Year Ending March 2019" published on July 26, 2018.

※ Notes

- (1) Accounting treatments specific to quarterly financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies based on revisions of accounting standard: None
 - 2) Changes in accounting policies other than ones based on revisions of accounting standard: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (3) Number of issued and outstanding shares (common stock)
 - 1) Number of issued and outstanding shares (including treasury stock)

As of December 31, 2018	259,264,702 shares
As of March 31, 2018	259,264,702 shares
 - 2) Number of treasury stock

As of December 31, 2018	2,468,055 shares
As of March 31, 2018	2,508,633 shares
 - 3) Average number of shares

For the nine months ended December 31, 2018	256,777,368 shares
For the nine months ended December 31, 2017	256,737,384 shares

Note 1: This quarterly financial summary is not subject to quarterly review procedures by certified public accountants or audit corporations.

Note 2: 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:

The accompanying 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.

Quarterly financial statements

(1) Quarterly balance sheet

(Millions of Yen)

	March 31, 2018	December 31, 2018
Assets		
Current Assets		
Cash and deposits	36,256	32,175
Cash segregated as deposits	455,512	416,512
Money held in trust	5,813	2,988
Trading products:	2,258	1,764
Trading securities and other	0	0
Derivatives	2,258	1,764
Margin transaction assets:	310,574	226,121
Loans on margin transactions	308,037	223,961
Cash collateral pledged for securities borrowing on margin transactions	2,537	2,160
Loans secured by securities:	7,331	2,721
Cash collateral pledged for securities borrowed	7,331	2,721
Advances paid	177	419
Cash paid for offering	93	52
Short-term guarantee deposits	3,352	3,583
Other	4,886	4,738
Allowance for doubtful accounts	(156)	(130)
Total current assets	826,096	690,943
Non-current assets		
Property, plant and equipment	845	828
Intangible assets:	4,465	4,342
Software	4,465	4,342
Other	0	0
Investments and other assets:	4,912	4,553
Investment securities	3,572	3,260
Other	2,724	2,671
Allowance for doubtful accounts	(1,384)	(1,378)
Total non-current assets	10,222	9,723
Total assets	836,318	700,666

(Millions of Yen)

	March 31, 2018	December 31, 2018
Liabilities		
Current liabilities		
Trading products:	143	179
Derivatives	143	179
Trade date accrual	2	38
Margin transaction liabilities:	66,423	21,528
Borrowings on margin transactions	37,158	4,430
Cash received for securities lending on margin transactions	29,266	17,098
Loans payable secured by securities:	13,499	5,756
Cash received on debt credit transaction of securities	13,499	5,756
Deposits received	253,016	244,450
Guarantee deposits received	207,875	211,895
Accounts for non-received securities and others	8	11
Short-term loans payable	187,600	116,100
Income taxes payable	3,659	1,068
Provision for bonuses	227	144
Other	1,870	1,621
Total current liabilities	734,322	602,789
Non-current liabilities		
Long-term loans payable	50	-
Reserve for retirement bonuses for directors	204	204
Other	3	36
Total non-current liabilities	258	241
Reserves under special laws		
Reserve for financial products transaction liabilities	2,987	2,987
Total reserves under special laws	2,987	2,987
Total liabilities	737,567	606,017
Net assets		
Shareholders' equity		
Capital stock	11,945	11,945
Capital surplus	9,793	9,795
Retained earnings	76,426	72,497
Treasury shares	(1,896)	(1,866)
Total shareholders' equity	96,268	92,371
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,359	2,129
Total valuation and translation adjustments	2,359	2,129
Share acquisition rights	125	150
Total net assets	98,751	94,649
Total liabilities and net assets	836,318	700,666

(2) Quarterly statement of income

(Millions of Yen)

	Nine months ended December 31, 2017	Nine months ended December 31, 2018
Operating revenue		
Commission received	13,751	11,756
Commission to consignees	13,232	11,231
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	9	18
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	2	22
Other fees received	508	484
Net trading income	743	980
Financial revenue	8,832	8,768
Other operating revenue	1	1
Total operating revenue	23,327	21,505
Financial expenses	1,304	982
Net operating revenue	22,023	20,523
Selling, general and administrative expenses		
Trading related expenses	3,375	3,243
Personnel expenses	1,770	2,025
Real estate expenses	635	638
Office cost	1,563	1,745
Depreciation	1,146	1,265
Taxes and dues	295	273
Provision of allowance for doubtful accounts	41	(13)
Other	98	103
Total selling, general and administrative expenses	8,923	9,278
Operating profit	13,099	11,245
Non-operating income		
Dividend income	91	126
Other	13	11
Total non-operating income	104	137
Non-operating expenses		
Other	3	2
Total non-operating expenses	3	2
Ordinary profit	13,200	11,380
Extraordinary losses		
Loss on sales and retirement of non-current assets	0	9
Total extraordinary losses	0	9
Profit before income taxes	13,200	11,370
Income taxes – current	3,985	3,341
Income taxes – deferred	79	147
Total income taxes	4,064	3,488
Profit	9,136	7,882

(3) Notes on quarterly financial statements

Notes - Uncertainties of entity's ability to continue as going concern

Not applicable.

Notes when there are significant changes in amounts of shareholders' equity

Not applicable.

Notes - Accounting treatments specific to quarterly financial statements

Not applicable.

Notes - Changes in accounting policies, accounting estimates and retrospective restatement

Not applicable.

Notes - Additional information

(Application of "Partial revision of 'Accounting Standards for Tax Effect Accounting'", etc.)

"Partial revision of 'Accounting Standards for Tax Effect Accounting'" (Corporate Accounting Standard No. 28, February 16, 2018), etc., has been applied from the beginning of the first quarter of this fiscal year, and deferred tax assets is displayed in the categories of investments and other assets.