

Results for 3QFY2023
Matsui Securities Co., Ltd.
January 26, 2024

INDEX

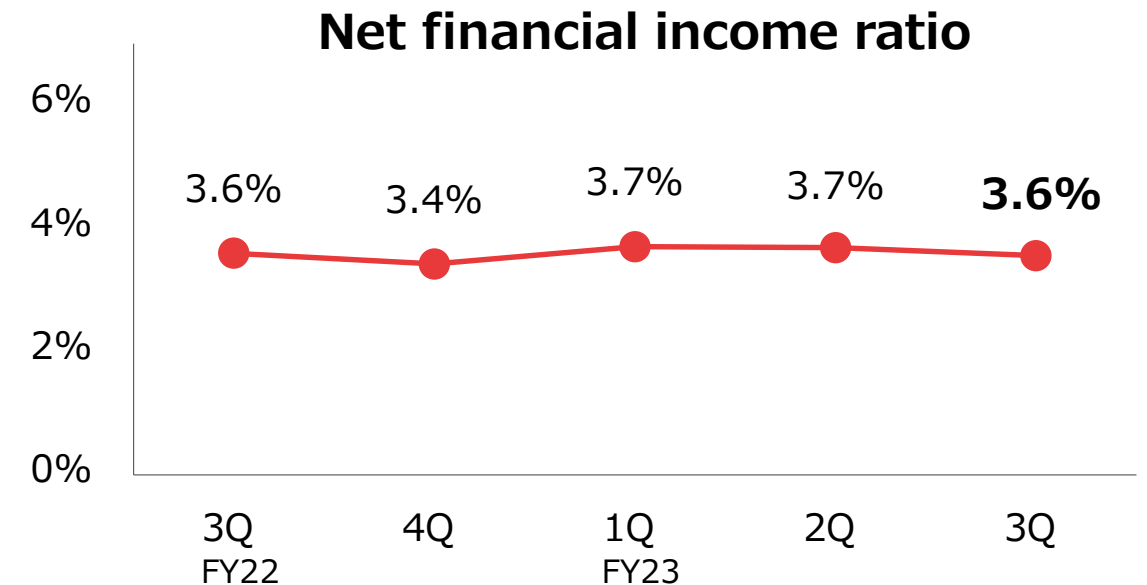
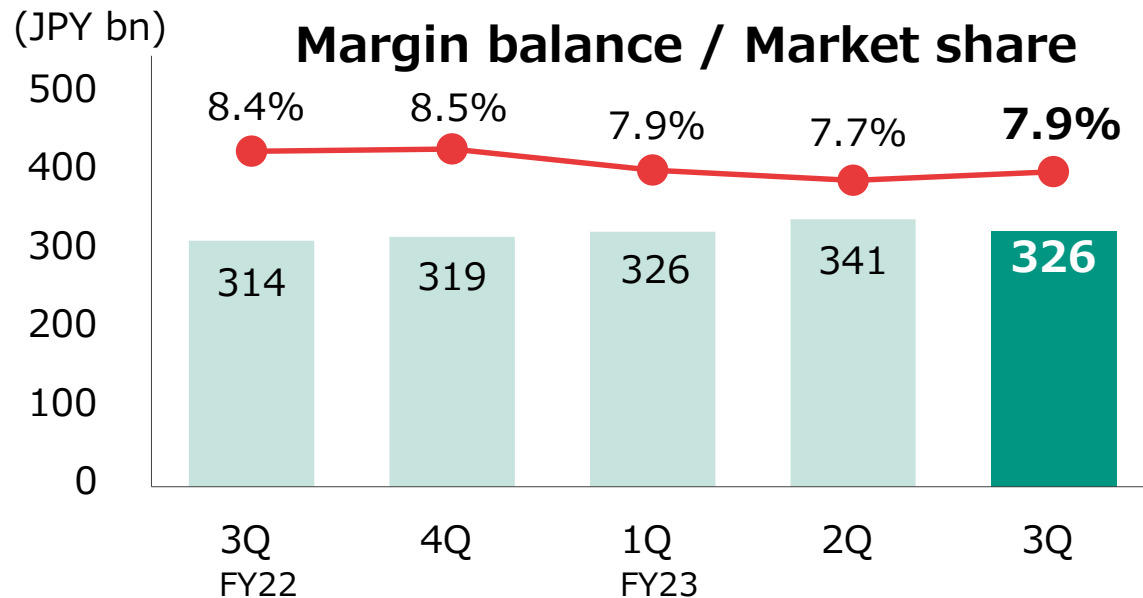
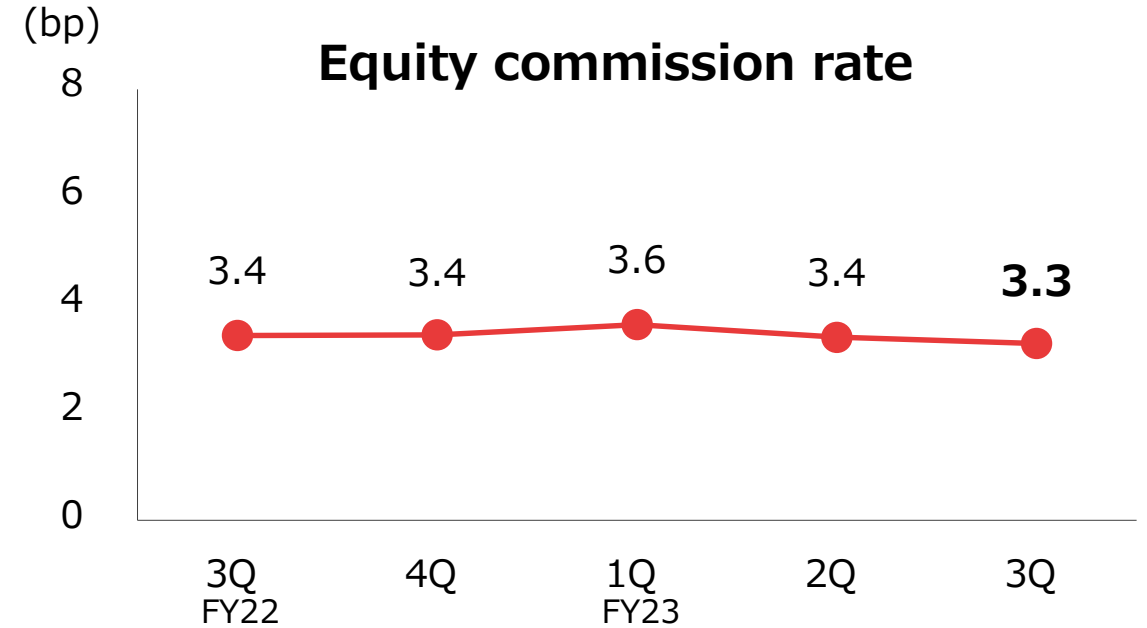
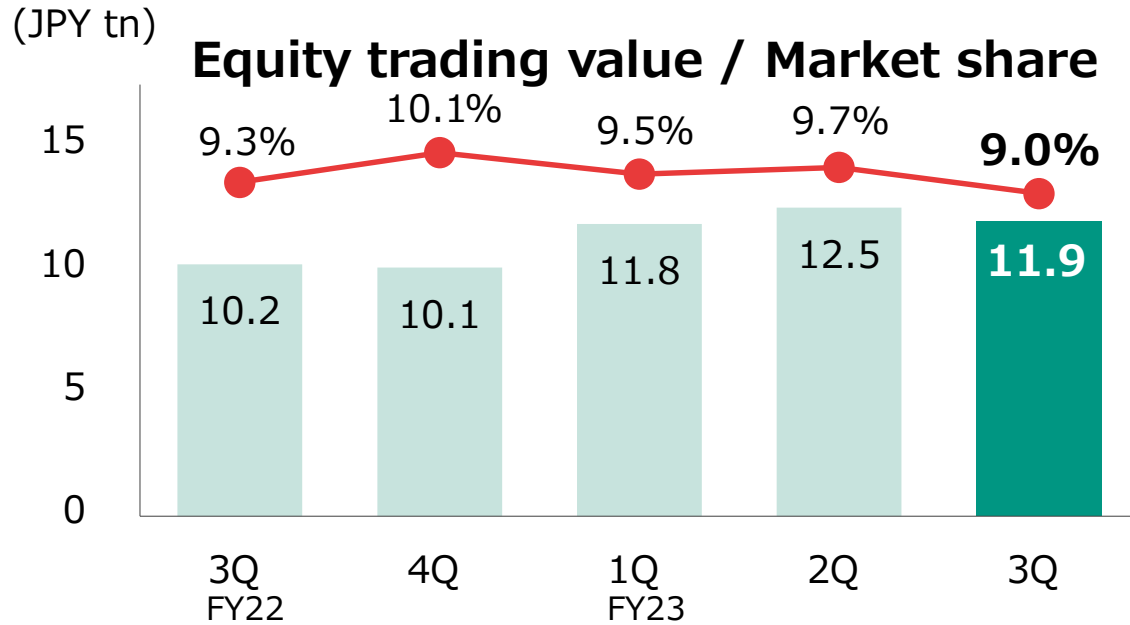
01 Financial Summary

02 Business Results

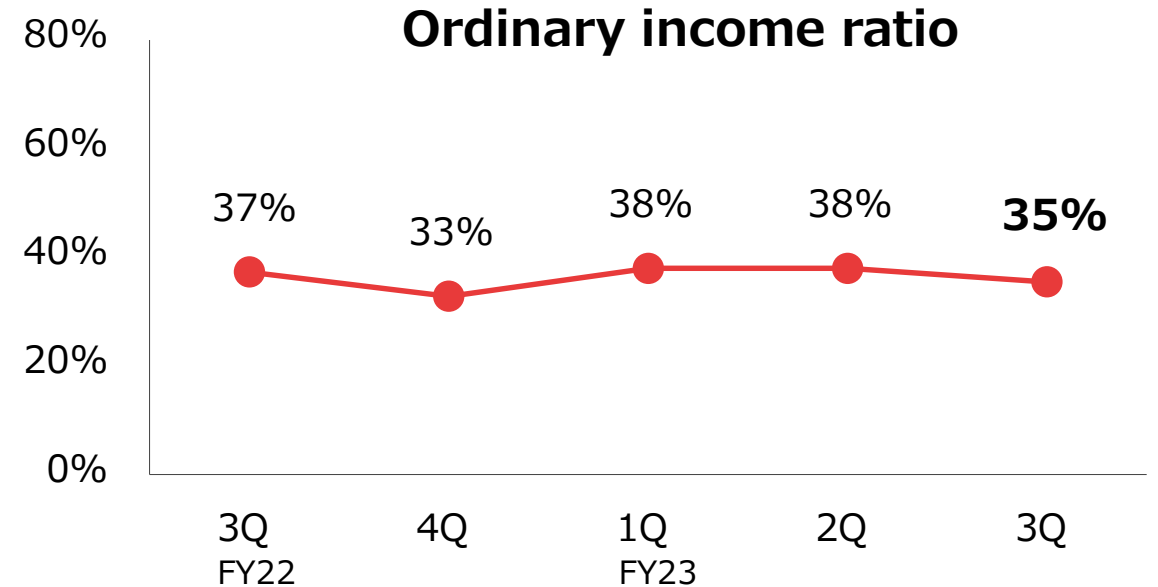
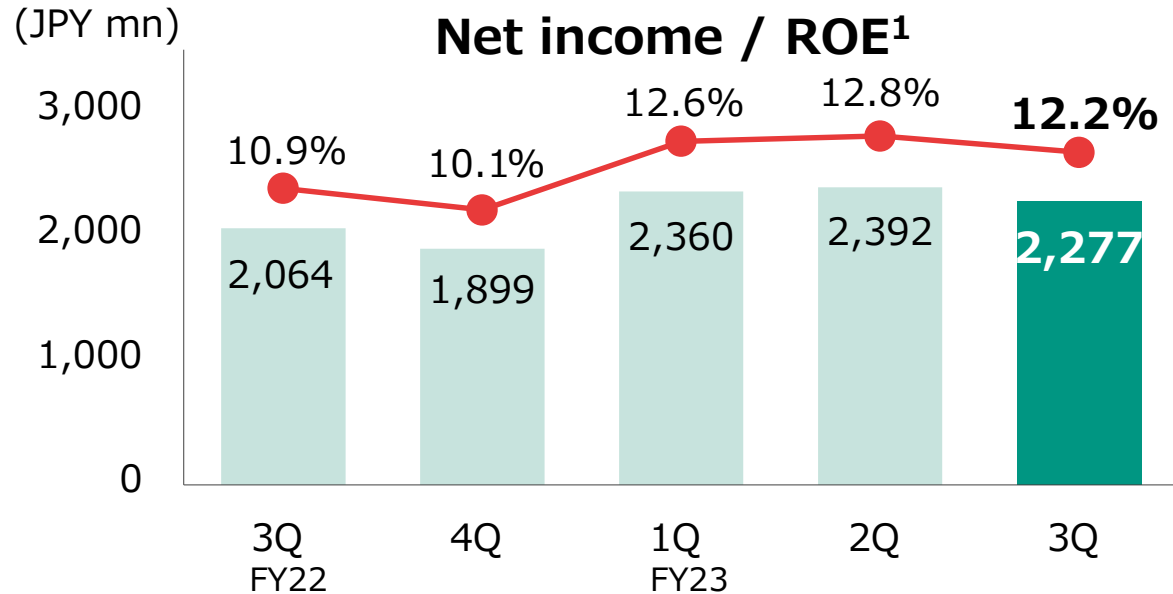
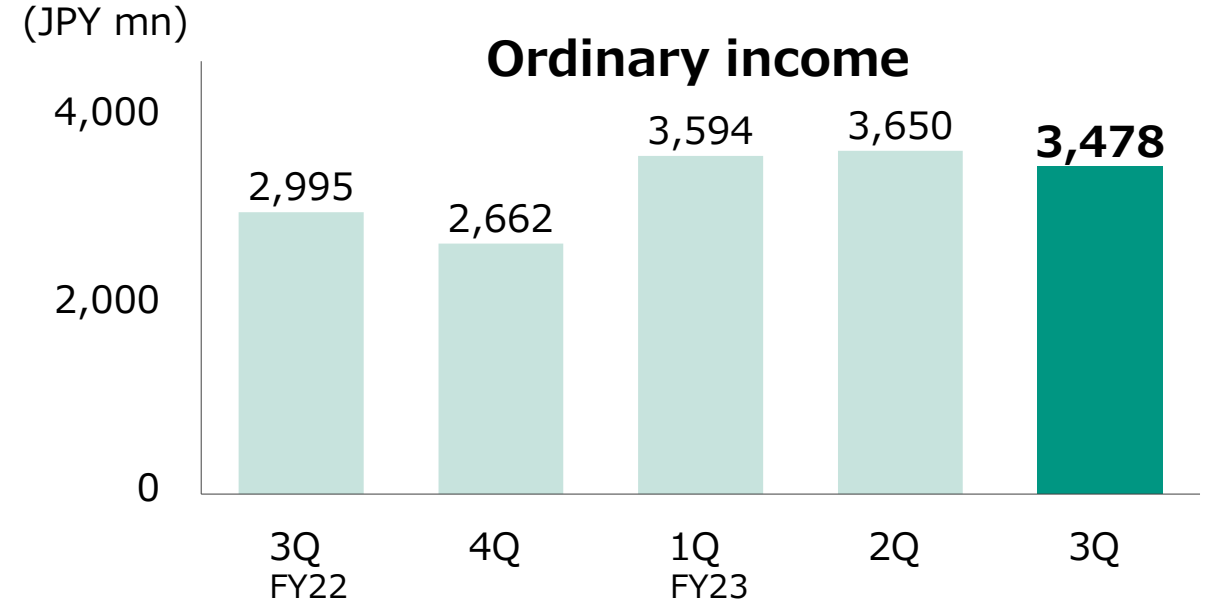
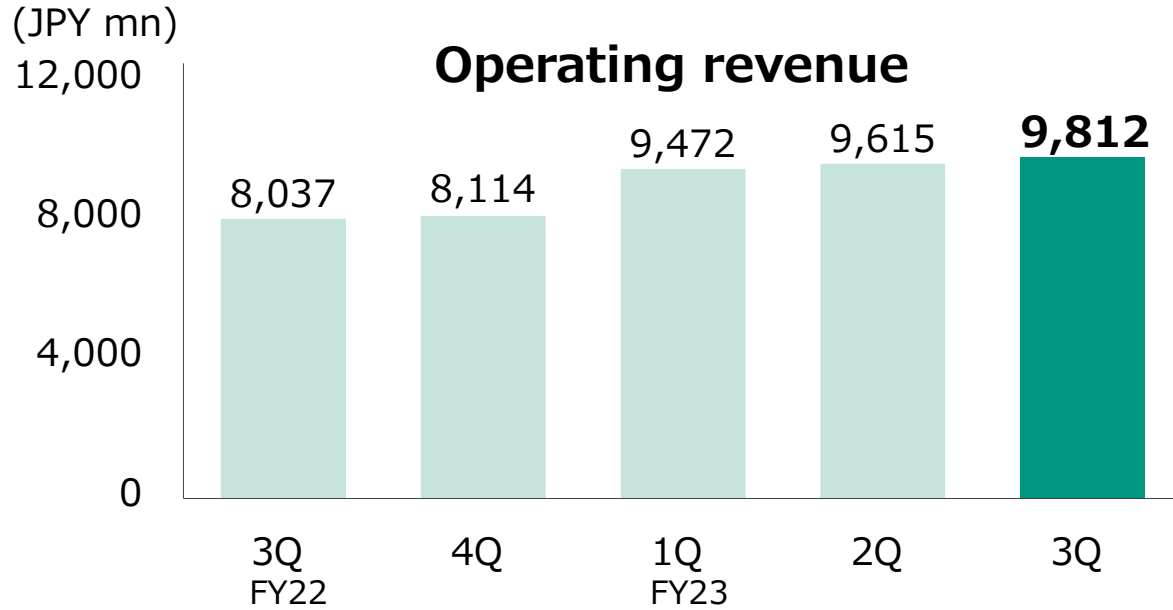
**03 Management Strategy
Recent Developments**

Appendix

Business Results



Financial Results



Note 1: Annualized on each quarter.

Financial Summary

Summary of Financial Results

3Q FY2023

(JPY mn)

	3Q(Apr.-Dec.) FY2022	3Q(Apr.-Dec.) FY2023	YoY
Operating Revenues	22,957	28,899	26%
Net operating revenues	21,228	25,296	19%
SG&A	12,562	14,490	15%
Operating income	8,666	10,806	25%
Ordinary income	8,591	10,721	25%
Net income	5,924	7,029	19%
Ordinary income ratio	37%	37%	-
Matsui's trading value (JPY tn)	27.4	36.3	33%
Average margin balance (JPY bn)	290	327	13%

Breakdown of Net Operating Revenues

3Q FY2023

(JPY mn)

	3Q(Apr.-Dec.) FY2022	3Q(Apr.-Dec.) FY2023	YoY
Commissions	12,076	14,125	17%
Brokerage	11,414	13,379	17%
Equity & ETF	10,497	12,599	20%
Futures & Options	917	780	-15%
Others	627	685	9%
Net trading income	1,657	2,453	48%
Net interest income	7,495	8,718	16%
Interest & dividend income	9,225	12,321	34%
Interest expenses	1,729	3,602	108%
Net operating revenues	21,228	25,296	19%

Breakdown of SG&A

3Q FY2023

(JPY mn)

	3Q(Apr.-Dec.) FY2022	3Q(Apr.-Dec.) FY2023	YoY
Trading related expenses	4,183	4,574	9%
Stock exchanges and securities	1,044	1,147	10%
Communications expenses	1,277	936	-27%
Advertisement	1,150	1,685	47%
Personnel expenses	2,371	2,658	12%
Occupancy & rental	672	746	11%
Data processing & office supplies	3,045	3,661	20%
Depreciation	1,862	2,332	25%
Taxes and dues	272	332	22%
Provision of allowance for doubtful accounts	△ 29	△ 12	-
Others	186	199	7%
Total SG&A	12,562	14,490	15%

Summary of Financial Results

Quarterly

(JPY mn)

	2QFY2023	3QFY2023	QoQ
Operating Revenues	9,615	9,812	2%
Net operating revenues	8,498	8,566	1%
SG & A	4,818	5,035	5%
Operating income	3,680	3,530	-4%
Ordinary income	3,650	3,478	-5%
Net income	2,392	2,277	-5%
Ordinary income ratio	38%	35%	-
Matsui's trading value (JPY tn)	12.5	11.9	-5%
Average margin balance (JPY bn)	331	338	2%

Breakdown of Net Operating Revenues

Quarterly

(JPY mn)

	2QFY2023	3QFY2023	QoQ
Commissions	4,805	4,470	-7%
Brokerage	4,544	4,224	-7%
Equity & ETF	4,295	3,961	-8%
Futures & Options	249	262	5%
Others	244	234	-4%
Net trading income	698	1,313	88%
Net interest income	2,996	2,783	-7%
Interest & dividend income	4,112	4,030	-2%
Interest expenses	1,117	1,247	12%
Net operating revenues	8,498	8,566	1%

Breakdown of SG&A

Quarterly

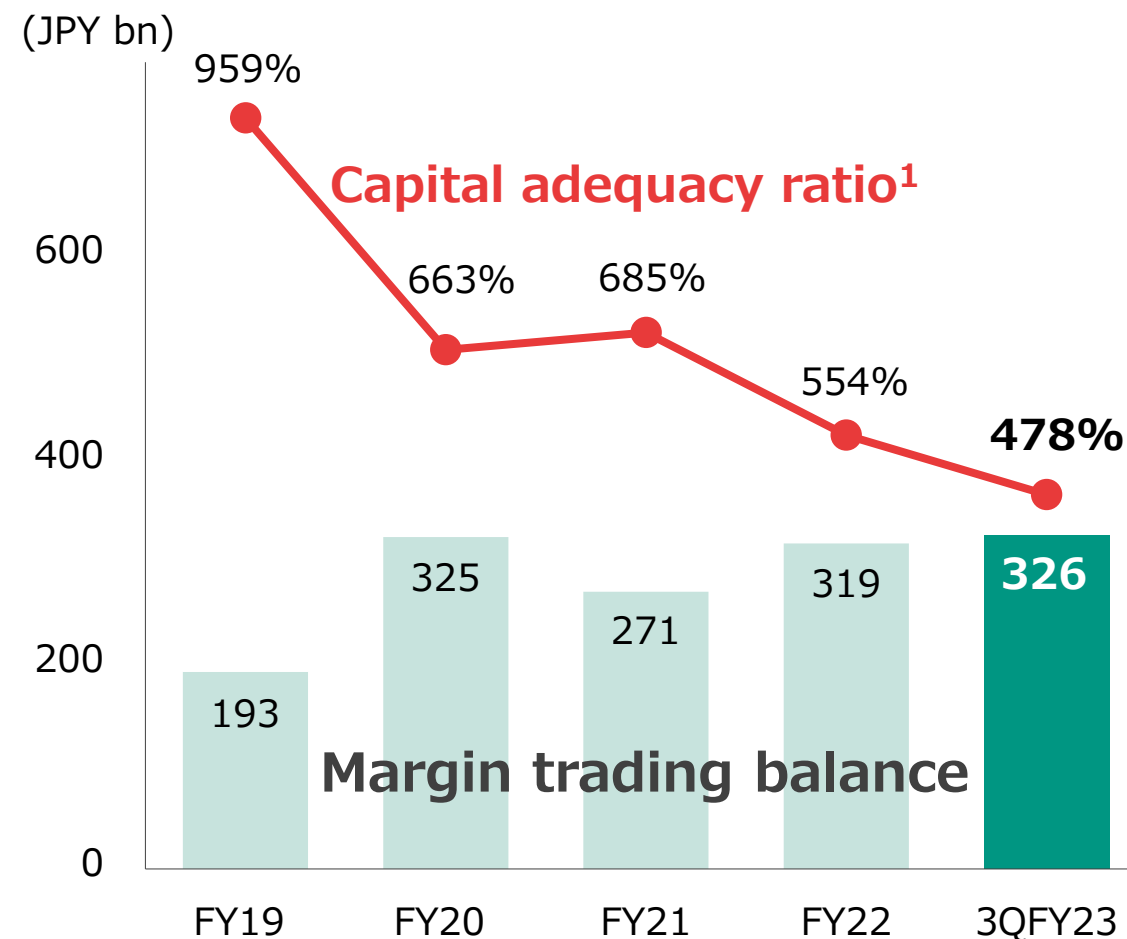
(JPY mn)

	2QFY2023	3QFY2023	QoQ
Trading related expenses	1,506	1,600	6%
Stock exchanges and securities	376	362	-4%
Communications expenses	310	319	3%
Advertisement	553	643	16%
Personnel expenses	889	899	1%
Occupancy & rental	242	268	11%
Data processing & office supplies	1,225	1,293	6%
Depreciation	761	827	9%
Taxes and dues	108	110	1%
Provision of allowance for doubtful accounts	26	△ 19	-
Others	61	57	-7%
Total SG & A	4,818	5,035	5%

Capital adequacy ratio (As of December 29, 2023)

		(JPY mn)
Tier 1	(A)	72,896
Tier 2	Net unrealized gain on investment	513
	Statutory reserves	3,707
	Allowance for doubtful accounts	14
Sub total		(B) 4,234
Assets to be deducted from equity capital		(C) 19,740
Net Capital		
(A) + (B) - (C)		(D) 57,391
Total risk	Market risk	38
	Counterparty risk	7,178
	Basic risk	4,787
Total		(E) 12,004
Capital Adequacy ratio		(D)/(E) 478%

Margin trading balance and capital adequacy ratio



Note 1 : The average of capital adequacy ratio of the five major online brokers is 346%.
(as of Sep. 30, 2023)

Plan to pay year-end dividend of **20 yen** per share for FY23

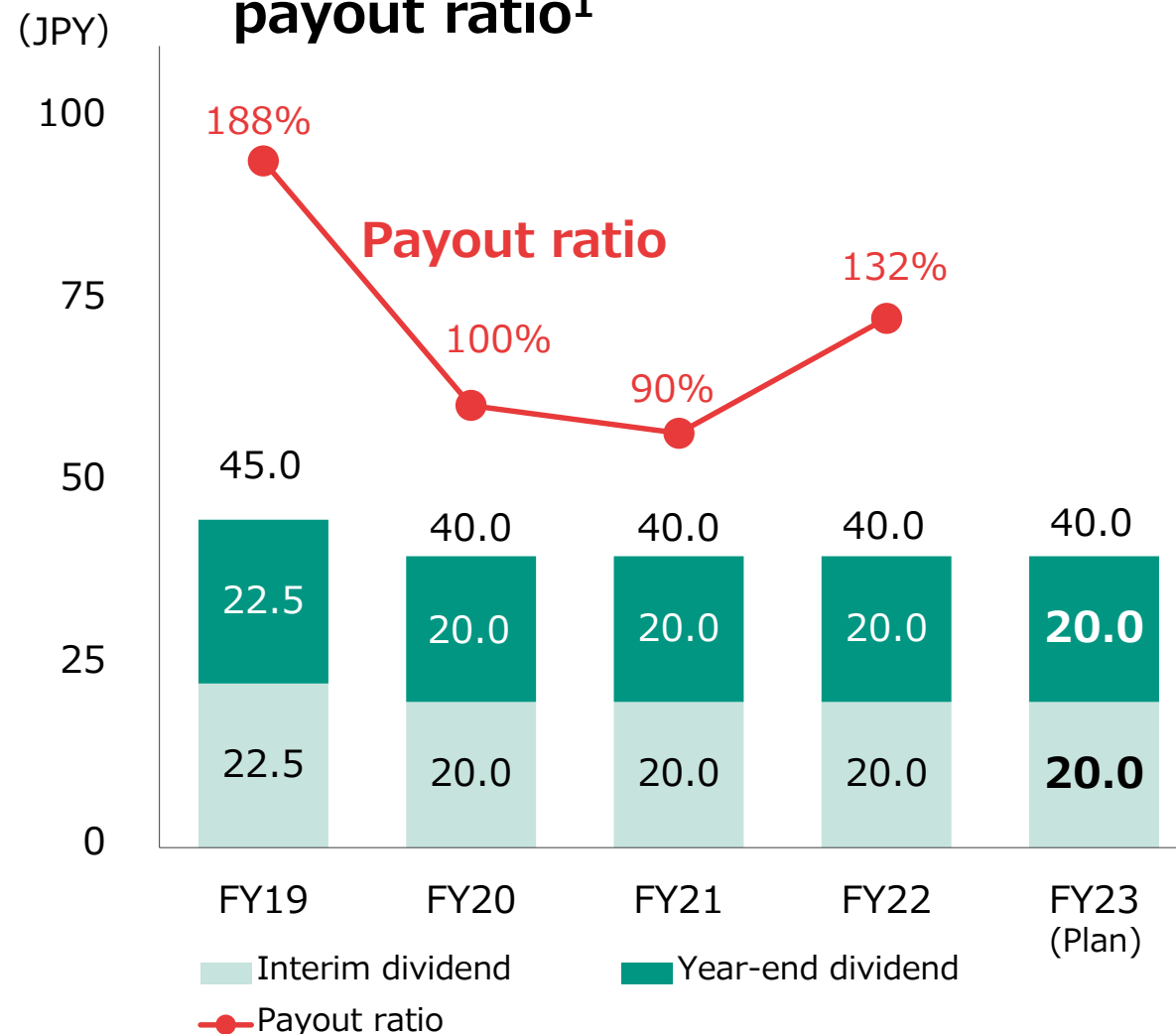
Dividends for FY23

- Interim : **20 yen** per share
- Year-end : **20 yen** per share (Plan)

Dividend policy

Dividends Payout Ratio : 60% and above
and
Dividends on Equity(DOE) : 8% and above

Matsui's dividend per share and payout ratio¹

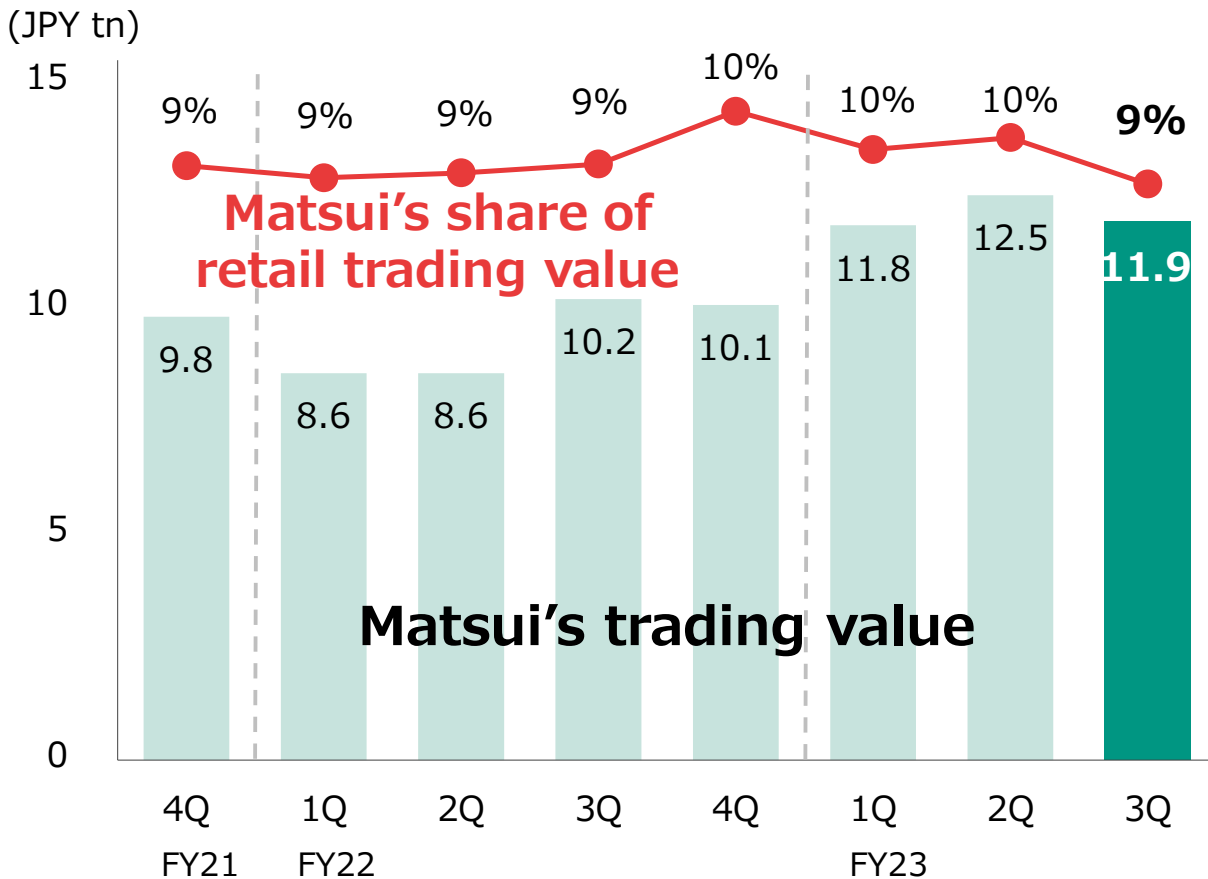


Note 1 : Payout ratio for the ordinary dividend

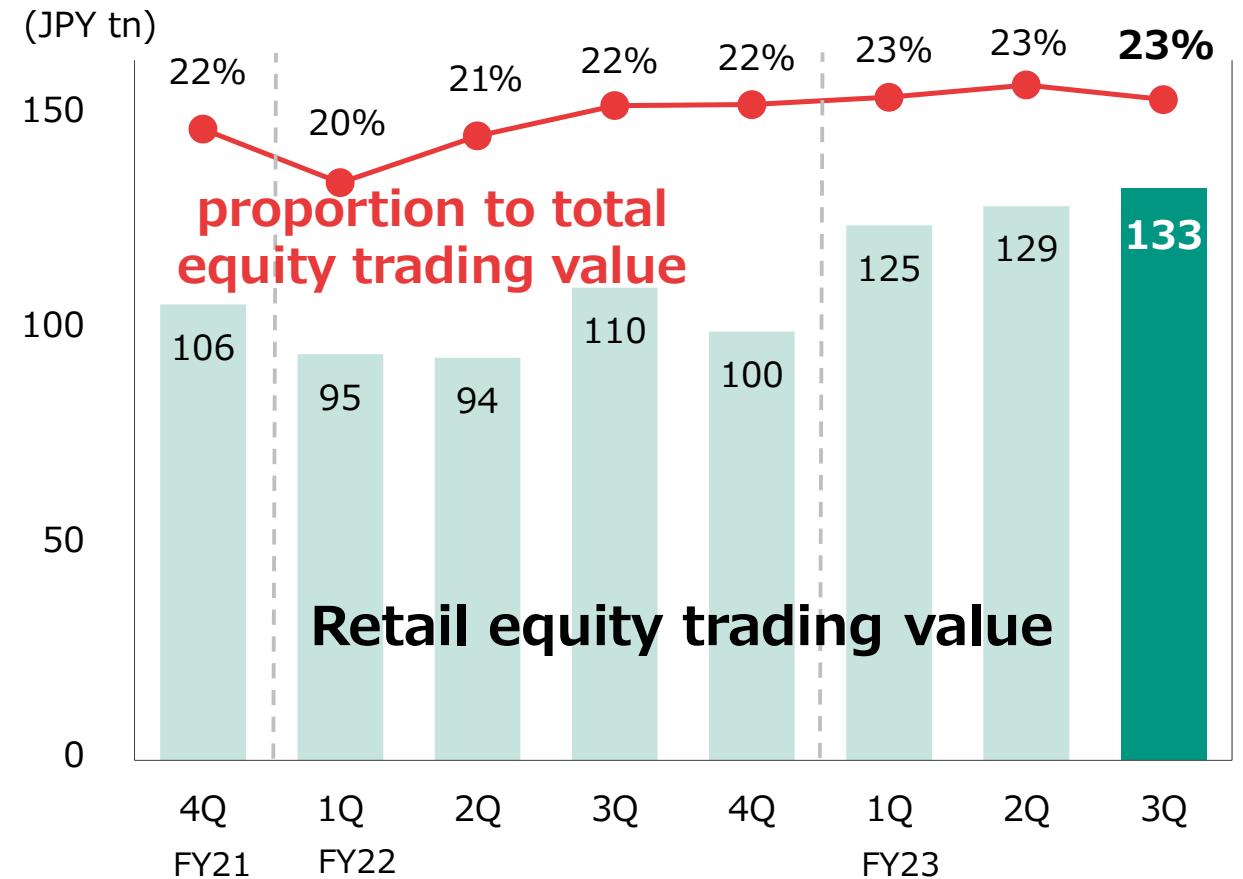
Business Results

Equity Trading Value

Matsui's equity trading value and its market share¹



Retail equity trading value¹ and proportion to total equity trading value

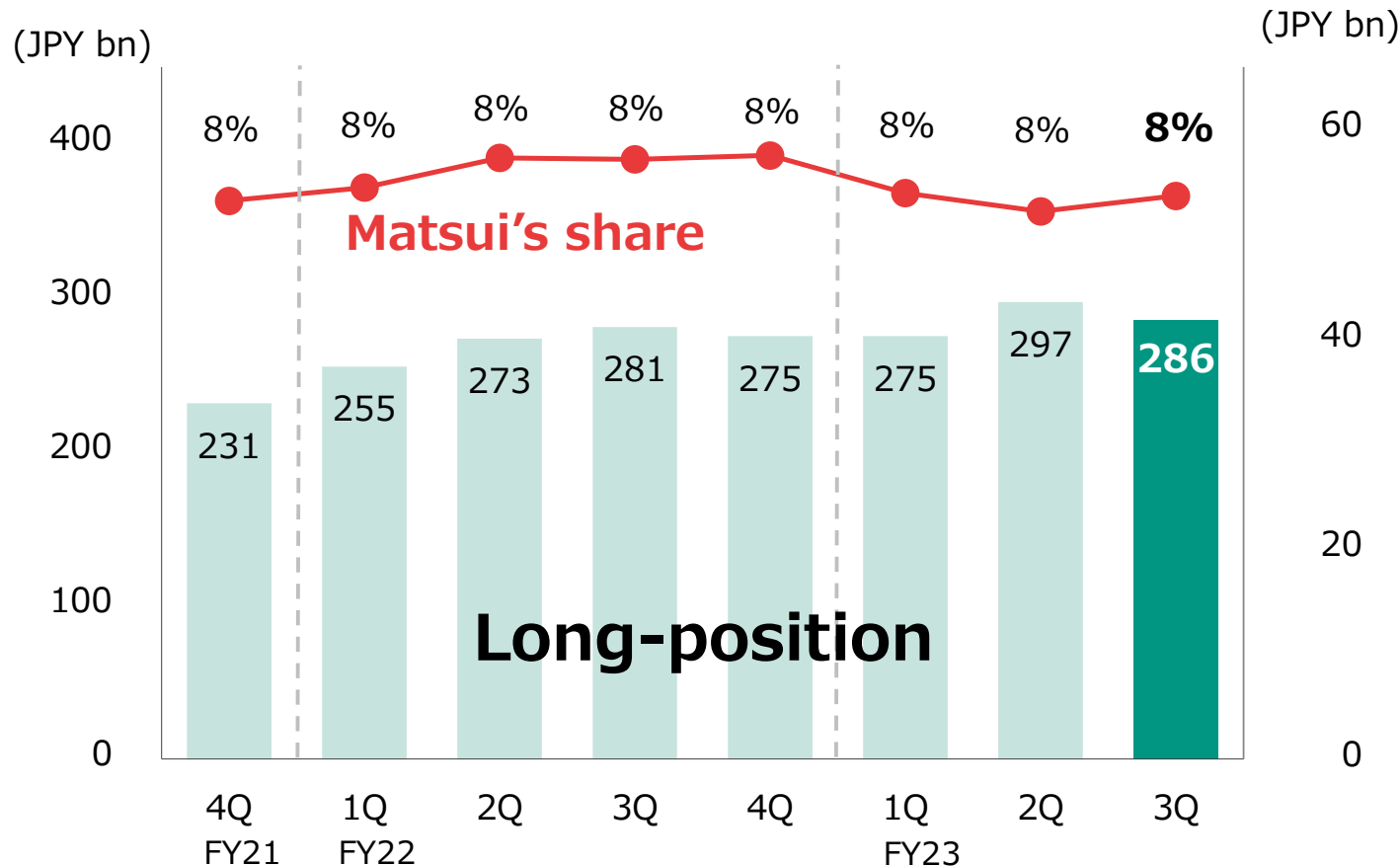


Source: TSE

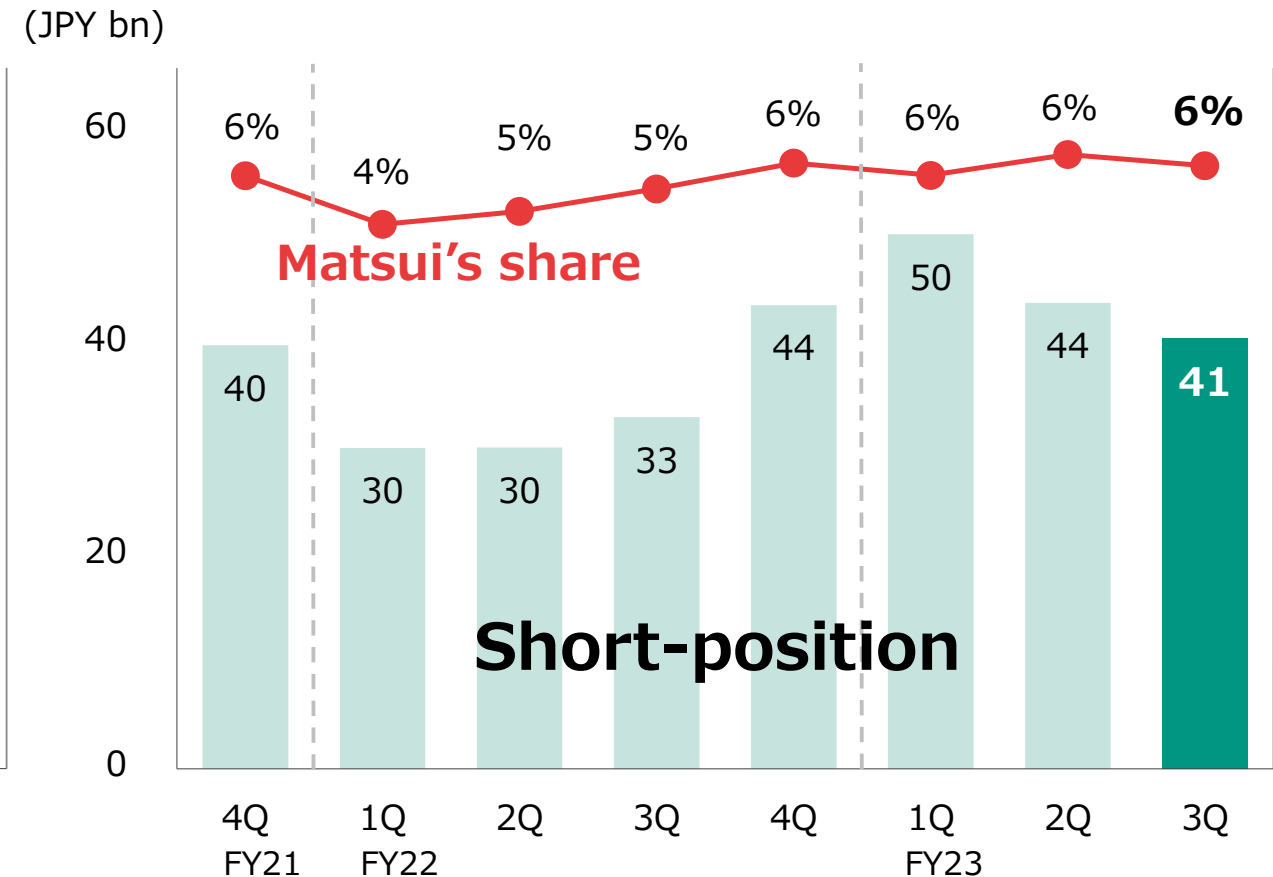
Note 1: Sum of the retail equity trading value on 2 major stock exchanges

Margin Trading Balance

Matsui's long-position on margin¹ and its market share²



Matsui's short-position on margin¹ and its market share²

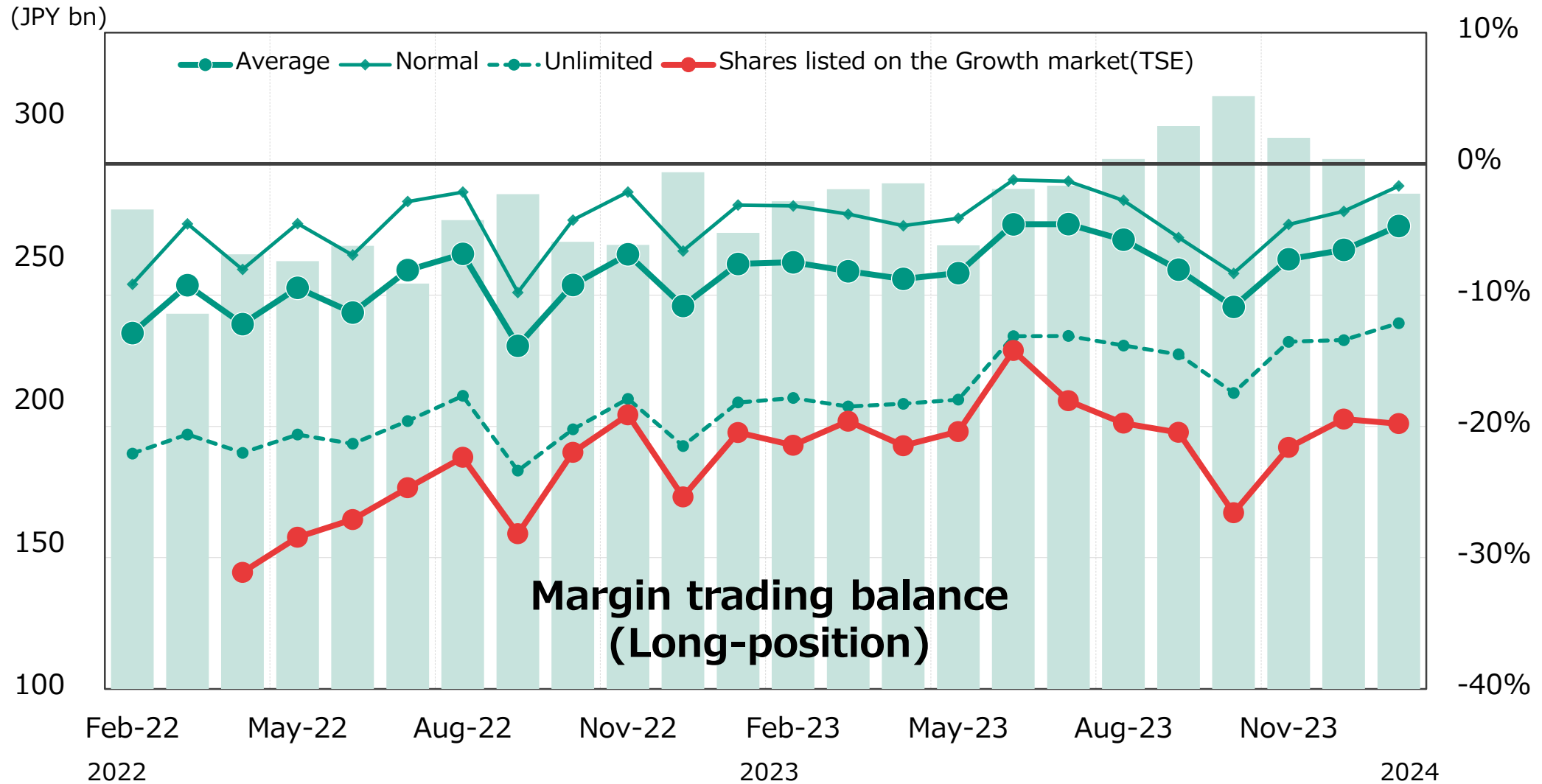


Source: TSE, Company Websites

Note1 : Balance as of the end of each quarter

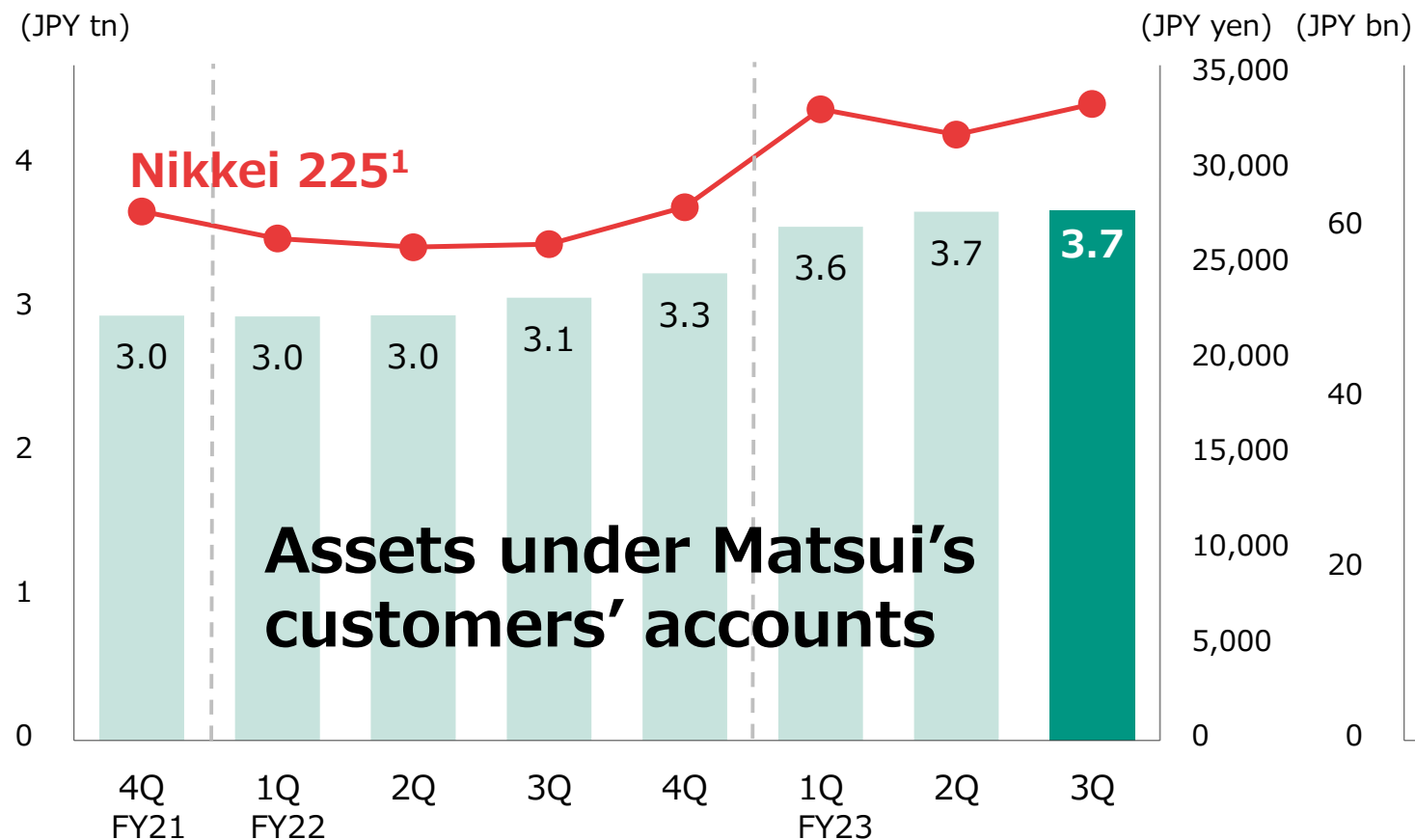
Note2 : Total market share in 2 major stock exchanges

Unrealized Losses (Long-position)

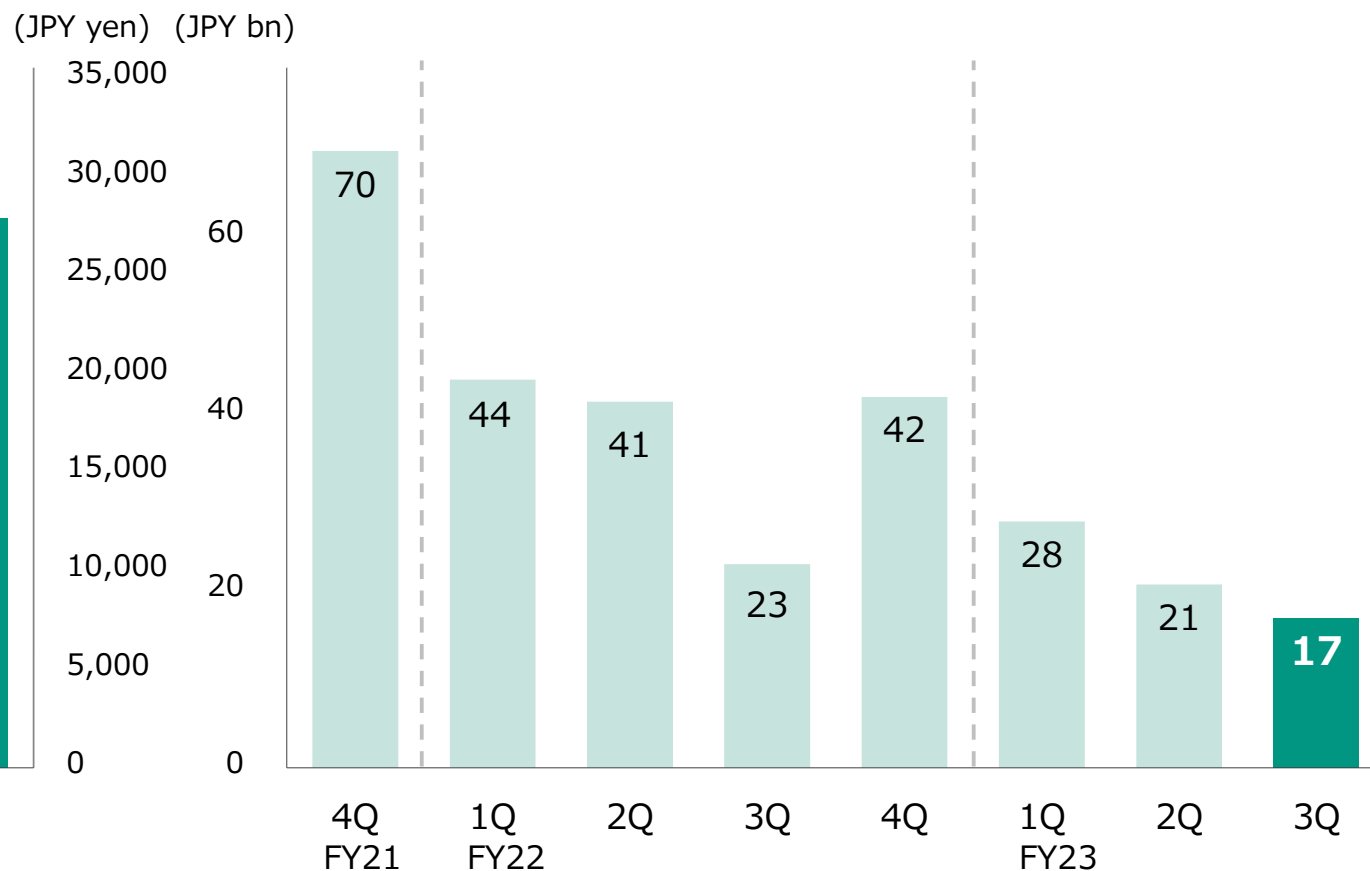


Assets under Customers' Accounts

Assets under Matsui's customers' accounts



Net inflow in cash and stocks²

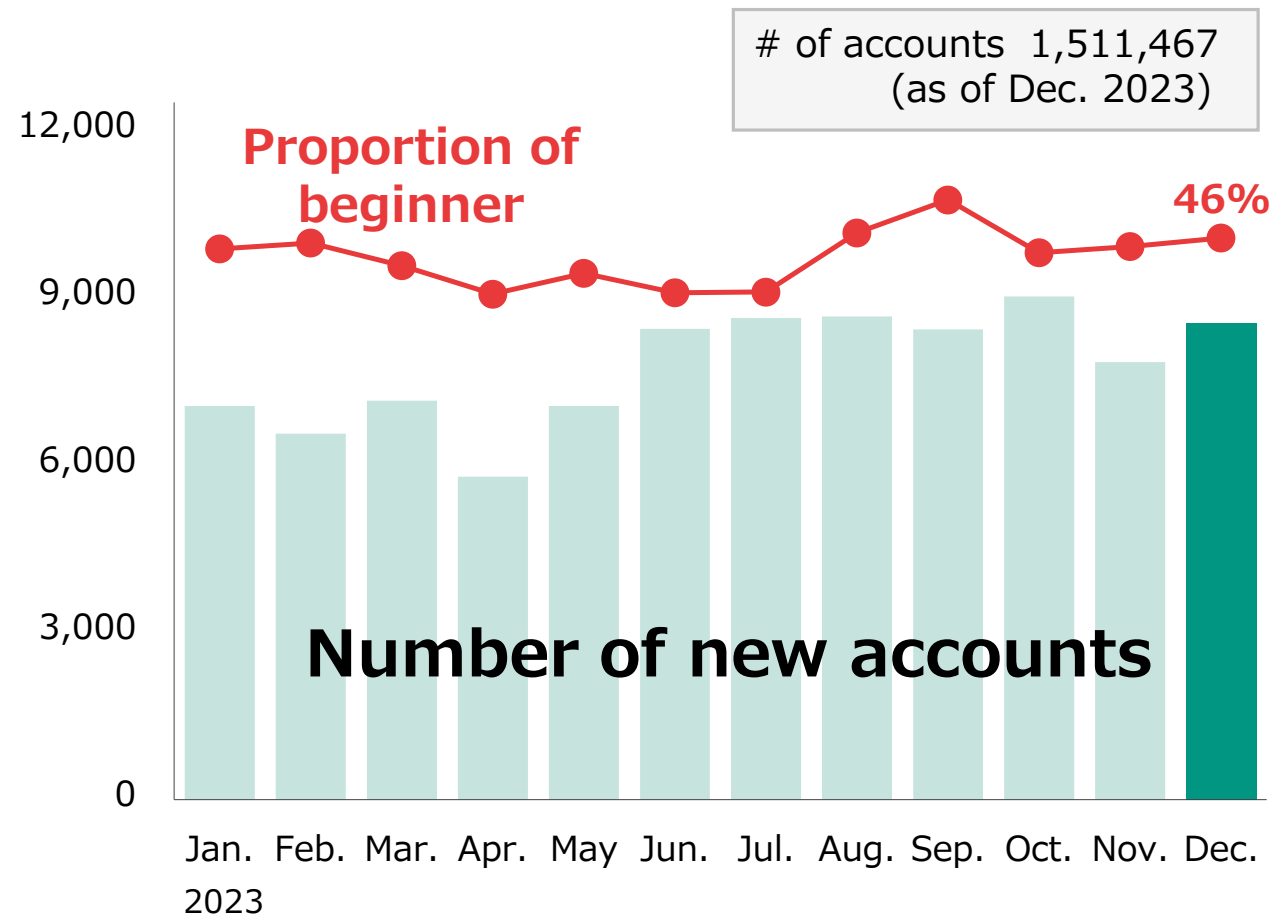


Note 1: Nikkei 225 is the closed price at the end of each quarter

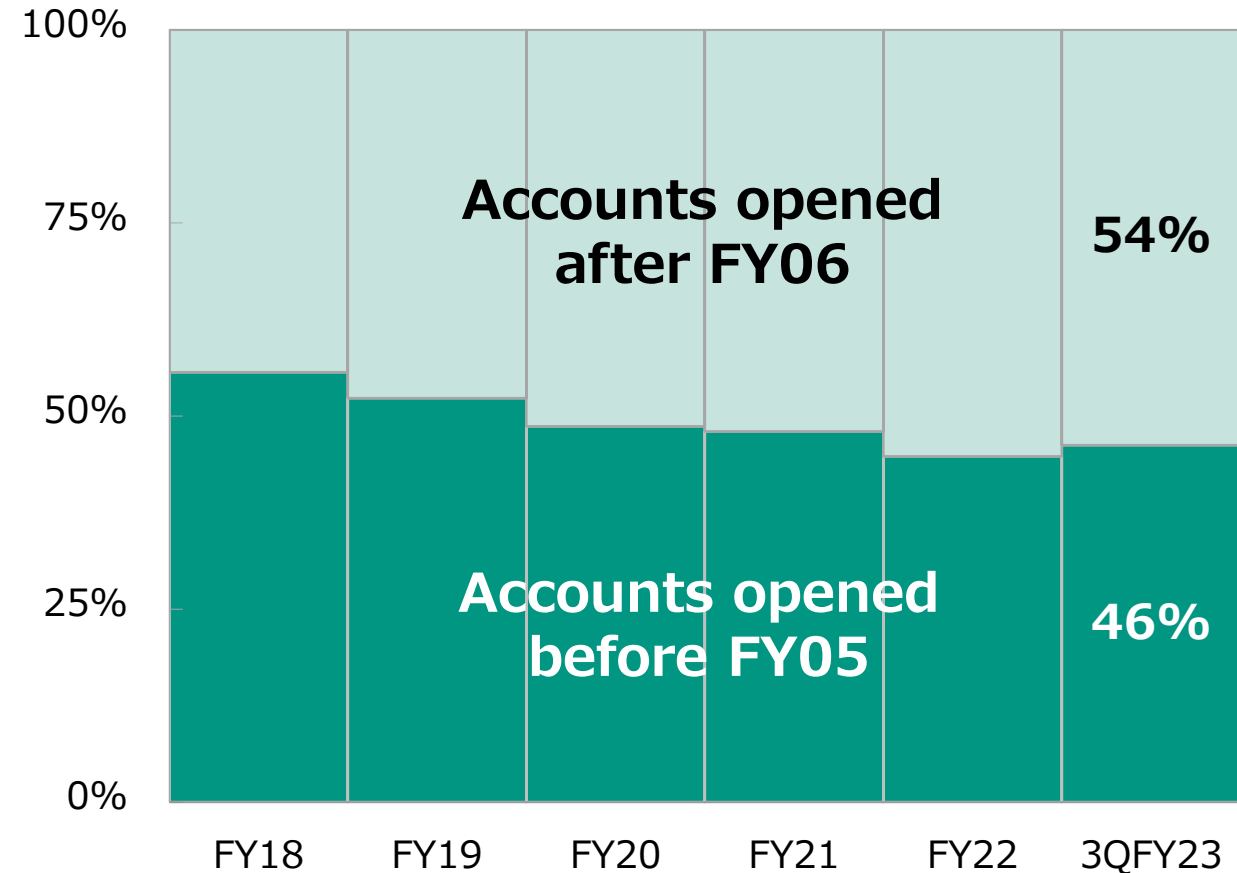
Note 2: Including the net inflow in mutual funds

Number of Accounts

Number of accounts at Matsui

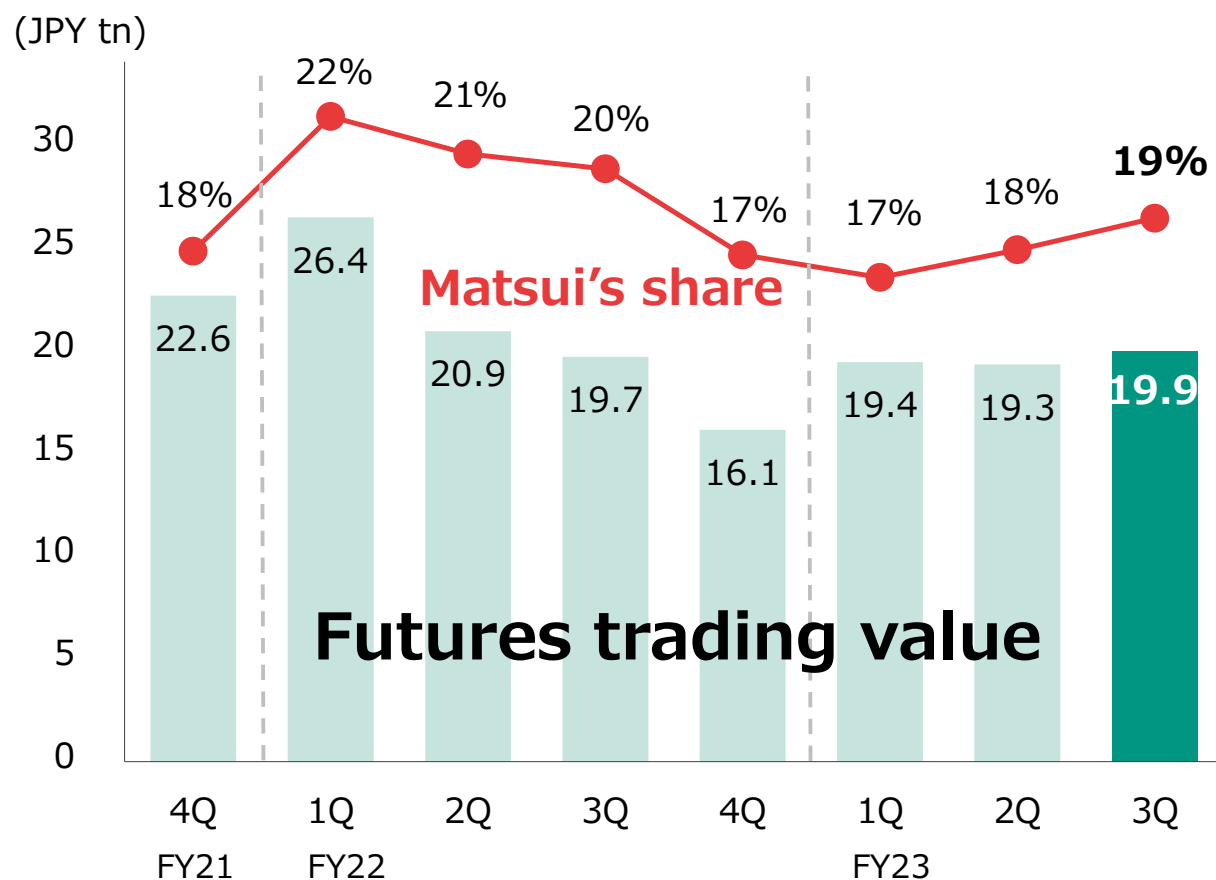


Breakdown of trading value¹ by customers opening the accounts in each fiscal year

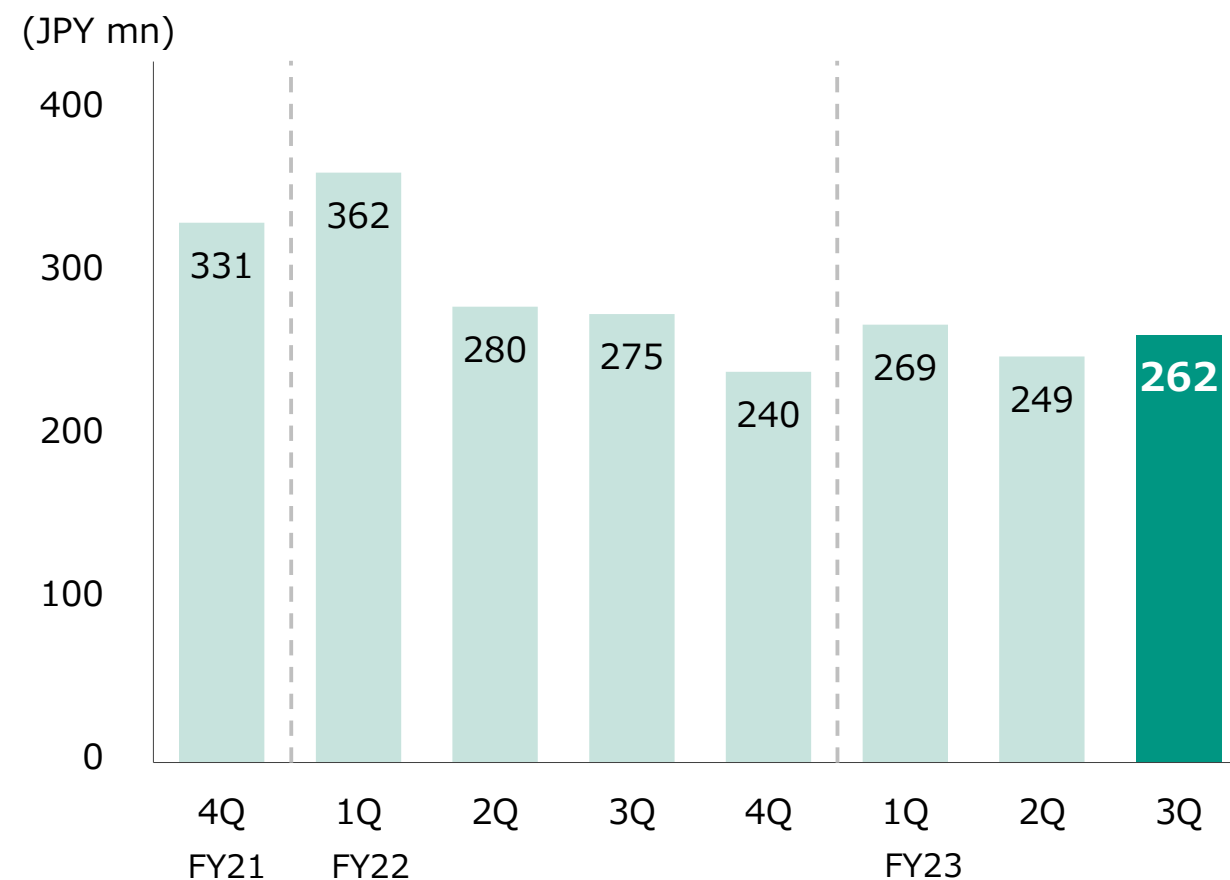


Note 1 : Excluding "Margin Trading Service for Day-trades"

Matsui's OSE Nikkei 225 Futures trading value¹ and its market share¹



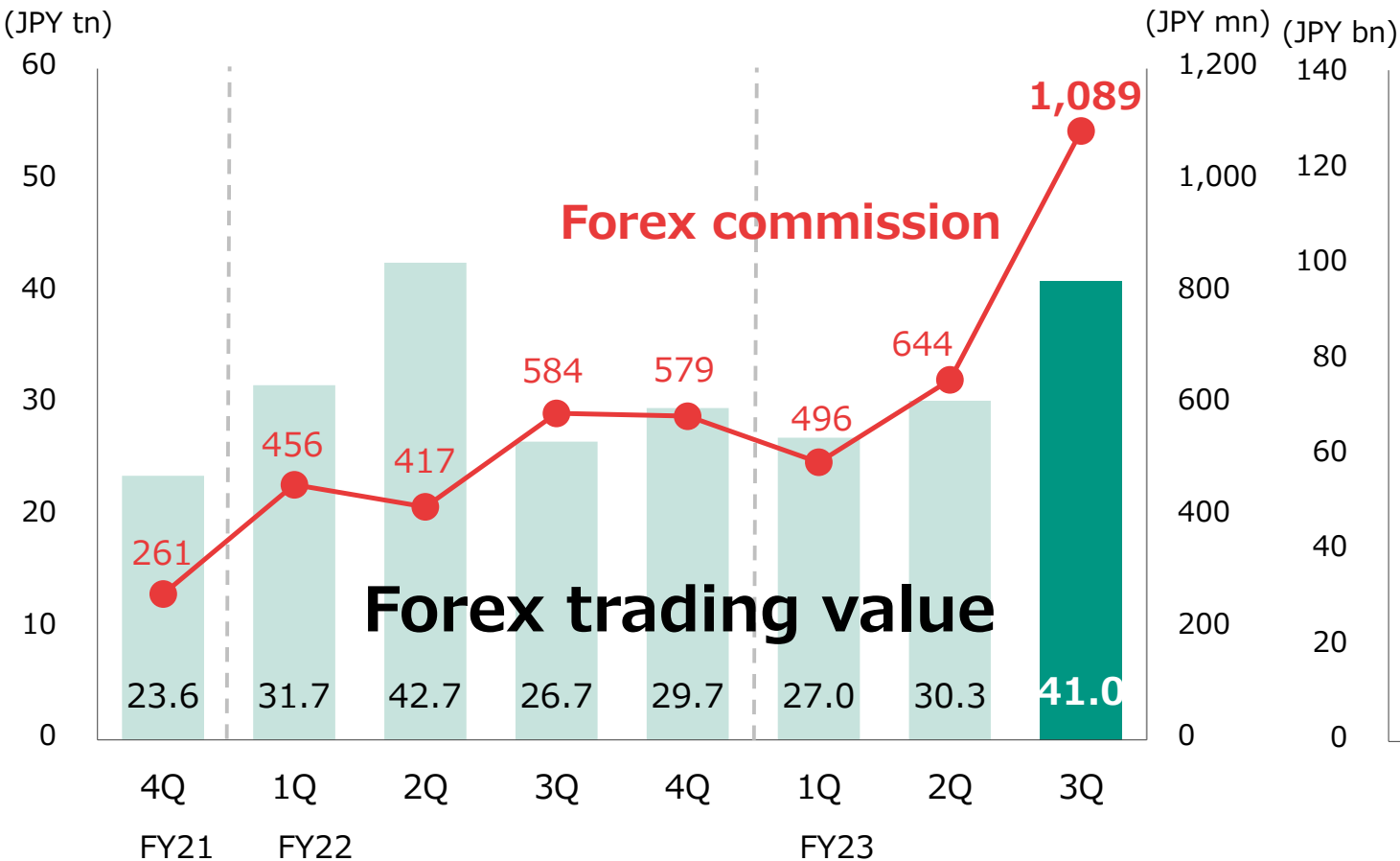
Commissions of Futures and Options



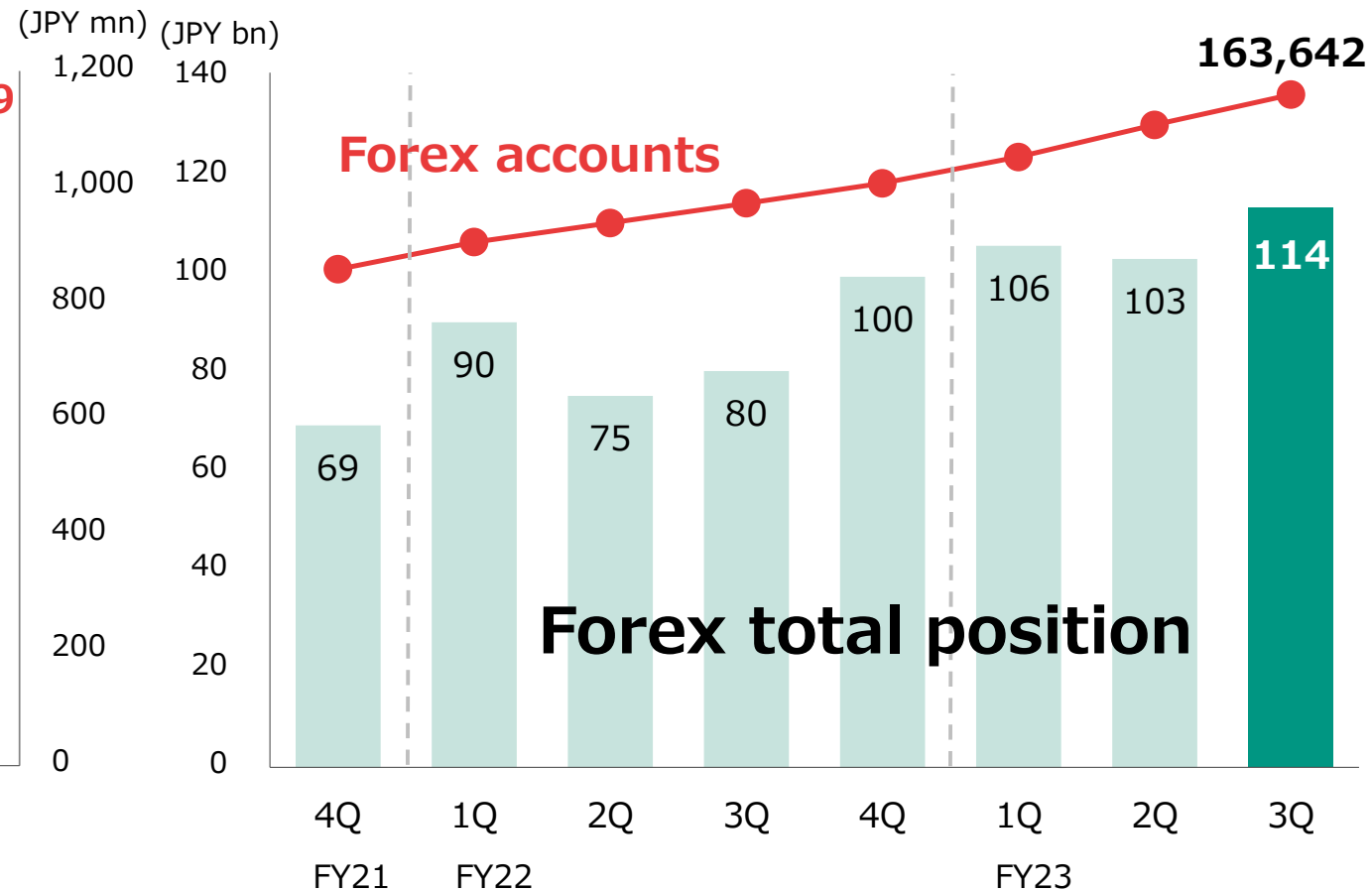
Note1 : Source : OSE

Forex Margin Trading

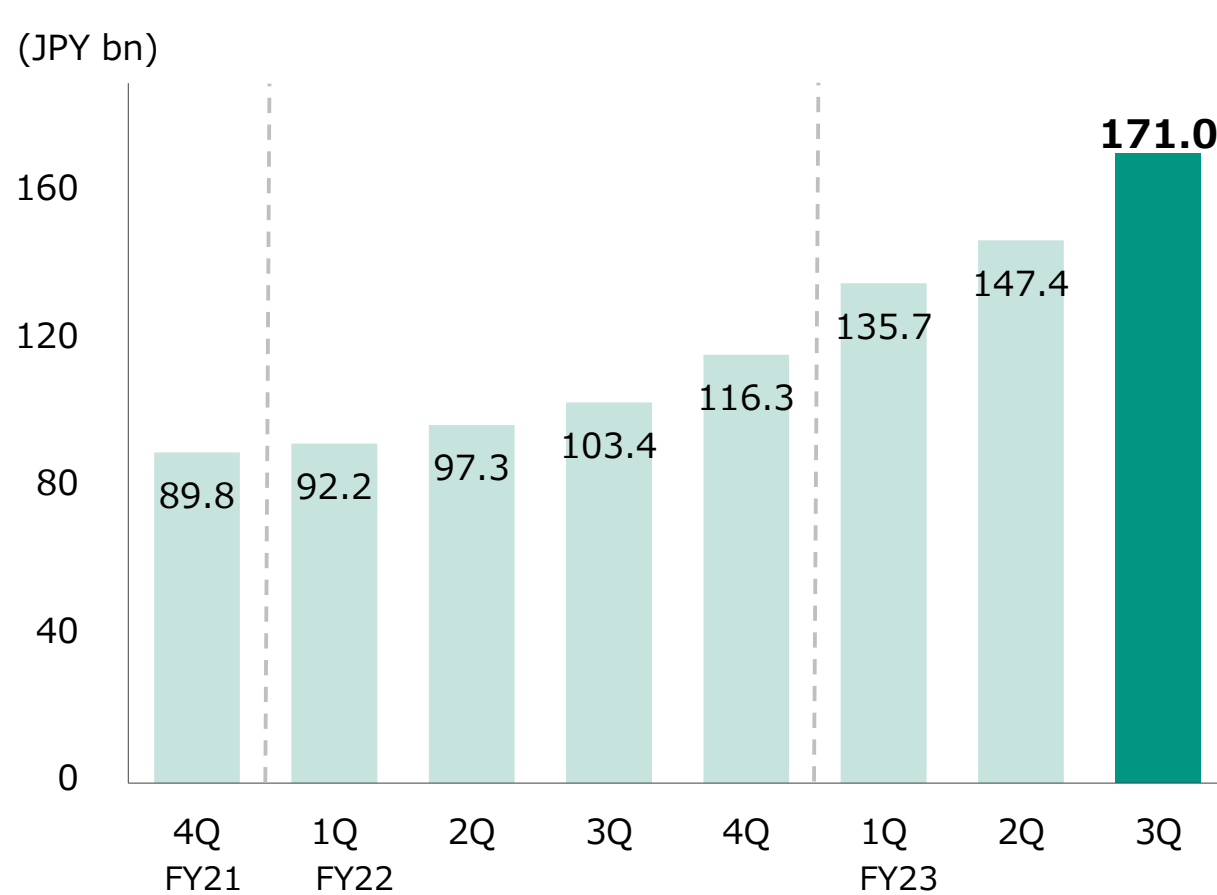
Forex trading value and commission



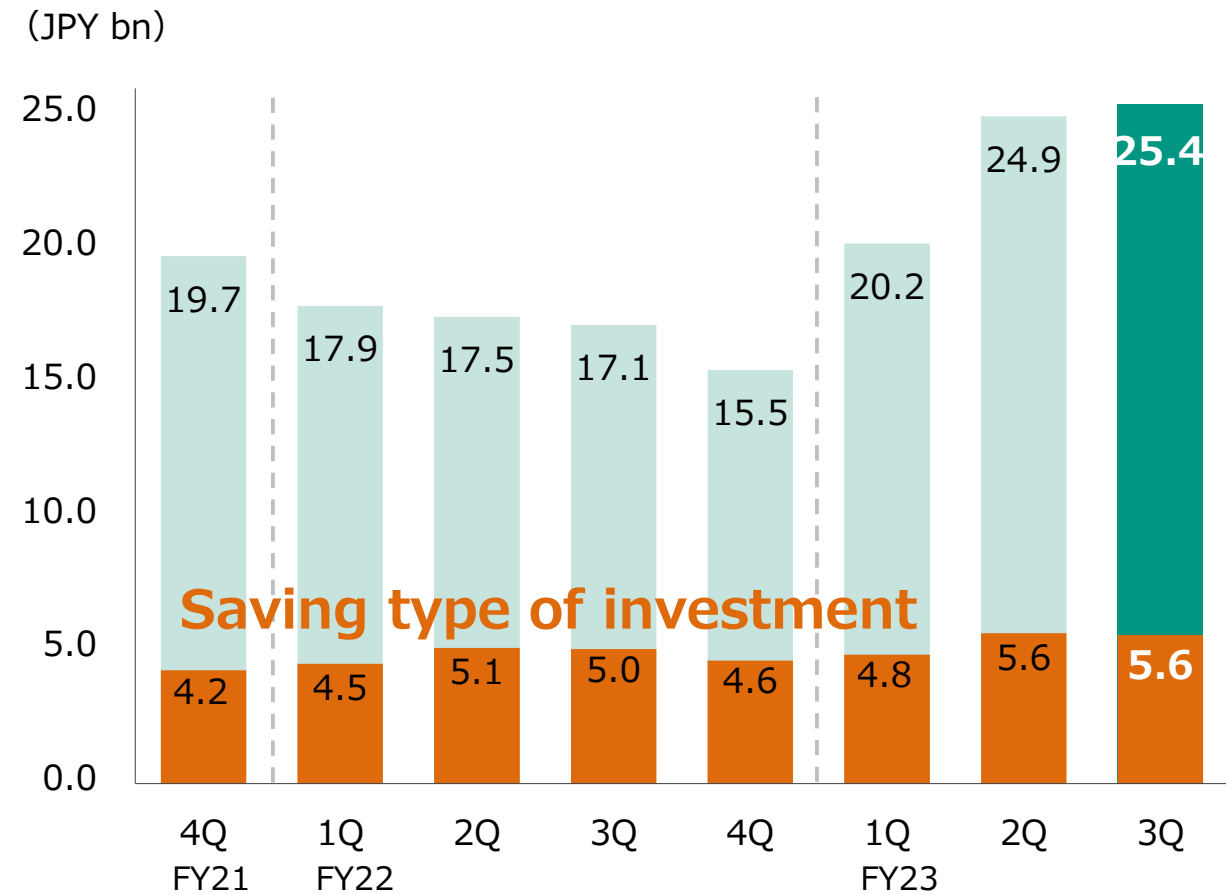
Forex total position and accounts



Matsui's AUM of mutual fund



Matsui's mutual fund sales



Management Strategy

Recent Developments

Offer services for beginners easy to start investment

■ No commission for all products

- ✓ Both Growth / Tsumitate Quota eligible to free commission
- ✓ Earn points under the point reward program based on balance of mutual fund



Banking Service “MATSUI Bank”

0.2% interest rate favorable, business growing steadily

■ Results after launched

- ✓ Balance: over 22 billion yen
- ✓ Users: over 23,000

(※As of Dec. 31, 2023)

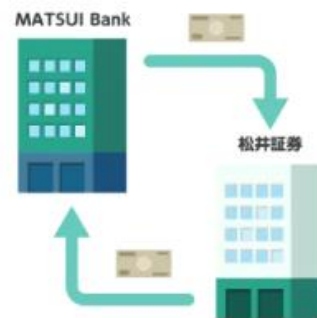
■ Ongoing special promotion

- ✓ 1,000 points for opening an account
- ✓ Additional 4,000 points rewarded for certain amount of deposits

Effectively using
standby money



Auto-transfer



"MATSUI Bank" applies the interest rates as of Jan. 4, 2024. For individual customers, interest will be withheld at a tax rate of 20.315% (national tax 15.315% (including special income tax for reconstruction) and local tax 5%) (separate withholding tax). MaruYu is not available. The interest rate on Yen savings deposits is a floating rate. Matsui Securities operates as a bank agent for SBI Sumishin Net Bank.

Expand services with the beginning of the new NISA

■ Margin trading started

- ✓ Commission 0.3%
➔the lowest level in the industry
- Day trading: no interest
- ✓ Free commission during promotion period

■ Free exchange commission

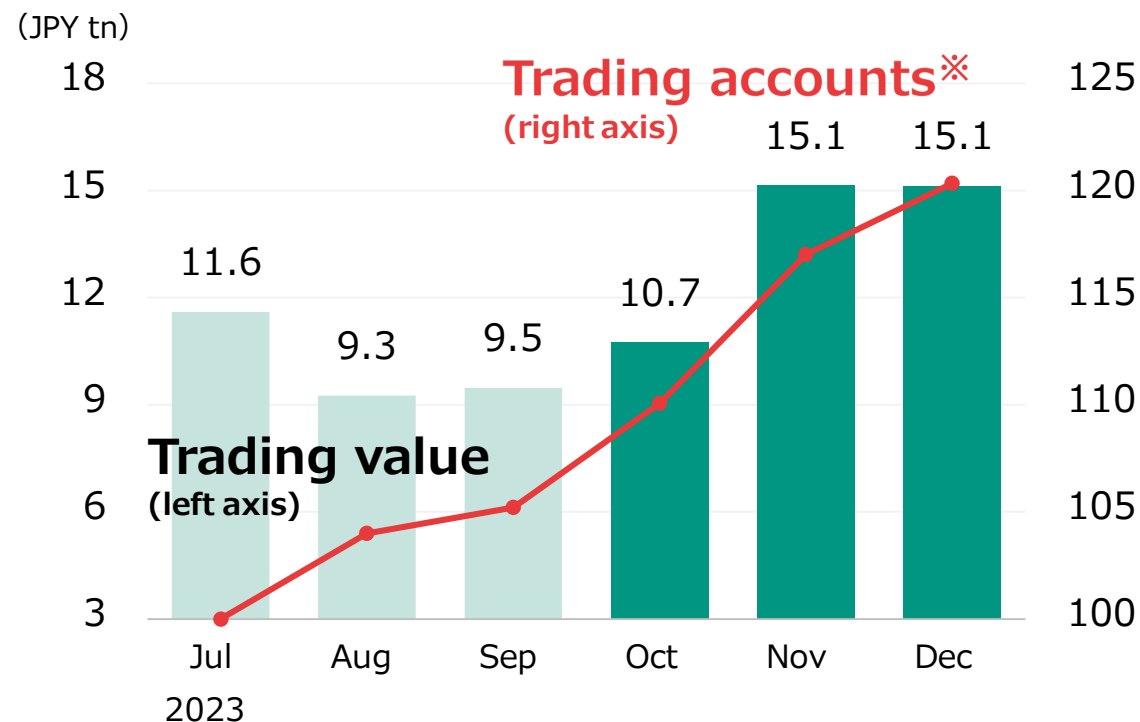
- ✓ No commission for exchanging JPY⇔USD



	Before	Dec. 4~
JPY⇒USD	0 (Free promotion)	Free (Permanent)
USD⇒JPY	0.25 yen	

Keep enhancing services for a future revenue pillar

■ The highest trading value



■ Actions in FY23

- ✓ Released an auto-trade function
- ✓ Added the function to forex app
- ✓ Raised swap point levels
- ✓ Sponsorship of a popular e-sports tournament

Note: # of accounts, rebased at 100 as of Jul. 2023

Continuously upgrade service quality

■ Functional improvement Promotion

- ✓ Enabled to open an NISA account simultaneously with a regular account
- ✓ Offered special promotions



■ 2nd place in the ranking of IPO underwriting

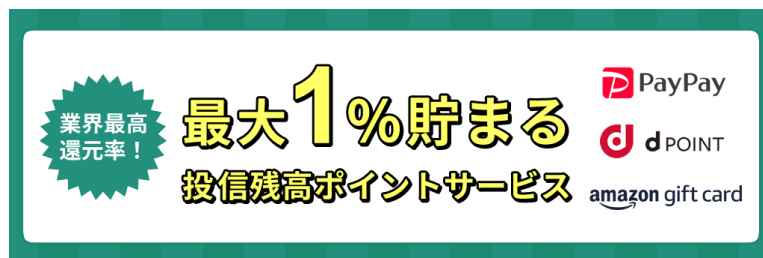
			NO.	Participation Ratio
1	(1)	SBI	74	94%
2	(3)	MATSUI	55	70%
3	(2)	RAKUTEN	49	62%
4	(7)	SMBC NIKKO	46	58%
5	(4)	MONEX	43	54%
6	(8)	OKASAN	40	51%
7	(5)	MIZUHO	36	46%
8	(6)	DAIWA	35	44%
9	(10)	NOMURA	34	43%



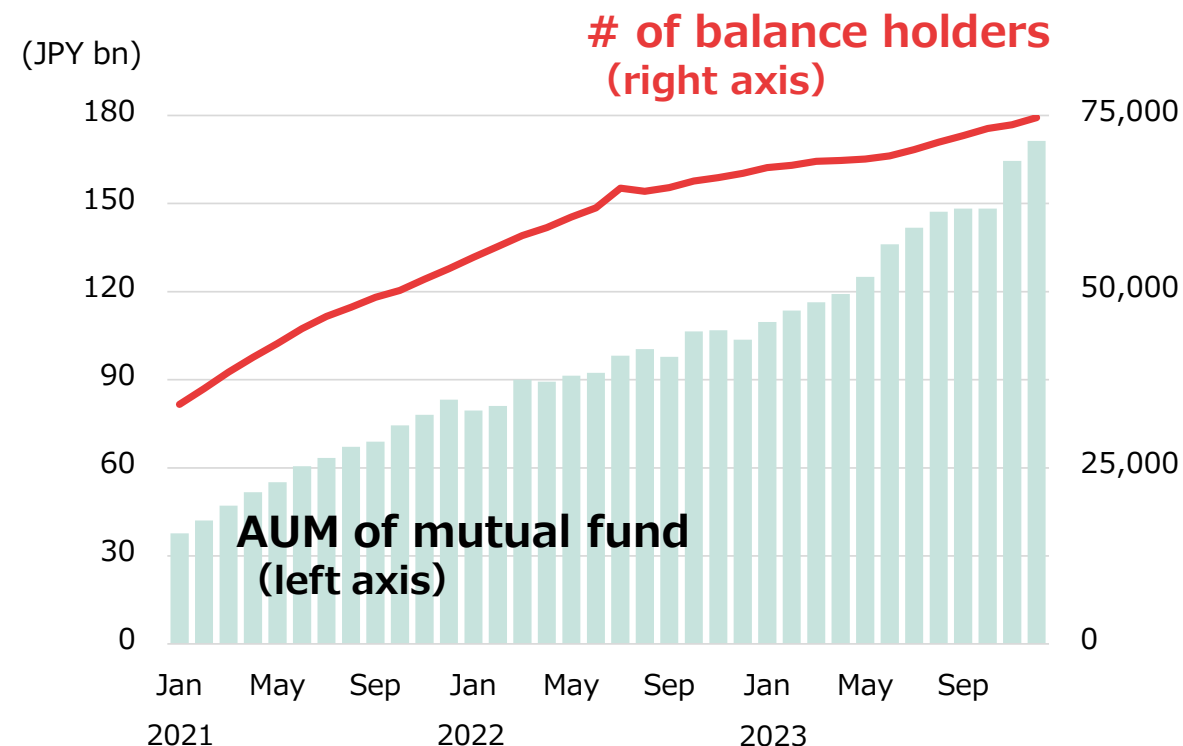
Solid business growth with enhanced services

■ Balance based point service well received

- ✓ All funds eligible for point reward program
- ✓ Amount of transfers from other companies surged to about 3 times before the promotion launched



■ Steady increase in balance and holders



Create a Trigger for Investment

Provide useful ideas and information for investment to improve customer experience value

■ Provide various information on website specialized for video contents

- ✓ Upload special programs that alert to sudden market changes and support decision-making for investment

■ Reached the first largest YouTube channel among the industry

- ✓ Continuously provide new programs

	Subscribers
Matsui	241k
Rakuten	209k

※As of Dec. 2023

Fulfilling phone support for new products and systems

■ Stock trading helpline

- ✓ Monthly consult over 500 cases
- ✓ Good acceptance for a new U.S. stock consulting service

■ NISA support contact

- ✓ Dedicated team for new NISA
- ✓ Resolve customer concerns and questions



Released integrated report

The screenshot displays the Matsui Securities website's 'Integrated Report' page. At the top, the Matsui logo and tagline '投資をまじめに、おもしろく。' are visible. The navigation menu includes 'Corporate Website', 'Top', 'Corporate Information', 'Investor Relations', 'Sustainability', and 'Press Release'. The breadcrumb trail reads: 'Matsui Securities Home > Corporate Website > Investor Relations > IR Library > Integrated Report'. The main heading is 'Integrated Report', followed by a paragraph explaining the report's purpose for shareholders and stakeholders. Below this is a large graphic of the 'Integrated Report 2023' cover, featuring the Matsui logo and the year '2023'. A sidebar on the right lists various sections: Investor Relations, IR Library, Financial Results, Explanatory Material, Securities Report, Integrated Report (highlighted), Financial Highlights, Credit Ratings, IR Calendar, Shareholder Information, and Disclosure Information. At the bottom of the sidebar, there is a link for 'Corporate Website Other Contents'. The footer of the page shows 'Integrated report 2023' with a small icon.

- Provide more non-financial information
 - ✓ Published a value creation process and message from the CEO etc.
 - ✓ Disclosed both the Japanese and English version

※More details can be found on our website below.
https://www.matsui.co.jp/company/ir/integrated_report/

Appendix

Summary of Financial Results

(JPY mn)

	FY2021	FY2022				FY2023		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Operating Revenues	7,435	7,252	7,668	8,037	8,114	9,472	9,615	9,812
Net operating revenues	7,098	6,858	7,083	7,286	7,187	8,232	8,498	8,566
SG & A	4,279	4,032	4,249	4,281	4,505	4,636	4,818	5,035
Operating income	2,819	2,826	2,834	3,006	2,682	3,596	3,680	3,530
Ordinary income	2,810	2,810	2,785	2,995	2,662	3,594	3,650	3,478
Net income	2,763	1,945	1,914	2,064	1,899	2,360	2,392	2,277
Ordinary income ratio	38%	39%	36%	37%	33%	38%	38%	35%
Matsui's trading value (JPY tn)	9.8	8.6	8.6	10.2	10.1	11.8	12.5	11.9
Average margin balance (JPY bn)	293	281	293	297	306	312	331	338

Breakdown of Net Operating Revenues

(JPY mn)

	FY2021	FY2022				FY2023		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Commissions	4,325	3,933	4,109	4,033	3,992	4,850	4,805	4,470
Brokerage	4,131	3,734	3,875	3,806	3,743	4,611	4,544	4,224
Equity & ETF	3,800	3,372	3,595	3,531	3,504	4,342	4,295	3,961
Futures & Options	331	362	280	275	240	269	249	262
Others	194	195	229	203	230	208	244	234
Net trading income	218	454	455	748	688	443	698	1,313
Net interest income	2,555	2,471	2,519	2,505	2,508	2,939	2,996	2,783
Interest & dividend income	2,892	2,865	3,103	3,256	3,434	4,178	4,112	4,030
Interest expenses	337	394	585	751	926	1,239	1,117	1,247
Net operating revenues	7,098	6,858	7,083	7,286	7,187	8,232	8,498	8,566

Breakdown of SG&A

(JPY mn)

	FY2021	FY2022				FY2023		
	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Trading related expenses	1,501	1,366	1,396	1,421	1,453	1,468	1,506	1,600
Stock exchanges and securities	376	351	329	364	366	408	376	362
Communications expenses	492	479	498	300	313	307	310	319
Advertisement	399	304	333	513	522	489	553	643
Personnel expenses	850	778	800	794	867	870	889	899
Occupancy & rental	318	224	226	222	257	236	242	268
Data processing & office supplies	876	902	1,025	1,118	1,096	1,143	1,225	1,293
Depreciation	609	609	612	642	678	743	761	827
Taxes and dues	103	114	129	28	88	114	108	110
Provision of allowance for doubtful accounts	△ 19	△ 33	△ 2	6	17	△ 19	26	△ 19
Others	42	72	65	49	48	81	61	57
Total SG & A	4,279	4,032	4,249	4,281	4,505	4,636	4,818	5,035

投資をまじめに、おもしろく。

MATSUI

松井証券

The information contained in this document is based on our views at the time of its preparation. We do not guarantee or promise the accuracy or completeness of the information, and it is subject to change without notice. Please note that we assume no responsibility for any omissions or errors in the data and expressions used in this report.

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