

**Quarterly Securities Report
Including Financial Statements
Under Japanese GAAP
For the Nine months
Ended December 31, 2009**

Matsui Securities Co., Ltd.

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

Filed with the Director of the Kanto Local Finance Bureau

On February 12, 2010

1 Information on the Company

Part 1 Company Financial Outlook

1 Major Business Indices

Consolidated Business Indices

		Nine months Ended December 31, 2008	Nine months Ended December 31, 2009	Three months Ended December 31, 2008	Three months Ended December 31, 2009	Year Ended March 31, 2009
Operating revenues	(Millions of Yen)	21,403	18,868	6,381	5,483	26,724
Net operating revenues	(Millions of Yen)	19,638	18,013	5,848	5,263	24,464
Ordinary income	(Millions of Yen)	8,653	8,973	2,114	2,584	9,998
Net income	(Millions of Yen)	5,184	5,716	1,261	1,630	6,921
Net assets	(Millions of Yen)	—	—	67,325	72,253	69,090
Total assets	(Millions of Yen)	—	—	460,692	450,185	472,145
Net assets per share	(Yen)	—	—	262.24	281.44	269.12
Earnings per share	(Yen)	19.68	22.26	4.91	6.35	26.44
Fully diluted earnings per share	(Yen)	17.46	20.11	4.34	5.75	23.45
Equity ratio	(%)	—	—	14.6	16.0	14.6
Cash flows from operating activities	(Millions of Yen)	88,938	(41,004)	—	—	102,118
Cash flows from investing activities	(Millions of Yen)	(1,325)	(2,669)	—	—	(1,431)
Cash flows from financing activities	(Millions of Yen)	(54,802)	(16,300)	—	—	(74,828)
Cash and cash equivalents at end of period	(Millions of Yen)	—	—	81,793	14,866	74,840
Number of employees		—	—	108	108	108

2 Company's Business

There have not been significant changes in the business of the Company's group in the three months ended December 31, 2009. There have not been significant changes in the business of the Company's major affiliates for the three months ended December 31, 2009 either.

3 Affiliated Companies

There have not been changes in the composition of the affiliate companies in the three months ended December 31, 2009.

4 Employees

(1) Consolidated basis

The Company and its consolidated subsidiaries employ 108 employees (This number includes 3 employees on maternity leave and other types of leave) and 177 temporary employees.

(2) Stand-alone basis

The Company employs 108 employees (This number includes 3 employees on maternity leave and other types of leave) and 173 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 December 31, 2009.

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, 2009.

2 Significant Contracts for the Company's Business

There have not been significant contracts made in the three months ended December 31, 2009.

Part 3 Equipment

1 Major Equipment

There have not been significant changes in the Company's major equipment in the three months ended December 31, 2009.

2 Plans for Equipment Purchase or Disposal

There have not been significant changes nor completion of the plans during the three months ended December 31, 2009 to purchase or dispose equipment as of September 30, 2009.

There have not been any significant plans newly introduced in the three months ended December 31, 2009.

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 December 31, 2009 (End of the quarterly period)	As of February 12, 2010 (Date of filing of this Report)		
Common Stock	269,260,202 shares	269,260,202 shares	Tokyo Stock Exchange (First Section)	1 unit consists of 100shares
Total	269,260,202 shares	269,260,202 shares	—	—

Note: The number of shares outstanding as of February 12, 2010 does not include those shares issued as a result of the exercise of new-share purchase rights in the period from February 1, 2010 to February 12, 2010.

(2) New-Share Purchase Rights

(i) New-share purchase rights

Special resolution from general shareholders' meeting (June 16, 2002)	
	As of December 31, 2009
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 December 31, 2009	
Number of new-share purchase rights	15,751
Number of new-share purchase rights held by the Company	—
Shares on which the new-share purchase rights will be exercised	Common Stock 1 unit: 100shares
Number of shares to be issued by the new-share purchase rights	26,701,135
Total value of payment	2 million yen per one new-share purchase right 1,179.8 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: 1,179.8 Yen Value to be capitalized as common stock: 590 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 cannot 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)	31,502

(3) Rights Plan

No relevant items.

(4) 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 October 1, 2009 to December 31, 2009	—	269,260	—	11,944	—	9,792

(5) Principal Shareholders

The Company has not obtained information on the changes of the principal shareholders for the three months ended December 31, 2009.

(6) Voting Rights

Following tables show the status of voting rights as of September 30, 2009 instead of those as of December 31, 2009 for the Company is not able to settle the list of shareholders as of December 31, 2009.

(i) Outstanding shares

(As of September 30, 2009)

	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 256,714,300	2,565,651
Odd lot shares (1 lot = 100 shares)	Common stock 13,202	—
Total number of shares outstanding	269,260,202	—
Total number of voting rights	—	2,565,651

Note:

- 400 shares under the title of Japan Securities Depository Center Inc. and 149,200 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)". 1,492 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)".
- 43 treasury shares are included in odd-lot shares.

(ii) Treasury Stock

(As of September 30, 2009)

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 nine months ended December 31, 2009		April 2009	May 2009	June 2009	July 2009	August 2009	September 2009	October 2009	November 2009	December 2009
	Highest (Yen)	743	787	931	903	915	869	712	642	690
	Lowest (Yen)	627	689	765	765	854	715	638	558	577

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 executive titles after June 29, 2009 when the Company filed its Annual Securities report for the year ended March 31, 2009.

Change of directors' title

New title	Former title	Name	Date of change
Director (General manager of CEO Office, Director in charge of Marketing Department and Human Resources Department)	Director, General manager of Marketing Department (In charge of Marketing Planning Unit)	Akira Warita	September 1, 2009

4 Operations of Business

(1) Commissions

(Millions of Yen)

	Item	Stocks	Bonds	Beneficiary Certificates	Others	Total
Three months ended December 31, 2008	Brokerage commissions	3,924	—	49	18	3,990
	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	111	—	2	568	681
	Total	4,035	—	51	586	4,672
Three months ended December 31, 2009	Brokerage commissions	3,183	—	34	6	3,224
	Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	11	—	—	—	11
	Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	—	—	—	0
	Others	112	—	1	336	449
	Total	3,306	—	35	342	3,684

(2) Net Gain on Trading

(Millions of Yen)

	Three months ended December 31, 2008			Three months ended December 31, 2009		
	Realized gain and loss	Evaluation gain and loss	Total	Realized gain and loss	Evaluation gain and loss	Total
Net gain on trading of stocks	(0)	—	(0)	0	—	0
Net gain on trading of bonds and others	2	(0)	2	1	(0)	1
Bonds	—	—	—	—	—	—
Others	2	(0)	2	1	(0)	1
Total	2	(0)	2	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 December 31, 2008	3,091,780	200	3,091,980
Three months ended December 31, 2009	2,477,260	693	2,477,952

(Margin Trading)

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Three months ended December 31, 2008	1,945,023	—	1,945,023
Three months ended December 31, 2009	1,580,026	—	1,580,026

ii) Bonds

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Three months ended December 31, 2008	—	—	—
Three months ended December 31, 2009	—	—	—

iii) Beneficiary Certificates

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Three months ended December 31, 2008	46,350	—	46,350
Three months ended December 31, 2009	32,642	17	32,660

iv) Others

(Millions of Yen)

	New-share purchase rights	Commercial paper	Others	Total
Three months ended December 31, 2008	—	—	2,467	2,467
Three months ended December 31, 2009	—	—	758	758

※"Others" are covered warrants.

(Brokerage trading)

(Millions of Yen)

	New-share purchase rights	Commercial paper	Others	Total
Three months ended December 31, 2008	—	—	2,467	2,467
Three months ended December 31, 2009	—	—	758	758

※"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 December 31, 2008	4,751,988	—	7,227,833	—	11,979,821
Three months ended December 31, 2009	4,901,867	—	11,603,404	—	16,505,271

ii) Bond-based

(Millions of Yen)

	Futures trading		Option trading		Total
	Brokerage	Proprietary trading	Brokerage	Proprietary trading	
Three months ended December 31, 2008	—	—	—	—	—
Three months ended December 31, 2009	—	—	—	—	—

[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 December 31, 2008	—	—	—	11	—	—	—
Three months ended December 31, 2009	174	174	—	6	—	—	—

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 December 31, 2008	Government Bonds	—	—	—	—	—	—	—
	Municipal Bonds	—	—	—	—	—	—	—
	Special Bonds	—	—	—	—	—	—	—
	Corporate Bonds	—	—	—	—	—	—	—
	Foreign Bonds	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—
Three months ended December 31, 2009	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 December 31, 2008	—	—	—	684	—	—	—
Three months ended December 31, 2009	—	—	—	313	—	—	—

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 December 31, 2008	Commercial Paper	—	—	—	—	—	—	—
	Foreign Certificates	—	—	—	—	—	—	—
	Others	—	—	—	—	—	—	—
Three months ended December 31, 2009	Commercial Paper	—	—	—	—	—	—	—
	Foreign Certificates	—	—	—	—	—	—	—
	Others	—	—	—	—	—	—	—

(4) Capital Adequacy Ratio

(Millions of Yen)

		As of December 31, 2008	As of December 31, 2009
Tier I Capital	①	67,250	72,161
Tier II Capital	Net unrealized gain on investment	—	9
	Reserve for financial products transaction liabilities	3,745	2,283
	General allowance for doubtful accounts	180	214
	Long-term Subordinated debts	—	—
	Short-term Subordinated debts	—	—
	Total ②	3,926	2,506
Assets to be deducted from equity capital	③	7,858	8,661
Equity capital after deduction	① + ② - ③ (A)	63,317	66,005
Risk	Market risk	2	2
	Counterparty risk	3,596	3,486
	Basic risk	3,813	3,010
	Total (B)	7,412	6,499
Capital adequacy ratio	(A) / (B) × 100	854.1%	1,015.5%

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 December 31, 2008 (from October 1, 2008 to December 31, 2008) and for the nine months ended December 31, 2008 (from April 1, 2008 to December 31, 2008) have been prepared in accordance with the former Regulations of Quarterly Consolidated Financial Statements. The quarterly consolidated financial statements for the three months ended December 31, 2009 (from October 1, 2009 to December 31, 2009) and for the nine months ended December 31, 2009 (from April 1, 2009 to December 31, 2009) 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 December 31, 2008 (from October 1, 2008 to December 31, 2008), for the nine months ended December 31, 2008 (from April 1, 2008 to December 31, 2008), for the three months ended December 31, 2009 (from October 1, 2009 to December 31, 2009), and for the nine months ended December 31, 2009 (from April 1, 2009 to December 31, 2009) 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)

	December 31, 2009	March 31, 2009
Assets		
Current Assets		
Cash and bank deposits	9,064	15,839
Cash segregated as deposits	245,364	237,989
Cash in trust	22,551	75,751
Trading assets:	1,580	1,980
Trading securities and others	0	0
Derivatives	1,580	1,980
Repurchased convertible bonds	—	7,717
Net receivables arising from pre-settlement date trades	259	49
Margin account assets:	148,532	115,246
Loans receivable from customers	139,933	98,639
Cash deposited as collateral for securities borrowed from securities finance companies	8,599	16,608
Receivables on collateralized securities transactions:		
Cash deposits collateral for securities borrowed	3,369	3,109
Receivables from customers and others	21	22
Advance paid for subscription	—	2
Short-term guarantee deposits	4,819	2,139
Others	6,780	5,350
Allowance for doubtful accounts	(215)	(127)
Total current assets	442,125	465,067
Fixed assets		
Tangible fixed assets	※1 1,136	※1 1,125
Intangible assets	4,712	3,653
Software	4,701	3,642
Others	10	11
Investments and others	2,212	2,300
Investment securities	300	320
Others	2,812	2,855
Allowance for doubtful accounts	(901)	(875)
Total fixed assets	8,060	7,078
Total assets	450,185	472,145

(Millions of Yen)

	December 31, 2009	March 31, 2009
Liabilities		
Current liabilities		
Trading liabilities:	445	192
Derivatives	445	192
Margin account liabilities:	40,270	57,052
Loans from securities finance companies	※2 5,006	※2 17,073
Proceeds of securities sold on customers' account	35,265	39,980
Payables on collateralized securities transactions:	6,242	7,547
Cash deposits as collateral for securities loaned	6,242	7,547
Deposits received	136,263	124,623
Guarantee money received	138,261	135,112
Suspense account for undelivered securities	6	2
Short-term borrowings	19,032	5,032
Bonds due within one year	—	20,000
Convertible bonds due within one year	—	8,298
Accrued income taxes	2,067	1,334
Accrued bonuses	78	86
Others	1,242	9,735
Total current liabilities	343,906	369,013
Long-term liabilities		
Convertible bonds	31,502	31,502
Long-term borrowings	36	52
Reserve for retirement bonuses for directors and auditors	204	204
Others	0	0
Total long-term liabilities	31,743	31,759
Statutory reserves		
Reserve for financial products transaction liabilities	2,283	2,283
Total statutory reserves	2,283	2,283
Total liabilities	377,932	403,054
Net assets		
Shareholders' equity		
Common stock	11,944	11,944
Capital surplus	9,792	9,792
Earned surplus	59,984	56,835
Treasury stock	(9,474)	(9,474)
Total shareholders' equity	72,244	69,096
Valuation and translation adjustments		
Net unrealized gain (loss) on investment securities, net of taxes	9	(6)
Total valuation and translation adjustments	9	(6)
Total net assets	72,253	69,090
Total liabilities and net assets	450,185	472,145

[2] Quarterly Consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Operating revenues		
Commissions	14,487	13,495
Brokerage commissions	12,731	12,073
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1	11
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Others	1,754	1,411
Net gain (loss) on trading	5	5
Interest and dividend income	6,911	5,368
Total operating revenues	21,403	18,868
Interest expenses	1,765	855
Net operating revenues	19,638	18,013
Selling, general and administrative expenses		
Transaction related expenses	3,150	2,735
Employees' compensation and benefits	※1 1,579	※1 1,454
Occupancy and rental	377	749
Data processing and office supplies	4,777	2,543
Depreciation	930	1,293
Duties and taxes other than income taxes	129	112
Provision of allowance for doubtful accounts	—	119
Others	102	95
Total selling, general and administrative expenses	11,042	9,100
Operating income	8,595	8,914
Non-operating income		
Dividend income	51	9
Insurance premiums refunded cancellation	—	35
Others	23	26
Total non-operating income	74	70
Non-operating expenses		
Others	17	10
Total non-operating expenses	17	10
Ordinary income	8,653	8,973
Special profits		
Gain on cancellation of convertible bonds	—	581
Reversal of allowance for doubtful accounts	26	—
Gain on sales of investment securities	13	—
Others	0	—
Total special profits	39	581
Special losses		
Loss on sales and disposals of property and equipment	5	2
Devaluation loss on investment securities	—	20
Total special losses	5	22
Income before income taxes	8,686	9,533
Income taxes - current	3,102	3,861
Income taxes - deferred	400	(44)
Income taxes	3,502	3,817
Net income	5,184	5,716

(Millions of Yen)

	Three months ended December 31, 2008	Three months ended December 31, 2009
Operating revenues		
Commissions	4,672	3,684
Brokerage commissions	3,990	3,224
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	0	11
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Others	681	449
Net gain (loss) on trading	2	1
Interest and dividend income	1,707	1,797
Total operating revenues	6,381	5,483
Interest expenses	532	220
Net operating revenues	5,848	5,263
Selling, general and administrative expenses		
Transaction related expenses	1,073	861
Employees' compensation and benefits	※1 512	※1 469
Occupancy and rental	137	289
Data processing and office supplies	1,635	627
Depreciation	322	457
Duties and taxes other than income taxes	34	26
Provision of allowance for doubtful accounts	—	(29)
Others	26	30
Total selling, general and administrative expenses	3,740	2,730
Operating income	2,109	2,533
Non-operating income		
Dividend income	0	0
Insurance premiums refunded cancellation	—	35
Others	11	16
Total non-operating income	11	51
Non-operating expenses		
Others	6	0
Total non-operating expenses	6	0
Ordinary income	2,114	2,584
Special profits		
Reversal of allowance for doubtful accounts	(44)	—
Gain on sales of investment securities	13	—
Others	0	—
Total special profits	(31)	—
Special losses		
Loss on sales and disposals of property and equipment	5	2
Total special losses	5	2
Income before income taxes	2,077	2,582
Income taxes - current	705	885
Income taxes - deferred	111	68
Income taxes	816	953
Net income	1,261	1,630

[3] Quarterly Consolidated Statements of Cash Flows

(Millions of Yen)

	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Cash flows from operating activities		
Income before income taxes	8,686	9,533
Depreciation and amortization	930	1,293
Net change in allowance for doubtful accounts	(379)	113
Net change in accrued bonuses	(34)	(9)
Interest and dividend income	(6,923)	(5,990)
Interest expenses	1,717	818
Gain or loss on sales and disposals of property and equipment	5	2
Gain or loss on sales of investment securities	(13)	—
Devaluation loss on investment securities	—	20
Gain on cancellation of convertible bonds	—	(581)
Net change in cash segregated as deposits	(23,988)	(7,358)
Net change in cash in trust	(650)	—
Net change in trading assets and liabilities	454	653
Net change in net receivables and payables arising from pre-settlement date trades	(16)	(210)
Net change in margin assets and liabilities	102,364	(50,068)
Net change in receivables on collateralized securities transactions	(1,189)	(260)
Net change in deposits received and receivables from customers and others	3,399	11,641
Net change in payables on collateralized securities transactions	(16,418)	(1,305)
Net change in guarantee money received	6,832	3,149
Net change in short-term guarantee deposits	14,349	(2,680)
Others	652	(975)
Sub total	89,779	(42,214)
Interest and dividend received	8,078	5,339
Interest paid	(1,872)	(982)
Income taxes paid	(7,047)	(3,148)
Net cash flows from operating activities	88,938	(41,004)
Cash flows from investing activities		
Payments for purchases of property and equipment	(249)	(49)
Payments for purchases of intangible assets	(1,091)	(2,622)
Proceeds from sales of investment securities	14	—
Others	2	1
Net cash flows from investing activities	(1,325)	(2,669)
Cash flows from financing activities		
Net change in short-term borrowings	(5,500)	19,000
Proceeds from long-term borrowings	100	—
Repayments of long-term borrowings	(30,550)	(5,016)
Repayment for corporate bonds	—	(20,000)
Payments for repurchase of convertible bonds	—	(7,717)
Proceeds from issuance of shares on the exercise of new-share purchase rights	3	—
Payments for purchase of treasury stock	(0)	(0)
Dividends paid	(9,398)	(2,567)
Payments made to trust account for purchase of treasury stock	(10,018)	—
Proceeds transferred from trust account for purchase of treasury stock	561	—
Net cash flows from financing activities	(54,802)	(16,300)
Translation difference of cash and cash equivalent	(0)	(0)
Net change in cash and cash equivalent	32,812	(59,974)
Cash and cash equivalents at beginning of period	48,981	74,840
Cash and cash equivalents at end of period	※1 81,793	※1 14,866

Changes in Significant Accounting Policies for the Quarterly Consolidated Financial Statements

(Nine months ended December 31, 2009)

No relevant items.

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

(Nine months ended December 31, 2009)

No relevant items.

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

(Nine months ended December 31, 2009)

No relevant items.

Notes to Quarterly Consolidated Financial Statements

Notes to Quarterly Consolidated Balance Sheet

As of December 31, 2009	As of March 31, 2009																																								
<p>※1 Accumulated depreciation deducted from tangible fixed assets is as follows.</p> <p style="text-align: right;">818 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 729 million yen are collateralized for the loans from securities finance companies. 9,303 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;">37,950</td> </tr> <tr> <td>2) Collateralized securities for loans from securities finance companies</td> <td style="text-align: right;">4,911</td> </tr> <tr> <td>3) Securities loaned out in securities loaned vs. cash transactions</td> <td style="text-align: right;">7,641</td> </tr> <tr> <td>4) Long-term guarantee securities deposited</td> <td style="text-align: right;">6,014</td> </tr> <tr> <td>5) Securities pledged as collateral for futures and option trading guarantee</td> <td style="text-align: right;">7,935</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;">122,027</td> </tr> <tr> <td>2) Securities borrowed from securities finance companies</td> <td style="text-align: right;">8,590</td> </tr> <tr> <td>3) Securities received in securities borrowed vs. cash transactions</td> <td style="text-align: right;">3,206</td> </tr> <tr> <td>4) Guarantee securities received from customers</td> <td style="text-align: right;">208,096</td> </tr> <tr> <td>5) Securities received from customers as collateral for futures and option trading guarantee</td> <td style="text-align: right;">2,448</td> </tr> </table>	1) Securities lent for customers' short positions in margin trading	37,950	2) Collateralized securities for loans from securities finance companies	4,911	3) Securities loaned out in securities loaned vs. cash transactions	7,641	4) Long-term guarantee securities deposited	6,014	5) Securities pledged as collateral for futures and option trading guarantee	7,935	1) Securities received for customers' long positions in margin trading	122,027	2) Securities borrowed from securities finance companies	8,590	3) Securities received in securities borrowed vs. cash transactions	3,206	4) Guarantee securities received from customers	208,096	5) Securities received from customers as collateral for futures and option trading guarantee	2,448	<p>※1 Accumulated depreciation deducted from tangible fixed assets is as follows.</p> <p style="text-align: right;">696 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 690 million yen are collateralized for the loans from securities finance companies. 13,547 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%; 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Notes to Quarterly Consolidated Statements of Income

Nine months ended December 31, 2008	Nine months ended December 31, 2009
※1 Employees' compensation and benefit reported in the quarterly consolidated statements of income include 102 million yen of accrued bonuses.	※1 Employees' compensation and benefit reported in the quarterly consolidated statements of income include 78 million yen of accrued bonuses.

Three months ended December 31, 2008	Three months ended December 31, 2009
※1 Employees' compensation and benefit reported in the quarterly consolidated statements of income include 34 million yen of accrued bonuses.	※1 Employees' compensation and benefit reported in the quarterly consolidated statements of income include 14 million yen of accrued bonuses.

Notes to Quarterly Consolidated Statements of Cash Flows

Nine months ended December 31, 2008	Nine months ended December 31, 2009																
<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 December 31, 2008)</p> <p style="text-align: right;">(Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and bank deposits</td> <td style="text-align: right;">15,733</td> </tr> <tr> <td>Cash in trust</td> <td style="text-align: right;">82,209</td> </tr> <tr> <td>Cash in trust which is held to segregate guarantee money</td> <td style="text-align: right;">(16,150)</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;">81,793</td> </tr> </table>	Cash and bank deposits	15,733	Cash in trust	82,209	Cash in trust which is held to segregate guarantee money	(16,150)	Cash and cash equivalents	81,793	<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 December 31, 2009)</p> <p style="text-align: right;">(Millions of Yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and bank deposits</td> <td style="text-align: right;">9,064</td> </tr> <tr> <td>Cash in trust</td> <td style="text-align: right;">22,551</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;">14,866</td> </tr> </table>	Cash and bank deposits	9,064	Cash in trust	22,551	Cash in trust which is held to segregate guarantee money	(16,750)	Cash and cash equivalents	14,866
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Cash and cash equivalents	14,866																

Notes Concerning Net Assets

(As of December 31, 2009 and nine months ended December 31, 2009)

1. Outstanding shares

(Number of shares)

Type of share	As of December 31, 2009
Common stock	269,260,202

2. Treasury stock

(Number of shares)

Type of shares	As of December 31, 2009
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 28, 2009
Type of Shares	Common stock
Amount of dividend payment	2,567 million yen
Dividends per share	10 yen
Date of record for dividends	March 31, 2009
Effective date	June 29, 2009
Source of dividends	Earned surplus

(2) Dividends for which effective date is after December 31, 2009

No relevant items.

5. Significant changes in net assets

No relevant items.

Notes to Securities

There have not been significant change in securities during nine months ended December 31, 2009 compared to fiscal year ended March 31, 2009.

Notes to Derivative Transactions

There have not been any significant derivative transactions in the nine months ended December 31, 2009.

Notes to Stock Options

No relevant items.

Segment Information

(Three months ended December 31, 2008, three months ended December 31, 2009, nine months ended December 31, 2008 and nine months ended December 31, 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 and 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.

Per Share Information

1. Net assets per share

As of December 31, 2009		As of March 31, 2009	
Net assets per share	281.44 Yen	Net assets per share	269.12 Yen

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

Items	As of December 31, 2009	As of March 31, 2009
Total net assets on the balance sheets (Millions of Yen)	72,253	69,090
Net assets attributed to common stock (Millions of Yen)	72,253	69,090
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

Nine months ended December 31, 2009

Nine months ended December 31, 2008		Nine months ended December 31, 2009	
Earnings/share	19.68 Yen	Earnings/share	22.26 Yen
Fully diluted earnings/share	17.46 Yen	Fully diluted earnings/share	20.11 Yen

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

Items	Nine months ended December 31, 2008	Nine months ended December 31, 2009
Net income on the statements of income (Millions of Yen)	5,184	5,716
Net income attributed to common stock (Millions of Yen)	5,184	5,716
Net income not attributed to common stock (Millions of Yen)	—	—
Average number of common stock outstanding (Thousands of shares)	263,391	256,727
Increase of common stock considered in the calculation of fully diluted earnings per share (Thousands of shares)	33,461	27,484
Significant changes in the residual securities which are not considered in the calculation of fully diluted earnings per share	—	—

Three months ended December 31, 2009

Three months ended December 31, 2008		Three months ended December 31, 2009	
Earnings/share	4.91 Yen	Earnings/share	6.35 Yen
Fully diluted earnings/share	4.34 Yen	Fully diluted earnings/share	5.75 Yen

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

Items	Three months ended December 31, 2008	Three months ended December 31, 2009
Net income on the statements of income (Millions of Yen)	1,261	1,630
Net income attributed to common stock (Millions of Yen)	1,261	1,630
Net income not attributed to common stock (Millions of Yen)	—	—
Average number of common stock outstanding (Thousands of shares)	256,875	256,727
Increase of common stock considered in the calculation of fully diluted earnings per share (Thousands of shares)	33,460	26,702
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 December 31, 2008 , for the nine months ended December 31, 2008, for the three months ended December 31, 2009 and for the nine months ended December 31, 2009.