

Non-consolidated Financial Results
For the Nine Months Ended December 31, 2021
(Under Japanese GAAP)

Company name: Matsui Securities Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 8628
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Scheduled date to file quarterly securities report: February 10, 2022
Scheduled date to commence dividend payments: -
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 Nine Months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended								
December 31, 2021	23,181	7.5	22,341	9.1	9,953	9.4	9,981	8.8
December 31, 2020	21,570	24.2	20,482	28.8	9,101	45.6	9,172	44.0

	Profit		Basic earnings per share	Diluted earnings per share
	Millions of Yen	%	Yen	Yen
Nine months ended				
December 31, 2021	8,677	12.0	33.76	33.71
December 31, 2020	7,747	76.1	30.15	30.11

(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				
December 31, 2021	906,472	76,008	8.4	294.77
March 31, 2021	961,791	79,213	8.2	307.23

Reference: Equity

As of December 31, 2021: 75,780 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)				20.00	40.00

Notes: Revisions to the forecast of cash dividends most recently announced: Yes

*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 December 31, 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 December 31, 2021	2,185,446 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 December 31, 2021	257,032,823 shares
As of December 31, 2020	256,922,800 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 January 27, 2022).

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)	Third quarter accounting period (December 31, 2021)
Assets		
Current Assets		
Cash and deposits	56,952	51,000
Segregated deposits	564,012	529,212
Money held in trust	2,846	3,009
Trading products	2,146	2,215
Trading securities and other	24	0
Derivatives	2,121	2,215
Margin transaction assets	282,931	276,610
Margin loans	277,143	273,674
Cash collateral provided for securities borrowed in margin transactions	5,788	2,937
Loans secured by securities	30,353	21,170
Cash collateral provided for securities borrowed	30,353	21,170
Advances paid	65	110
Deposits paid for underwritten offering, etc.	764	497
Short-term guarantee deposits	4,510	5,211
Other	4,749	5,580
Allowance for doubtful accounts	(107)	(70)
Total current assets	949,221	894,544
Non-current assets		
Property, plant and equipment	1,608	1,618
Intangible assets	5,618	6,297
Software	5,618	6,297
Other	0	0
Investments and other assets	5,345	4,013
Investment securities	3,490	1,703
Other	3,208	3,621
Allowance for doubtful accounts	(1,353)	(1,311)
Total non-current assets	12,571	11,928
Total assets	961,791	906,472

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2021)	Third quarter accounting period (December 31, 2021)
Liabilities		
Current liabilities		
Trading products	219	249
Derivatives	219	249
Trade date accrual	39	70
Margin transaction liabilities	57,226	33,108
Margin borrowings	9,406	1,855
Cash received for securities sold in margin transactions	47,819	31,253
Borrowings secured by securities	23,160	22,046
Cash collateral received for securities lent	23,160	22,046
Deposits received	335,941	324,550
Guarantee deposits received	248,255	245,500
Payables for securities to receive over due for delivery	2	-
Short-term borrowings	207,900	197,900
Income taxes payable	3,658	1,409
Provision for bonuses	253	190
Other	2,740	2,239
Total current liabilities	879,393	827,261
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	3,015
Total reserves under special laws	2,933	3,015
Total liabilities	882,578	830,464
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus	9,799	9,799
Retained earnings	57,205	55,601
Treasury shares	(1,743)	(1,652)
Total shareholders' equity	77,205	75,693
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,741	87
Total valuation and translation adjustments	1,741	87
Share acquisition rights	267	228
Total net assets	79,213	76,008
Total liabilities and net assets	961,791	906,472

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, 2020 to December 31, 2020)	Cumulative third quarter period of the current fiscal year (From April 1, 2021 to December 31, 2021)
Operating revenue		
Commission received	13,210	13,129
Brokerage commission	12,665	12,508
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	51	77
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Other commission received	494	543
Net trading income	611	658
Financial revenue	7,747	9,393
Other operating revenue	1	1
Total operating revenue	21,570	23,181
Financial expenses	1,088	840
Net operating revenue	20,482	22,341
Selling, general and administrative expenses		
Trading related expenses	4,102	4,713
Personnel expenses	2,033	2,204
Real estate expenses	755	734
Office expenses	2,344	2,446
Depreciation	1,576	1,767
Taxes and dues	374	413
Provision of allowance for doubtful accounts	52	(36)
Other	144	147
Total selling, general and administrative expenses	11,381	12,388
Operating profit	9,101	9,953
Non-operating income		
Dividend income	81	47
Other	11	17
Total non-operating income	92	65
Non-operating expenses		
Loss on investments in investment partnerships	19	29
Other	3	8
Total non-operating expenses	21	37
Ordinary profit	9,172	9,981
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	4	6
Provision of reserve for financial instruments transaction liabilities	-	82
Total extraordinary losses	4	88
Profit before income taxes	11,162	12,505
Income taxes – current	3,400	3,663
Income taxes – deferred	15	165
Total income taxes	3,415	3,828
Profit	7,747	8,677

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 third 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.