

Quarterly Securities Report
Including Financial Statements
Under Japanese GAAP
For the Three Months
Ended June 30, 2014

Matsui Securities Co., Ltd.

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

Filed with the Director of the Kanto Local Finance Bureau

On August 13, 2014

1 Information on Matsui Securities Co., Ltd. (“Company”)

Part 1 Company Financial Outlook

1 Major Business Indices

	Three months Ended June 30, 2013	Three months Ended June 30, 2014	Year Ended March 31, 2014
Operating revenues (Millions of Yen)	13,152	7,490	39,883
Net operating revenues (Millions of Yen)	12,800	7,238	38,738
Ordinary income (Millions of Yen)	9,625	4,694	27,175
Net income (Millions of Yen)	5,802	2,928	16,300
Equity in earnings of affiliates (Millions of Yen)	—	—	—
Capital stock (Millions of Yen)	11,945	11,945	11,945
Total shares outstanding (share)	269,264,702	269,264,702	269,264,702
Net assets (Millions of Yen)	81,889	83,124	85,365
Total assets (Millions of Yen)	702,861	727,962	688,353
Earnings per share (Yen)	22.60	11.40	63.49
Fully diluted earnings per share (Yen)	—	—	—
Dividends per share (Yen)	—	—	50.00
Equity ratio (%)	11.7	11.4	12.4

2 Company’s Business

There have been no significant changes in the business of the Company in the three months ended June 30, 2014.

Part 2 Business Outlook of the Company

1 Risk of the Company's Business

There have been no unusual changes in financial position, result of operations and cash flows of the Company in the three months ended June 30, 2014.

There have been no significant changes in the risk of the Company's business described in the Annual Securities Report of the Company as of March 31, 2014.

2 Significant Contracts for the Company's Business

There have been no new significant contracts in the three months ended June 30, 2014.

Part 3 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 Listed at	Details
	As of June 30, 2014 (End of the quarterly period)	As of August 13, 2014 (Date of filing of this Report)		
Common Stock	269,264,702 shares	269,264,702 shares	Tokyo Stock Exchange (First Section)	1 unit consists of 100shares
Total	269,264,702 shares	269,264,702 shares	—	—

(2) New-Share Purchase Rights

No relevant items.

(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 (share)	Shares outstanding (share)	Change (Millions of Yen)	Outstanding Balance (Millions of Yen)	Change (Millions of Yen)	Outstanding Balance (Millions of Yen)
From April 1, 2014 to June 30, 2014	—	269,264,702	—	11,945	—	9,793

(6) Principal Shareholders

Information on the changes in principal shareholders has been omitted for the three months ended June 30, 2014.

(7) Voting Rights

The following tables show the status of voting rights as of March 31, 2014 instead of those as of June 30, 2014 for the Company is not able to settle the list of shareholders as of June 30, 2014.

(i) Outstanding shares

(As of March 31, 2014)

	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 12,533,000	—
Shares with full voting rights (Other than treasury stock)	Common stock 256,717,600	2,564,492
Odd lot shares (1 lot = 100 shares)	Common stock 14,102	—
Total number of shares outstanding	269,264,702	—
Total number of voting rights	—	2,564,492

Note:

- 400 shares under the title of Japan Securities Depository Center Inc. and 268,400 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)". 2,684 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)".
- 93 treasury shares are included in odd-lot shares.

(ii) Treasury Stock

(As of March 31, 2014)

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	12,533,000	—	12,533,000	4.65
Total	—	12,533,000	—	12,533,000	4.65

2 Executives

There have been no changes to the Company's executives' from when the Company filed its Annual Securities Report on June 16, 2014 up until the three months ended June 30, 2014.

Part 4 Financial Status

1 Presentation of Quarterly Financial Statements

Pursuant to Article 54 and 73 of the “Regulations of Quarterly Financial Statements” (Cabinet Office Ordinance No. 63, 2007), the quarterly 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 Financial Statements”.

2 Audit Report

The quarterly financial statements for the three months ended June 30, 2014 (from April 1, 2014 to June 30, 2014) were reviewed by PricewaterhouseCoopers Aarata in accordance with the Article 193-2-1 of Financial Instruments and Exchange Law.

3 Consolidated Financial Statements

The consolidated financial statements of the Company are not prepared for three months ended June 30, 2014 ,because there is not a subsidiary.

Notice to readers:

The accompanying quarterly consolidated financial statements were prepared in accordance with the provision set forth in the Corporations Law of Japan, 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 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 Non-Consolidated Financial Statements

[1] Quarterly Non-Consolidated Balance Sheets

(Millions of Yen)

	March 31, 2014	June 30, 2014
Assets		
Current Assets		
Cash and bank deposits	12,166	10,381
Cash segregated as deposits	341,812	406,528
Cash in trust	21,867	22,821
Trading assets:	1,307	1,505
Trading securities and others	0	0
Derivatives	1,307	1,505
Net receivables arising from pre-settlement date trades	139	—
Margin account assets:	282,225	264,734
Loans receivable from customers	279,353	258,599
Cash deposited as collateral for securities borrowed from securities finance companies	2,872	6,135
Receivables on collateralized securities transactions:	9,636	3,034
Cash deposits collateral for securities borrowed	9,636	3,034
Receivables from customers and others	86	22
Short-term guarantee deposits	4,122	4,508
Others	5,397	4,993
Allowance for doubtful accounts	(14)	(11)
Total current assets	678,743	718,516
Fixed assets		
Tangible fixed assets	998	971
Intangible assets	2,726	2,595
Software	2,726	2,595
Others	1	1
Investments and others	5,886	5,880
Investment securities	5,201	5,150
Others	2,056	2,020
Allowance for doubtful accounts	(1,372)	(1,290)
Total fixed assets	9,610	9,446
Total assets	688,353	727,962

(Millions of Yen)

	March 31, 2014	June 30, 2014
Liabilities		
Current liabilities		
Trading liabilities:	699	557
Trading securities and others	0	—
Derivatives	699	557
Net receivables arising from pre-settlement date trades	—	145
Margin account liabilities:	32,025	38,876
Loans from securities finance companies	2,798	2,492
Proceeds of securities sold on customers' account	29,228	36,384
Payables on collateralized securities transactions:	25,498	18,828
Cash deposits as collateral for securities loaned	25,498	18,828
Deposits received	178,071	230,095
Guarantee money received	176,619	192,589
Suspense account for undelivered securities	11	—
Short-term borrowings	176,100	158,100
Accrued income taxes	9,037	1,069
Accrued bonuses	305	38
Others	1,693	1,548
Total current liabilities	600,058	641,845
Long-term liabilities		
Long-term borrowings	150	150
Deferred tax liabilities	651	550
Reserve for retirement bonuses for directors and auditors	204	204
Others	3	3
Total long-term liabilities	1,009	907
Statutory reserves		
Reserve for financial products transaction liabilities	1,922	2,085
Total statutory reserves	1,922	2,085
Total liabilities	602,988	644,838
Net assets		
Shareholders' equity		
Common stock	11,945	11,945
Capital surplus	9,793	9,793
Earned surplus	69,841	67,635
Treasury stock	(9,475)	(9,475)
Total shareholders' equity	82,104	79,898
Valuation and translation adjustments		
Net unrealized gain (loss) on investment securities, net of taxes	3,260	3,227
Total valuation and translation adjustments	3,260	3,227
Total net assets	85,365	83,124
Total liabilities and net assets	688,353	727,962

[2] Quarterly Non-Consolidated Statements of Income
Non-Consolidated Statements of income

(Millions of Yen)

	Three months ended June 30, 2013	Three months ended June 30, 2014
Operating revenues		
Commissions	9,925	4,406
Brokerage commissions	9,634	4,200
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	3
Others	291	203
Net gain (loss) on trading	6	1
Interest and dividend income	3,220	3,082
Other operating revenue	1	1
Total operating revenues	13,152	7,490
Interest expenses	352	253
Net operating revenues	12,800	7,238
Selling, general and administrative expenses		
Transaction related expenses	1,406	1,115
Employees' compensation and benefits	506	465
Occupancy and rental	228	222
Data processing and office supplies	438	427
Depreciation	428	364
Duties and taxes other than income taxes	74	46
Provision of allowance for doubtful accounts	84	(75)
Others	48	41
Total selling, general and administrative expenses	3,213	2,604
Operating income	9,587	4,633
Non-operating income		
Dividend income	36	58
Others	2	3
Total non-operating income	38	60
Non-operating expenses		
Others	0	0
Total non-operating expenses	0	0
Ordinary income	9,625	4,694
Special losses		
Provision for statutory reserves	278	163
Total Special losses	278	163
Income before income taxes	9,347	4,531
Income taxes – current	3,733	1,055
Income taxes – deferred	(188)	547
Income taxes	3,545	1,603
Net income	5,802	2,928

Notes to Quarterly Non-Consolidated Financial Statements

Notes to Quarterly Non-Consolidated Statements of Cash Flows

The Company does not prepare the statement of cash flows for the three months ended June 30, 2014. Depreciation including the intangible assets of three months ended June 30, 2014 are as follows.

	Three months ended June 30, 2013	Three months ended June 30, 2014
Depreciation	428 million yen	364 million yen

Notes Concerning Net Assets

(Three months ended June 30, 2013)

1. Dividends

Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 23, 2013
Type of Shares	Common stock
Amount of dividend payment	5,135 million yen
Dividends per share	20 yen
Date of record for dividends	March 31, 2013
Effective date	June 24, 2013
Source of dividends	Earned surplus

2. Dividends for which effective date is after June 30, 2013

No relevant items.

(Three months ended June 30, 2014)

1. Dividends

Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 22, 2014
Type of Shares	Common stock
Amount of dividend payment	5,135 million yen
Dividends per share	20 yen
Date of record for dividends	March 31, 2014
Effective date	June 23, 2014
Source of dividends	Earned surplus

2. Dividends for which effective date is after June 30, 2014

No relevant items.

Segment Information

(Three months ended June 30, 2014)

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

Financial Instruments

There have been no significant changes in financial instruments during the three months ended June 30, 2014 compared to fiscal year ended March 31, 2014.

Securities

No relevant items.

Derivative Transactions

No relevant items.

Per Share Information

Earnings per share and its basis of calculation information is as follows:

Items	Three months ended June 30, 2013	Three months ended June 30, 2014
Earnings per share (Yen)	22.60	11.40
(Calculation basis)		
Net income on the statements of income (Millions of Yen)	5,802	2,928
Net income not attributed to common stock (Millions of Yen)	—	—
Net income attributed to common stock (Millions of Yen)	5,802	2,928
Average number of common stock outstanding (share)	256,731,704	256,731,609

Note: Fully diluted earnings per share has been omitted, as there are no residual securities.

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 financial statements for the three months ended June 30, 2014.