

Consolidated Financial Summary under Japanese GAAP

For the Year Ended March 31, 2006

Date: April 28, 2006
 Company name (code number): Matsui Securities Co., Ltd. (8628)
 Stock exchange listing: Tokyo
 Representative: Michio Matsui: President and Chief Executive Officer
 Date of board meeting approving the account settlement: April 28, 2006
 Application of US GAAP: None

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

Consolidated financial summary for the year ended March 31, 2006

(1) Operating results

	Operating revenues		Net operating revenues		Operating income		Ordinary income	
	(Millions of Yen)	Yr/Yr (% change)	(Millions of Yen)	Yr/Yr (% change)	(Millions of Yen)	Yr/Yr (% change)	(Millions of Yen)	Yr/Yr (% change)
Year ended March 31, 2006	57,072	(54.6)	54,150	(56.4)	37,116	(64.2)	37,062	(64.2)
Year ended March 31, 2005	36,918	(47.5)	34,623	(45.9)	22,607	(58.3)	22,571	(61.0)

	Net income	Earnings/share	Fully diluted earnings/share	Earnings/shareholders' equity	Ordinary income/total assets
	(Millions of Yen)	(Yen)	(Yen)	(%)	(%)
Year ended March 31, 2006	20,650 (63.3)	77.11	68.78	35.2	4.2
Year ended March 31, 2005	12,645 (73.7)	140.98	125.56	28.5	3.8

Note: 1. Investment gain and loss on equity method: None

2. Average number of shares outstanding: Year ended Mar. 31, 2006 267,808,149 shares
Year ended Mar. 31, 2005 88,989,029 shares

3. Change in accounting policies: None

4. The % change indicated for Operating revenues, Net operating revenues, Operating income, Ordinary income and Net income is the change by the year ended March 31, 2005 and 2006.

5. The Company split its stock three-for-one on May 17, 2005. Per share data for the year ended March 31, 2006 are calculated under the assumption that the Company split its stock at the beginning of the fiscal year ended March 31 2006. Per share data for the year ended March 31, 2005 are calculated without such assumption. In the case the Company split its stock at the beginning of the former fiscal year, per share data for the year ended March 31, 2005 are as shown below.

Per share data calculated under the assumption that the Company split its stock at the beginning of the fiscal year ended March 31, 2005

	Earnings/share	Fully diluted earnings/share
	(Yen)	(Yen)
Year ended Mar. 31, 2005	46.99	41.85

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity/share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Year ended March 31, 2006	1,067,210	67,645	6.3	252.17
Year ended March 31, 2005	703,456	49,715	7.1	557.20

Note: 1. Number of shares outstanding: As of Mar. 31, 2006 268,250,059 shares
As of Mar. 31, 2005 89,045,096 shares

2. The Company split its stock three-for-one on May 17, 2005. Per share data for the year ended March 31, 2006 are calculated under the assumption that the Company split its stock at the beginning of the fiscal year ended March 31, 2006. Per share data for the year ended March 31, 2005 are calculated without such assumption. In the case the Company split its stock at the beginning of the former fiscal year, per share data for the year ended March 31, 2005 are as shown below.

Per share data calculated under the assumption that the Company split its stock at the beginning of the fiscal year ended March 31, 2005

	Shareholder's equity/share
	(Yen)
Year ended Mar.31, 2005	185.73

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at the end of period
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Year ended March 31, 2006	— 30,650	— 949	72,750	102,403
Year ended March 31, 2005	— 25,019	— 1,026	57,552	61,251

(4) Scope of consolidation and equity method

Consolidated subsidiaries: 1 company

Affiliates applicable of equity method: None

(5) Change in scope of consolidation and equity method application: None

Forecast of business results

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 quarterly business results promptly instead of such forecasts.

Notice to readers:

The accompanying consolidated 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.

Consolidated Balance Sheets

Item	March 31, 2005		March 31, 2006	
	Millions of Yen		Millions of Yen	
(Assets)				
I Current Assets				
Cash and bank deposits		61,251		102,403
Cash segregated as deposits		223,003		322,005
Cash in trust		9,000		1,000
Trading assets		107		—
Net receivables arising from pre-settlement date trades		923		705
Margin account assets:		389,358		610,279
Loans receivable from customers	384,484		606,561	
Cash deposited as collateral for securities borrowed from securities finance companies	4,875		3,719	
Receivables on collateralized securities transactions:		1,610		1,747
Cash deposits collateral for securities borrowed	1,610		1,747	
Receivables from customers and others		133		17
Advance paid for subscription		—		66
Short-term guarantee deposits		6,795		13,066
Prepaid expenses		183		190
Accrued income		3,431		5,050
Deferred income taxes		613		1,116
Others		1,033		2,793
Allowance for doubtful accounts		(171)		(391)
Total current assets		697,270		1,060,045
II Fixed assets				
1 Tangible fixed assets		1,155		1,111
Buildings	433		406	
Equipment and instruments	249		237	
Land	474		468	
2 Intangible assets		2,253		2,779
Software	2,215		2,748	
Others	39		31	
3 Investments and others		2,777		3,275
Investment securities	1,680		1,934	
Investment in partnership	2		3	
Long-term loans receivables	30		283	
Long-term guarantee deposits	202		225	
Long-term prepaid expenses	13		9	
Deferred income taxes	776		1,032	
Others	104		551	
Allowance for doubtful accounts	(31)		(760)	
Total fixed assets		6,185		7,165
Total assets		703,456		1,067,210

Item	March 31, 2005		March 31, 2006	
	Millions of Yen		Millions of Yen	
(Liabilities)				
I Current liabilities				
Trading assets		0		—
Margin account liabilities:		142,920		218,035
Loans from securities finance companies	103,384		178,733	
Proceeds of securities sold on customers' account	39,535		39,302	
Payables on collateralized securities transactions:		73,780		153,120
Cash deposits as collateral for securities loaned	73,780		153,120	
Deposits received		106,567		155,473
Guarantee money received		137,467		196,235
Suspense account for undelivered securities		1		8
Short-term borrowings		93,829		118,650
Commercial paper		1,000		—
Bond due within one year		—		20,000
Deferred revenue		99		100
Accounts payable		750		827
Accrued expenses		1,353		2,120
Accrued income taxes		6,342		12,141
Accrued bonuses		301		383
Others		0		0
Total current liabilities		564,409		877,091
II Long-term liabilities				
Bond		40,000		40,000
Convertible bond		40,000		39,800
Long-term borrowings		7,203		39,643
Reserve for directors' retirement bonuses		241		235
Others		0		0
Total long-term liabilities		87,443		119,678
III Statutory reserves				
Reserve for securities transactions		1,888		2,795
Total statutory reserves		1,888		2,795
Total liabilities		653,740		999,565
(Shareholders' equity)				
I Common Stock		11,469		11,750
II Capital surplus		9,317		9,598
III Earned surplus		28,737		45,497
IV Net unrealized gain (loss) on investment securities, net of taxes		213		822
V Treasury Stock		(21)		(22)
Total shareholders' equity		49,715		67,645
Total liabilities and shareholders' equity		703,456		1,067,210

Consolidated Statements of Income

Item	Year ended March 31, 2005		Year ended March 31, 2006	
	Millions of Yen		Millions of Yen	
I Operating revenues				
Commissions		27,083		42,477
Brokerage commissions	25,182		39,182	
Underwriting and selling commissions	307		164	
Subscription and distribution commission	29		23	
Others	1,564		3,108	
Net gain (loss) on trading		(88)		(244)
Interest and dividend income		9,923		14,839
Total operating revenues		36,918		57,072
II Interest expenses		2,295		2,922
Net Operating revenues		34,623		54,150
III Selling, general and administrative expenses		12,016		17,034
Transaction related expenses	3,339		5,000	
Employees' compensation and benefits	1,927		1,979	
Occupancy and rental	273		324	
Data processing and office supplies	5,373		7,173	
Depreciation	754		1,050	
Duties and taxes other than income taxes	195		353	
Provision of allowance for doubtful accounts	—		949	
Others	154		206	
Operating income		22,607		37,116
IV Non-operating income		73		175
Compensation received	—		122	
Others	73		53	
V Non-operating expenses		108		230
Bond issuing costs	95		83	
Syndicated loan fee	2		109	
Others	12		37	
Ordinary income		22,571		37,062

Item	Year ended March 31, 2005		Year ended March 31, 2006	
	Millions of Yen		Millions of Yen	
VI Special profits				
Gain on sales of investment securities	—		189	
Reversal of allowance for doubtful accounts	49		—	
Total special profits		49		189
VII Special losses				
Loss on sales and disposals of property and equipment	19		87	
Loss on asset impairment	—		6	
Provision for statutory reserves	627		907	
Devaluation loss on telephone subscription rights	8		—	
Devaluation loss on corporate golf membership and resort membership	—		31	
Total special losses		653		1,031
Income before income taxes		21,967		36,220
Income taxes - current	9,487		16,746	
Income taxes - deferred	(164)	9,322	(1,176)	15,570
Net income		12,645		20,650

Consolidated Statements of Retained Earnings

Item	Year ended March 31, 2005		Year ended March 31, 2006	
	Millions of Yen		Millions of Yen	
(Capital surplus)				
I Beginning balance of capital surplus		9,312		9,317
II Increase in capital surplus				
1 Issuance of new shares on the exercise of new-share purchase rights	6	6	281	281
III Capital surplus at end of period		9,317		9,598
(Earned surplus)				
IV Beginning balance of earned surplus		18,352		28,737
V Increase in earned surplus				
1 Net income	12,645	12,645	20,650	20,650
VI Decrease in earned surplus				
1 Cash dividends	2,183		3,792	
2 Bonus to directors	74		99	
3 Bonus to corporate auditors	3	2,260	—	3,891
VII Earned surplus at end of period		28,737		45,497

Summary of Quarterly Consolidated Statements of Income

(Millions of Yen)

Item	1Q of the Year ended Mar. 31, 2005 (^{'04. 4. 1} ^{'04. 6.30})	2Q of the Year ended Mar. 31, 2005 (^{'04. 7. 1} ^{'04. 9.30})	3Q of the Year ended Mar. 31, 2005 (^{'04.10. 1} ^{'04.12.31})	4Q of the Year ended Mar. 31, 2005 (^{'05. 1. 1} ^{'05. 3.31})	Total for the year ended Mar. 31, 2005 (^{'04. 4. 1} ^{'05. 3.31})
Operating revenues	10,407	8,536	7,989	9,986	36,918
Commissions	7,990	6,116	5,531	7,446	27,083
Net gain (loss) on trading	13	(2)	(7)	(92)	(88)
Interest and dividend income	2,403	2,421	2,466	2,633	9,923
Interest expenses	603	534	626	532	2,295
Net operating revenues	9,804	8,001	7,363	9,454	34,623
Selling, general and administrative expenses	3,162	2,683	2,950	3,221	12,016
Transaction related expenses	926	753	770	890	3,339
Employees' compensation and benefits	522	399	489	517	1,927
Occupancy and rental	67	67	69	70	273
Data processing and office supplies	1,329	1,248	1,348	1,449	5,373
Depreciation	175	182	191	207	754
Duties and taxes other than income taxes	56	47	40	51	195
Provision of allowance for doubtful accounts	48	(48)	—	—	—
Others	38	35	44	37	154
Operating income	6,642	5,319	4,412	6,233	22,607
Non-operating income and expenses	(55)	12	22	(15)	(35)
Ordinary income	6,588	5,330	4,435	6,218	22,571
Special profits and losses	(123)	(112)	(146)	(223)	(604)
Income before income taxes	6,465	5,218	4,289	5,995	21,967
Income taxes-current	2,375	2,449	1,741	2,922	9,487
Income taxes-deferred	315	(190)	70	(359)	(164)
Net income	3,775	2,959	2,478	3,433	12,645

(Millions of Yen)

Item	1Q of the year ended Mar. 31, 2006 '05. 4. 1 '05. 6.30	2Q of the year ended Mar. 31, 2006 '05. 7. 1 '05. 9.30	3Q of the year ended Mar. 31, 2006 '05.10. 1 '05.12.31	4Q of the year ended Mar. 31, 2006 '06.1. 1 '06.3.31	Total for the year ended Mar. 31, 2006 '05. 4. 1 '06. 3.31
Operating revenues	9,693	12,770	16,379	18,230	57,072
Commissions	6,718	9,524	13,060	13,175	42,477
Net gain (loss) on trading	(31)	(58)	(700)	544	(244)
Interest and dividend income	3,005	3,304	4,019	4,511	14,839
Interest expenses	620	776	795	731	2,922
Net operating revenues	9,073	11,994	15,584	17,499	54,150
Selling, general and administrative expenses	3,427	3,621	4,311	5,676	17,034
Transaction related expenses	981	1,099	1,322	1,598	5,000
Employees' compensation and benefits	501	384	470	624	1,979
Occupancy and rental	72	80	85	86	324
Data processing and office supplies	1,497	1,659	1,991	2,027	7,173
Depreciation	237	252	273	288	1,050
Duties and taxes other than income taxes	58	80	94	120	353
Provision of allowance for doubtful accounts	21	8	17	903	949
Others	58	59	60	29	206
Operating income	5,646	8,373	11,274	11,823	37,116
Non-operating income and expenses	9	(2)	(98)	37	(54)
Ordinary income	5,655	8,371	11,176	11,860	37,062
Special profits and losses	(184)	(260)	(97)	(301)	(842)
Income before income taxes	5,471	8,111	11,079	11,559	36,220
Income taxes-current	1,914	3,898	4,874	6,059	16,746
Income taxes-deferred	333	(403)	(130)	(977)	(1,176)
Net income	3,224	4,615	6,334	6,477	20,650