

Non-Consolidated Financial Summary under Japanese GAAP
For the Year Ended March 31, 2017

Filing Date: April 27, 2017
 Company name (Securities code): Matsui Securities Co., Ltd. (8628)
 Stock exchange listing: Tokyo
 (URL <http://www.matsui.co.jp/ir/en/index.html>)
 Representative: Michio Matsui: President and Chief Executive Officer
 Planned date of ordinary general meeting of shareholders: June 25, 2017
 Planned date of dividends payment: June 26, 2017
 Planned date of filing of the annual securities report: June 19, 2017

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

1 . Non-consolidated financial summary for the year ended March 31, 2017

(1) Operating results

	Operating revenue		Net operating revenue		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, 2017	27,727	(19.5)	26,499	(19.7)	14,939	(31.3)	15,044	(31.1)
Year ended March 31, 2016	34,435	0.4	33,003	0.3	21,745	(1.5)	21,833	(1.7)

	Profit		Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary income/ Total assets	Operating income/ Operating revenues
	(Millions of Yen)	Yr/Yr (% change)	(Yen)	(Yen)	(%)	(%)	(%)
Year ended March 31, 2017	10,697	(27.5)	41.67	41.65	11.4	2.1	53.9
Year ended March 31, 2016	14,763	(5.2)	57.50	57.49	16.2	2.9	63.1

Equity in earnings (losses) of affiliates if equity method is applied:
 Year ended March 31, 2017 None Year ended March 31, 2016 None

(2) Financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of March 31, 2017	770,716	94,820	12.3	369.02
As of March 31, 2016	663,425	92,718	14.0	361.01

Owner's equity: As of March 31, 2017 94,739 million yen As of March 31, 2016 92,681 million yen

(3) Cash flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investing activities	Net cash provided by (used in) financing activities	Cash and cash equivalents
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Year ended March 31, 2017	11,510	(2,014)	(10,269)	29,093
Year ended March 31, 2016	43,431	(824)	(48,147)	29,865

2 . Dividends

	Dividend per share					Annual total	Payout ratio	Dividends per net assets
	First quarter	Second quarter	Third quarter	Year end	Annual			
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)	(Millions of Yen)	(%)	(%)
Year ended March 31, 2016	-	25.00	-	20.00	45.00	11,553	78.3	12.6
Year ended March 31, 2017	-	13.00	-	20.00	33.00	8,472	79.2	9.0
Year ends March 31, 2018 (estimation)	-	-	-	-	-		-	

3 . 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 monthly business information instead of such forecasts.

4 . Notes

(1) Changes in accounting policies and accounting estimates 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

(2) Number of issued and outstanding shares (common stock)

- 1) Number of issued and outstanding shares (including treasury stock)

As of March 31, 2017	259,264,702 shares
As of March 31, 2016	259,264,702 shares
- 2) Number of treasury stock

As of March 31, 2017	2,533,366 shares
As of March 31, 2016	2,533,314 shares
- 3) Average number of shares

For the year ended March 31, 2017	256,731,362 shares
For the year ended March 31, 2016	256,731,423 shares

Note: Financial summary is not subject to audit.

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.

Financial Statements

(1) Balance Sheet

(Millions of Yen)

	March 31, 2016	March 31, 2017
Assets		
Current assets		
Cash and deposits	26,569	25,743
Cash segregated as deposits	375,812	467,212
Money held in trust	4,596	5,950
Trading products:	1,817	1,408
Trading securities and other	0	0
Derivatives	1,817	1,408
Trade date accrual	17	15
Margin transaction assets:	232,043	245,202
Loans on margin transactions	228,152	237,047
Cash collateral pledged for securities borrowing on margin transactions	3,890	8,154
Loans secured by securities:	7,869	9,536
Cash collateral pledged for securities borrowed	7,869	9,536
Advances paid:	23	26
Advance payments for customers on trades	23	26
Advance payments for others	0	0
Cash paid for offering	—	28
Short-term guarantee deposits	2,166	1,648
Advances payments	1	2
Prepaid expenses	189	213
Accounts receivable - other	1	10
Accrued income	3,807	4,174
Deferred tax assets	314	203
Other	—	256
Allowance for doubtful accounts	(7)	(116)
Total current assets	655,217	761,510
Non-current assets		
Property, plant and equipment:	953	958
Buildings	197	177
Equipment	321	347
Land	434	434
Intangible assets:	2,999	4,118
Software	2,999	4,118
Other	0	0
Investments and other assets:	4,256	4,129
Investment securities	3,119	2,893
Investments in capital	8	8
Long-term loans receivable	507	499
Long-term guarantee deposits	261	314
Long-term prepaid expenses	7	17
Deferred tax assets	587	675
Long-term receivables	1,021	1,179
Other	95	93
Allowance for doubtful accounts	(1,348)	(1,549)
Total non-current assets	8,208	9,205
Total assets	663,425	770,716

(Millions of Yen)

	March 31, 2016	March 31, 2017
Liabilities		
Current liabilities		
Trading products:	458	281
Derivatives	458	281
Margin transaction liabilities:	35,793	51,228
Borrowings on margin transactions	5,452	5,932
Cash received for securities lending on margin transactions	30,341	45,297
Loans payable secured by securities:	14,838	13,262
Cash received on debt credit transaction of securities	14,838	13,262
Deposits received:	200,271	272,048
Deposits from customers	197,048	266,444
Deposits for others	3,222	5,604
Guarantee deposits received	182,641	205,409
Accounts for non-received securities and others	44	—
Short-term loans payable	128,050	126,100
Advances received	0	—
Unearned revenue	35	33
Accounts payable - other	379	672
Accrued expenses	844	903
Income taxes payable	3,551	2,417
Provision for bonuses	248	174
Total current liabilities	567,151	672,527
Non-current liabilities		
Long-term loans payable	—	150
Reserve for retirement bonuses for directors and auditors	204	204
Other	3	3
Total non-current liabilities	208	358
Reserves under special laws		
Reserve for financial products transaction liabilities	3,349	3,012
Total reserves under special laws	3,349	3,012
Total liabilities	570,707	675,896

(Millions of Yen)

	March 31, 2016	March 31, 2017
Net assets		
Shareholders' equity		
Capital stock	11,945	11,945
Capital surplus		
Legal capital surplus	9,793	9,793
Total capital surpluses	9,793	9,793
Retained earnings		
Legal retained earnings	159	159
Other retained earnings		
General reserve	4,250	—
Retained earnings brought forward	66,384	72,859
Total retained earnings	70,793	73,018
Treasury shares	(1,915)	(1,915)
Total shareholders' equity	90,616	92,840
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,066	1,898
Total valuation and translation adjustments	2,066	1,898
Subscription rights to shares	37	81
Total net assets	92,718	94,820
Total liabilities and net assets	663,425	770,716

(2) Statement of Income

(Millions of Yen)

	Year ended March 31, 2016	Year ended March 31, 2017
Operating revenue		
Commission received	21,742	17,253
Commission to consignees	20,414	16,260
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	50	13
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	1
Other fees received	1,278	979
Net trading income	6	3
Financial revenue	12,682	10,467
Other operating revenue	5	4
Total operating revenue	34,435	27,727
Financial expenses	1,431	1,228
Net operating revenue	33,003	26,499
Selling, general and administrative expenses		
Trading related expenses	4,674	4,345
Personnel expenses	2,178	2,227
Real estate expenses	890	891
Office cost	1,713	1,841
Depreciation	1,175	1,267
Taxes and dues	288	362
Provision of allowance for doubtful accounts	216	311
Other	123	317
Total selling, general and administrative expenses	11,258	11,560
Operating income	21,745	14,939
Non-operating income		
Dividend income	76	91
Other	14	18
Total non-operating income	90	109
Non-operating expenses		
Other	2	4
Total non-operating expenses	2	4
Ordinary income	21,833	15,044
Extraordinary income		
Gain on sales of investment securities	1,012	—
Reversal of reserve for financial products transaction liabilities	—	337
Gain on sales of non-current assets	—	1
Total extraordinary income	1,012	338
Extraordinary losses		
Provision of reserve for financial products transaction liabilities	689	—
Loss on sales and retirement of non-current assets	6	15
Total extraordinary losses	695	15
Profit before income taxes	22,151	15,367
Income taxes - current	7,455	4,573
Income taxes - deferred	(67)	97
Total income taxes	7,388	4,670
Profit	14,763	10,697

(3) Statement of changes in equity

Year ended March 31, 2016

(Millions of Yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	
Balance at the beginning of current period	11,945	9,793	9,793	159	4,250	70,734	75,143
Changes of items during period							
Dividends of surplus						(11,553)	(11,553)
Profit						14,763	14,763
Purchase of treasury shares							
Retirement of treasury shares						(7,560)	(7,560)
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	—	—	—	(4,350)	(4,350)
Balance at the end of current period	11,945	9,793	9,793	159	4,250	66,384	70,793

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of current period	(9,475)	87,406	2,613	2,613	10	90,029
Changes of items during period						
Dividends of surplus		(11,553)				(11,553)
Profit		14,763				14,763
Purchase of treasury shares	(0)	(0)				(0)
Retirement of treasury shares	7,560	—				—
Net changes of items other than shareholders' equity			(547)	(547)	27	(520)
Total changes of items during period	7,560	3,210	(547)	(547)	27	2,690
Balance at the end of current period	(1,915)	90,616	2,066	2,066	37	92,718

Year ended March 31, 2017

(Millions of Yen)

	Shareholders' equity						
	Capital stock	Capital surplus		Legal retained earnings	Retained earnings		Total retained earnings
		Legal capital surplus	Total capital surplus		Other Retained earnings		
					General reserve	Retained earnings brought forward	
Balance at the beginning of current period	11,945	9,793	9,793	159	4,250	66,384	70,793
Changes of items during period							
Dividends of surplus						(8,472)	(8,472)
Profit						10,697	10,697
Reversal of general reserve					(4,250)	4,250	—
Purchase of treasury shares							
Net changes of items other than shareholders' equity							
Total changes of items during period	—	—	—	—	(4,250)	6,475	2,225
Balance at the end of current period	11,945	9,793	9,793	159	—	72,859	73,018

	Shareholders' equity		Valuation and translation adjustments		Subscription rights to shares	Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments		
Balance at the beginning of current period	(1,915)	90,616	2,066	2,066	37	92,718
Changes of items during period						
Dividends of surplus		(8,472)				(8,472)
Profit		10,697				10,697
Reversal of general reserve		—				—
Purchase of treasury shares	(0)	(0)				(0)
Net changes of items other than shareholders' equity			(167)	(167)	44	(123)
Total changes of items during period	(0)	2,225	(167)	(167)	44	2,101
Balance at the end of current period	(1,915)	92,840	1,898	1,898	81	94,820

(4) Statements of Cash Flows

(Millions of Yen)

	Year ended march 31, 2016	Year ended march 31, 2017
Cash flows from operating activities		
Profit (loss) before income taxes	22,151	15,367
Depreciation	1,175	1,267
Increase (decrease) in allowance for doubtful accounts	179	310
Increase (decrease) in provision for bonuses	(29)	(74)
Increase (decrease) in reserve for financial products transaction liabilities	689	(337)
Interest and dividend income	(12,269)	(10,164)
Interest expenses	997	883
Loss (gain) on sales and retirement of non-current assets	6	13
Loss (gain) on sales of investment securities	(1,012)	—
Decrease (increase) in cash segregated as deposits	87,100	(91,400)
Net change in cash in trust	(100)	(1,300)
Decrease (increase) in trading products - assets (liabilities)	(1,200)	231
Decrease (increase) in trade date accrual	167	2
Decrease/increase in assets/liabilities for margin transaction	31,560	2,277
Decrease (increase) in loans secured by securities	4,211	(1,667)
Decrease/increase in advance paid/deposits received	(61,241)	71,774
Increase (decrease) in borrowings secured by securities	(10,721)	(1,576)
Increase (decrease) in guarantee deposits received	(24,457)	22,768
Decrease (increase) in short-term guarantee deposits	3,570	518
Other, net	247	(625)
Subtotal	41,022	8,268
Interest and dividend income received	12,846	9,832
Interest expenses paid	(1,030)	(874)
Income taxes paid	(9,407)	(5,716)
Net cash provided by (used in) operating activities	43,431	11,510
Cash flows from investing activities		
Purchase of property, plant and equipment	(169)	(118)
Proceeds from sales of property, plant and equipment	—	1
Purchase of intangible assets	(1,635)	(1,827)
Purchase of investment securities	(40)	(20)
Proceeds from sales of investment securities	1,016	—
Other, net	4	(50)
Net cash provided by (used in) investing activities	(824)	(2,014)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(36,500)	(2,000)
Proceeds from long-term loans payable	—	300
Repayments of long-term loans payable	(100)	(100)
Purchase of treasury shares	(0)	(0)
Cash dividends paid	(11,547)	(8,469)
Net cash provided by (used in) financing activities	(48,147)	(10,269)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	(5,540)	(772)
Cash and cash equivalents at beginning of period	35,406	29,865
Cash and cash equivalents at end of period	29,865	29,093

(5) Notes on Financial Statements

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

No relevant items.

(Segment Information)

Disclosures on segment information have been omitted, as the business of the Company consists of only a single segment of online brokerage service.

(Equity in Net Income of Affiliates)

No relevant items.

(Per Share Information)

Year ended March 31, 2017	
Net assets per share	369.02 Yen
Basic earnings per share	41.67 Yen
Diluted earnings per share	41.65 Yen

Note: Calculation basis of net income per share information

Net income and diluted earnings per share

Items	Year ended March 31,2017
Basic earnings per share	
Net income (Millions of Yen)	10,697
Net income not attributed to common stock (Millions of Yen)	—
Net income attributed to common stock (Millions of Yen)	10,697
Average number of shares of common stock outstanding (Shares)	256,731,362
Diluted earnings per share	
Increase of common stock (Shares)	115,714
(Of the above subscription right to shares (Shares))	(115,714)
Residual securities which are not considered in the calculation of diluted earnings per share	—

(Significant events after reporting period)

No relevant items.