

Quarterly Securities Report
Including Financial Statements
Under Japanese GAAP
For the Three Months
Ended June 30, 2015

Matsui Securities Co., Ltd.

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

Filed with the Director of the Kanto Local Finance Bureau

On August 13, 2015

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

Part 1 Company Financial Outlook

1 Major Business Indices

		Three months Ended June 30, 2014	Three months Ended June 30, 2015	Year Ended March 31, 2015
Operating revenues	(Millions of Yen)	7,490	9,236	34,306
Net operating revenues	(Millions of Yen)	7,238	8,788	32,893
Ordinary income	(Millions of Yen)	4,694	6,059	22,202
Net income	(Millions of Yen)	2,928	4,066	15,571
Equity in earnings of affiliates	(Millions of Yen)	—	—	—
Capital stock	(Millions of Yen)	11,945	11,945	11,945
Total shares outstanding	(Shares)	269,264,702	269,264,702	269,264,702
Net assets	(Millions of Yen)	83,124	89,214	90,029
Total assets	(Millions of Yen)	727,962	861,543	817,183
Earnings per share	(Yen)	11.40	15.84	60.65
Fully diluted earnings per share	(Yen)	—	15.84	60.64
Dividends per share	(Yen)	—	—	40.00
Equity ratio	(%)	11.4	10.4	11.0

2 Company’s Business

There have been no significant changes in the business of the Company in the three months ended June 30, 2015.

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, 2015.

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, 2015.

2 Significant Contracts for the Company's Business

There have been no new significant contracts in the three months ended June 30, 2015.

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, 2015 (End of the quarterly period)	As of August 13, 2015 (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 100 shares
Total	269,264,702 shares	269,264,702 shares	—	—

(2) Stock Acquisition 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 (Shares)	Shares Outstanding (Shares)	Change (Millions of Yen)	Outstanding Balance (Millions of Yen)	Change (Millions of Yen)	Outstanding Balance (Millions of Yen)
From April 1, 2015 to June 30, 2015	—	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, 2015.

(7) Voting Rights

The following tables show the status of voting rights as of March 31, 2015 instead of those as of June 30, 2015 for the Company is not able to settle the list of shareholders as of June 30, 2015.

(i) Outstanding shares

(As of March 31, 2015)

	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 12,533,200	—
Shares with full voting rights (Other than treasury stock)	Common stock 256,717,600	2,565,068
Odd lot shares (1 lot = 100 shares)	Common stock 13,902	—
Total number of shares outstanding	269,264,702	—
Total number of voting rights	—	2,565,068

Note:

- 400 shares under the title of Japan Securities Depository Center Inc. and 210,800 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)". 2,108 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)".
- 45 treasury shares are included in odd-lot shares.

(ii) Treasury Stock

(As of March 31, 2015)

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	12,533,200	—	12,533,200	4.65
Total	—	12,533,200	—	12,533,200	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 22, 2015 up until the three months ended June 30, 2015.

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, 2015 (from April 1, 2015 to June 30, 2015) 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, 2015, because there is not a subsidiary.

Notice to readers:

The accompanying quarterly non-consolidated financial statements have been 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 certain aspects of application and disclosure requirements.

The quarterly non-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, 2015	June 30, 2015
Assets		
Current assets		
Cash and bank deposits	15,717	8,861
Cash segregated as deposits	462,912	511,412
Cash in trust	20,889	18,073
Trading assets:	1,538	1,711
Trading securities and others	0	0
Derivatives	1,538	1,711
Net receivables arising from pre-settlement date trades	185	—
Margin account assets:	284,207	296,251
Loans receivable from customers	277,246	286,482
Cash deposited as collateral for securities borrowed from securities finance companies	6,961	9,769
Receivables on collateralized securities transactions:	12,080	5,010
Cash deposits collateral for securities borrowed	12,080	5,010
Receivables from customers and others	27	38
Short-term guarantee deposits	5,736	6,440
Others	5,249	4,929
Allowance for doubtful accounts	(11)	(9)
Total current assets	808,528	852,716
Fixed assets		
Tangible fixed assets	1,039	1,015
Intangible assets	2,850	2,700
Software	2,850	2,700
Others	0	0
Investments and others	4,765	5,111
Investment securities	3,975	4,339
Others	1,956	1,912
Allowance for doubtful accounts	(1,165)	(1,140)
Total fixed assets	8,655	8,827
Total assets	817,183	861,543

(Millions of Yen)

	March 31, 2015	June 30, 2015
Liabilities		
Current liabilities		
Trading liabilities:	1,379	1,320
Trading securities and others	7	—
Derivatives	1,371	1,320
Net receivables arising from pre-settlement date trades	—	175
Margin account liabilities:	56,398	54,121
Loans from securities finance companies	3,774	3,328
Proceeds of securities sold on customers' account	52,624	50,793
Payables on collateralized securities transactions:	25,558	12,406
Cash deposits as collateral for securities loaned	25,558	12,406
Deposits received	261,516	312,951
Guarantee money received	207,098	231,633
Suspense account for undelivered securities	12	1
Short-term borrowings	164,600	153,100
Accrued income taxes	5,442	1,775
Accrued bonuses	277	43
Others	1,957	1,682
Total current liabilities	724,237	769,207
Long-term liabilities		
Long-term borrowings	50	50
Deferred tax liabilities	—	35
Reserve for retirement bonuses for directors and auditors	204	204
Others	3	3
Total long-term liabilities	257	292
Statutory reserves		
Reserve for financial products transaction liabilities	2,660	2,830
Total statutory reserves	2,660	2,830
Total liabilities	727,155	772,329
Net assets		
Shareholders' equity		
Common stock	11,945	11,945
Capital surplus	9,793	9,793
Earned surplus	75,143	74,075
Treasury stock	(9,475)	(9,475)
Total shareholders' equity	87,406	86,337
Valuation and translation adjustments		
Net unrealized gain (loss) on investment securities, net of taxes	2,613	2,863
Total valuation and translation adjustments	2,613	2,863
Stock acquisition rights	10	14
Total net assets	90,029	89,214
Total liabilities and net assets	817,183	861,543

[2] Quarterly Non-Consolidated Statements of Income

(Millions of Yen)

	Three months ended June 30, 2014	Three months ended June 30, 2015
Operating revenues		
Commissions	4,406	5,880
Brokerage commissions	4,200	5,566
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	3	0
Others	203	313
Net gain (loss) on trading	1	2
Interest and dividend income	3,082	3,353
Other operating revenue	1	1
Total operating revenues	7,490	9,236
Interest expenses	253	448
Net operating revenues	7,238	8,788
Selling, general and administrative expenses		
Transaction related expenses	1,115	1,197
Employees' compensation and benefits	465	517
Occupancy and rental	222	227
Data processing and office supplies	427	442
Depreciation	364	280
Duties and taxes other than income taxes	46	80
Provision of allowance for doubtful accounts	(75)	(11)
Others	41	39
Total selling, general and administrative expenses	2,604	2,771
Operating income	4,633	6,017
Non-operating income		
Dividend income	58	40
Others	3	3
Total non-operating income	60	43
Non-operating expenses		
Others	0	0
Total non-operating expenses	0	0
Ordinary income	4,694	6,059
Special profits		
Gain on sales of investment securities	—	181
Total special profits	—	181
Special losses		
Provision for statutory reserves	163	170
Loss on sales and disposals of property and equipment	—	1
Total special losses	163	171
Income before income taxes	4,531	6,069
Income taxes – current	1,055	1,725
Income taxes – deferred	547	278
Income taxes	1,603	2,003
Net income	2,928	4,066

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, 2015. Depreciation including the intangible assets of three months ended June 30, 2015 is as follows.

	Three months ended June 30, 2014	Three months ended June 30, 2015
Depreciation	364 million yen	280 million yen

Notes Concerning Net Assets

(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.

(Three months ended June 30, 2015)

1. Dividends

Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 28, 2015
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, 2015
Effective date	June 29, 2015
Source of dividends	Earned surplus

2. Dividends for which effective date is after June 30, 2015

No relevant items.

Segment Information

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

Financial Instruments

There have been no significant changes in financial instruments during the three months ended June 30, 2015 compared to fiscal year ended March 31, 2015.

Securities

No relevant items.

Derivative Transactions

No relevant items.

Per Share Information

The amounts of earnings per share and fully diluted earnings per share with their respective bases of calculation information are as follows:

Items	Three months ended June 30, 2014	Three months ended June 30, 2015
(1)Earnings per share (Yen)	11.40	15.84
(Calculation basis)		
Net income on the statements of income (Millions of Yen)	2,928	4,066
Net income not attributed to common stock (Millions of Yen)	—	—
Net income attributed to common stock (Millions of Yen)	2,928	4,066
Average number of common stock outstanding (Shares)	256,731,609	256,731,457
(2)Fully diluted net income per share (Yen)	—	15.84
(Calculation basis)		
Net income on the statements of income (Millions of Yen)	—	—
Increase of common stock (Shares)	—	43,159
Significant changes in the residual securities which are not considered in the calculation of fully diluted earnings per share	—	—

Note: Fully diluted earnings per share during the three months ended June 30, 2014 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, 2015.