

September 21, 2018
Matsui Securities Co., Ltd.

Notice Regarding Revision of the Basic Dividend Policy

TOKYO, September 21, 2018 – Matsui Securities Co., Ltd. (“the Company”) announces that it has resolved at the meeting of the Board of Directors held today that the Company revised the basic dividend policy as set out below. The new policy will become effective from the fiscal year ending March 2019.

For return of profits to shareholders, the Company adopts performance based dividend policy and set out the basic dividend policy that it firmly maintains the dividend payout ratio between 60% and 100% inclusive and dividend on equity (DOE) of 8% and above, comprehensively considering the business results and financial conditions, optimum level of capital to support the margin trading services and strategic investment opportunities.

The Company has maintained high level of dividend payment and also has strengthened its equity capital base by achieving the dividend payout ratio between 66% and 90% over the past 8 years. As the result, the Company has determined that it has attained optimum level of equity capital base under the present business conditions, and has then revised the basic dividend policy accordingly.

Under the new policy, the Company aims to maintain the dividend payout ratio of 60% and above. The Company maintains the part of the existing dividend policy that dividend on equity (DOE) is 8% and above since the Company aims to payout cash dividend which is equivalent to the cost of equity capital at minimum.

The basic dividend policy after the revision is as follows: (Underline shows substantive revision)

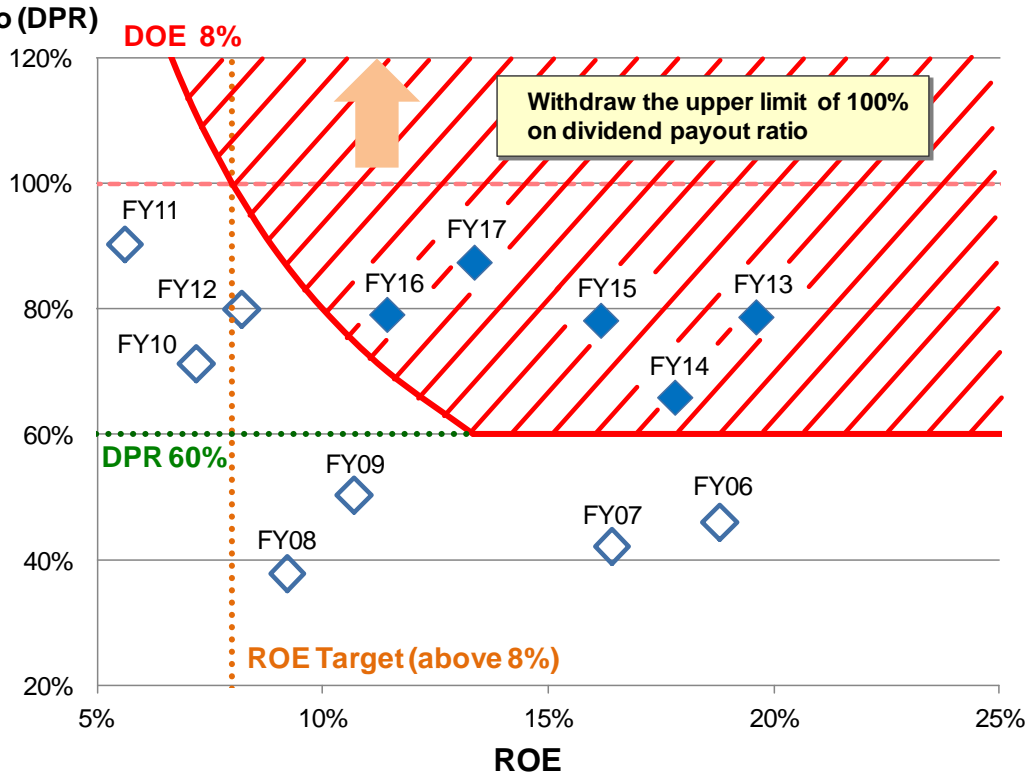
- 1) Dividends Payout Ratio: 60% and above, and
- 2) Dividends on Equity (DOE): 8% and above

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(Reference)

Dividend payment for the past fiscal years

Dividend Payout Ratio (DPR)



※ ROE =
$$\frac{\text{Net income for fiscal year}}{(\text{Total net assets at the beginning of fiscal year} + \text{Total net assets at the end of fiscal year}) / 2}$$

※ DOE =
$$\frac{\text{Dividends per share (annual)}}{(\text{Stockholders' equity per share at the beginning of fiscal year} + \text{Stockholders' equity per share at the end of fiscal year}) / 2}$$

※ Dividend payout ratio and DOE are calculated based on the ordinary dividend.

Financial results since IPO

(JPY mn)

	Operating Revenues	Ordinary Income	Net Income	Ordinary Income Ratio	ROE	DPR	DOE
FY01	12,785	3,939	1,870	30.8%	9.2%	15.0%	1.4%
FY02	13,425	3,518	1,485	26.2%	4.7%	29.9%	1.4%
FY03	25,036	14,016	7,280	56.0%	20.5%	30.0%	6.1%
FY04	36,918	22,571	12,645	61.1%	28.5%	30.0%	8.5%
FY05	57,072	37,062	20,650	64.9%	35.2%	29.9%	10.5%
FY06	43,691	22,720	13,444	52.0%	18.8%	46.0%	8.6%
FY07	39,915	20,744	12,781	52.0%	16.4%	42.1%	6.9%
FY08	26,724	9,998	6,921	37.4%	9.2%	37.8%	3.5%
FY09	24,346	11,545	7,661	47.4%	10.7%	50.3%	5.4%
FY10	22,091	8,479	5,410	38.4%	7.2%	71.2%	5.1%
FY11	17,703	7,426	4,263	41.9%	5.6%	90.4%	5.1%
FY12	20,799	10,245	6,427	49.3%	8.2%	79.9%	6.5%
FY13	39,883	27,175	16,300	68.1%	19.6%	78.8%	15.4%
FY14	34,306	22,202	15,571	64.7%	17.8%	66.0%	11.7%
FY15	34,435	21,833	14,763	63.4%	16.2%	78.3%	12.6%
FY16	27,727	15,044	10,697	54.3%	11.4%	79.2%	9.0%
FY17	32,210	18,632	12,908	57.8%	13.4%	87.5%	11.7%

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