

Non-Consolidated Financial Summary under Japanese GAAP
For the Fiscal Year ended March 2020

Date: April 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 ordinary general meeting of shareholders: June 28, 2020

Planned date of dividend payment: June 29, 2020

Planned date of filing of the annual securities report: June 26, 2020

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

1. Non-consolidated financial summary for the fiscal year ended March 2020 (from April 1, 2019 to March 31, 2020)

(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)
Fiscal year ended March 2020	24,150	-11.6	22,345	-14.1	8,909	-33.8	9,016	-33.7
Fiscal year ended March 2019	27,313	-15.2	25,999	-14.7	13,451	-27.4	13,592	-27.1

	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)	(%)	(%)	(%)
Fiscal year ended March 2020	6,136	-35.8	23.89	23.86	7.0	1.3	36.9
Fiscal year ended March 2019	9,562	-25.9	37.24	37.20	9.8	1.8	49.2

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

Year ended March 31, 2020 None

Year ended March 31, 2019 None

(2) Financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Fiscal year ended March 2020	708,314	80,285	11.3	311.72
Fiscal year ended March 2019	695,993	96,579	13.9	375.45

Owner's equity:

Fiscal year ended March 2020: 80,078 million yen

Fiscal year ended March 2019: 96,420 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)
Fiscal year ended March 2020	60,195	-2,749	-41,209	55,345
Fiscal year ended March 2019	103,499	-2,011	-101,650	39,108

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, 2019	—	19.00	—	65.00	84.00	21,572	225.6	22.1
Year ended March 31, 2020	—	22.50	—	22.50	45.00	11,559	188.4	13.1
Year ends March 31, 2021 (estimation)	—	—	—	—	—		—	

Notes:

- 1) Forecast of the dividend for the fiscal year ends March 2021 is undecided at the time of filing of this financial summary.
- 2) 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).

- (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)

Fiscal year ended March 2020	259,264,702	shares
Fiscal year ended March 2019	259,264,702	shares
 - 2) Number of treasury stock

Fiscal year ended March 2020	2,373,346	shares
Fiscal year ended March 2019	2,455,463	shares
 - 3) Average number of shares

Fiscal year ended March 2020	256,855,048	shares
Fiscal year ended March 2019	256,785,336	shares

Note: This financial summary is not subject to audit 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 April 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 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. Financial statements and major notes

1. Balance sheet

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2019)	Current fiscal year (March 31, 2020)
Assets		
Current Assets		
Cash and deposits	36,120	52,501
Cash segregated as deposits	424,512	449,312
Money held in trust	2,988	2,844
Trading products	1,260	1,877
Trading securities and other	0	0
Derivatives	1,260	1,877
Trade date accrual	5	3
Margin transaction assets	202,490	161,594
Loans on margin transactions	194,027	154,302
Cash collateral pledged for securities borrowing on margin transactions	8,463	7,292
Loans secured by securities	9,507	21,188
Cash collateral pledged for securities borrowed	9,507	21,188
Advances paid	44	148
Advance payments for customers on trades	44	148
Advance payments for others	0	0
Cash paid for offering	84	354
Short-term guarantee deposits	3,329	3,378
Advance payments	2	11
Prepaid expenses	201	271
Accounts receivable – other	21	78
Accrued income	4,609	3,678
Other	232	83
Allowance for doubtful accounts	(129)	(49)
Total current assets	685,275	697,272
Non-current assets		
Property, plant and equipment	1,255	1,410
Buildings	311	285
Equipment	510	691
Land	434	434
Intangible assets	4,514	4,410
Software	4,514	4,410
Other	0	0
Investments and other assets	4,948	5,222
Investment securities	3,710	3,874
Investments in capital	8	8
Long-term loans receivable	433	453
Guarantee deposits	345	337
Long-term prepaid expenses	12	39
Deferred tax assets	564	623
Long-term receivables	1,166	1,204
Other	91	90
Allowance for doubtful accounts	(1,381)	(1,405)
Total non-current assets	10,718	11,042
Total assets	695,993	708,314

	(Millions of Yen)	
	Preceding fiscal year (March 31, 2019)	Current fiscal year (March 31, 2020)
Liabilities		
Current liabilities		
Trading products	164	120
Derivatives	164	120
Margin transaction liabilities	45,488	44,846
Borrowings on margin transactions	4,016	6,369
Cash received for securities lending on margin transactions	41,473	38,477
Borrowings secured by securities	7,878	14,782
Cash received on debt credit transaction of securities	7,878	14,782
Deposits received	238,794	270,003
Deposits from customers	235,374	266,096
Deposits for others	3,420	3,906
Guarantee deposits received	202,329	212,539
Accounts for non-received securities and others	0	27
Short-term borrowings	97,800	78,900
Unearned revenue	18	18
Accounts payable – other	583	238
Accrued expenses	1,121	1,324
Income taxes payable	1,832	1,707
Provision for bonuses	178	125
Total current liabilities	596,188	624,628
Non-current liabilities		
Long-term borrowings	-	150
Reserve for retirement bonuses for directors	204	204
Other	179	202
Total non-current liabilities	383	556
Reserves under special laws		
Reserve for financial instruments transaction liabilities	2,843	2,845
Total reserves under special laws	2,843	2,845
Total liabilities	599,414	628,029
Net assets		
Shareholders' equity		
Share capital	11,945	11,945
Capital surplus		
Legal capital surplus	9,793	9,793
Other capital surplus	3	4
Total capital surpluses	9,796	9,797
Retained earnings		
Legal retained earnings	159	159
Other retained earnings		
Retained earnings brought forward	74,019	57,682
Total retained earnings	74,177	57,841
Treasury shares	(1,856)	(1,794)
Total shareholders' equity	94,061	77,789
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	2,358	2,290
Total valuation and translation adjustments	2,358	2,290
Share acquisition rights	160	206
Total net assets	96,579	80,285
Total liabilities and net assets	695,993	708,314

2. Statement of income

	(Millions of Yen)	
	Preceding fiscal year (From April 1, 2018 to March 31, 2019)	Current fiscal year (From April 1, 2019 to March 31, 2020)
Operating revenue		
Commission received	14,986	13,490
Brokerage commission	14,285	12,850
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	21	10
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	27	36
Other fees received	652	593
Net trading income	1,214	1,120
Financial revenue	11,112	9,539
Other operating revenue	2	2
Total operating revenue	27,313	24,150
Financial expenses	1,314	1,805
Net operating revenue	25,999	22,345
Selling, general and administrative expenses		
Trading related expenses	4,408	4,566
Personnel expenses	2,661	2,607
Real estate expenses	870	1,134
Office expenses	2,385	2,747
Depreciation	1,691	1,923
Taxes and dues	340	296
Provision of allowance for doubtful accounts	56	(28)
Other	136	192
Total selling, general and administrative expenses	12,547	13,436
Operating profit	13,451	8,909
Non-operating income		
Dividend income	126	121
Other	19	12
Total non-operating income	145	133
Non-operating expenses		
Other	4	25
Total non-operating expenses	4	25
Ordinary profit	13,592	9,016
Extraordinary income		
Reversal of reserve for financial instruments transaction liabilities	144	-
Gain on sales of non-current assets	0	-
Total extraordinary income	144	-
Extraordinary losses		
Loss on sales and retirement of non-current assets	12	11
Loss on valuation of investment securities	-	160
Provision of reserve for financial instruments transaction liabilities	-	2
Total extraordinary losses	12	173
Profit before income taxes	13,724	8,843
Income taxes – current	4,046	2,735
Income taxes – deferred	116	(28)
Total income taxes	4,162	2,707
Profit	9,562	6,136

3. Statement of changes in equity

Preceding fiscal year (From April 1, 2018 to March 31, 2019)

(Millions of Yen)

	Shareholders' equity						
	Share capital	Capital surplus			Legal retained earnings	Retained earnings	
		Legal capital surplus	Other capital surplus	Total capital surplus		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 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 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 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 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

Current fiscal year (From April 1, 2019 to March 31, 2020)

(Millions of Yen)

	Shareholders' equity						
	Share capital	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other Retained earnings brought forward	Total retained earnings
Balance at the beginning of current period	11,945	9,793	3	9,796	159	74,019	74,177
Changes during period							
Dividends of surplus						(22,472)	(22,472)
Profit						6,136	6,136
Purchase of treasury shares							
Disposal of treasury shares			1	1			
Net changes of items other than shareholders' equity							
Total changes during period	-	-	1	1	-	(16,336)	(16,336)
Balance at the end of current period	11,945	9,793	4	9,797	159	57,682	57,841

	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	(1,856)	94,061	2,358	2,358	160	96,579
Changes during period						
Dividends of surplus		(22,472)				(22,472)
Profit		6,136				6,136
Purchase of treasury shares	(0)	(0)				(0)
Disposal of treasury shares	62	64				64
Net changes of items other than shareholders' equity			(69)	(69)	47	(22)
Total changes during period	62	(16,273)	(69)	(69)	47	(16,294)
Balance at the end of current period	(1,794)	77,789	2,290	2,290	206	80,285

4. Statement of Cash Flows

	(Millions of Yen)	
	Preceding fiscal year (From April 1, 2018 to March 31, 2019)	Current fiscal year (From April 1, 2019 to March 31, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	13,724	8,843
Depreciation	1,691	1,923
Increase (decrease) in allowance for doubtful accounts	(30)	(56)
Increase (decrease) in provision for bonuses	(49)	(53)
Increase (decrease) in reserve for financial instruments transaction liabilities	(144)	2
Interest and dividend income	(11,177)	(9,602)
Interest expenses	1,272	1,748
Loss (gain) on sales and retirement of non-current assets	12	11
Loss (gain) on valuation of investment securities	-	160
Decrease (increase) in cash segregated as deposits	31,000	(24,800)
Net change in cash in trust	2,800	-
Decrease (increase) in trading products - assets (liabilities)	1,019	(661)
Decrease (increase) in trade date accrual	(7)	2
Decrease/increase in assets/liabilities for margin transaction	87,149	40,254
Decrease (increase) in loans secured by securities	(2,176)	(11,681)
Decrease/increase in advance paid/deposits received	(14,089)	31,104
Increase (decrease) in borrowings secured by securities	(5,621)	6,904
Increase (decrease) in guarantee deposits received	(5,546)	10,210
Decrease (increase) in short-term guarantee deposits	22	(49)
Other, net	(384)	191
Subtotal	99,466	54,450
Interest and dividends received	11,113	10,410
Interest paid	(1,275)	(1,808)
Income taxes paid	(5,805)	(2,857)
Net cash provided by (used in) operating activities	103,499	60,195
Cash flows from investing activities		
Purchase of property, plant and equipment	(327)	(276)
Proceeds from sales of property, plant and equipment	0	-
Purchase of intangible assets	(1,531)	(2,028)
Purchase of investment securities	(140)	(449)
Other, net	(13)	4
Net cash provided by (used in) investing activities	(2,011)	(2,749)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(89,750)	(18,950)
Proceeds from long-term borrowings	-	300
Repayments of long-term borrowings	(100)	(100)
Purchase of treasury shares	(0)	(0)
Proceeds from exercise of share options	0	0
Dividends paid	(11,800)	(22,459)
Net cash provided by (used in) financing activities	(101,650)	(41,209)
Effect of exchange rate change on cash and cash equivalents	0	(0)
Net increase (decrease) in cash and cash equivalents	(162)	16,237
Cash and cash equivalents at beginning of period	36,269	39,108
Cash and cash equivalents at end of period	39,108	55,345

5. Notes on Financial Statements

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

Not applicable.

2) (Notes - Segment information)

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

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

Not applicable.

4) (Notes - Per share information)

Current fiscal year (From April 1, 2019 to March 31, 2020)	
Net assets per share	311.72 Yen
Basic earnings per share	23.89 Yen
Diluted earnings per share	23.86 Yen

Note: Calculation basis

Basic earnings per share and diluted earnings per share

Items	Current fiscal year (From April 1, 2019 to March 31, 2020)
Basic earnings per share	
Profit (Millions of Yen)	6,136
Profit not attributed to common stock (Millions of Yen)	-
Profit attributed to common stock (Millions of Yen)	6,136
Average number of shares of common stock outstanding (Shares)	256,855,048
Diluted earnings per share	
Increase of common stock (Shares)	316,036
(Of the above, subscription right to shares (Shares))	(316,036)
Outline of share acquisition rights or others without dilution effects which are not considered in the calculation of diluted earnings per share	-

5) (Notes - Significant events after reporting period)

Not applicable.