

Quarterly Securities Report
Including Financial Statements
Under Japanese GAAP
For the Three Months
Ended June 30, 2010

Matsui Securities Co., Ltd.

1-4, Kojimachi, Chiyoda-ku, Tokyo, Japan

Filed with the Director of the Kanto Local Finance Bureau

On August 13, 2010

1 Information on the Company

Part 1 Company Financial Outlook

1 Major Business Indices

Consolidated Business Indices

| | | Three months Ended June 30, 2009 | Three months Ended June 30, 2010 | Year Ended March 31, 2010 |
|--------------------------------------------|-------------------|----------------------------------------|----------------------------------------|------------------------------|
| Operating revenues | (Millions of Yen) | 6,837 | 6,177 | 24,346 |
| Net operating revenues | (Millions of Yen) | 6,490 | 5,972 | 23,276 |
| Ordinary income | (Millions of Yen) | 2,980 | 3,155 | 11,545 |
| Net income | (Millions of Yen) | 2,117 | 2,027 | 7,661 |
| Net assets | (Millions of Yen) | 68,662 | 72,367 | 74,203 |
| Total assets | (Millions of Yen) | 474,888 | 473,153 | 466,089 |
| Net assets per share | (Yen) | 267.45 | 281.88 | 289.03 |
| Earnings per share | (Yen) | 8.25 | 7.89 | 29.84 |
| Fully diluted earnings per share | (Yen) | 7.41 | 7.25 | 26.97 |
| Equity ratio | (%) | 14.5 | 15.3 | 15.9 |
| Cash flows from operating activities | (Millions of Yen) | (36,069) | (47,220) | (44,912) |
| Cash flows from investing activities | (Millions of Yen) | (1,510) | (611) | (3,272) |
| Cash flows from financing activities | (Millions of Yen) | (14,056) | 52,611 | (3,265) |
| Cash and cash equivalents at end of period | (Millions of Yen) | 23,205 | 28,171 | 23,391 |
| Number of employees | | 109 | 119 | 108 |

2 Company's Business

There have not been significant changes in the business of the Company's group in the three months ended June 30, 2010. There have not been significant changes in the business of the Company's major affiliates for the three months ended June 30, 2010 either.

3 Affiliated Companies

There have not been changes in the composition of the affiliate companies in the three months ended June 30, 2010.

4 Employees

(1) Consolidated basis

The Company and its consolidated subsidiaries employ 119 employees (This number includes two employees on maternity leave and other types of leave) and 169 temporary employees.

(2) Stand-alone basis

The Company employs 119 employees (This number includes two employees on maternity leave and other types of leave) and 165 temporary employees.

Part 2 Business Outlook of the Company

1 Risk of the Company's Business

There have not been unusual changes in financial position, result of operations and cash flows of the Company in the three months ended June 30, 2010.

There have not been significant changes in the risk of the Company's business described in the Annual Securities Report of the Company as of March 31, 2010.

2 Significant Contracts for the Company's Business

There have not been significant contracts made in the three months ended June 30, 2010.

Part 3 Equipment

1 Major Equipment

There have not been significant changes in the Company's major equipment in the three months ended June 30, 2010.

2 Plans for Equipment Purchase or Disposal

There have not been significant changes nor completion of the plans during the three months ended June 30, 2010 to purchase or dispose equipment as of March 31, 2010.

There have not been any significant plans newly introduced in the three months ended June 30, 2010.

Part 4 Corporate Profiles

1 Number of Shares

(1) Total Number of Shares

| Number of Shares Authorized | |
|-----------------------------|----------------------|
| Common Stock | 1,050,000,000 shares |
| Total | 1,050,000,000 shares |

| | Number of Shares Outstanding | | Stock Exchange(s) Listed at | Details |
|--------------|------------------------------------------------------|----------------------------------------------------------|-----------------------------------------|------------------------------|
| | As of June 30, 2010 (End of the quarterly period) | As of August 13, 2010 (Date of filing of this Report) | | |
| Common Stock | 269,260,202 shares | 269,264,702 shares | Tokyo Stock Exchange (First Section) | 1 unit consists of 100shares |
| Total | 269,260,202 shares | 269,264,702 shares | — | — |

Note: The number of shares outstanding as of August 13, 2010 does not include those shares issued as a result of the exercise of new-share purchase rights in the period from August 1, 2010 to August 13, 2010.

(2) New-Share Purchase Rights

(i) New-share purchase rights

| Special resolution from general shareholders' meeting (June 16, 2002) | |
|-----------------------------------------------------------------------|--------------------------------------------------------------------------------|
| | As of June 30, 2010 |
| Number of new-share purchase rights | 15 |
| Number of new-share purchase rights held by the Company | — |
| Shares on which the new-share purchase rights will be exercised | Common Stock 1unit: 100shares |
| Number of shares to be issued by the new-share purchase rights | 4,500 |
| Total value of payment | 559 Yen per share |
| Period of exercise of rights | From July 15, 2005 to July 14, 2010 |
| Price of issuance and value to be capitalized as common stock | Price of Issuance: 559 Yen Value to be capitalized as common stock: 280 Yen |
| Conditions of exercise | ※Note |
| Restrictions on assignment of rights | Assignments of rights require the approval by the board of directors. |
| Alternative payment on the exercise of the rights | — |
| Grant of rights due to corporate reorganization | — |

Note: 1. Person granted with new-share purchase right must be in the position of directors, auditors or employees of the Company or its subsidiaries at the time of the exercise of the rights. The exemption of this is the case where the persons have retired from directors, auditors or employees of the Company or its subsidiaries by the expiration of their term or reaching their retiring age.

2. In case where the holder of the right deceases, its heir is entitled to exercise the rights.

3. Disposition of the rights including pawning is to be denied.

4. Other conditions are provided in the stock option contracts.

(ii) Bonds with new-share purchase rights

| Zero Coupon Convertible Bond due 2011 (Issued on November 17, 2003) | |
|-------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| | As of June 30, 2010 |
| Number of new-share purchase rights | 7,788 |
| Number of new-share purchase rights held by the Company | — |
| Shares on which the new-share purchase rights will be exercised | Common Stock 1unit: 100shares |
| Number of shares to be issued by the new-share purchase rights | 13,402,168 |
| Total value of payment | 2 million yen per one new-share purchase right 1,162.2 Yen per share |
| Period of exercise of rights | From December 1, 2003 to March 17, 2011 |
| Price of issuance and value to be capitalized as common stocks | Price of Issuance: 1,162.2 Yen Value to be capitalized as common stock: 582 Yen |
| Conditions of exercise | New-share purchase rights of each bond cannot be exercised partially. |
| Restrictions on assignment of rights | The new-share purchase rights can not be assigned separately from the bonds. |
| Alternative payment on the exercise of the rights | The amount equivalent to the bonds issued is to be treated as the fulfillment of the payment on the exercise of the rights. |
| Grant of rights due to corporate reorganization | — |
| Outstanding balance of bonds with new-share purchase rights (Millions of yen) | 15,576 |

(3) Exercise of Moving Strike Convertible Bonds

No relevant items.

(4) Rights Plan

No relevant items.

(5) Total Number of Shares Outstanding and Capital Stock

| | Shares Outstanding | | Capital Stock | | Additional Paid in Capital | |
|----------------------------------------|------------------------------------|---------------------------------------------------|-----------------------------|---------------------------------------------|-----------------------------|---------------------------------------------|
| | Change (Thousands of shares) | Shares outstanding (Thousands of shares) | Change (Millions of Yen) | Outstanding Balance (Millions of Yen) | Change (Millions of Yen) | Outstanding Balance (Millions of Yen) |
| From April 1, 2010 to June 30, 2010 | — | 269,260 | — | 11,944 | — | 9,792 |

(6) Principal Shareholders

The Company has not obtained information on the changes of the principal shareholders for the three months ended June 30, 2010.

(7) Voting Rights

Following tables show the status of voting rights as of March 31, 2010 instead of those as of June 30, 2010 for the Company is not able to settle the list of shareholders as of June 30, 2010.

(i) Outstanding shares

(As of March 31, 2010)

| | Number of shares | Number of voting rights |
|------------------------------------------------------------------|-----------------------------------------------|-------------------------|
| Shares without voting rights | — | — |
| Shares with limited voting rights (Treasury stock) | — | — |
| Shares with limited voting rights (Other than treasury stock) | — | — |
| Shares with full voting rights (Treasury stock) | (Treasury stock) Common stock 12,532,700 | — |
| Shares with full voting rights (Other than treasury stock) | Common stock 256,714,400 | 2,564,833 |
| Odd lot shares (1 lot = 100 shares) | Common stock 13,102 | — |
| Total number of shares outstanding | 269,260,202 | — |
| Total number of voting rights | — | 2,564,833 |

Note:

- 400 shares under the title of Japan Securities Depository Center Inc. and 231,100 shares of securities bought by customers using money loaned from the Company's own fund are included in "Shares with full voting rights (Other than treasury stock)." 4 voting rights under the title of Japan Securities Depository Center Inc. are included in "Shares with full voting rights (Other than treasury stock)". 2,311 voting rights of securities bought by customers using money loaned from the Company's own fund are not included in "Shares with full voting rights (Other than treasury stock)".
- 77 treasury shares are included in odd-lot shares..

(ii) Treasury Stock

(As of March 31, 2010)

| Name of shareholders | Address | Treasury stock held by the Company's own name | Treasury stock held by other person's name | Total Number of shares held | Percentage of shares to the total number of outstanding shares (%) |
|----------------------------------------------------------------------|---------------------------------------------|-----------------------------------------------|--------------------------------------------|-----------------------------|--------------------------------------------------------------------|
| (Treasury stock held by the Company) Matsui Securities Co., Ltd. | 1-4, Kojimachi, Chiyoda-ku, Tokyo, Japan | 12,532,700 | — | 12,532,700 | 4.65 |
| Total | — | 12,532,700 | — | 12,532,700 | 4.65 |

2 Share Price

| Monthly highest and lowest prices for the three months ended June 30, 2010 | | April 2010 | May 2010 | June 2010 |
|----------------------------------------------------------------------------|---------------|------------|----------|-----------|
| | Highest (Yen) | 748 | 696 | 632 |
| | Lowest (Yen) | 658 | 580 | 544 |

Note: The highest and lowest prices are quoted in the 1st section of the Tokyo Stock Exchange.

3 Executives

Following is the change in the executives' title after June 21, 2010 when the Company filed its Annual Securities report for the year ended March 31, 2010.

| New title | Former title | Name | Date of change |
|--------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|------------------|----------------|
| Director (Director in charge of Compliance Department) | Director (Director in charge of Corporate Administration Department and Compliance Department) | Toshimasa Sekine | June 28, 2010 |
| Director (General manager of CEO Office, Director in charge of Marketing Department) | Director (General manager of CEO Office, Director in charge of Marketing Department and Human Resources Department) | Akira Warita | June 28, 2010 |
| Director (Director in charge of Corporate Administration Department and Human Resources Department) | Director | Hirohito Imada | June 28, 2010 |

4 Operations of Business

(1) Commissions

(Millions of Yen)

| | Item | Stocks | Bonds | Beneficiary Certificates | Others | Total |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|--------|-------|-----------------------------|--------|-------|
| Three months ended June 30, 2009 | Brokerage commissions | 4,698 | — | 38 | 11 | 4,747 |
| | Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | — | — | — | — | — |
| | Fee for offering, secondary distribution and solicitation for selling and others for professional investors | 0 | — | — | — | 0 |
| | Others | 78 | — | 2 | 362 | 442 |
| | Total | 4,776 | — | 40 | 373 | 5,189 |
| Three months ended June 30, 2010 | Brokerage commissions | 3,656 | — | 34 | 54 | 3,744 |
| | Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | 0 | — | — | — | 0 |
| | Fee for offering, secondary distribution and solicitation for selling and others for professional investors | 0 | — | — | — | 0 |
| | Others | 112 | — | 1 | 400 | 512 |
| | Total | 3,768 | — | 34 | 454 | 4,256 |

(2) Net Gain on Trading

(Millions of Yen)

| | Three months ended June 30, 2009 | | | Three months ended June 30, 2010 | | |
|-----------------------------------------|----------------------------------|-----------------------------|-------|----------------------------------|-----------------------------|-------|
| | Realized gain and loss | Evaluation gain and loss | Total | Realized gain and loss | Evaluation gain and loss | Total |
| Net gain on trading of stocks | 1 | (0) | 1 | (0) | 0 | (0) |
| Net gain on trading of bonds and others | 1 | 0 | 1 | 1 | 0 | 1 |
| Bonds | — | — | — | — | — | — |
| Others | 1 | 0 | 1 | 1 | 0 | 1 |
| Total | 1 | 0 | 1 | 1 | 0 | 1 |

(3) Operations of Securities Trading**[1] Trading of securities excluding futures****i) Stocks**

(Millions of Yen)

| | Brokerage | Proprietary trading | Total |
|-------------------------------------|-----------|---------------------|-----------|
| Three months ended June 30, 2009 | 3,983,163 | 1,649 | 3,984,813 |
| Three months ended June 30, 2010 | 2,876,469 | 14 | 2,876,483 |

(Margin Trading)

(Millions of Yen)

| | Brokerage | Proprietary trading | Total |
|-------------------------------------|-----------|---------------------|-----------|
| Three months ended June 30, 2009 | 2,461,938 | — | 2,461,938 |
| Three months ended June 30, 2010 | 1,789,923 | — | 1,789,923 |

ii) Bonds

(Millions of Yen)

| | Brokerage | Proprietary trading | Total |
|-------------------------------------|-----------|---------------------|-------|
| Three months ended June 30, 2009 | — | — | — |
| Three months ended June 30, 2010 | — | — | — |

iii) Beneficiary Certificates

(Millions of Yen)

| | Brokerage | Proprietary trading | Total |
|-------------------------------------|-----------|---------------------|--------|
| Three months ended June 30, 2009 | 36,387 | 17 | 36,405 |
| Three months ended June 30, 2010 | 30,481 | — | 30,481 |

iv) Others

(Millions of Yen)

| | New-share purchase rights | Commercial paper | Others | Total |
|-------------------------------------|---------------------------|------------------|--------|-------|
| Three months ended June 30, 2009 | — | — | 1,463 | 1,463 |
| Three months ended June 30, 2010 | 11 | — | 660 | 670 |

※"Others" are covered warrants.

(Brokerage trading)

(Millions of Yen)

| | New-share purchase rights | Commercial paper | Others | Total |
|-------------------------------------|---------------------------|------------------|--------|-------|
| Three months ended June 30, 2009 | — | — | 1,463 | 1,463 |
| Three months ended June 30, 2010 | 11 | — | 660 | 670 |

※"Others" are covered warrants.

[2] Futures Trading

i) Stock-based

(Millions of Yen)

| | Futures trading | | Option trading | | Total |
|-------------------------------------|-----------------|---------------------|----------------|---------------------|------------|
| | Brokerage | Proprietary trading | Brokerage | Proprietary trading | |
| Three months ended June 30, 2009 | 4,439,885 | — | 7,002,916 | — | 11,442,800 |
| Three months ended June 30, 2010 | 5,219,816 | — | 14,579,308 | — | 19,799,124 |

ii) Bond-based

(Millions of Yen)

| | Futures trading | | Option trading | | Total |
|-------------------------------------|-----------------|---------------------|----------------|---------------------|-------|
| | Brokerage | Proprietary trading | Brokerage | Proprietary trading | |
| Three months ended June 30, 2009 | — | — | — | — | — |
| Three months ended June 30, 2010 | — | — | — | — | — |

[3] Underwriting and selling, underwriting and selling for professional investors, subscription and distribution, private offering, and subscription and distribution for professional investors

i) Stocks

(Millions of Yen)

| | Underwriting | Selling | Underwriting and selling for professional investors | Subscription | Distribution | Private offerings | Subscription and distribution for professional investors |
|----------------------------------|--------------|---------|-----------------------------------------------------|--------------|--------------|-------------------|----------------------------------------------------------|
| Three months ended June 30, 2009 | — | — | — | 2 | — | — | — |
| Three months ended June 30, 2010 | 3 | 3 | — | 0 | — | — | — |

ii) Bonds

(Millions of Yen)

| | Item | Underwriting | Selling | Underwriting and selling for professional investors | Subscription | Distribution | Private offerings | Subscription and distribution for professional investors |
|----------------------------------|------------------|--------------|---------|-----------------------------------------------------|--------------|--------------|-------------------|----------------------------------------------------------|
| Three months ended June 30, 2009 | Government Bonds | — | — | — | — | — | — | — |
| | Municipal Bonds | — | — | — | — | — | — | — |
| | Special Bonds | — | — | — | — | — | — | — |
| | Corporate Bonds | — | — | — | — | — | — | — |
| | Foreign Bonds | — | — | — | — | — | — | — |
| | Total | — | — | — | — | — | — | — |
| Three months ended June 30, 2010 | Government Bonds | — | — | — | — | — | — | — |
| | Municipal Bonds | — | — | — | — | — | — | — |
| | Special Bonds | — | — | — | — | — | — | — |
| | Corporate Bonds | — | — | — | — | — | — | — |
| | Foreign Bonds | — | — | — | — | — | — | — |
| | Total | — | — | — | — | — | — | — |

iii) Beneficiary certificates

(Millions of Yen)

| | Underwriting | Selling | Underwriting and selling for professional investors | Subscription | Distribution | Private offerings | Subscription and distribution for professional investors |
|----------------------------------|--------------|---------|-----------------------------------------------------|--------------|--------------|-------------------|----------------------------------------------------------|
| Three months ended June 30, 2009 | — | — | — | 258 | — | — | — |
| Three months ended June 30, 2010 | — | — | — | 241 | — | — | — |

iv) Others

(Millions of Yen)

| | Item | Underwriting | Selling | Underwriting and selling for professional investors | Subscription | Distribution | Private offerings | Subscription and distribution for professional investors |
|-------------------------------------|----------------------|--------------|---------|-----------------------------------------------------|--------------|--------------|-------------------|----------------------------------------------------------|
| Three months ended June 30, 2009 | Commercial Paper | — | — | — | — | — | — | — |
| | Foreign certificates | — | — | — | — | — | — | — |
| | Others | — | — | — | — | — | — | — |
| Three months ended June 30, 2010 | Commercial Paper | — | — | — | — | — | — | — |
| | Foreign certificates | — | — | — | — | — | — | — |
| | Others | — | — | — | — | — | — | — |

(4) Capital Adequacy Ratio

(Millions of Yen)

| | | As of June 30, 2009 | As of June 30, 2010 |
|-------------------------------------------|--------------------------------------------------------|---------------------|---------------------|
| Tier I Capital | ① | 68,567 | 72,279 |
| Tier II Capital | Net unrealized gain on investment | 16 | 0 |
| | Reserve for financial products transaction liabilities | 2,283 | 1,665 |
| | General allowance for doubtful accounts | 203 | 66 |
| | Long-term Subordinated debts | — | — |
| | Short-term Subordinated debts | — | — |
| | Total ② | 2,503 | 1,732 |
| Assets to be deducted from equity capital | ③ | 8,760 | 8,241 |
| Equity capital after deduction | ① + ② - ③ (A) | 62,310 | 65,770 |
| Risk | Market risk | 2 | 0 |
| | Counterparty risk | 3,995 | 4,627 |
| | Basic risk | 3,569 | 2,488 |
| | Total (B) | 7,567 | 7,116 |
| Capital adequacy ratio | (A) / (B) × 100 | 823.3% | 924.1% |

Note: Values are rounded down to the nearest million yen.

Part 5 Financial Status

1 Presentation of Quarterly Consolidated Financial Statements

Pursuant to Article 61 and 82 of the “Regulations of Quarterly Consolidated Financial Statements” (Cabinet Office Ordinance No. 64, 2007), the quarterly consolidated financial statements of the Company are prepared in accordance with the “Cabinet Office Ordinance concerning Financial Instruments Business” (Cabinet Office Ordinance No. 52, 2007) and the “Uniform Accounting Standards of Securities Business” (set by the board of directors of the Japan Securities Dealers’ Association, November 14, 1974) along with the “Regulations of Quarterly Consolidated Financial Statements”.

The quarterly consolidated financial statements for the three months ended June 30, 2009 (from April 1, 2009 to June 30, 2009) have been prepared in accordance with the former Regulations of Quarterly Consolidated Financial Statements, and the quarterly consolidated financial statements for the three months ended June 30, 2010 (from April 1, 2010 to June 30, 2010) have been prepared in accordance with the current Regulations of Quarterly Consolidated Financial Statements.

2 Audit Report

The quarterly consolidated financial statements for the three months ended June 30, 2009 (from April 1, 2009 to June 30, 2009) and for the three months ended June 30, 2010 (from April 1, 2010 to June 30, 2010) were reviewed by PricewaterhouseCoopers Aarata in accordance with the Article 193-2-1 of Financial Instruments and Exchange Law.

Notice to readers:

The accompanying quarterly consolidated financial statements were prepared in accordance with the provision set forth in the Corporation Law of Japan and the Financial Instruments and Exchange Law, and in conformity with accounting principles and practices generally accepted in Japan, which are different from International Financial Reporting Standards in the certain aspects of application and disclosure requirements.

The quarterly consolidated financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries or jurisdictions other than Japan.

1 Quarterly Consolidated Financial Statements

[1] Quarterly Consolidated Balance Sheets

(Millions of Yen)

| | June 30, 2010 | March 31, 2010 |
|----------------------------------------------------------------------------------------|----------------|----------------|
| Assets | | |
| Current Assets | | |
| Cash and bank deposits | 17,070 | 15,191 |
| Cash segregated as deposits | 220,101 | 246,018 |
| Cash in trust | 12,102 | 22,450 |
| Trading assets: | 3,128 | 1,823 |
| Trading securities and others | 9 | 32 |
| Derivatives | 3,119 | 1,791 |
| Net receivables arising from pre-settlement date trades | — | 24 |
| Margin account assets: | 198,032 | 156,429 |
| Loans receivable from customers | 195,836 | 146,634 |
| Cash deposited as collateral for securities borrowed from securities finance companies | 2,196 | 9,795 |
| Receivables on collateralized securities transactions: | 1,573 | 5,143 |
| Cash deposits collateral for securities borrowed | 1,573 | 5,143 |
| Receivables from customers and others | 91 | 35 |
| Short-term guarantee deposits | 6,182 | 4,148 |
| Others | 7,064 | 6,803 |
| Allowance for doubtful accounts | (67) | (249) |
| Total current assets | 465,277 | 457,814 |
| Fixed assets | | |
| Tangible fixed assets | ※1 1,075 | ※1 1,115 |
| Intangible assets | 4,964 | 5,247 |
| Software | 4,955 | 5,237 |
| Others | 9 | 10 |
| Investments and others | 1,836 | 1,912 |
| Investment securities | 280 | 302 |
| Others | 2,404 | 2,441 |
| Allowance for doubtful accounts | (848) | (831) |
| Total fixed assets | 7,876 | 8,275 |
| Total assets | 473,153 | 466,089 |

(Millions of Yen)

| | June 30, 2010 | March 31, 2010 |
|-------------------------------------------------------------------|----------------|----------------|
| Liabilities | | |
| Current liabilities | | |
| Trading liabilities: | 78 | 294 |
| Trading securities and others | 9 | 32 |
| Derivatives | 68 | 262 |
| Net receivables arising from pre-settlement date trades | 418 | — |
| Margin account liabilities: | 26,305 | 45,819 |
| Loans from securities finance companies | ※2 3,502 | ※2 4,154 |
| Proceeds of securities sold on customers' account | 22,803 | 41,665 |
| Payables on collateralized securities transactions: | 9,407 | 9,393 |
| Cash deposits as collateral for securities loaned | 9,407 | 9,393 |
| Deposits received | 109,539 | 132,559 |
| Guarantee money received | 131,021 | 133,458 |
| Suspense account for undelivered securities | 5 | — |
| Short-term borrowings | 104,032 | 37,032 |
| Convertible bonds due within one year | 15,576 | 26,506 |
| Accrued income taxes | 1,098 | 3,236 |
| Accrued bonuses | 30 | 104 |
| Others | 1,386 | 1,596 |
| Total current liabilities | 398,894 | 389,997 |
| Long-term liabilities | | |
| Long-term borrowings | 20 | 20 |
| Reserve for retirement bonuses for directors and auditors | 204 | 204 |
| Others | 3 | 0 |
| Total long-term liabilities | 227 | 225 |
| Statutory reserves | | |
| Reserve for financial products transaction liabilities | 1,665 | 1,665 |
| Total statutory reserves | 1,665 | 1,665 |
| Total liabilities | 400,786 | 391,886 |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 11,944 | 11,944 |
| Capital surplus | 9,792 | 9,792 |
| Earned surplus | 60,105 | 61,929 |
| Treasury stock | (9,474) | (9,474) |
| Total shareholders' equity | 72,366 | 74,190 |
| Valuation and translation adjustments | | |
| Net unrealized gain (loss) on investment securities, net of taxes | 1 | 13 |
| Total valuation and translation adjustments | 1 | 13 |
| Total net assets | 72,367 | 74,203 |
| Total liabilities and net assets | 473,153 | 466,089 |

[2] Quarterly Consolidated Statements of Income

(Millions of Yen)

| | Three months ended June 30, 2009 | Three months ended June 30, 2010 |
|------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Operating revenues | | |
| Commissions | 5,189 | 4,256 |
| Brokerage commissions | 4,747 | 3,744 |
| Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors | — | 0 |
| Fee for offering, secondary distribution and solicitation for selling and others for professional investors | 0 | 0 |
| Others | 442 | 512 |
| Net gain (loss) on trading | 1 | 1 |
| Interest and dividend income | 1,646 | 1,920 |
| Total operating revenues | 6,837 | 6,177 |
| Interest expenses | 347 | 205 |
| Net operating revenues | 6,490 | 5,972 |
| Selling, general and administrative expenses | | |
| Transaction related expenses | 947 | 884 |
| Employees' compensation and benefits | ※1 497 | ※1 544 |
| Occupancy and rental | 173 | 281 |
| Data processing and office supplies | 1,297 | 570 |
| Depreciation | 386 | 472 |
| Duties and taxes other than income taxes | 55 | 39 |
| Provision of allowance for doubtful accounts | 124 | — |
| Others | 44 | 37 |
| Total selling, general and administrative expenses | 3,522 | 2,828 |
| Operating income | 2,968 | 3,144 |
| Non-operating income | | |
| Dividend income | 8 | 9 |
| Others | 7 | 4 |
| Total non-operating income | 15 | 13 |
| Non-operating expenses | | |
| Others | 2 | 1 |
| Total non-operating expenses | 2 | 1 |
| Ordinary income | 2,980 | 3,155 |
| Special profits | | |
| Gain on sales of investment securities | — | 7 |
| Gain on cancellation of convertible bonds | 581 | 82 |
| Reversal of allowance for doubtful accounts | — | 166 |
| Total special profits | 581 | 255 |
| Special losses | | |
| Loss on sales and disposals of property and equipment | — | 0 |
| Devaluation loss on investment securities | 20 | — |
| Total special losses | 20 | 0 |
| Income before income taxes | 3,541 | 3,410 |
| Income taxes - current | 1,397 | 1,078 |
| Income taxes - deferred | 27 | 305 |
| Income taxes | 1,424 | 1,383 |
| Income before minority interests | — | 2,027 |
| Net income | 2,117 | 2,027 |

[3] Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

| | Three months ended June 30, 2009 | Three months ended June 30, 2010 |
|---------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Income before income taxes | 3,541 | 3,410 |
| Depreciation and amortization | 386 | 472 |
| Net change in allowance for doubtful accounts | 124 | (166) |
| Net change in accrued bonuses | (54) | (74) |
| Interest and dividend income | (1,887) | (2,075) |
| Interest expenses | 333 | 190 |
| Gain or loss on sales and disposals of property and equipment | — | 0 |
| Gain or loss on sales of investment securities | — | (7) |
| Devaluation loss on investment securities | 20 | — |
| Gain on cancellation of convertible bonds | (581) | (82) |
| Net change in cash segregated as deposits | (6,754) | 25,909 |
| Net change in cash in trust | — | 13,250 |
| Net change in trading assets and liabilities | 469 | (1,522) |
| Net change in net receivables and payables arising from pre-settlement date trades | (131) | 442 |
| Net change in margin assets and liabilities | (45,597) | (61,117) |
| Net change in receivables on collateralized securities transactions | 1,799 | 3,570 |
| Net change in deposits received and receivables from customers and others | 3,518 | (23,077) |
| Net change in payables on collateralized securities transactions | 2,329 | 14 |
| Net change in guarantee money received | 8,448 | (2,437) |
| Net change in short-term guarantee deposits | (1,712) | (2,034) |
| Others | (89) | (91) |
| Sub total | (35,839) | (45,426) |
| Interest and dividend received | 1,566 | 1,568 |
| Interest paid | (489) | (195) |
| Income taxes paid | (1,307) | (3,166) |
| Net cash flows from operating activities | (36,069) | (47,220) |
| Cash flows from investing activities | | |
| Payments for purchases of property and equipment | (31) | (17) |
| Payments for purchases of intangible assets | (1,479) | (612) |
| Proceeds from sales of investment securities | — | 14 |
| Others | — | 3 |
| Net cash flows from investing activities | (1,510) | (611) |
| Cash flows from financing activities | | |
| Net change in short-term borrowings | 18,000 | 67,000 |
| Repayments of long-term borrowings | (2,000) | — |
| Repayment for corporate bonds | (20,000) | — |
| Payments for repurchase of convertible bonds | (7,717) | (10,848) |
| Dividends paid | (2,339) | (3,541) |
| Net cash flows from financing activities | (14,056) | 52,611 |
| Translation difference of cash and cash equivalent | (0) | (0) |
| Net change in cash and cash equivalent | (51,635) | 4,780 |
| Cash and cash equivalents at beginning of period | 74,840 | 23,391 |
| Cash and cash equivalents at end of period | ※1 23,205 | ※1 28,171 |

Changes in Significant Accounting Policies for the Quarterly Consolidated Financial Statements

Three months ended June 30, 2010

The Company has adopted "Accounting Standard for Asset Retirement Obligations" (Accounting Standard Board of Japan, Statement No. 18, March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (Accounting Standard Board of Japan, Guidance No. 21, March 31, 2008)" as of this first quarterly period. The impact of this change on the quarterly consolidated financial statements is immaterial.

Reclassification

Three months ended June 30, 2010

(Notes to Consolidated Balance Sheet)

Fiduciary assets relating to the customers' foreign derivative transactions had been classified as "Cash in trust" but were reclassified as "Cash segregated as deposits" from the quarterly period ended June 30, 2010 in order to comply with the newly-introduced legislative obligation on securities brokers to segregate these deposits from their own assets.

Fiduciary assets relating to the customers' foreign exchange margin transactions had been classified as "Cash in trust" but were also reclassified as "Cash segregated as deposits" from the quarterly period ended June 30 2010. The segregation of guarantee money received for the foreign exchange margin transactions is also required by law.

"Cash in trust" as of March 31, 2010 includes:

- (1) Fiduciary assets relating to the customers' foreign derivative transactions
950 Millions of Yen
- (2) Fiduciary assets relating to the customers' foreign exchange margin transactions
12,300 Millions of Yen

(Notes to Consolidated Statements of Income)

"Income before minority interests" is newly represented in the income statements from this quarterly period to adopt the "Cabinet Office Ordinance Partially Revising Regulations on Terminology, Forms and Preparation of Financial Statement" (Cabinet Office Ordinance No. 5, March 24, 2009) based on the "Accounting Standards for Consolidated Financial Statements" (Accounting Standard Board of Japan Statement No. 22, December 26, 2008).

Adoption of the simplified accounting policies for preparation of the quarterly consolidated financial statements

(Three months ended June 30, 2010)

No relevant items.

Adoption of the typical accounting procedures for preparation of the quarterly consolidated financial statements

(Three months ended June 30, 2010)

No relevant items.

Notes to Quarterly Consolidated Financial Statements

Notes to Quarterly Consolidated Balance Sheet

| As of June 30, 2010 | As of March 31, 2010 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------|--------------------------------------------------------------------------|-------|---------------------------------------------------------------------|--------|---------------------------------------------|-------|------------------------------------------------------------------------------|-------|------------------------------------------------------------------------|---------|----------------------------------------------------------|-------|---------------------------------------------------------------------|-------|-------------------------------------------------|---------|----------------------------------------------------------------------------------------------|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|--------|--------------------------------------------------------------------------|-------|---------------------------------------------------------------------|--------|---------------------------------------------|-------|------------------------------------------------------------------------------|-------|------------------------------------------------------------------------|---------|----------------------------------------------------------|-------|---------------------------------------------------------------------|-------|-------------------------------------------------|---------|----------------------------------------------------------------------------------------------|-------|
| <p>※1 Accumulated depreciation deducted from tangible fixed assets is as follows.</p> <p style="text-align: right;">905 Million Yen</p> <p>※2 Assets collateralized: None of the assets is collateralized.</p> <p>Note: The securities bought by customers using money loaned from the Company's own fund, of which fair value amounted to 936 million yen are collateralized for the loans from securities finance companies. 8,190 million yen of the guarantee securities received from customers are collateralized for loans from securities finance companies.</p> <p>3 Fair value of securities received and deposited are as follows.</p> <p>(1) Securities deposited (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1) Securities lent for customers' short positions in margin trading</td> <td style="text-align: right;">22,536</td> </tr> <tr> <td>2) Collateralized securities for loans from securities finance companies</td> <td style="text-align: right;">3,330</td> </tr> <tr> <td>3) Securities loaned out in securities loaned vs. cash transactions</td> <td style="text-align: right;">11,668</td> </tr> <tr> <td>4) Long-term guarantee securities deposited</td> <td style="text-align: right;">6,154</td> </tr> <tr> <td>5) Securities pledged as collateral for futures and option trading guarantee</td> <td style="text-align: right;">6,694</td> </tr> </table> <p>(2) Securities received (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1) Securities received for customers' long positions in margin trading</td> <td style="text-align: right;">161,289</td> </tr> <tr> <td>2) Securities borrowed from securities finance companies</td> <td style="text-align: right;">2,121</td> </tr> <tr> <td>3) Securities received in securities borrowed vs. cash transactions</td> <td style="text-align: right;">1,466</td> </tr> <tr> <td>4) Guarantee securities received from customers</td> <td style="text-align: right;">219,694</td> </tr> <tr> <td>5) Securities received from customers as collateral for futures and option trading guarantee</td> <td style="text-align: right;">2,463</td> </tr> </table> | 1) Securities lent for customers' short positions in margin trading | 22,536 | 2) Collateralized securities for loans from securities finance companies | 3,330 | 3) Securities loaned out in securities loaned vs. cash transactions | 11,668 | 4) Long-term guarantee securities deposited | 6,154 | 5) Securities pledged as collateral for futures and option trading guarantee | 6,694 | 1) Securities received for customers' long positions in margin trading | 161,289 | 2) Securities borrowed from securities finance companies | 2,121 | 3) Securities received in securities borrowed vs. cash transactions | 1,466 | 4) Guarantee securities received from customers | 219,694 | 5) Securities received from customers as collateral for futures and option trading guarantee | 2,463 | <p>※1 Accumulated depreciation deducted from tangible fixed assets is as follows.</p> <p style="text-align: right;">862 Million Yen</p> <p>※2 Assets collateralized: None of the assets is collateralized.</p> <p>Note: The securities bought by customers using money loaned from the Company's own fund, of which fair value amounted to 1,218 million yen are collateralized for the loans from securities finance companies. 9,501 million yen of the guarantee securities received from customers are collateralized for loans from securities finance companies.</p> <p>3 Fair value of securities received and deposited are as follows.</p> <p>(1) Securities deposited (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1) Securities lent for customers' short positions in margin trading</td> <td style="text-align: right;">46,301</td> </tr> <tr> <td>2) Collateralized securities for loans from securities finance companies</td> <td style="text-align: right;">4,167</td> </tr> <tr> <td>3) Securities loaned out in securities loaned vs. cash transactions</td> <td style="text-align: right;">11,948</td> </tr> <tr> <td>4) Long-term guarantee securities deposited</td> <td style="text-align: right;">6,059</td> </tr> <tr> <td>5) Securities pledged as collateral for futures and option trading guarantee</td> <td style="text-align: right;">7,708</td> </tr> </table> <p>(2) Securities received (Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1) Securities received for customers' long positions in margin trading</td> <td style="text-align: right;">140,144</td> </tr> <tr> <td>2) Securities borrowed from securities finance companies</td> <td style="text-align: right;">9,971</td> </tr> <tr> <td>3) Securities received in securities borrowed vs. cash transactions</td> <td style="text-align: right;">4,991</td> </tr> <tr> <td>4) Guarantee securities received from customers</td> <td style="text-align: right;">234,481</td> </tr> <tr> <td>5) Securities received from customers as collateral for futures and option trading guarantee</td> <td style="text-align: right;">2,499</td> </tr> </table> | 1) Securities lent for customers' short positions in margin trading | 46,301 | 2) Collateralized securities for loans from securities finance companies | 4,167 | 3) Securities loaned out in securities loaned vs. cash transactions | 11,948 | 4) Long-term guarantee securities deposited | 6,059 | 5) Securities pledged as collateral for futures and option trading guarantee | 7,708 | 1) Securities received for customers' long positions in margin trading | 140,144 | 2) Securities borrowed from securities finance companies | 9,971 | 3) Securities received in securities borrowed vs. cash transactions | 4,991 | 4) Guarantee securities received from customers | 234,481 | 5) Securities received from customers as collateral for futures and option trading guarantee | 2,499 |
| 1) Securities lent for customers' short positions in margin trading | 22,536 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2) Collateralized securities for loans from securities finance companies | 3,330 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3) Securities loaned out in securities loaned vs. cash transactions | 11,668 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4) Long-term guarantee securities deposited | 6,154 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5) Securities pledged as collateral for futures and option trading guarantee | 6,694 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1) Securities received for customers' long positions in margin trading | 161,289 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2) Securities borrowed from securities finance companies | 2,121 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3) Securities received in securities borrowed vs. cash transactions | 1,466 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4) Guarantee securities received from customers | 219,694 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5) Securities received from customers as collateral for futures and option trading guarantee | 2,463 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1) Securities lent for customers' short positions in margin trading | 46,301 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2) Collateralized securities for loans from securities finance companies | 4,167 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3) Securities loaned out in securities loaned vs. cash transactions | 11,948 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4) Long-term guarantee securities deposited | 6,059 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5) Securities pledged as collateral for futures and option trading guarantee | 7,708 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1) Securities received for customers' long positions in margin trading | 140,144 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2) Securities borrowed from securities finance companies | 9,971 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3) Securities received in securities borrowed vs. cash transactions | 4,991 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4) Guarantee securities received from customers | 234,481 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5) Securities received from customers as collateral for futures and option trading guarantee | 2,499 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes to Quarterly Consolidated Statements of Income

| Three months ended June 30, 2009 | Three months ended June 30, 2010 |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| ※1 Employees' compensation and benefit reported in the quarterly consolidated statements of income include 32 million yen of accrued bonuses. | ※1 Employees' compensation and benefit reported in the quarterly consolidated statements of income include 30 million yen of accrued bonuses. |

Notes to Quarterly Consolidated Statements of Cash Flows

| Three months ended June 30, 2009 | Three months ended June 30, 2010 | | | | | | | | | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|--------|---------------|--------|----------------------------------------------------------|----------|---------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|--------|---------------|--------|----------------------------------------------------------|---------|---------------------------|--------|
| <p>※1 The reconciliation between cash and cash equivalents and the balance of cash in hand and at banks presented in the quarterly consolidated balance sheet is as follows.</p> <p style="text-align: right;">(As of June 30, 2009)</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr> <td>Cash and bank deposits</td> <td style="text-align: right;">12,700</td> </tr> <tr> <td>Cash in trust</td> <td style="text-align: right;">27,255</td> </tr> <tr> <td>Cash in trust which is held to segregate guarantee money</td> <td style="text-align: right;">(16,750)</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">23,205</td> </tr> </table> | Cash and bank deposits | 12,700 | Cash in trust | 27,255 | Cash in trust which is held to segregate guarantee money | (16,750) | Cash and cash equivalents | 23,205 | <p>※1 The reconciliation between cash and cash equivalents and the balance of cash in hand and at banks presented in the quarterly consolidated balance sheet is as follows.</p> <p style="text-align: right;">(As of June 30, 2010)</p> <p style="text-align: right;">(Millions of Yen)</p> <table> <tr> <td>Cash and bank deposits</td> <td style="text-align: right;">17,070</td> </tr> <tr> <td>Cash in trust</td> <td style="text-align: right;">12,102</td> </tr> <tr> <td>Cash in trust which is held to segregate guarantee money</td> <td style="text-align: right;">(1,000)</td> </tr> <tr> <td style="border-top: 1px solid black;">Cash and cash equivalents</td> <td style="text-align: right; border-top: 1px solid black;">28,171</td> </tr> </table> | Cash and bank deposits | 17,070 | Cash in trust | 12,102 | Cash in trust which is held to segregate guarantee money | (1,000) | Cash and cash equivalents | 28,171 |
| Cash and bank deposits | 12,700 | | | | | | | | | | | | | | | | |
| Cash in trust | 27,255 | | | | | | | | | | | | | | | | |
| Cash in trust which is held to segregate guarantee money | (16,750) | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 23,205 | | | | | | | | | | | | | | | | |
| Cash and bank deposits | 17,070 | | | | | | | | | | | | | | | | |
| Cash in trust | 12,102 | | | | | | | | | | | | | | | | |
| Cash in trust which is held to segregate guarantee money | (1,000) | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 28,171 | | | | | | | | | | | | | | | | |

Notes Concerning Net Assets

(As of June 30, 2010 and three months ended June 30, 2010)

1. Outstanding shares

(Number of shares)

| Type of share | As of June 30, 2010 |
|---------------|---------------------|
| Common stock | 269,260,202 |

2. Treasury stock

(Number of shares)

| Type of shares | As of June 30, 2010 |
|----------------|---------------------|
| Common stock | 12,532,777 |

3. New-share purchase rights

No relevant items.

4. Dividends

(1) Dividend payment

| | |
|------------------------------|----------------------------------------------------------------|
| Date of resolution | Ordinary General Meeting of Shareholders held on June 27, 2010 |
| Type of Shares | Common stock |
| Amount of dividend payment | 3,851 million yen |
| Dividends per share | 15 yen |
| Date of record for dividends | March 31, 2010 |
| Effective date | June 28, 2010 |
| Source of dividends | Earned surplus |

(2) Dividends for which effective date is after June 30, 2010

No relevant items.

5. Significant changes in net assets

No relevant items.

Segment Information

(Three months ended June 30, 2009)

Information relating to operations in different industries is omitted as the Company and its consolidated subsidiary operate predominately in investment and financing service industry. The Company's primary business activities include brokerage, underwriting and distribution and trading of securities, and over 90% of the operating revenues or operating income of the Company and its consolidated subsidiary are related to the investment and financing services industry.

Information relating to geographic area and export sales has been omitted, as the Company and its consolidated subsidiary do not have overseas branch nor earns overseas revenue.

(Segment Information)

(Additional Information)

The Company has adopted "Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (Accounting Standard Board of Japan, Statement No. 17, March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related information" (Accounting Standard Board of Japan, Statement No. 20, March 21, 2008)" as of this first quarterly period.

(Three months ended June 30, 2010)

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

Notes to Financial Instruments

(As of June 30, 2010)

“Short-term borrowings” are important to the business of the Company. The outstanding balance has changed significantly in this quarterly period.

| Item | Book value (millions of yen) | Fair value (millions of yen) | Difference (millions of yen) | Calculation method of fair value |
|------------------------|---------------------------------|---------------------------------|---------------------------------|-------------------------------------|
| Short- term borrowings | 104,032 | 104,032 | — | ※Note |

Note: As the repayment of Short-term borrowings were close to the balance-sheet date, fair value is evaluated by their book value.

Notes to Securities

There have not been significant change in securities during three months ended June 30, 2010 compared to fiscal year ended March 31, 2010.

Notes to Derivative Transactions

There have not been any significant derivative transactions in the three months ended June 30, 2010.

Notes to Stock Options

No relevant items.

Notes to Asset Retirement Obligations

No relevant items.

Per Share Information

1. Net assets per share

| As of June 30, 2010 | | As of March 31, 2010 | |
|----------------------|------------|----------------------|------------|
| Net assets per share | 281.88 Yen | Net assets per share | 289.03 Yen |

Note: Calculation basis of net assets per share information is as follows:

| Items | As of June 30, 2010 | As of March 31, 2010 |
|--------------------------------------------------------------------------------------------------------|---------------------|----------------------|
| Total net assets on the balance sheets (Millions of Yen) | 72,367 | 74,203 |
| Net assets attributed to common stock (Millions of Yen) | 72,367 | 74,203 |
| Breakdown of difference (Millions of Yen) | — | — |
| Number of common stock outstanding (Thousands of shares) | 269,260 | 269,260 |
| Number of common stock held in treasury (Thousands of shares) | 12,533 | 12,533 |
| Number of common stock included in the calculation of net assets per share (Thousands of shares) | 256,727 | 256,727 |

2. Earnings per share and fully diluted earnings per share

| Three months ended June 30, 2009 | | Three months ended June 30, 2010 | |
|----------------------------------|----------|----------------------------------|----------|
| Earnings/share | 8.25 Yen | Earnings/share | 7.89 Yen |
| Fully diluted earnings/share | 7.41 Yen | Fully diluted earnings/share | 7.25 Yen |

Note: Calculation basis of Earnings per share and fully diluted earnings per share information is as follows:

| Items | Three months ended June 30, 2009 | Three months ended June 30, 2010 |
|--------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| Net income on the statements of income (Millions of Yen) | 2,117 | 2,027 |
| Net income attributed to common stock (Millions of Yen) | 2,117 | 2,027 |
| Net income not attributed to common stock (Millions of Yen) | — | — |
| Average number of common stock outstanding (Thousands of shares) | 256,727 | 256,727 |
| Increase of common stock considered in the calculation of fully diluted earnings per share (Thousands of shares) | 29,047 | 22,807 |
| Significant changes in the residual securities which are not considered in the calculation of fully diluted earnings per share | — | — |

Subsequent Events

No relevant items.

2 Others

No relevant items.

2 Information on the Surety of the Company

No relevant items.

Note: The Original Quarterly Securities Report includes the quarterly review by PricewaterhouseCoopers Aarata for the quarterly consolidated financial statements for the three months ended June 30, 2009 and for the three months ended June 30, 2010.