
Quarterly Securities Report
Including Financial Statements
Under Japanese GAAP
For the Nine months
Ended December 31, 2013

Matsui Securities Co., Ltd.

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

Filed with the Director of the Kanto Local Finance Bureau

On February 13, 2014

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

Part 1 Company Financial Outlook

1 Major Business Indices

		Nine months Ended December 31, 2012	Nine months Ended December 31, 2013	Year Ended March 31, 2013
Operating revenues	(Millions of Yen)	12,330	31,363	20,799
Net operating revenues	(Millions of Yen)	11,674	30,499	19,915
Ordinary income	(Millions of Yen)	4,734	21,772	10,245
Net income	(Millions of Yen)	3,010	13,117	6,427
Equity in earnings of affiliates	(Millions of Yen)	—	—	—
Capital stock	(Millions of Yen)	11,945	11,945	11,945
Total shares outstanding	(shares)	269,264,702	269,264,702	269,264,702
Net assets	(Millions of Yen)	75,221	82,785	80,841
Total assets	(Millions of Yen)	425,816	797,193	610,804
Earnings per share	(Yen)	11.73	51.09	25.03
Fully diluted earnings per share	(Yen)	—	—	—
Dividends per share	(Yen)	—	30.00	20.00
Equity ratio	(%)	17.7	10.4	13.2

		Three months Ended December 31, 2012	Three months Ended December 31, 2013
Earnings per share	(Yen)	4.75	14.34

2 Company’s Business

There have been no significant changes in the business of the Company in the nine months ended December 31, 2013.

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, 2013.

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, 2013.

2 Significant Contracts for the Company's Business

There have been no new significant contracts in the three months ended December 31, 2013.

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, 2013 (End of the quarterly period)	As of February 13, 2014 (Date of filing of this Report)		
Common Stock	269,264,702 shares	269,264,702 shares	Tokyo Stock Exchange (First Section)	1 unit consists of 100shares
Total	269,264,702 shares	269,264,702 shares	—	—

(2) New-Share Purchase Rights

No relevant items.

(3) Exercise of Moving Strike Convertible Bonds

No relevant items.

(4) Rights Plan

No relevant items.

(5) Total Number of Shares Outstanding and Capital Stock

	Shares Outstanding		Capital Stock		Additional Paid in Capital	
	Change (shares)	Shares outstanding (shares)	Change (Millions of Yen)	Outstanding Balance (Millions of Yen)	Change (Millions of Yen)	Outstanding Balance (Millions of Yen)
From October 1, 2013 to December 31, 2013	—	269,264,702	—	11,945	—	9,793

(6) Principal Shareholders

Information on the changes in principal shareholders has been omitted for the three months ended December 31, 2013.

(7) Voting Rights

The following tables show the status of voting rights as of September 30, 2013 instead of those as of December 31, 2013 for the Company is not able to settle the list of shareholders as of December 31, 2013

(i) Outstanding shares

(As of September 30, 2013)

	Number of shares	Number of voting rights
Shares without voting rights	—	—
Shares with limited voting rights (Treasury stock)	—	—
Shares with limited voting rights (Other than treasury stock)	—	—
Shares with full voting rights (Treasury stock)	(Treasury stock) Common stock 12,533,000	—
Shares with full voting rights (Other than treasury stock)	Common stock 256,717,700	2,564,718
Odd lot shares (1 lot = 100 shares)	Common stock 14,002	—
Total number of shares outstanding	269,264,702	—
Total number of voting rights	—	2,564,718

Note:

- 400 shares under the title of Japan Securities Depository Center Inc. and 245,900 shares of securities bought by customers using money loaned from the Company's own fund are included in "Shares with full voting rights (Other than treasury stock)." 4 voting rights under the title of Japan Securities Depository Center Inc. are included in "Shares with full voting rights (Other than treasury stock)". 2,459 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)".
- 23 treasury shares are included in odd-lot shares.

(ii) Treasury Stock

(As of September 30, 2013)

Name of shareholders	Address	Treasury stock held by the Company's own name	Treasury stock held by other person's name	Total Number of shares held	Percentage of shares to the total number of outstanding shares (%)
(Treasury stock held by the Company) Matsui Securities Co., Ltd.	1-4, Kojimachi, Chiyoda-ku, Tokyo, Japan	12,533,000	—	12,533,000	4.65
Total	—	12,533,000	—	12,533,000	4.65

2 Executives

There have been no changes to the Company's executives' from when the Company filed its Annual Securities Report on June 17, 2013 up until the nine months ended December 31, 2013

Part 4 Financial Status

1 Presentation of Quarterly Financial Statements

Pursuant to Article 54 and 73 of the “Regulations of Quarterly Financial Statements” (Cabinet Office Ordinance No. 63, 2007), the quarterly financial statements of the Company are prepared in accordance with the “Cabinet Office Ordinance concerning Financial Instruments Business” (Cabinet Office Ordinance No. 52, 2007) and the “Uniform Accounting Standards of Securities Business” (set by the board of directors of the Japan Securities Dealers’ Association, November 14, 1974) along with the “Regulations of Quarterly Financial Statements”.

2 Audit Report

The quarterly financial statements for the three months ended December 31, 2013 (from October 1, 2013 to December 31, 2013) and nine months ended December 31, 2013 (from April 1, 2013 to December 31, 2013) were reviewed by PricewaterhouseCoopers Aarata in accordance with the Article 193-2-1 of Financial Instruments and Exchange Law.

3 Consolidated Financial Statements

The consolidated financial statements of the Company are not prepared for nine months ended December 31, 2013 because there is not a subsidiary.

Notice to readers:

The accompanying quarterly consolidated financial statements were prepared in accordance with the provision set forth in the Corporations Law of Japan, the Financial Instruments and Exchange Law, and in conformity with accounting principles and practices generally accepted in Japan, which are different from International Financial Reporting Standards in certain aspects of application and disclosure requirements.

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

1 Quarterly Non-Consolidated Financial Statements

[1] Quarterly Non-Consolidated Balance Sheets

(Millions of Yen)

	March 31, 2013	December 31, 2013
Assets		
Current Assets		
Cash and bank deposits	8,857	9,324
Cash segregated as deposits	300,116	441,745
Cash in trust	19,067	22,472
Trading assets:	1,402	1,457
Trading securities and others	0	0
Derivatives	1,402	1,457
Net receivables arising from pre-settlement date trades	—	885
Margin account assets:	252,751	297,015
Loans receivable from customers	248,476	291,171
Cash deposited as collateral for securities borrowed from securities finance companies	4,275	5,844
Receivables on collateralized securities transactions:	12,225	5,323
Cash deposits collateral for securities borrowed	12,225	5,323
Receivables from customers and others	20	36
Short-term guarantee deposits	3,749	3,380
Others	4,280	5,160
Allowance for doubtful accounts	(20)	(12)
Total current assets	602,447	786,785
Fixed assets		
Tangible fixed assets	927	1,015
Intangible assets	3,271	2,584
Software	3,266	2,580
Others	5	4
Investments and others	4,158	6,809
Investment securities	3,562	6,146
Others	2,556	2,193
Allowance for doubtful accounts	(1,959)	(1,530)
Total fixed assets	8,357	10,408
Total assets	610,804	797,193

(Millions of Yen)

	March 31, 2013	December 31, 2013
Liabilities		
Current liabilities		
Trading liabilities:	611	837
Trading securities and others	0	—
Derivatives	611	837
Net receivables arising from pre-settlement date trades	71	—
Margin account liabilities:	47,790	39,489
Loans from securities finance companies	3,360	3,247
Proceeds of securities sold on customers' account	44,431	36,242
Payables on collateralized securities transactions:	36,598	38,760
Cash deposits as collateral for securities loaned	36,598	38,760
Deposits received	151,654	262,227
Guarantee money received	149,923	217,989
Suspense account for undelivered securities	7	—
Short-term borrowings	137,525	143,100
Accrued income taxes	2,976	6,821
Accrued bonuses	112	259
Others	1,161	1,773
Total current liabilities	528,430	711,256
Long-term liabilities		
Long-term borrowings	—	200
Deferred tax liabilities	226	1,010
Reserve for retirement bonuses for directors and auditors	204	204
Others	3	3
Total long-term liabilities	433	1,417
Statutory reserves		
Reserve for financial products transaction liabilities	1,100	1,735
Total statutory reserves	1,100	1,735
Total liabilities	529,963	714,408
Net assets		
Shareholders' equity		
Common stock	11,945	11,945
Capital surplus	9,793	9,793
Earned surplus	66,378	66,658
Treasury stock	(9,475)	(9,475)
Total shareholders' equity	78,641	78,921
Valuation and translation adjustments		
Net unrealized gain (loss) on investment securities, net of taxes	2,200	3,864
Total valuation and translation adjustments	2,200	3,864
Total net assets	80,841	82,785
Total liabilities and net assets	610,804	797,193

[2] Quarterly Non-Consolidated Statements of Income

(Millions of Yen)

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Operating revenues		
Commissions	7,776	21,954
Brokerage commissions	7,046	21,111
Commission for underwriting, secondary distribution and solicitation for selling and others for professional investors	6	5
Fee for offering, secondary distribution and solicitation for selling and others for professional investors	0	0
Others	725	838
Net gain (loss) on trading	0	10
Interest and dividend income	4,550	9,396
Other operating revenue	4	4
Total operating revenues	12,330	31,363
Interest expenses	656	864
Net operating revenues	11,674	30,499
Selling, general and administrative expenses		
Transaction related expenses	2,243	3,717
Employees' compensation and benefits	1,366	1,607
Occupancy and rental	696	685
Data processing and office supplies	1,229	1,325
Depreciation	1,336	1,227
Duties and taxes other than income taxes	76	186
Provision of allowance for doubtful accounts	(56)	(63)
Others	88	125
Total selling, general and administrative expenses	6,977	8,809
Operating income	4,697	21,690
Non-operating income		
Dividend income	26	68
Others	12	17
Total non-operating income	38	85
Non-operating expenses		
Others	0	3
Total non-operating expenses	0	3
Ordinary income	4,734	21,772
Special profits		
Gain on extinguishment of tie-in shares	98	—
Total Special profits	98	—
Special losses		
Loss on sales of investment securities	43	—
Loss on sales and disposals of fixed assets	5	1
Provision for statutory reserves	—	635
Total Special losses	48	636
Income before income taxes	4,785	21,136
Income taxes – current	1,555	8,495
Income taxes – deferred	219	(476)
Income taxes	1,774	8,019
Net income	3,010	13,117

Notes to Quarterly Non-Consolidated Financial Statements

Notes to Quarterly Non-Consolidated Statements of Cash Flows

The Company does not prepare the statement of cash flows for the nine months ended December 31, 2013. Depreciation including the intangible assets of nine months ended December 31, 2013 are as follows.

	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Depreciation	1,336million yen	1,227million yen

Notes Concerning Net Assets

(Nine months ended December 31, 2012)

1. Dividends

Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 24, 2012
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, 2012
Effective date	June 25, 2012
Source of dividends	Earned surplus

2. Dividends for which effective date is after December 31, 2012

No relevant items.

(Nine months ended December 31, 2013)

1. Dividends

Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 23, 2013	Board of directors' meeting held on October 24, 2013
Type of Shares	Common stock	Common stock
Amount of dividend payment	5,135 million yen	7,702 million yen
Dividends per share	20 yen	30 yen
Date of record for dividends	March 31, 2013	September 30, 2013
Effective date	June 24, 2013	November 25, 2013
Source of dividends	Earned surplus	Earned surplus

2. Dividends for which effective date is after December 31, 2013

No relevant items.

Financial Instruments

(As of December 31, 2013)

“Deposits received” are important to the business of the Company. The outstanding balance has changed significantly in this quarterly period.

Item	Book value (millions of yen)	Fair value (millions of yen)	Difference (millions of yen)	Calculation method of fair value
Deposits received	262,227	262,227	—	※Note

Note: As the Deposits received are close to the balance-sheet date, fair value is evaluated by their book value.

Securities

No relevant items.

Derivative Transactions

No relevant items.

Segment Information

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

Per Share Information

Earnings per share and it's basis of calculation information is as follows:

Items	Nine months ended December 31, 2012	Nine months ended December 31, 2013
Earnings per share (Yen)	11.73	51.09
(Calculation basis)		
Net income on the statements of income (Millions of Yen)	3,010	13,117
Net income not attributed to common stock (Millions of Yen)	—	—
Net income attributed to common stock (Millions of Yen)	3,010	13,117
Average number of common stock outstanding (shares)	256,731,775	256,731,687

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

Subsequent Events

No relevant items.

2 Others

At the meeting held on October 24, 2013, the board of directors of the Company resolved to distribute interim dividends with record date dated September 30, 2013.

The details are as follows.

Amount of dividend payment	7,702 million yen
Dividends per share	30 yen
Effective date	November 25, 2013

2 Information on the Surety of the Company

No relevant items.

Note: The Original Quarterly Securities Report includes the quarterly review by PricewaterhouseCoopers Aarata for the quarterly financial statements for the three months ended December 31, 2013 and for the nine months ended December 31, 2013.