

**Quarterly Securities Report
Including Financial Statements
Under Japanese GAAP
For the Nine months
Ended December 31, 2011**

Matsui Securities Co., Ltd.

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

Filed with the Director of the Kanto Local Finance Bureau

On February 13, 2012

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

Part 1 Company Financial Outlook

1 Major Business Indices

		Nine months Ended December 31, 2010	Nine months Ended December 31, 2011	Year Ended March 31, 2011
Operating revenues	(Millions of Yen)	15,819	12,900	22,091
Net operating revenues	(Millions of Yen)	15,259	12,208	21,320
Ordinary income	(Millions of Yen)	7,387	5,139	8,479
Net income	(Millions of Yen)	4,531	2,870	5,410
Comprehensive income	(Millions of Yen)	4,516	2,867	5,398
Net assets	(Millions of Yen)	74,871	74,768	75,752
Total assets	(Millions of Yen)	432,444	371,530	431,729
Earnings per share	(Yen)	17.65	11.18	21.07
Fully diluted earnings per share	(Yen)	16.58	—	19.86
Equity ratio	(%)	17.3	20.1	17.5

		Three months Ended December 31, 2010	Three months Ended December 31, 2011
Earnings per share	(Yen)	4.77	2.45

Note :

1. The company does not report non-consolidated business indices, as the Company prepares consolidated financial statements.
2. The company does not report fully diluted earnings per share for the nine months ended December 31, 2011, as there are no residual securities.
3. The Company has retroactively applied “Accounting Standard for Presentation of Comprehensive Income” (Accounting Standard Board of Japan, Statement No. 25, June 30, 2010), to calculate Comprehensive income for the nine months ended December 31, 2010.

2 Company’s Business

There have been no significant changes in the business of the Company’s group or the Company’s major affiliates in the nine months ended December 31, 2011.

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 nine months ended December 31, 2011.

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, 2011.

2 Significant Contracts for the Company's Business

There have been no new significant contracts in the three months ended December 31, 2011.

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(s) Listed at	Details
	As of December 31, 2011 (End of the quarterly period)	As of February 13, 2012 (Date of filing of this Report)		
Common Stock	269,264,702 shares	269,264,702 shares	Tokyo Stock Exchange (First Section) Osaka Stock Exchange (First Section)	1 unit consists of 100shares
Total	269,264,702 shares	269,264,702 shares	—	—

(2) New-Share Purchase Rights

No relevant items.

(3) Exercise of Moving Strike Convertible Bonds

No relevant items.

(4) Rights Plan

No relevant items.

(5) Total Number of Shares Outstanding and Capital Stock

	Shares Outstanding		Capital Stock		Additional Paid in Capital	
	Change (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, 2011 to December 31, 2011	—	269,265	—	11,945	—	9,793

(6) Principal Shareholders

Information on the changes in principal shareholders has been omitted for the three months ended December 31, 2011.

(7) Voting Rights

The following tables show the status of voting rights as of September 30, 2011 instead of those as of December 31, 2011 for the Company is not able to settle the list of shareholders as of December 31, 2011.

(i) Outstanding shares

(As of September 30, 2011)

	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 12,532,800	—
Shares with full voting rights (Other than treasury stock)	Common stock 256,718,100	2,556,327
Odd lot shares (1 lot = 100 shares)	Common stock 13,802	—
Total number of shares outstanding	269,264,702	—
Total number of voting rights	—	2,556,327

Note:

- 400 shares under the title of Japan Securities Depository Center Inc. and 1,085,400 shares of securities bought by customers using money loaned from the Company's own fund are included in "Shares with full voting rights (Other than treasury stock)." 4 voting rights under the title of Japan Securities Depository Center Inc. are included in "Shares with full voting rights (Other than treasury stock)". 10,854 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)".
- 87 treasury shares are included in odd-lot shares.

(ii) Treasury Stock

(As of September 30, 2011)

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	12,532,800	—	12,532,800	4.65
Total	—	12,532,800	—	12,532,800	4.65

2 Executives

Following is the change in the executives' title after June 20, 2011 when the Company filed its Annual Securities report for the year ended March 31, 2011.

New title	Former title	Name	Date of change
Managing Director (General Manager of CEO Office and Marketing Dept., Managing Director of Business Development Dept. and Customer Support Dept.)	Managing Director (General Manager of CEO Office and Marketing Dept., Managing Director of Business Development Dept., RTGS Operation Dept. and Customer Support Dept.)	Akira Warita	September 26, 2011
Director (General Manager of Business Development Dept.)	Director (General Manager of Business Development Dept. and RTGS Operation Dept.)	Masashi Watanabe	September 26, 2011
Director (General Manager of Business Development Dept. and RTGS Operation Dept.)	Director (General Manager of Business Development Dept.)	Masashi Watanabe	November 24, 2011

3 Operations of Business

(1) Commissions

(Millions of Yen)

	Item	Stocks	Bonds	Beneficiary Certificates	Others	Total
Nine months ended December 31, 2010	Brokerage commissions	8,883	—	79	265	9,227
	Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	3	—	—	—	3
	Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	—	—	—	0
	Others	378	—	3	856	1,237
	Total	9,264	—	82	1,121	10,467
Nine months ended December 31, 2011	Brokerage commissions	6,998	—	70	375	7,444
	Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	1	—	—	—	1
	Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	—	—	—	0
	Others	363	—	3	434	800
	Total	7,362	—	73	810	8,245

(2) Net Gain on Trading

(Millions of Yen)

	Nine months ended December 31, 2010			Nine months ended December 31, 2011		
	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)	(17)	0	(17)
Net gain on trading of bonds and others	3	0	3	(39)	0	(39)
Bonds	—	—	—	—	—	—
Others	3	0	3	(39)	0	(39)
Total	3	0	3	(56)	0	(56)

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

i) Stocks

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Nine months ended December 31, 2010	7,058,668	390	7,059,058
Nine months ended December 31, 2011	5,619,774	634	5,620,409

Margin trading transactions included in the “stocks” above are as follows:

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Nine months ended December 31, 2010	4,515,115	186	4,515,301
Nine months ended December 31, 2011	3,417,519	149	3,417,667

ii) Bonds

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Nine months ended December 31, 2010	—	—	—
Nine months ended December 31, 2011	—	—	—

iii) Beneficiary Certificates

(Millions of Yen)

	Brokerage	Proprietary trading	Total
Nine months ended December 31, 2010	71,584	—	71,584
Nine months ended December 31, 2011	74,526	249	74,775

※”Beneficiary securities issued by beneficiary securities trusts defined under the trust law” had been included in “iii) Beneficiary Certificates” in nine months ended December 31, 2010. It has been reclassified and included in “iv) Others” in nine months ended December 31, 2011.

iv) Others

(Millions of Yen)

	New-share purchase rights	Commercial paper	Others	Total
	Nine months ended December 31, 2010	11	—	948
Nine months ended December 31, 2011	—	—	10,014	10,014

※"Others" in nine months ended December 31, 2010 are covered warrants. "Others" in nine months ended December 31, 2011 are beneficiary securities issued by beneficiary securities trusts defined under the trust law.

Brokerage trading transactions included in "Others" above are as follows:

(Millions of Yen)

	New-share purchase rights	Commercial paper	Others	Total
	Nine months ended December 31, 2010	11	—	948
Nine months ended December 31, 2011	—	—	10,014	10,014

※"Others" in nine months ended December 31, 2010 are covered warrants. "Others" in nine months ended December 31, 2011 are beneficiary securities issued by beneficiary securities trusts defined under the trust law.

[2] Futures Trading

i) Stock-based

(Millions of Yen)

	Futures trading		Option trading		Total
	Brokerage	Proprietary trading	Brokerage	Proprietary trading	
Nine months ended December 31, 2010	13,681,476	—	33,424,132	—	47,105,607
Nine months ended December 31, 2011	7,919,716	—	15,597,899	204	23,517,819

ii) Bond-based

(Millions of Yen)

	Futures trading		Option trading		Total
	Brokerage	Proprietary trading	Brokerage	Proprietary trading	
Nine months ended December 31, 2010	—	—	—	—	—
Nine months ended December 31, 2011	—	—	—	—	—

[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
Nine months ended December 31, 2010	60	60	—	1	—	—	—
Nine months ended December 31, 2011	13	13	—	8	—	—	—

ii) Bonds

(Millions of Yen)

	Item	Underwriting	Selling	Underwriting and selling for professional investors	Subscription	Distribution	Private offerings	Subscription and distribution for professional investors
Nine months ended December 31, 2010	Government Bonds	—	—	—	—	—	—	—
	Municipal Bonds	—	—	—	—	—	—	—
	Special Bonds	—	—	—	—	—	—	—
	Corporate Bonds	—	—	—	—	—	—	—
	Foreign Bonds	—	—	—	—	—	—	—
	Total	—	—	—	—	—	—	—
Nine months ended December 31, 2011	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
Nine months ended December 31, 2010	—	—	—	1,088	—	—	—
Nine months ended December 31, 2011	—	—	—	1,287	—	—	—

iv) Others

(Millions of Yen)

	Item	Underwriting	Selling	Underwriting and selling for professional investors	Subscription	Distribution	Private offerings	Subscription and distribution for professional investors
Nine months ended December 31, 2010	Commercial Paper	—	—	—	—	—	—	—
	Foreign certificates	—	—	—	—	—	—	—
	Others	—	—	—	—	—	—	—
Nine months ended December 31, 2011	Commercial Paper	—	—	—	—	—	—	—
	Foreign certificates	—	—	—	—	—	—	—
	Others	—	—	—	—	—	—	—

(4) Capital Adequacy Ratio

(Millions of Yen)

		As of December 31, 2010	As of December 31, 2011
Tier I Capital		74,780	74,670
Tier II Capital	Net unrealized gain on investment	—	—
	Reserve for financial products transaction liabilities	1,665	1,108
	General allowance for doubtful accounts	54	13
	Long-term Subordinated debts	—	—
	Short-term Subordinated debts	—	—
	Total ②	1,719	1,121
Assets to be deducted from equity capital		7,922	8,231
Equity capital after deduction		68,577	67,560
Risk	Market risk	0	0
	Counterparty risk	3,557	3,322
	Basic risk	2,304	2,178
	Total (B)	5,861	5,501
Capital adequacy ratio		1,169.9%	1,228.0%

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

Part 4 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”.

2 Audit Report

The quarterly consolidated financial statements for the three months ended December 31, 2011 (from October 1, 2011 to December 31, 2011) and nine months ended December 31, 2011 (from April 1, 2011 to December 31, 2011) 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 Corporations Law of Japan, the Financial Instruments and Exchange Law, and in conformity with accounting principles and practices generally accepted in Japan, which are different from International Financial Reporting Standards in certain aspects of application and disclosure requirements.

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

1 Quarterly Consolidated Financial Statements

[1] Quarterly Consolidated Balance Sheets

(Millions of Yen)

	March 31, 2011	December 31, 2011
Assets		
Current Assets		
Cash and bank deposits	17,882	7,468
Cash segregated as deposits	237,094	193,802
Cash in trust	8,766	9,309
Trading assets:	1,802	3,139
Trading securities and others	0	0
Derivatives	1,802	3,139
Net receivables arising from pre-settlement date trades	47	—
Margin account assets:	142,281	133,610
Loans receivable from customers	138,217	130,833
Cash deposited as collateral for securities borrowed from securities finance companies	4,064	2,777
Receivables on collateralized securities transactions:	4,827	6,112
Cash deposit collateral for securities borrowed	4,827	6,112
Receivables from customers and others	76	37
Short-term guarantee deposits	6,191	4,897
Others	4,271	5,547
Allowance for doubtful accounts	(28)	(13)
Total current assets	423,210	363,908
Fixed assets		
Tangible fixed assets	1,160	1,079
Intangible assets	4,529	4,351
Software	4,521	4,344
Others	8	7
Investments and others	2,830	2,191
Investment securities	262	219
Others	5,999	4,690
Allowance for doubtful accounts	(3,430)	(2,718)
Total fixed assets	8,519	7,622
Total assets	431,729	371,530

(Millions of Yen)

	March 31, 2011	December 31, 2011
Liabilities		
Current liabilities		
Trading liabilities:	229	106
Trading securities and others	0	0
Derivatives	229	106
Net payables arising from pre-settlement date trades	—	5
Margin account liabilities:	40,417	25,196
Loans from securities finance companies	13,043	1,842
Proceeds of securities sold on customers' account	27,374	23,355
Payables on collateralized securities transactions:	5,818	5,383
Cash deposits as collateral for securities loaned	5,818	5,383
Deposits received	119,354	98,117
Guarantee money received	122,989	111,015
Suspense account for undelivered securities	0	—
Short-term borrowings	62,020	54,050
Accrued income taxes	2,344	265
Accrued bonuses	98	66
Others	1,391	1,194
Total current liabilities	354,662	295,397
Long-term liabilities		
Long-term borrowings	—	50
Reserve for retirement bonuses for directors and auditors	204	204
Others	3	3
Total long-term liabilities	207	257
Statutory reserves		
Reserve for financial products transaction liabilities	1,108	1,108
Total statutory reserves	1,108	1,108
Total liabilities	355,977	296,762
Net assets		
Shareholders' equity		
Common stock	11,945	11,945
Capital surplus	9,793	9,793
Earned surplus	63,488	62,507
Treasury stock	(9,475)	(9,475)
Total shareholders' equity	75,751	74,770
Valuation and translation adjustments		
Net unrealized gain (loss) on investment securities, net of taxes	1	(2)
Total valuation and translation adjustments	1	(2)
Total net assets	75,752	74,768
Total liabilities and net assets	431,729	371,530

[2] Quarterly Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated statements of income

	(Millions of Yen)	
	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Operating revenues		
Commissions	10,467	8,245
Brokerage commissions	9,227	7,444
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	3	1
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Others	1,237	800
Net gain/(loss) on trading	3	(56)
Interest and dividend income	5,349	4,711
Total operating revenues	<u>15,819</u>	<u>12,900</u>
Interest expenses	559	692
Net operating revenues	<u>15,259</u>	<u>12,208</u>
Selling, general and administrative expenses		
Transaction related expenses	2,473	2,310
Employees' compensation and benefits	1,493	1,360
Occupancy and rental	831	840
Data processing and office supplies	1,485	1,327
Depreciation	1,390	1,322
Duties and taxes other than income taxes	86	73
Provision of allowance for doubtful accounts	—	(215)
Others	129	89
Total selling, general and administrative expenses	<u>7,887</u>	<u>7,106</u>
Operating income	<u>7,372</u>	<u>5,102</u>
Non-operating income		
Dividend income	11	29
Insurance premiums refunded cancellation	0	—
Others	10	13
Total non-operating income	<u>21</u>	<u>42</u>
Non-operating expenses		
Others	5	5
Total non-operating expenses	<u>5</u>	<u>5</u>
Ordinary income	<u>7,387</u>	<u>5,139</u>
Special profits		
Gain on sales of investment securities	7	—
Gain on cancellation of convertible bonds	82	—
Reversal of allowance for doubtful accounts	160	—
Gain on sales of fixed assets	—	1
Total special profits	<u>249</u>	<u>1</u>
Special losses		
Loss on sales and disposals of fixed assets	3	2
loss on sales of investment securities	1	2
Total special losses	<u>4</u>	<u>5</u>
Income before income taxes	<u>7,632</u>	<u>5,135</u>
Income taxes - current	2,815	1,551
Income taxes - deferred	287	714
Income taxes	<u>3,102</u>	<u>2,265</u>
Income before minority interests	<u>4,531</u>	<u>2,870</u>
Net income	<u>4,531</u>	<u>2,870</u>

Consolidated Statements of Comprehensive Income

(Millions of Yen)

	Nine months ended December 31, 2010	Nine months ended December 31, 2011
Income before minority interests	4,531	2,870
Other comprehensive income		
Net unrealized loss on investment securities	(14)	(3)
Total other comprehensive income	(14)	(3)
Comprehensive income	4,516	2,867
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	4,516	2,867
Comprehensive income attributable to minority interests	—	—

Additional Information

Nine months ended December 31, 2011

For the changes and corrections made after the beginning of the year ending March 31, 2012, the Company has adopted “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standard Board of Japan, Statement No. 24, December 4, 2009) and “Guidance on Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standard Board of Japan, Guidance No. 24, December 4, 2009)”

Notes to Quarterly Consolidated Financial Statements

Notes to Quarterly Consolidated Statements of Cash Flows

The company does not prepare the consolidated statement of cash flows for the nine months ended December 31, 2011.

Depreciation including the intangible assets of the Nine months ended December 31, 2010 and Nine months ended December 31, 2011 are as follows.

Nine months ended December 31, 2010		Nine months ended December 31, 2011	
Depreciation	1,390 million yen	Depreciation	1,322 million yen

Notes Concerning Net Assets

(Nine months ended December 31, 2010)

1. Dividends

Dividend payment

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

2. Dividends for which effective date is after December 31, 2010

No relevant items.

3. Significant changes in net assets

No relevant items.

(Nine months ended December 31, 2011)

1. Dividends

Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 26, 2011
Type of Shares	Common stock
Amount of dividend payment	3,851 million yen
Dividends per share	15 yen
Date of record for dividends	March 31, 2011
Effective date	June 27, 2011
Source of dividends	Earned surplus

2. Dividends for which effective date is after December 31, 2011

No relevant items.

3. Significant changes in net assets

No relevant items.

Segment Information

(Nine months ended December 31, 2010 and Nine months ended December 31, 2011)

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

Financial Instruments

There have been no significant changes in financial instruments during the nine months ended December 31, 2011 compared to fiscal year ended March 31, 2011.

Securities

There have been no significant changes in securities during the nine months ended December 31, 2011 compared to fiscal year ended March 31, 2011.

Derivative Transactions

No relevant items.

Per Share Information

Earnings per share, its basis of calculation and fully diluted earnings per share information is as follows:

Items	Nine months ended December 31, 2010	Nine months ended December 31, 2011
(1)Earnings per share (Yen)	17.65	11.18
(Calculation basis)		
Net income on the statements of income (Millions of Yen)	4,531	2,870
Net income not attributed to common stock (Millions of Yen)	—	—
Net income attributed to common stock (Millions of Yen)	4,531	2,870
Average number of common stock outstanding (Thousands of shares)	256,730	256,732
(2)Fully diluted earnings per share (Yen)	16.58	—
(Calculation basis)		
Increase of common stock considered in the calculation of fully diluted earnings per share (Thousands of shares)	16,537	—
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 nine months ended December 31, 2011 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 consolidated financial statements for the three months ended December 31, 2011 and for the nine months ended December 31, 2011.