

Non-Consolidated Financial Summary under Japanese GAAP
for the Third Quarter of the Fiscal Year ends March 2020

Date: January 27, 2020

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

Stock exchange listing: Tokyo

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

Representative: Michio MATSUI, President & CEO

Planned date of filing of the quarterly securities report: February 13, 2020

Planned date of dividend payment: -

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

1. Non-consolidated financial summary for the third quarter of the fiscal year ends March 2020
(from April 1, 2019 to December 31, 2019)

(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)
Third quarter of the fiscal year ends March 2020	17,360	-19.3	15,905	-22.5	6,249	-44.4	6,370	-44.0
Third quarter of the fiscal year ended March 2019	21,505	-7.8	20,523	-6.8	11,245	-14.2	11,380	-13.8

	Profit		Basic earnings per share	Diluted earnings per share
	(Millions of Yen)	Yr/Yr (% change)	(Yen)	(Yen)
Third quarter of the fiscal year ends March 2020	4,400	-44.2	17.13	17.11
Third quarter of the fiscal year ended March 2019	7,882	-13.7	30.70	30.66

(2) Financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Third quarter of the fiscal year ends March 2020	770,789	78,546	10.2	305.01
Fiscal year ended March 2019	695,993	96,579	13.9	375.45

Owner's equity:

Third quarter of the fiscal year ends March 2020: 78,350 million yen

Fiscal year ended March 2019: 96,420 million yen

2. Dividends

	Dividend per share				
	First quarter	Second quarter	Third quarter	Year end	Annual
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
Fiscal year ended March 2019	—	19.00	—	65.00	84.00
Fiscal year ends March 2020	—	22.50	—		
Fiscal year ends March 2020 (forecast)				22.50	45.00

Note: Revision of dividend forecasts from the latest announcement: None
Year-end dividend of 65.00 yen per share for the year ended March 31, 2019 includes commemorative dividend of 39.00 yen (100th anniversary commemorative dividend).

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)

Third quarter of the fiscal year ends March 2020	259,264,702	shares
Fiscal year ended March 2019	259,264,702	shares
 - 2) Number of treasury stock

Third quarter of the fiscal year ends March 2020	2,383,246	shares
Fiscal year ended March 2019	2,455,463	shares
 - 3) Average number of shares

Third quarter of the fiscal year ends March 2020	256,842,945	shares
Third quarter of the fiscal year ended March 2019	256,777,368	shares

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

Note: Explanation on appropriate use of business forecasts and other remarks

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 summary information and financial statements with major notes presented in the original Japanese Financial Summary ("Kessan Tanshin" dated January 27, 2020).

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 Summary.

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, 2019)	Third quarter accounting period (December 31, 2019)
Assets		
Current Assets		
Cash and deposits	36,120	39,060
Cash segregated as deposits	424,512	485,712
Money held in trust	2,988	2,844
Trading products	1,260	1,369
Trading securities and other	0	0
Derivatives	1,260	1,369
Trade date accrual	5	33
Margin transaction assets	202,490	202,693
Loans on margin transactions	194,027	185,563
Cash collateral pledged for securities borrowing on margin transactions	8,463	17,130
Loans secured by securities	9,507	18,832
Cash collateral pledged for securities borrowed	9,507	18,832
Advances paid	44	47
Cash paid for offering	84	75
Short-term guarantee deposits	3,329	3,407
Other	5,065	5,565
Allowance for doubtful accounts	(129)	(40)
Total current assets	685,275	759,597
Non-current assets		
Property, plant and equipment	1,255	1,421
Intangible assets	4,514	4,607
Software	4,514	4,607
Other	0	0
Investments and other assets	4,948	5,164
Investment securities	3,710	3,928
Other	2,619	2,601
Allowance for doubtful accounts	(1,381)	(1,365)
Total non-current assets	10,718	11,192
Total assets	695,993	770,789

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2019)	Third quarter accounting period (December 31, 2019)
Liabilities		
Current liabilities		
Trading products	164	154
Derivatives	164	154
Margin transaction liabilities	45,488	53,478
Borrowings on margin transactions	4,016	2,975
Cash received for securities lending on margin transactions	41,473	50,502
Borrowings secured by securities	7,878	19,528
Cash received on debt credit transaction of securities	7,878	19,528
Deposits received	238,794	300,466
Guarantee deposits received	202,329	209,885
Accounts for non-received securities and others	0	-
Short-term borrowings	97,800	102,900
Income taxes payable	1,832	736
Provision for bonuses	178	87
Other	1,723	1,563
Total current liabilities	596,188	688,795
Non-current liabilities		
Long-term borrowings	-	200
Reserve for retirement bonuses for directors	204	204
Other	179	202
Total non-current liabilities	383	606
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2,843	2,843
Total reserves under special laws	2,843	2,843
Total liabilities	599,414	692,243
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,796	9,797
Retained earnings	74,177	56,105
Treasury shares	(1,856)	(1,802)
Total shareholders' equity	94,061	76,045
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,358	2,305
Total valuation and translation adjustments	2,358	2,305
Share acquisition rights	160	196
Total net assets	96,579	78,546
Total liabilities and net assets	695,993	770,789

2. Quarterly statement of income

1) Cumulative third quarter period

	(Millions of Yen)	
	Cumulative third quarter period of the preceding fiscal year (From April 1, 2018 to December 31, 2018)	Cumulative third quarter period of the current fiscal year (From April 1, 2019 to December 31, 2019)
Operating revenue		
Commission received	11,756	9,374
Brokerage commission	11,231	8,886
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	18	9
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	22	36
Other fees received	484	442
Net trading income	980	832
Financial revenue	8,768	7,153
Other operating revenue	1	1
Total operating revenue	21,505	17,360
Financial expenses	982	1,455
Net operating revenue	20,523	15,905
Selling, general and administrative expenses		
Trading related expenses	3,243	3,119
Personnel expenses	2,025	1,974
Real estate expenses	638	848
Office cost	1,745	2,016
Depreciation	1,265	1,455
Taxes and dues	273	217
Provision of allowance for doubtful accounts	(13)	(87)
Other	103	114
Total selling, general and administrative expenses	9,278	9,656
Operating profit	11,245	6,249
Non-operating income		
Dividend income	126	121
Other	11	14
Total non-operating income	137	135
Non-operating expenses		
Other	2	13
Total non-operating expenses	2	13
Ordinary profit	11,380	6,370
Extraordinary losses		
Loss on sales and retirement of non-current assets	9	11
Loss on valuation of investment securities	-	20
Total extraordinary losses	9	31
Profit before income taxes	11,370	6,339
Income taxes – current	3,341	1,833
Income taxes – deferred	147	106
Total income taxes	3,488	1,939
Profit	7,882	4,400

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 shareholders' equity)
Not applicable.
- 3) (Notes - Accounting treatments specific to quarterly financial statements)
Not applicable.
- 4) (Notes - Changes in accounting policies, accounting estimates and retrospective restatement)
Not applicable.