

**Non-Consolidated Financial Summary under Japanese GAAP**  
**For the Year Ended March 31, 2019**

Date: April 25, 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

Planned date of ordinary general meeting of shareholders: June 23, 2019

Planned date of dividends payment: June 24, 2019

Planned date of filing of the annual securities report: June 17, 2019

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, 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)
Year ended March 31, 2019	27,313	-15.2	25,999	-14.7	13,451	-27.4	13,592	-27.1
Year ended March 31, 2018	32,210	16.2	30,480	15.0	18,532	24.1	18,632	23.8

	Profit		Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit/ Total assets	Operating profit/ Operating revenues
	(Millions of Yen)	(Yr/Yr % change)	(Yen)	(Yen)	(%)	(%)	(%)
Year ended March 31, 2019	9,562	-25.9	37.24	37.20	9.8	1.8	49.2
Year ended March 31, 2018	12,908	20.7	50.28	50.24	13.4	2.3	57.5

Equity in earnings (losses) of affiliates if equity method is applied:

Year ended March 31, 2019 None Year ended March 31, 2018 None

(2) Financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of March 31, 2019	695,993	96,579	13.9	375.45
As of March 31, 2018	836,318	98,751	11.8	384.12

Owner's equity: As of March 31, 2019 96,420 million yen As of March 31, 2018 98,626 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, 2019	103,499	-2,011	-101,650	39,108
Year ended March 31, 2018	-39,665	-2,067	51,908	39,269

## 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, 2018	-	17.00	-	27.00	44.00	11,297	87.5	11.7
Year ended March 31, 2019	-	19.00	-	65.00	84.00	21,572	225.6	22.1
Year ends March 31, 2020 (estimation)	-	22.50	-	22.50	45.00		-	

Year-end dividend of 65.00 yen per share for the year ends March 31, 2019 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) 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
- (2) Number of issued and outstanding shares (common stock)
  - 1) Number of issued and outstanding shares (including treasury stock)
 

As of March 31, 2019	259,264,702 shares
As of March 31, 2018	259,264,702 shares
  - 2) Number of treasury stock
 

As of March 31, 2019	2,455,463 shares
As of March 31, 2018	2,508,633 shares
  - 3) Average number of shares
 

For the year ended March 31, 2019	256,785,336 shares
For the year ended March 31, 2018	256,741,264 shares

Note 1: Financial summary is not subject to audit 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.

## 1. Financial Statements and major notes

## (1) Balance Sheet

(Millions of Yen)

	March 31, 2018	March 31, 2019
<b>Assets</b>		
Current assets		
Cash and deposits	36,256	36,120
Cash segregated as deposits	455,512	424,512
Money held in trust	5,813	2,988
Trading products:	2,258	1,260
Trading securities and other	0	0
Derivatives	2,258	1,260
Trade date accrual	-	5
Margin transaction assets:	310,574	202,490
Loans on margin transactions	308,037	194,027
Cash collateral pledged for securities borrowing on margin transactions	2,537	8,463
Loans secured by securities:	7,331	9,507
Cash collateral pledged for securities borrowed	7,331	9,507
Advances paid:	177	44
Advance payments for customers on trades	177	44
Advance payments for others	0	0
Cash paid for offering	93	84
Short-term guarantee deposits	3,352	3,329
Advances payments	15	2
Prepaid expenses	175	201
Accounts receivable - other	8	21
Accrued income	4,689	4,609
Other	-	232
Allowance for doubtful accounts	(156)	(129)
Total current assets	826,096	685,275
Non-current assets		
Property, plant and equipment:	845	1,255
Buildings	159	311
Equipment	251	510
Land	434	434
Intangible assets:	4,465	4,514
Software	4,465	4,514
Other	0	0
Investments and other assets:	4,912	4,948
Investment securities	3,572	3,710
Investments in capital	8	8
Long-term loans receivable	440	433
Long-term guarantee deposits	324	345
Long-term prepaid expenses	14	12
Deferred tax assets	681	564
Long-term receivables	1,165	1,166
Other	92	91
Allowance for doubtful accounts	(1,384)	(1,381)
Total non-current assets	10,222	10,718
Total assets	836,318	695,993

(Millions of Yen)

	March 31, 2018	March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trading products:	143	164
Derivatives	143	164
Trade date accrual	2	-
Margin transaction liabilities:	66,423	45,488
Borrowings on margin transactions	37,158	4,016
Cash received for securities lending on margin transactions	29,266	41,473
Loans payable secured by securities:	13,499	7,878
Cash received on debt credit transaction of securities	13,499	7,878
Deposits received:	253,016	238,794
Deposits from customers	245,810	235,374
Deposits for others	7,206	3,420
Guarantee deposits received	207,875	202,329
Accounts for non-received securities and others	8	0
Short-term loans payable	187,600	97,800
Unearned revenue	31	18
Accounts payable - other	732	583
Accrued expenses	1,107	1,121
Income taxes payable	3,659	1,832
Provision for bonuses	227	178
<b>Total current liabilities</b>	<b>734,322</b>	<b>596,188</b>
<b>Non-current liabilities</b>		
Long-term loans payable	50	-
Reserve for retirement bonuses for directors	204	204
Other	3	179
<b>Total non-current liabilities</b>	<b>258</b>	<b>383</b>
<b>Reserves under special laws</b>		
Reserve for financial products transaction liabilities	2,987	2,843
<b>Total reserves under special laws</b>	<b>2,987</b>	<b>2,843</b>
<b>Total liabilities</b>	<b>737,567</b>	<b>599,414</b>

(Millions of Yen)

	March 31, 2018	March 31, 2019
Net assets		
Shareholders' equity		
Capital stock	11,945	11,945
Capital surplus		
Legal capital surplus	9,793	9,793
Other capital surplus	-	3
Total capital surpluses	9,793	9,796
Retained earnings		
Legal retained earnings	159	159
Other retained earnings		
Retained earnings brought forward	76,268	74,019
Total retained earnings	76,426	74,177
Treasury shares	(1,896)	(1,856)
Total shareholders' equity	96,268	94,061
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,359	2,358
Total valuation and translation adjustments	2,359	2,358
Share acquisition rights	125	160
Total net assets	98,751	96,579
Total liabilities and net assets	836,318	695,993

## (2) Statement of Income

(Millions of Yen)

	Year ended March 31, 2018	Year ended March 31, 2019
Operating revenue		
Commission received	18,968	14,986
Commission to consignees	18,250	14,285
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	14	21
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	5	27
Other fees received	698	652
Net trading income	1,201	1,214
Financial revenue	12,040	11,112
Other operating revenue	2	2
Total operating revenue	32,210	27,313
Financial expenses	1,729	1,314
Net operating revenue	30,480	25,999
Selling, general and administrative expenses		
Trading related expenses	4,592	4,408
Personnel expenses	2,364	2,661
Real estate expenses	845	870
Office cost	2,104	2,385
Depreciation	1,549	1,691
Taxes and dues	406	340
Provision of allowance for doubtful accounts	(29)	56
Other	117	136
Total selling, general and administrative expenses	11,949	12,547
Operating profit	18,532	13,451
Non-operating income		
Dividend income	91	126
Other	14	19
Total non-operating income	105	145
Non-operating expenses		
Other	5	4
Total non-operating expenses	5	4
Ordinary profit	18,632	13,592
Extraordinary income		
Reversal of reserve for financial products transaction liabilities	25	144
Gain on sales of non-current assets	-	0
Total extraordinary income	25	144
Extraordinary losses		
Loss on sales and retirement of non-current assets	1	12
Total extraordinary losses	1	12
Profit before income taxes	18,656	13,724
Income taxes - current	5,753	4,046
Income taxes - deferred	(6)	116
Total income taxes	5,747	4,162
Profit	12,908	9,562

## (3) Statement of changes in equity

Year ended March 31, 2018

(Millions of Yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Legal retained earnings	Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus		Other Retained earnings	Total retained earnings
					Retained earnings brought forward		
Balance at the beginning of current period	11,945	9,793	-	9,793	159	72,859	73,018
Changes of items during period							
Dividends of surplus						(9,499)	(9,499)
Profit						12,908	12,908
Purchase of treasury shares							
Disposal of treasury shares			(1)	(1)			
Transfer of loss on disposal of treasury shares			1	1		(1)	(1)
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	-	-	-	3,409	3,409
Balance at the end of current period	11,945	9,793	-	9,793	159	76,268	76,426

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	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)	92,840	1,898	1,898	81	94,820
Changes of items during period						
Dividends of surplus		(9,499)				(9,499)
Profit		12,908				12,908
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	19	18				18
Transfer of loss on disposal of treasury shares		-				-
Net changes of items other than shareholders' equity			460	460	44	504
Total changes of items during period	19	3,427	460	460	44	3,931
Balance at the end of current period	(1,896)	96,268	2,359	2,359	125	98,751

Year ended March 31, 2019

(Millions of Yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other Retained earnings Retained earnings brought forward	Total retained earnings
Balance at the beginning of current period	11,945	9,793	-	9,793	159	76,268	76,426
Changes of items during period							
Dividends of surplus						(11,811)	(11,811)
Profit						9,562	9,562
Purchase of treasury shares							
Disposal of treasury shares			3	3			
Net changes of items other than shareholders' equity							
Total changes of items during period	-	-	3	3	-	(2,249)	(2,249)
Balance at the end of current period	11,945	9,793	3	9,796	159	74,019	74,177

	Shareholders' equity		Valuation and translation adjustments		Share acquisition rights	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	(1,896)	96,268	2,359	2,359	125	98,751
Changes of items during period						
Dividends of surplus		(11,811)				(11,811)
Profit		9,562				9,562
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	40	43				43
Net changes of items other than shareholders' equity			(0)	(0)	35	35
Total changes of items during period	40	(2,206)	(0)	(0)	35	(2,172)
Balance at the end of current period	(1,856)	94,061	2,358	2,358	160	96,579

## (4) Statements of Cash Flows

(Millions of Yen)

	Year ended march 31, 2018	Year ended march 31, 2019
Cash flows from operating activities		
Profit (loss) before income taxes	18,656	13,724
Depreciation	1,549	1,691
Increase (decrease) in allowance for doubtful accounts	(125)	(30)
Increase (decrease) in provision for bonuses	53	(49)
Increase (decrease) in reserve for financial products transaction liabilities	(25)	(144)
Interest and dividend income	(12,069)	(11,177)
Interest expenses	1,677	1,272
Loss (gain) on sales and retirement of non-current assets	1	12
Decrease (increase) in cash segregated as deposits	11,700	31,000
Net change in cash in trust	(200)	2,800
Decrease (increase) in trading products - assets (liabilities)	(987)	1,019
Decrease (increase) in trade date accrual	17	(7)
Decrease/increase in assets/liabilities for margin transaction	(50,177)	87,149
Decrease (increase) in loans secured by securities	2,205	(2,176)
Decrease/increase in advance paid/deposits received	(19,183)	(14,089)
Increase (decrease) in borrowings secured by securities	237	(5,621)
Increase (decrease) in guarantee deposits received	2,466	(5,546)
Decrease (increase) in short-term guarantee deposits	(1,704)	22
Other, net	695	(384)
Subtotal	(45,215)	99,466
Interest and dividend income received	11,590	11,113
Interest expenses paid	(1,485)	(1,275)
Income taxes paid	(4,556)	(5,805)
Net cash provided by (used in) operating activities	(39,665)	103,499
Cash flows from investing activities		
Purchase of property, plant and equipment	(9)	(327)
Proceeds from sales of property, plant and equipment	-	0
Purchase of intangible assets	(2,020)	(1,531)
Purchase of investment securities	(20)	(140)
Other, net	(17)	(13)
Net cash provided by (used in) investing activities	(2,067)	(2,011)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	61,500	(89,750)
Repayments of long-term loans payable	(100)	(100)
Purchase of treasury shares	(0)	(0)
Proceeds from exercise of share options	0	0
Cash dividends paid	(9,492)	(11,800)
Net cash provided by (used in) financing activities	51,908	(101,650)
Effect of exchange rate change on cash and cash equivalents	(0)	0
Net increase (decrease) in cash and cash equivalents	10,176	(162)
Cash and cash equivalents at beginning of period	29,093	36,269
Cash and cash equivalents at end of period	39,269	39,108

## (5) Notes on Financial Statements

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

Not applicable.

(Notes - Changes in presentation)

(Changes resulting from application of "Partial revision of 'Accounting Standards for Tax Effect Accounting'")

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

As a result, deferred tax assets of 272 million yen which were previously classified as current assets as of March 31, 2018 have been reclassified as investments and other assets in the balance sheet.

(Notes - Segment information)

Since the Company is a provider of on-line securities and exchanges service comprising a single segment, segment information is omitted.

(Notes - Equity in earnings (losses) of affiliates if equity method is applied)

Not applicable.

(Notes - Per share information)

Year ended March 31, 2019	
Net assets per share	375.45 Yen
Basic earnings per share	37.24 Yen
Diluted earnings per share	37.20 Yen

Note: Calculation basis

Basic earnings per share and diluted earnings per share

Items	Year ended March 31,2019
Basic earnings per share	
Profit (Millions of Yen)	9,562
Profit not attributed to common stock (Millions of Yen)	-
Profit attributed to common stock (Millions of Yen)	9,562
Average number of shares of common stock outstanding (Shares)	256,785,336
Diluted earnings per share	
Increase of common stock (Shares)	285,307
(Of the above, subscription right to shares (Shares))	(285,307)
Outline of share acquisition rights or others without dilution effects which are not considered in the calculation of diluted earnings per share	-

(Notes - Significant events after reporting period)

Not applicable.