Quarterly Securities Report for the Second Quarter of the 108th Fiscal Year (From July 1, 2023 to September 30, 2023)

Matsui Securities Co., Ltd.

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Representative: WARITA Akira, President & CEO

Original Japanese Report was filed with the Director of the Kanto Local Finance Bureau on November 13, 2023 pursuant to Article 24-4-7, Paragraph 1 of the Financial Instrument and Exchange Act.

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Notice to Readers 3: The original Report is attached with a quarterly review report by PricewaterhouseCoopers Aarata LLC for the quarterly financial statements for the second quarter accounting period of the current fiscal year (From July 1, 2023 to September30, 2023) and the cumulative second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023).

Part 1. Company Information

1. Overview of Company

1) Key Financial Data

Fiscal period	Cumulative second quarter period of 107th fiscal year	Cumulative second quarter period of 108th fiscal year	107th fiscal year
Accounting Period	From April 1, 2022 to September 30, 2022	From April 1, 2023 to September 30, 2023	From April 1, 2022 to March 31, 2023
Operating revenue (millions of yen)	14,920	19,086	31,071
Net operating revenue (millions of yen)	13,941	16,730	28,415
Ordinary profit (millions of yen)	5,596	7,243	11,253
Profit (millions of yen)	3,860	4,752	7,823
Equity in earnings of affiliates if equity method is applied (millions of yen)	-	-	-
Share capital (millions of yen)	11,945	11,945	11,945
Total number of issued shares (number of shares)	259,264,702	259,264,702	259,264,702
Net assets (millions of yen)	77,509	76,089	76,353
Total assets (millions of yen)	931,873	1,083,050	976,026
Basic earnings per share (yen)	15.01	18.48	30.42
Diluted earnings per share (yen)	14.99	18.44	30.37
Dividend paid per share(yen)	20.00	20.00	40.00
Equity-to-asset ratio (%)	8.3	7.0	7.8
Net cash provided by (used in) operating activities (millions of yen)	(47,678)	(19,530)	(15,530)
Net cash provided by (used in) investing activities (millions of yen)	(2,529)	(5,230)	(4,276)
Net cash provided by (used in) financing activities (millions of yen)	55,112	1,813	41,921
Cash and cash equivalents (millions of yen)	65,218	59,481	82,427

Fiscal period	Second quarter accounting period of 107th Fiscal Year	Second quarter accounting period of 108th Fiscal Year
Accounting Period	From July 1, 2022 to September 30, 2022	From July 1, 2023 to September 30, 2023
Basic earnings per share (Yen)	7.45	9.30

Note: Equity in earnings of affiliates if equity method is applied is not shown above because the Company does not have affiliates.

2) Description of Business

There were no significant changes in the description of business of the Company in the cumulative second quarter period of the current fiscal year.

2. Overview of Business

1) Business Risks

Matters concerning the future within this section are matters which have been determined by the Company as of the end of the current quarterly accounting period, unless otherwise stated.

The following items are those in “Business Risks” described in the annual securities report for the previous fiscal year where there were significant changes in the cumulative second quarter period of the current fiscal year. The changes are underlined.

The item numbers in the following headings and text correspond to those in “Part 1. Company Information, 2. Business Overview, 3) Business Risks” in the annual securities report for the previous fiscal year.

(2) Competition with other financial institutions

The Company’s main business is the stock brokerage business for individual investors. However, the Company is facing a severe environment, as there are some competing companies engaged in the same business who are in a stronger position than the Company in terms of financial resources, technological capabilities, marketing capacity, service-related aspects, name recognition, and customer base, etc. In particular, there are many on-line brokerage firms who are offering lower brokerage commissions in order to acquire customers. Furthermore, following the trend in the U.S. on-line securities industry where large firms began to make stock brokerage commissions free of charge, there were moves among some on-line brokerage firms in Japan to make a part of stock brokerage commissions free of charge, or to expand the scope of transactions which were subject to free commissions. <u>Furthermore, in August 2023, two major online securities firms announced plans to practically waive all domestic stock brokerage commissions (as of the date of filing of this quartely securities report, both firms have already implemented this change).</u> Also, in recent years, new entry of FinTech ventures and strengthening of online services by face-to-face financial institutions have continued, and it is envisioned that the competitive environment will become more severe than before. Going into the future, if competition with other financial institutions escalates, there is a possibility that it may have an adverse effect on the Company’s business, due to loss of existing customers to other firms, decrease in acquisition of new customers, and increase in advertisements and promotion costs required for acquiring customers.

(8) FX (foreign exchange margin trading) and US stocks trading

For the purpose of offering FX (foreign exchange margin trading) service to customers and to make profits from such service, the Company engages in foreign exchange margin trading with customers, and at the same time, the Company also engages in foreign exchange margin trading with financial institution counterparties in order to control foreign currency risks. With respect to positions arising from transactions with customers, the Company is exposed to foreign exchange risks for positions held which are not covered by cover transactions; however, in principle, all positions are covered at the end of trading on each business day.

The Company has prescribed risk limit amounts for foreign exchange margin trading within its internal rules, and in principle, the Company seeks to manage foreign exchange risks by entering into cover transactions, marry transactions and other dealings based on preset algorithms.

However, despite having such a company policy, in cases where FX losses arise which exceed the assumptions made in the algorithms due to unexpected fluctuations in foreign exchange rates, there is a possibility that there may be an adverse effect on the business performance of the Company.

In addition, as the Company uses its own funds to deposit guarantee money to the cover counterparties, the Company is exposed to the credit risk of its cover counterparties (margin money from customers are completely segregated from the Company's own funds and deposited with a trust bank). Depending on future changes to economic conditions etc., if the credit risk of cover counterparties deteriorate, there is a possibility that it may have an adverse effect on the business performance of the Company.

In addition, with respect to U.S. shares trading, guarantee money is deposited to the stock agent appropriating the Company's own funds, and the Company is exposed to the credit risk of such stock agent (deposits received from customers are completely segregated from the Company's own funds and deposited with a trust bank). Therefore, the same risk exists as the risk regarding the guarantee money deposited with cover counterparties in relation to foreign exchange margin trading as described above.

As of the date of filing of this quarterly securities report, the Company provides margin trading services of U.S. stocks to our customers (These services started in October 2023). Please refer to the description of the risks of margin transactions and negotiable margin transactions in "(3) Risks related to margin transactions etc".

2) Management Analysis of Financial Position, Operating Results and Cash Flows

Management's discussion and analysis of financial condition, results of operations, and cash flow conditions of the Company are provided below. Since the Company has only one segment which is its online securities brokerage service, descriptions by segment have been omitted.

Matters concerning the future within this section are matters which have been determined by the Company as of the end of the current quarterly accounting period.

(1) Status and analysis of results of operations

In the domestic stock market in the cumulative second quarter period, the Nikkei Average, which began trading at the 28,200-yen level at the beginning of the period, remained steady due to the Bank of Japan's decision to maintain monetary easing measures and anticipations for the Tokyo Stock Exchange's demand for improvement on companies with P/B ratios below 1x. In May, investment was concentrated in Japanese equities, which were free of bearish factors compared to the U.S. and China, where concerns of an economic slowdown were still prevalent, and reached 31,328 yen at the end of the month, the highest level since the burst of the bubble economy. This trend continued in June and beyond, with prices dropping temporarily due to concerns about short-term overheating, but they continuously rose to new highs, reaching 33,753 yen on July 3, the first time in 33 years since March 1990. Stock prices subsequently declined due to uncertainty over the global economy and growing views of prolonged monetary tightening in the U.S., and in early August, the Nikkei Average dropped to the 31,000-yen level, the largest decline in this year, reflecting the trend of lower U.S. stock prices due to rising long-term interest rates in the U.S. market, among other factors. Toward the end of August, stock prices turned upward again, recovering the 33,000-yen level in mid-September, mainly due to the speech by Federal Reserve Board Chairman Jerome Powell at the Jackson Hole Conference, an international economic symposium, which passed without a stir, and the market's caution about excessive U.S. monetary tightening receded. Subsequently, stock prices fell back due to concerns about prolonged monetary tightening following the contents of the U.S. Federal Open Market Committee (FOMC) meeting and the impact of rising long-term U.S. interest rates, and the Nikkei Average closed at the 31,800-yen level at the end of September.

Under this market environment, total trading value of stocks etc. in the two markets (Tokyo and Nagoya stock exchanges) increased by 21% compared to the cumulative second quarter period of the preceding fiscal year. Also, with respect to individual investors, who are our main customer base, transactions expanded against the backdrop of increased buying power due to rising stock prices, and stock etc. brokerage trading value by individual investors in the two markets increased by 35% compared to the same period in the preceding fiscal year. The percentage of the stock etc. brokerage trading value by individual investors in the two markets was 23%, which was upper than the 21% level of the cumulative second quarter period in the preceding fiscal year. Furthermore, the aggregate stock etc. brokerage trading value of the Company increased by 42% compared to the same period in the preceding fiscal year.

With respect to new initiatives by the Company in the cumulative second quarter period for the current fiscal year, regarding stock trading, the Company increased the number of IPO issues handled, which are popular among individual investors, and its IPO underwriting participation rate was 73%, the second highest in the industry. With respect to FX, the Company began offering a repeating automated trading function, which allows trading 24 hours a day. Regarding U.S. stocks, the number of stocks names handled has been expanded to more than 3,100, and the “Stock Trading Consultation Service (U.S. stocks)” has been established to provide support for investment decisions related to U.S. stock trading by specialized consultants, thereby enhancing support tailored to our customers. In addition, to eliminate the hassles associated with securities account deposits and withdrawals and to provide a customer experience that makes investing more accessible, a new banking service, MATSUI Bank, was launched on October 1. In addition, the number of subscribers to our official YouTube channel, which conveys the “fun” of investment, has surpassed 200,000, making it the No. 1 channel in the industry in terms of subscribers. Furthermore, the Company has been striving to expand the dissemination of information for customers through the investment information media “Money Satellite” and other media, such as the distribution of videos with a high degree of breaking news, including introductions of individual stocks and market commentary.

Under the above background, during the cumulative second quarter period, commissions received was 9,655 million yen (20.1% increase from the cumulative second quarter period of the preceding fiscal year) mainly due to the increase in stock etc. brokerage trading value. Net financial revenue was 5,935 million yen (18.9% increase from the same period of the preceding fiscal year) due to an increase in net revenues from securities lending and borrowing, and an increase in net revenues from margin transactions as a result of an increase in the average balance of customers' margin transactions and an increase in revenues from the premium short-selling service etc.

As a result, operating revenue increased significantly to 19,086 million yen (27.9% increase from the same period of the preceding fiscal year). Net operating revenue was 16,730 million yen (20.0% increase from the same period of the preceding fiscal year). Also, operating profit was 7,276 million yen (28.5% increase from the same period of the preceding fiscal year), ordinary profit was 7,243 million yen (29.4% increase from the same period of the preceding fiscal year), and net profit was 4,752 million yen (23.1% increase from the same period of the preceding fiscal year).

Revenue and expense items are as described below.

(Commissions received)

Commissions received was 9,655 million yen (20.1% increase from the same period of the preceding fiscal year). Of this figure, brokerage commission was 9,155 million yen (20.3% increase from the same period of the preceding fiscal year), mainly due to the increase in stocks etc. brokerage trading value.

(Net trading income)

Net trading income was recorded a profit of 1,140 million yen, mainly due to FX trading profits. The total of net trading income and net financial revenue which related to FX amounted to 1,142 million yen (30.7% increase from the same period of the preceding fiscal year).

(Net financial revenue)

Net financial revenue derived from subtracting financial expenses from financial revenue was 5,935 million yen (18.9% increase from the same period of the preceding fiscal year). This was mainly due to an increase in net revenue from securities lending and borrowing, and an increase in net revenue from margin transactions as a result of an increase in the average balance of customers' margin transactions and an increase in revenue from the premium short-selling service, etc.

(Selling, general and administrative expenses)

Selling, general and administrative expenses increased by 14.2% compared to the same period of the preceding fiscal year to 9,455 million yen. This was mainly due to an increase in office expenses (22.9% increase compared to the same period of the preceding fiscal year) resulting from an increase in outsourcing expenses, an increase in depreciation (23.3% increase compared to the same period of the preceding fiscal year), an increase in trading related expenses (7.7% increase compared to the same period of the preceding fiscal year) resulting from an increase in advertising costs etc., and an increase in personnel expenses (11.5% increase compared to the same period of the preceding fiscal year).

(2) Factors which have a material impact on results of operations

The main business of the Company is stocks etc. brokerage trading business targeting individual investors, and of the revenue items, commissions received and in particular brokerage commission relating to the trading of stocks etc. have a material impact on the business performance of the Company. Furthermore, financial revenue arising mainly from margin transactions is a factor having a material impact on the business performance of the Company. However, the level of such revenues is largely affected by the stock market environment.

(3) Status and analysis of financial conditions

The main assets of the Company are customer-segregated fund trusts (included in segregated deposits) where deposits received and guarantee deposits received etc. from customers are entrusted to trust banks, and margin transaction assets mainly comprised of margin loans. On the other hand, funds are being procured through short-term borrowings etc. for the purpose of allocating to margin loans. The main liabilities of the Company are deposits received, guarantee deposits received and short-term borrowings.

As of the end of the second quarter accounting period, total assets were 1,083,050 million yen, an 11.0% increase from the end of the preceding fiscal year. This was mainly due to an 18.2% increase in segregated deposits to 654,012 million yen resulting from increases in deposits received and guarantee deposits received etc.

Total liabilities were 1,006,961 million yen, an 11.9% increase from the end of the preceding fiscal year. This was mainly due to a 23.4% increase in deposits received to 402,398 million yen and a 10.3% increase in guarantee deposits received to 276,767 million yen.

Total net assets were 76,089 million yen, a 0.3% decrease from the end of the preceding fiscal year. In the cumulative second quarter period of the current fiscal year, the year-end dividends for the end of the fiscal year ended March 2023 which is 5,144 million yen, were recorded, and at the same time a quarterly profit of 4,752 million yen was recorded.

(4) Status and analysis of cash flows

The status of various cash flows for the cumulative second quarter period of the current fiscal year, and their underlying factors are described below.

(Cash flows from operating activities)

Cash flows from operating activities were minus 19,530 million yen (minus 47,678 million yen for the cumulative second quarter period of the preceding fiscal year) mainly due to a decrease/increase in margin transaction assets and margin transaction liabilities. The negative cash flow resulting from the increase in segregated deposits was offset by the positive cash flow resulting from the increase in deposits received and guarantee deposits received.

(Cash flows from investing activities)

Cash flows from investing activities were minus 5,230 million yen (minus 2,529 million yen for the cumulative second quarter period of the preceding fiscal year). This was mainly due to the purchase of investment securities and the purchase of intangible assets.

(Cash flows from financing activities)

Cash flows from financing activities were plus 1,813 million yen (plus 55,112 million yen for the cumulative second quarter period of the preceding fiscal year). This was mainly due to the net increase in short term borrowings, while there were dividend payments.

As a result of the above, the balance of cash and cash equivalents at the end of the second quarter accounting period of the current fiscal year was 59,481 million yen (65,218 million yen at the end of the cumulative second quarter period of the preceding fiscal year).

(5) Analyses of sources of capital and liquidity of funds

The Company's fund procurements are mainly conducted to correspond to the source of margin loans. Recurring margin loans are funded mainly by increase and decrease in short-term borrowings procured from financial institutions such as banks etc. In order to prepare for situations where margin loans increase significantly, the Company has made shelf registration so that it may flexibly procure funds through bond issues. However, as of the end of the second quarter accounting period, taking into account the levels of margin loans and internal reserves, a major portion of funds procurement was conducted by short-term borrowings including call money.

Furthermore, the Company secures safety of procurement of funds by making overdraft agreement and/or commitment line agreement with multiple financial institutions.

(6) Important accounting estimates and assumptions used for such estimates

In the cumulative second quarter period of the current fiscal year, there were no material changes to our important accounting estimates and assumptions used for such estimates.

(7) Management policy and management strategy, etc.

In the cumulative second quarter period of the current fiscal year, there were no material changes to our management policy and management strategy, etc.

(8) Business issues and financial issues to be addressed

In the cumulative second quarter period of the current fiscal year, there were no material changes to the Company's operational and financial issues to be addressed in priority, and no new operational or financial issues have arisen.

(9) Research and Development (R&D) activities

Not applicable.

3) Material Contracts, etc.

Not applicable.

3. Information about Reporting Company

1) Company's Shares, etc.

(1) Total number of shares etc.

[1] Authorized shares

Class	Total shares authorized (number of shares)
Common stock	1,050,000,000
Total	1,050,000,000

[2] Issued shares

Class	Total number of issued shares at the end of second quarter accounting period of the current fiscal year (September 30, 2023)	Number of shares at the date of filing of this quarterly securities report (November 13, 2023)	Name of stock exchange where shares are listed at or certified securities dealers association by which shares are registered	Contents
Common stock	259,264,702	259,264,702	Tokyo stock exchange (Prime Market)	1 unit consists of 100 shares
Total	259,264,702	259,264,702	-	-

Note: Total number of issued shares at the date of filing of this quarterly securities report does not include shares issued upon exercise of share acquisition rights from November 1, 2023 to the date of filing of this quarterly securities report.

(2) Share acquisition rights

[1] Details of share option program

i. Tenth series of Matsui Securities Co., Ltd. share acquisition rights

Date of resolution	July 11, 2023
Persons eligible for the allotment and number of them	8 directors of the Company (excluding outside directors and directors who are members of the Audit and Supervisory Committee.)
Number of the share acquisition rights (Note *)	1,848
Class and number of shares subject to the share acquisition rights (shares) (Note *)	Common stocks: 184,800 (Note 1)
Amount to be paid per share upon the exercise of each share acquisition rights (yen) (Note *)	1
Exercise period for the share acquisition rights (Note *)	From July 29, 2026 to July 28, 2029 (Note 2)
Issuance price and amount credited to equity capital in the event of share issuance upon the exercise of share acquisition rights (yen) (Note *)	Note 3
Conditions for the exercise of the share acquisition rights (Note *)	Note 4
Matters concerning the transfer of the share acquisition rights (Note *)	The acquisition of the share acquisition rights through assignment shall require the approval of the board of directors of the Company.
Matters concerning the issuance of the share acquisition rights in connection with acts of reorganization (Note *)	Note 5

Note *: The table above shows the contents as of July 28, 2023, the date of issuance of the share acquisition rights.

Note 1: The number of shares that are the subject of each stock acquisition right shall be 100 (the “number of shares granted”). In the case where the Company conducts a share split, an allotment of shares without contribution or a reverse share split, the number of shares granted shall be adjusted according to the formula below. However, this adjustment will only apply to the number of shares that are the subject of the stock acquisition rights that have not yet been exercised up to that time. Fractional shares resulting from this adjustment shall be rounded down.

Number of shares acquired after adjustment =“Number of shares acquired before adjustment” multiplied by “ratio of share split or reverse share split”

The number of shares after adjustment shall become effective, in the case of a share split, on and after the day immediately following the record date of the relevant share split or, in the case of an allotment of shares without contribution or a reverse share split, on and after its effective date. In addition to the foregoing, in the case where the Company carries out a merger, company split or share exchange, or other equivalent cases requiring adjustment of the number of shares, the Company shall be able to adjust the number of shares granted by the board of directors.

Note 2: If the final day of the exercise period falls on a holiday of the Company, the final day shall be the working day immediately preceding the final day.

Note 3: Issuance price of the share acquisition rights which can be exercised from July 29, 2026 is 639 yen per share. Issuance price of the share acquisition rights which can be exercised from July 29, 2027 is 624 yen per share. Issuance price of the share acquisition rights which can be exercised from July 29, 2028 is 609 yen per share. The amount of capital to be increased due to the issuance of shares upon exercise of the share acquisition rights shall be a half of the maximum amount of capital increase, etc. which is calculated in accordance with Article 17, Paragraph 1 of the Corporation Accounting Regulations, and any fraction less than 1 yen arising from there shall be rounded up to the nearest 1 yen.

Note 4: 1) Persons allotted share acquisition rights are eligible to exercise only when they are active directors (excluding directors and outside directors who are members of the Audit and Supervisory Committee.) at the time of the exercise. However the Company may treat the rights of those who are out of the service of directors still effective when it finds reasonable grounds. 2) Persons allotted share acquisition rights are eligible to exercise their rights as follows: [1] From July 29, 2026 to July 28, 2027: Within one third of the number of rights originally allotted (Fraction of less than 1 share acquisition rights shall be rounded down.). [2] From July 29, 2027 to July 28, 2028: Within two thirds of the number of rights originally allotted (including share acquisition rights which can already be exercised by [1]) (Fraction of less than 1 share acquisition rights shall be rounded down.). [3] From July 29, 2028 to July 28, 2029: All rights can be exercised. 3) Each one right cannot be partially exercised. 4) Other conditions of exercise are specified in the contracts between the Company and the persons to be allotted share acquisition rights.

Note 5: In the event of a merger (only in cases where the Company is dissolved as a result of the merger), an absorption-type company split or incorporation-type company split (only in respective cases where the Company becomes the splitting company), a share exchange or share transfer (only in respective cases where the Company becomes a wholly owned subsidiary) (Hereinafter, the foregoing shall be referred to collectively as "reorganization measures"), the Company shall issue stock acquisition rights as per a corporation described in Article 236, Paragraph 1, Items 8.1 through 8.5 of the Companies Act (the "reorganizing company") to each stock acquisition right holder of stock acquisition rights remaining unexercised immediately before the effective date of reorganization measures (hereinafter, the "remaining stock acquisition rights"). (Hereinafter, the "effective date" shall refer to the effective date of an absorption-type merger for such mergers, the date of incorporation of a new company for incorporation-type mergers, the effective date of an absorption-type company split for such company splits, the effective date of incorporation of a new company for incorporation-type company splits, the effective share exchange date for share exchanges, and the date of incorporation of a wholly owning parent company through a stock transfer, for stock transfers. Same shall apply hereinafter.) However, the foregoing is conditional upon providing for the issuance of stock acquisition rights of the reorganizing company in the absorption-type merger agreement, the incorporation-type merger agreement, the absorption-type company split agreement, the incorporation-type company split plan, the share exchange agreement or the share transfer plan in accordance with the following items: 1) Number of the stock acquisition rights of the reorganizing company to be issued shall be the same number of the stock acquisition rights as the remaining stock acquisition rights held by each stock acquisition right holder. 2) Type of shares of the reorganizing company to be issued upon the exercise of the stock acquisition rights shall be the common stock of the reorganizing company. 3) Number of shares of the reorganizing company to be issued upon the exercise of the stock acquisition rights shall be determined according to Note 1, taking into account the conditions, etc. of the reorganization measures. 4) Amount to be invested when exercising the stock acquisition rights shall be calculated by multiplying the post-reorganization exercise price (one (1) yen per share with respect to the shares issued upon exercise of each stock acquisition right which shall be issued upon reorganization measures) by the number of shares of the reorganizing company to be issued upon exercise of each stock acquisition right, which will be determined in accordance with the above item 3). 5) Exercise period for the stock acquisition rights to be issued upon reorganization measures shall be from either the commencement date for the exercise period of the stock acquisition rights set forth in "Exercise period for the share acquisition rights" in the above table, or the effective date of the reorganization measures, whichever is later, to the last day of the exercise period of the stock acquisition rights set forth in "Exercise period for the share acquisition rights" in the above table. During the Exercise period for the stock acquisition rights which shall be issued upon reorganization measures each stock acquisition right holder can exercise on conditions by "Conditions for the exercise of the share acquisition rights" in the above table. 6) Transfer of the stock acquisition rights which shall be issued upon reorganization measures must be approved by the board of directors of the reorganizing company. 7) Matters regarding the amount of capital and capital reserve to be increased as a result of issuance of shares upon the exercise of the stock acquisition rights, conditions for exercising the stock acquisition rights and conditions of acquisition of the stock acquisition rights shall be determined in accordance with the contents of the current share acquisition rights.

[2] Other information about share acquisition rights

Not applicable.

(3) Exercises etc. of moving strike convertible bonds etc.

Not applicable.

(4) Changes in number of issued shares, share capital and legal capital surplus

Date	Change in number of outstanding shares	Total number of issued shares	Change in amount of share capital (millions of yen)	Balance of share capital (millions of yen)	Change in amount of legal capital surplus (millions of yen)	Balance of legal capital surplus (millions of yen)
From July 1, 2023 to September 30, 2023	-	259,264,702	-	11,945	-	9,793

(5) Major shareholders

(As of September 30, 2023)

Name	Address	Number of shares held (thousands of shares)	Ratio of number of shares held to the total number of issued shares (excluding treasury shares) (%)
Maruroku Ltd.	2-4-2, Nishikata, Bunkyo-ku, Tokyo	86,812	33.75
Shokosha Ltd.	2-4-2, Nishikata, Bunkyo-ku, Tokyo	35,722	13.89
The Master Trust Bank of Japan, Ltd. (Trust account)	2-11-3, Hamamatsucho, Minato-ku, Tokyo	30,970	12.04
Custody Bank of Japan, Ltd. (Trust account)	1-8-12, Harumi, Chuo-ku, Tokyo	10,719	4.17
MATSUI Chizuko	Bunkyo-ku, Tokyo	5,321	2.07
MATSUI Michitaro	Bunkyo-ku, Tokyo	5,262	2.05
MIKI Chiaki	Bunkyo-ku, Tokyo	5,262	2.05
MATSUI Yuma	Bunkyo-ku, Tokyo	5,262	2.05
MATSUI Michio	Bunkyo-ku, Tokyo	4,545	1.77
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Standing Proxy: MUFG Bank, Ltd.)	PETERBOROUGH COURT 133 FLEET STREET LONDON EC4A 2BB UNITED KINGDOM (Transaction Services Division, 2-7-1 Marunouchi, Chiyoda-ku, Tokyo)	1,802	0.70
Total	-	191,677	74.51

Note1: In addition to the above, the Company owns 2,012 thousand shares of treasury stock.

Note2: The Company is not able to comprehensively grasp the number of shares held by trust banks, etc. for their trustee business. Accordingly, the number of shares held by each trust bank, etc. is presented by the number recorded under its title in the list of registered shareholders.

Note3: On “Change Report Pertaining to Report of Possession of Large Volume” put on public inspection dated October 6, 2023 describes Nomura Securities Co., Ltd. and its co-holders, Nomura International plc, Nomura Securities International, Inc. and Nomura Asset Management Co., Ltd., hold shares shown below as of September 29, 2023. However, the Company cannot confirm the number of shares effectively held by them as of September 30, 2023. By this reason these shareholdings are not included in the status of major shareholders shown above. The content of the Change Report is as shown below.

Name	Address	Total number of shares, etc. held (thousands of shares or units)	Ratio of shares, etc. held (%)
Nomura Securities Co., Ltd.	1-13-1, Nihonbashi, Chuo-ku, Tokyo	1,275	0.49
Nomura International plc	1 Angel Lane, London EC4R 3AB, United Kingdom	2,196	0.85
Nomura Securities International, Inc.	Worldwide Plaza 309 West 49th Street New York, New York 10019-7316	-	-
Nomura Asset Management Co., Ltd.	2-2-1, Toyosu, Koto-ku, Tokyo	3,773	1.46
Total	-	7,244	2.79

(6) Voting rights

[1] Issued shares

(As of September 30, 2023)

Classification	Number of shares	Number of voting rights	Content
Shares without voting rights	-	-	-
Shares with limited voting rights (Treasury shares etc.)	-	-	-
Shares with limited voting rights (Other)	-	-	-
Shares with full voting rights (Treasury shares etc.)	(Shares held by the Company) Common stock: 2,011,500	-	-
Shares with full voting rights (Other)	Common stock: 257,181,700	2,571,130	-
Shares less than 1 unit of shares	Common stock: 71,502	-	-
Total number of issued shares	259,264,702	-	-
Voting rights of all shareholders	-	2,571,130	-

Note 1: 400 shares under the title of Japan Securities Depositary Center Inc. and 68,700 shares of securities bought by customers using money loaned from the Company's own fund are included in common stock of "Shares with full voting rights (Other)". The 4 voting rights under the title of Japan Securities Depositary Center Inc. are included in "Number of voting rights". The 687 voting rights of securities bought by customers using money loaned from the Company's own fund are not included in "Number of voting rights".

Note 2: 46 treasury shares held by the Company are included in "Shares less than 1 unit of shares".

[2] Treasury shares etc.

(As of September 30, 2023)

Name of shareholders	Address of shareholders	Treasury shares held by the Company's own name	Treasury shares held by other person's name	Total number of shares held	Ratio of number of shares held to total number of outstanding shares (%)
(Treasury shares held by the Company) Matsui Securities Co., Ltd.	1-4, Kojimachi, Chiyoda-ku, Tokyo	2,011,500	-	2,011,500	0. 78
Total	-	2,011,500	-	2,011,500	0. 78

2) Status of officers

There were no changes to the Company's officers in the cumulative second quarter period of the current fiscal year, after the date of the filing of the annual securities report for the preceding fiscal year, excluding those described in the annual securities report.

4. Financial information

1. About preparation method of quarterly financial statements

Quarterly financial statements of the Company are prepared in accordance with the “Regulations of Quarterly Financial Statements” (Cabinet Office Ordinance No.63, 2007) and, pursuant to the Article 54 and 73 of the “Regulations of Quarterly Financial Statements”, in accordance with the “Cabinet Office Order Concerning Financial Instruments Business” (Cabinet Office Order 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).

2. About certification by accounting auditors

Quarterly financial statements for the second quarter accounting period (From July 1, 2023 to September 30, 2023) and the cumulative second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023) were reviewed by PricewaterhouseCoopers Aarata LLC based on the Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act.

3. About consolidated quarterly financial statements

Consolidated quarterly financial statements of the Company are not prepared because the Company has no subsidiaries.

1) Quarterly Financial Statements etc.

(1) Quarterly financial statements

[1] Quarterly balance sheet

(Millions of Yen)

	Preceding fiscal year (March 31, 2023)	Second quarter accounting period (September 30, 2023)
Assets		
Current assets		
Cash and deposits	79,331	56,028
Segregated deposits	553,312	654,012
Money held in trust	3,096	3,453
Trading products	4,034	4,629
Trading securities and other	0	11
Derivatives	4,034	4,618
Trade date accrual	15	126
Margin transaction assets	280,058	303,248
Margin loans	275,075	297,281
Cash collateral provided for securities borrowed in margin transactions	4,983	5,967
Loans secured by securities	25,905	26,496
Cash collateral provided for securities borrowed	25,905	26,496
Advances paid	80	73
Deposits paid for underwritten offering, etc.	453	926
Short-term guarantee deposits	8,109	9,206
Other	6,875	7,272
Allowance for doubtful accounts	(23)	(15)
Total current assets	961,244	1,065,454
Non-current assets		
Property, plant and equipment	1,365	1,545
Intangible assets	7,882	7,806
Software	7,882	7,806
Other	0	0
Investments and other assets	5,535	8,245
Investment securities	2,886	5,589
Other	3,767	3,619
Allowance for doubtful accounts	(1,118)	(963)
Total non-current assets	14,782	17,596
Total assets	976,026	1,083,050

(Millions of yen)

	Preceding fiscal year (March 31, 2023)	Second quarter accounting period (September 30, 2023)
Liabilities		
Current liabilities		
Trading products	334	832
Derivatives	334	832
Margin transaction liabilities	53,937	54,829
Margin borrowings	10,260	10,922
Cash received for securities sold in margin transactions	43,677	43,907
Borrowings secured by securities	39,452	36,270
Cash collateral received for securities lent	39,452	36,270
Deposits received	326,031	402,398
Guarantee deposits received	250,827	276,767
Payables for securities to receive over due for delivery	11	1
Short-term borrowings	219,900	226,900
Income taxes payable	1,858	2,310
Provision for bonuses	304	150
Other	3,535	2,647
Total current liabilities	896,189	1,003,103
Non-current liabilities		
Long-term borrowings	150	100
Other	236	237
Total non-current liabilities	386	337
Reserves under special laws		
Reserve for financial instruments transaction liabilities	3,098	3,521
Total reserves under special laws	3,098	3,521
Total liabilities	899,673	1,006,961
Net assets		
Shareholders’ equity		
Share capital	11,945	11,945
Capital surplus	9,803	9,804
Retained earnings	55,902	55,510
Treasury shares	(1,557)	(1,521)
Total shareholders' equity	76,092	75,738
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	23	100
Total valuation and translation adjustments	23	100
Share acquisition rights	238	251
Total net assets	76,353	76,089
Total liabilities and net assets	976,026	1,083,050

[2] Quarterly Statement of income

i. Cumulative second quarter period

(Millions of yen)

	Cumulative second quarter period of the preceding fiscal year (From April 1, 2022 to September 30, 2022)	Cumulative second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023)
Operating revenue		
Commission received	8,042	9,655
Brokerage commission	7,608	9,155
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	10	49
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Other commission received	424	451
Net trading income	909	1,140
Financial revenue	5,969	8,291
Total operating revenue	14,920	19,086
Financial expenses	979	2,356
Net operating revenue	13,941	16,730
Selling, general and administrative expenses		
Trading related expenses	2,761	2,974
Personnel expenses	1,577	1,759
Real estate expenses	449	478
Office expenses	1,927	2,368
Depreciation	1,221	1,505
Taxes and dues	244	222
Provision of allowance for doubtful accounts	(36)	6
Other	137	142
Total selling, general and administrative expenses	8,281	9,455
Operating profit	5,660	7,276
Non-operating income		
Dividend income	7	7
Gain on investments in investment partnerships	4	17
Other	12	12
Total non-operating income	23	36
Non-operating expenses		
Loss on investments in investment partnerships	78	63
Other	9	6
Total non-operating expenses	87	69
Ordinary profit	5,596	7,243
Extraordinary income		
Gain on sale of non-current assets	-	0
Gain on sale of investment securities	-	35
Gain on redemption of investment securities	18	-
Total extraordinary income	18	35
Extraordinary losses		
Loss on sale and retirement of non-current assets	18	3
Provision of reserve for financial instruments transaction liabilities	29	423
Total extraordinary losses	47	426
Profit before income taxes	5,567	6,852
Income taxes – current	1,550	2,155
Income taxes – deferred	157	(55)
Total income taxes	1,707	2,099
Profit	3,860	4,752

[3] Quarterly statement of cash flows

(Millions of yen)

	Cumulative second quarter period of the preceding fiscal year (From April 1, 2022 to September 30, 2022)	Cumulative second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023)
Cash flows from operating activities		
Profit (loss) before income taxes	5,567	6,852
Depreciation	1,221	1,505
Increase (decrease) in allowance for doubtful accounts	(99)	(162)
Increase (decrease) in provision for bonuses	(200)	(154)
Increase (decrease) in reserve for financial instruments transaction liabilities	29	423
Interest and dividend income	(5,897)	(8,182)
Interest expenses	939	2,312
Loss (gain) on sale and retirement of non-current assets	18	3
Loss (gain) on sale of investment securities	-	(35)
Loss (gain) on redemption of investment securities	(18)	-
Decrease (increase) in Segregated deposits	(5,700)	(100,700)
Decrease (increase) in trading products - assets (liabilities)	(425)	(97)
Decrease or increase in trade date accrual	17	(111)
Decrease/increase in margin transaction assets/liabilities	(50,678)	(22,299)
Decrease (increase) in loans secured by securities	538	(591)
Decrease/increase in advance paid/deposits received	(6,317)	76,374
Increase (decrease) in borrowings secured by securities	7,285	(3,181)
Increase (decrease) in guarantee deposits received	2,835	25,939
Decrease (increase) in short-term guarantee deposits	1,704	(1,097)
Other, net	(279)	(284)
Subtotal	(49,460)	(23,486)
Interest and dividends received	5,310	7,935
Interest paid	(861)	(2,256)
Income taxes paid	(2,666)	(1,722)
Net cash provided by (used in) operating activities	(47,678)	(19,530)
Cash flows from investing activities		
Purchase of property, plant and equipment	(381)	(164)
Proceeds from sale of property, plant and equipment	150	0
Purchase of intangible assets	(1,554)	(2,463)
Purchase of investment securities	(856)	(2,680)
Proceeds from sale of investment securities	-	52
Proceeds from redemption of investment securities	118	-
Other, net	(7)	24
Net cash provided by (used in) investing activities	(2,529)	(5,230)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	60,000	7,000
Proceeds from long-term borrowings	300	-
Repayments of long-term borrowings	(50)	(50)
Proceeds from exercise of employee share options	0	0
Dividends paid	(5,138)	(5,137)
Net cash provided by (used in) financing activities	55,112	1,813
Effect of exchange rate change on cash and cash equivalents	0	1
Net increase (decrease) in cash and cash equivalents	4,906	(22,946)
Cash and cash equivalents at beginning of period	60,312	82,427
Cash and cash equivalents at end of period	(Note 1) 65,218	(Note 1) 59,481

[4] Notes

i. Notes – Quarterly statement of cash flows

i) Note1: Reconciliation of ending balance of cash and cash equivalents with account balances on the balance sheet

(Millions of yen)

	Cumulative second quarter period of the preceding fiscal year (From April 1, 2022 to September 30, 2022)	Cumulative second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023)
Cash and deposits	62,124	56,028
Money held in trust	3,094	3,453
Cash and cash equivalents	65,218	59,481

ii. Notes – Equity

i) Cumulative second quarter period of the preceding fiscal year (From April 1, 2022 to September 30, 2022)

(i) Dividend payment

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
Ordinary general meeting of shareholders held on June 26, 2022	Common stock	5,142	20.00	March 31, 2022	June 27, 2022	Retained earnings

(ii) Dividends whose date of record is in the cumulative second quarter period of the current fiscal year and whose effective date is after the end of the second quarter accounting period of the current fiscal year

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
Board of directors' meeting held on October 27, 2022	Common stock	5,143	20.00	September 30, 2022	November 24, 2022	Retained earnings

ii) Cumulative second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023)

(i) Dividend payment

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
Ordinary general meeting of shareholders held on June 25, 2023	Common stock	5,144	20.00	March 31, 2023	June 26, 2023	Retained earnings

(ii) Dividends whose date of record is in the cumulative second quarter period of the current fiscal year and whose effective date is after the end of the second quarter accounting period of the current fiscal year

Resolution	Class of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date	Source of dividends
Board of directors' meeting held on October 26, 2023	Common stock	5,145	20.00	September 30, 2023	November 24, 2023	Retained earnings

iii. Notes – Segment information etc.

i) Segment information

Disclosures on segment information are omitted since the Company is a provider of on-line securities trading service comprising a single segment.

iv. Notes – Financial instruments

Not applicable.

v. Notes – Securities

Not applicable.

vi. Notes – Derivatives

Not applicable.

vii. Notes – Revenue recognition

Disclosures on segment information have been omitted since the Company is a provider of on-line securities trading service comprising a single segment. The following tables provide information on the breakdown of revenue generated from contracts with customers.

i) Cumulative second quarter period of the preceding fiscal year (From April 1, 2022 to September 30, 2022)

(Millions of yen)

	On-line securities trading service
Revenue generated from contracts with customers	8,042
Commission received	8,042
Brokerage commission	7,608
Equity & ETF, etc.	6,967
Futures & Options	642
Other	434
Other revenue	6,878
Financial revenue	5,969
Net trading income	909
Total operating revenue	14,920

ii) Cumulative second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023)

(Millions of yen)

	On-line securities trading service
Revenue generated from contracts with customers	9,655
Commission received	9,655
Brokerage commission	9,155
Equity & ETF, etc.	8,637
Futures & Options	518
Other	500
Other revenue	9,431
Financial revenue	8,291
Net trading income	1,140
Total operating revenue	19,086

Notes – Per share information

Basic earnings per share and diluted earnings per share with their respective bases of calculation are as follows.

Item	Cumulative second quarter period of the preceding fiscal year (From April 1, 2022 to September 30, 2022)	Cumulative second quarter period of the current fiscal year (From April 1, 2023 to September 30, 2023)
(1)Basic earnings per share (yen)	15.01	18.48
(Calculation basis)		
Net profit (millions of yen)	3,860	4,752
Net profit not attributed to common stock(millions of yen)	-	-
Net profit attributed to common stock (millions of yen)	3,860	4,752
Average number of common stock outstanding (number of shares)	257,109,339	257,223,656
(2)Diluted earnings per share (yen)	14.99	18.44
(Calculation basis)		
Adjustment to the net profit (millions of yen)	-	-
Increase in common stock (number of shares)	395,310	443,329
Overview of significant changes from the end of the preceding fiscal year in the share acquisition rights or others without dilution effects which are not considered in the calculation of diluted earnings per share	-	-

2) Notes - Other

At the meeting held on October 26, 2023, the board of directors of the Company resolved to distribute interim dividends for shareholders recorded on September 30, 2023. The details are as follows.

Amount of dividend payment	5,145 million yen
Dividend paid per share	20.00 yen
Effective date	November 24, 2023

Part 2. Information about reporting company's guarantor, etc.

Not applicable.