

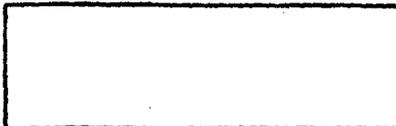


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82- SUBMISSIONS FACING SHEET

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Consolidated Financial Summary under Japanese GAAP
For the Year Ended March 31, 2005

Date: April 22, 2005
Company name (code number): Matsui Securities Co., Ltd. (8628)
Head Office: Hanzomon First Bldg 6F, 1-4, Kojimachi, Chiyoda-ku, Tokyo, 102-8516 Japan
Stock exchange listing: Tokyo
Representative: Michio Matsui: President and Chief Executive Officer
For inquiries: Hirohito Imada: Chief Financial Officer
+81-3-5216-0653
Date of board meeting approving the account settlement: April 22, 2005
Application of US GAAP: None

Note: All figures in the financial statements are rounded off to the nearest millionth.

Consolidated financial summary for the year ended March 31, 2005

(1) Operating results

	Operating revenues		Net operating revenues		Operating income		Ordinary income	
	Millions of Yen	Yr/Yr (% change)	Millions of Yen	Yr/Yr (% change)	Millions of Yen	Yr/Yr (% change)	Millions of Yen	Yr/Yr (% change)
Year ended March 31, 2005	36,918	(47.5)	34,623	(45.9)	22,607	(58.3)	22,571	(61.0)
Year ended March 31, 2004	25,036	(86.5)	23,738	(95.4)	14,285	(303.6)	14,016	(298.4)

	Net income	Earnings/share	Fully diluted earnings/share	Earnings/shareholders' equity	Ordinary income/total assets
	Millions of Yen	(Yen)	(Yen)	(%)	(%)
Year ended March 31, 2005	12,645 (73.7)	140.98	125.56	28.5	3.8
Year ended March 31, 2004	7,280 (390.3)	81.50	76.99	20.5	4.3

Note: 1. Investment gain and loss on equity method: None

2. Average number of shares outstanding: Year ended Mar. 31, 2005 88,989,029 shares
Year ended Mar. 31, 2004 88,373,711 shares

3. Change in accounting policies: None

4. The % change indicated for Operating revenues, Net operating revenues, Operating income, Ordinary income and Net income is the change by the year ended March 31, 2004 and 2005.

(2) Financial position

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity/share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
Year ended March 31, 2005	703,456	49,715	7.1	557.20
Year ended March 31, 2004	488,166	39,162	8.0	439.36

Note: 1. Number of shares outstanding: As of Mar. 31, 2005 89,045,096 shares
As of Mar. 31, 2004 88,957,910 shares

(The board meeting of the Company resolved a stock split of 3 shares for 1 for the shareholders as of March 31, 2005. Effective date of this stock split is May 17, 2005.)

(3) Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalent at the end of period
	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)	(Millions of Yen)
Year ended March 31, 2005	-25,019	-1,026	57,552	61,251
Year ended March 31, 2004	-87,829	-1,290	113,875	29,744

(4) Scope of consolidation and equity method

Consolidated subsidiaries:	1 company
Affiliates applicable of equity method:	None

(5) Change in scope of consolidation and equity method application: None

Forecast of business results

The business results of securities brokerage companies depend on the market situation considerably, which makes it difficult to forecast the future business results. Accordingly, the Company does not issue such forecast while it discloses its quarterly business results promptly instead of such forecasts.

Notice to readers:

The accompanying consolidated financial statements of the Company are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

1. Information on Group Companies

Translation omitted.

2. Management Policy

Translation omitted.

3. Business results and Financial Positions for the year ended March 31, 2005

Translation omitted.

4. Risk factors

Translation omitted.

Consolidated Balance Sheets

Item	Note	March 31, 2004		March 31, 2005	
		Millions of Yen	%	Millions of Yen	%
(Assets)					
I Current Assets					
Cash and bank deposits		29,744		61,251	
Cash segregated as deposits		183,002		223,003	
Cash in trust		4,400		9,000	
Trading assets		397		107	
Net receivables arising from pre-settlement date trades		14		923	
Margin account assets:		261,154		389,358	
Loans receivable from customers		252,081		384,484	
Cash deposited as collateral for securities borrowed from securities finance companies		9,073		4,875	
Receivable on collateralized securities transactions:		—		1,610	
Cash deposits collateral for securities borrowed		—		1,610	
Receivables from customers and others		23		133	
Advance paid for subscription		44		—	
Short-term guarantee deposits		899		6,795	
Prepaid expenses		176		183	
Accrued income		1,931		3,431	
Deferred income taxes		692		613	
Others		616		1,033	
Allowance for doubtful accounts		(206)		(171)	
Total current assets		482,887	98.9	697,270	99.1
II Fixed assets					
1 Tangible fixed assets	1	974	0.2	1,155	0.2
Buildings		461		433	
Equipment and instruments		194		249	
Land		319		474	
2 Intangible assets		2,055	0.4	2,253	0.3
Software		1,997		2,215	
Others		58		39	
3 Investments and others		2,250	0.5	2,777	0.4
Investment securities		1,177		1,680	
Investment in partnership		3		2	
Long-term loans receivable		168		30	
Long-term guarantee deposits		193		202	
Long-term prepaid expenses		21		13	
Deferred income taxes		643		776	
Others		307		104	
Allowance for doubtful accounts		(261)		(31)	
Total fixed assets		5,279	1.1	6,185	0.9
Total assets		488,166	100.0	703,456	100.0

Item	Note	March 31, 2004		March 31, 2005		
		Millions of Yen	%	Millions of Yen	%	
(Liabilities)						
I Current liabilities						
Trading assets			217		0	
Margin account liabilities:			101,342		142,920	
Loans from securities finance companies		64,046		103,384		
Proceeds of securities sold on customers' account		37,296		39,535		
Payables on collateralized securities transactions:			23,579		73,780	
Cash deposits as collateral for securities loaned		23,579		73,780		
Deposits received			79,361		106,567	
Guarantee money received			112,977		137,467	
Suspense account for undelivered securities			15		1	
Short-term borrowings			25,177		93,829	
Commercial paper			3,000		1,000	
Bond due within one year	2		500		—	
Deferred revenue			88		99	
Accounts payable			619		750	
Accrued expenses			943		1,353	
Accrued income taxes			6,112		6,342	
Accrued bonuses			—		301	
Others			0		0	
Total current liabilities			353,929	72.5	564,409	80.2
II Long-term liabilities						
Bond			20,000		40,000	
Convertible bond			40,000		40,000	
Long-term borrowings			33,532		7,203	
Reserve for directors' retirement bonuses			281		241	
Others			0		0	
Total long-term liabilities			93,813	19.2	87,443	12.4
III Statutory reserves						
Reserve for securities transactions	3		1,261		1,888	
Total statutory reserves			1,261	0.3	1,888	0.3
Total liabilities			449,004	92.0	653,740	92.9
(Shareholders' equity)						
I Common Stock			11,463	2.3	11,469	1.7
II Capital surplus			9,312	1.9	9,317	1.3
III Earned surplus			18,352	3.8	28,737	4.1
IV Net unrealized gain (loss) on investment securities, net of taxes			52	0.0	213	0.0
V Treasury Stock			(17)	(0.0)	(21)	(0.0)
Total shareholders' equity			39,162	8.0	49,715	7.1
Total liabilities and shareholders' equity			488,166	100.0	703,456	100.0

Consolidated Statements of Income

Item	Note	Year ended March 31, 2004		Year ended March 31, 2005		
		Millions of Yen	%	Millions of Yen	%	
I Operating revenues						
Commissions			20,206		27,083	
Brokerage commissions		18,933		25,182		
Underwriting and selling commissions		191		307		
Subscription and distribution commission		36		29		
Others		1,047		1,564		
Net gain (loss) on trading interest and dividend income			30		(88)	
			4,800		9,923	
Total operating revenues			25,036	100.0	36,918	100.0
II Interest expenses			1,298		2,295	
Net Operating revenues			23,738	94.8	34,623	93.8
III Selling, general and administrative expenses			9,453	37.8	12,016	32.6
Transaction related expenses		2,261		3,339		
Employees' compensation and benefits		1,863		1,927		
Occupancy and rental		369		273		
Data processing and office supplies		3,986		5,373		
Depreciation		689		754		
Duties and taxes other than income taxes		67		195		
Provision of allowance for doubtful accounts		94		—		
Others		125		154		
Operating income			14,285	57.0	22,607	61.2
IV Non-operating income			30	0.1	73	0.2
V Non-operating expenses			298	1.1	108	0.3
Bond issuing costs		169		95		
Others		129		14		
Ordinary income			14,016	56.0	22,571	61.1

Item	Note	Year ended March 31, 2004		Year ended March 31, 2005			
		Millions of Yen	%	Millions of Yen	%		
VI Special profits							
Gain on sales of investment securities		0		—			
Gain on sales of corporate golf membership and resort membership		1		—			
Reversal of allowance for doubtful accounts		—		49			
Total special profits		2	0.0	49	0.2		
VII Special losses							
Loss on sales and disposals of property and equipment		130		19			
Provision for statutory reserves		508		627			
Devaluation loss on telephone subscription rights		—		8			
Devaluation loss on investment securities		55		—			
Loss on cancellation of lease contracts		48		—			
Devaluation loss on corporate golf membership and resort membership		6		—			
Loss on sales of corporate golf membership and resort membership		0		—			
Expenses for the relocation of the head office		29		—			
Total special losses		776	3.1	653	1.8		
Income before income taxes			13,242	52.9		21,967	59.5
Income taxes - current		6,676			9,487		
Income taxes - deferred		(713)	5,962	23.8	(164)	9,322	25.2
Net income			7,280	29.1		12,645	34.3

Consolidated Statements of Retained Earnings

Item	Note	Year ended March 31, 2004		Year ended March 31, 2005	
		Millions of Yen		Millions of Yen	
(Capital surplus)					
I			9,254		9,312
II					
1		57	57	6	6
III			9,312		9,317
(Earned surplus)					
IV			11,516		18,352
V					
1		7,280	7,280	12,645	12,645
VI					
1		444		2,183	
2		—		74	
3		—	444	3	2,260
VII			18,352		28,737

Consolidated Statements of Cash Flows

		Year ended March 31, 2004	Year ended March 31, 2005
Item	Note	Millions of Yen	Millions of Yen
I Cash flows from operating activities			
Income before income taxes		13,242	21,967
Depreciation and amortization		689	754
Net change in allowance for doubtful accounts		94	(265)
Net change in accrued bonuses		(98)	301
Net change in reserve for securities transactions		508	627
Interest and dividend income		(14)	(568)
Interest expenses		313	925
Interest income on margin transactions		(4,720)	(9,288)
Interest expenses on margin transactions		862	1,227
Loss on sales and disposals of property and equipment		130	19
Devaluation loss on telephone subscription rights		—	8
Loss on sales of investment securities		(0)	—
Devaluation loss on corporate golf membership and resort membership		6	—
Net change in deposits segregated for customers		(105,201)	(40,002)
Net change in cash in trust		(4,400)	(4,600)
Net change in trading assets		(180)	73
Net change in net receivables arising from pre-settlement date trades		—	(909)
Net change in margin assets and liabilities		(121,683)	(86,626)
Net change in receivable on collateralized securities transactions		—	(1,610)
Net change in deposits received		44,105	27,206
Net change in cash collateral for securities loaned		18,715	50,202
Net change in guarantee deposits received		65,234	24,490
Net change in short-term guarantee deposits		2,100	(5,897)
Bonus to director		—	(77)
Others		(65)	(147)
Sub total		(90,362)	(22,189)
Interest and dividend received		14	521
Interest paid		(156)	(860)
Interest on margin transactions received		4,289	8,128
Interest on margin transactions paid		(915)	(1,208)
Income taxes paid		(699)	(9,412)
Net cash flows from operating activities		(87,829)	(25,019)
II Cash flows from investing activities			
Payments for purchases of property and equipment		(337)	(275)
Payments for purchases of intangible assets		(512)	(622)
Payments for purchases of investment securities		(250)	(130)
Proceeds from sales of investment securities		7	—
Proceeds from maturity and cancellation of insurance contracts		0	0
Others		(198)	1
Net cash flows from investing activities		(1,290)	(1,026)

		Year ended March 31, 2004	Year ended March 31, 2005
Item	Note	Millions of Yen	Millions of Yen
III Cash flows from financing activities			
Net change in short-term borrowings		16,950	40,200
Net change in commercial paper		3,000	(2,000)
Proceeds from long-term borrowings		35,080	4,500
Repayments of long-term borrowings		(499)	(2,377)
Payments for installment purchase obligation		(143)	—
Proceeds from issuance of new bonds		59,831	19,905
Repayment for corporate bond		—	(500)
Proceeds from issuance of new stock		115	10
Payments for purchase of treasury stock		(15)	(4)
Dividends paid		(444)	(2,183)
Net cash flows from financing activities		113,875	57,552
IV Translation difference of cash and cash equivalent		(0)	(0)
V Net change in cash and cash equivalent		24,756	31,507
VI Cash and cash equivalent at beginning of period		4,989	29,744
VII Cash and cash equivalent at end of period	1	29,744	61,251

Significant accounting policies for the consolidated financial statements

The consolidated financial statements of the Company are prepared in accordance with the "Cabinet Office Ordinance Concerning Securities Companies" (Prime Minister's Office Ordinance and Ministry of Finance Ordinance No. 32, 1998), and the "Uniform Accounting Standards of Securities Companies" (set by the board of directors of the Japan Securities Dealers' Association, November 14, 1974), based on the "Regulations of Consolidated Financial Statements" (Ministry of Finance Ordinance No. 28, 1976) and its Article 46 and 68 .

1. Scope of consolidation: Number of consolidated subsidiary is 1 (Matsui Real Estate Co., Ltd.)
2. Application of equity method: The Company has neither unconsolidated subsidiaries nor affiliates for which an equity method is to be applied.
3. Accounting period: The fiscal year of the consolidated subsidiary ends March 31, the same fiscal year-end as the parent company.
4. Accounting policies:
 - (1) Valuation of securities and derivatives
 - (I) Securities and derivatives classified in trading assets: securities and derivatives classified in trading assets are valued at fair value.
 - (II) Securities not classified in trading assets: other securities, such as available-for-sale securities, whose fair values are readily determinable, are stated at fair value with unrealized gains or losses included as a component of shareholders' equity, net of applicable income taxes. Other securities not publicly quoted are stated at cost determined on a moving average method.
 - (2) Depreciation of significant depreciable assets
 - (I) Tangible fixed assets: the Company applies straight-line method while the consolidated subsidiary applies declining-balance method. Useful life for depreciation is 15 to 40 years for buildings and 4 to 10 years for equipment and instruments.
 - (II) Intangible assets: straight-line method is primarily applied. Software for in-house use is depreciated under straight-line method based on internal estimated useful life (within 5 years).
 - (3) Accounting policies for significant provisions
 - (I) Allowance for doubtful accounts: an allowance for doubtful accounts is provided for estimated irrecoverable doubtful accounts at an amount specifically assessed plus an amount computed based on historical loss experience.
 - (II) Accrued bonuses: estimated amount of employees' bonuses is accrued.
 - (4) Accounting for significant lease transactions

Financial leases that do not transfer ownership to lessees are not capitalized and are accounted for in the same manner as operating leases ("non-capitalized finance leases").
 - (5) Accounting for significant hedging transactions

The Company and its subsidiary use interest rate swap trading to limit exposures to fluctuations in interest rates. The Company accounts for its interest rate swap trading pursuant to an allowed alternative method.

(6) Other material items

National and local consumption taxes are separately recorded.

5. Statements of appropriation of retained earnings: Statements of appropriation of retained earnings are prepared based on the approved appropriation of retained earnings of consolidated companies.
6. Scope of "Cash and cash equivalents" in consolidated statements of cash flows: "Cash and cash equivalents" in the consolidated statements of cash flow is defined as liquid fund including cash in hand, current account deposits and short-term investments which is exposed to negligible risk.

(Change in representation of accounts)

"Net change in net receivables arising from pre-settlement date trades", which had been previously included in "others", was classified independently from the current fiscal period. The balance of "Net change in net receivables arising from pre-settlement date trades", as of March 31, 2004, was 15 Million yen.

Notes to consolidated financial statements

(Notes to consolidated balance sheets)

1. Accumulated depreciation deduced from tangible assets is as follow (millions of Yen)
- | | |
|---------------------------|-----|
| Year ended March 31, 2004 | 349 |
| Year ended March 31, 2005 | 415 |
2. Bond due within one year is subordinated bond under the Article 2 of "Cabinet Office Ordinance on the Capital Adequacy Rule for Securities Companies" (Cabinet Office Ordinance No. 23, 2001).
3. The Company accounts for Reserve for Securities Transactions for the possible customer losses by default of the securities company on securities transactions according to the Article 51 of the Securities Exchange Law.

(Notes to consolidated statement of cash flows)

The reconciliation between the Cash and cash equivalent and the balance of cash and bank deposits presented in the consolidated balance sheet is as follows.

(Millions of yen)

	As of March 31, 2004	As of March 31, 2005
Cash and bank deposits	29,744	61,251
Cash and cash equivalent	29,744	61,251

Segment Information

Information related to operations in different industries has been omitted as the Company and its consolidated subsidiary operate predominately in the 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 revenue or operating income of the Company and its consolidated subsidiary are related to the investment and financing service industry.

Information related to segment information on geographic areas and export sales has been omitted, because the Company and its consolidated subsidiary do not hold overseas revenues nor overseas branches.

Summary of Quarterly Consolidated Statements of Income

(Millions of Yen)

Item	1Q of the Year ended Mar. 31, 2004 '03. 4. 1 '03. 6.30	2Q of the Year ended Mar. 31, 2004 '03. 7. 1 '03. 9.30	3Q of the Year ended Mar. 31, 2004 '03.10. 1 '03.12.31	4Q of the Year ended Mar. 31, 2004 '04. 1. 1 '04. 3.31	Total for the year ended Mar. 31, 2004 '03. 4. 1 '04. 3.31
Operating revenues	3,894	6,180	6,856	8,107	25,036
Commissions	3,127	5,159	5,468	6,452	20,206
Net gain (loss) on trading	0	(0)	1	29	30
Interest and dividend income	767	1,021	1,387	1,626	4,800
Interest expenses	295	293	316	393	1,298
Net operating revenues	3,599	5,886	6,539	7,713	23,738
Selling, general and administrative expenses	2,037	2,458	2,378	2,580	9,453
Transaction related expenses	414	589	586	672	2,261
Employees' compensation and benefits	463	436	517	447	1,863
Occupancy and rental	84	82	81	123	369
Data processing and office supplies	870	1,017	998	1,102	3,986
Depreciation	157	172	176	185	689
Duties and taxes other than income taxes	17	52	(16)	14	67
Provision of allowance for doubtful accounts	9	76	10	(1)	94
Others	25	35	26	38	125
Operating income	1,562	3,428	4,161	5,134	14,285
Non-operating income and expenses	10	(44)	(223)	(12)	(268)
Ordinary income	1,572	3,385	3,938	5,121	14,016
Special profits and losses	(168)	(135)	(114)	(358)	(774)
Income before income taxes	1,405	3,249	3,824	4,764	13,242
Income taxes-current	709	1,750	1,848	2,369	6,676
Income taxes-deferred	(61)	(251)	(168)	(233)	(713)
Net income	757	1,751	2,144	2,628	7,280

(Millions of Yen)

Item	1Q of the Year ended Mar. 31, 2005 '04. 4. 1. '04. 6.30'	2Q of the Year ended Mar. 31, 2005 '04. 7. 1. '04. 9.30'	3Q of the Year ended Mar. 31, 2005 '04.10. 1. '04.12.31'	4Q of the Year ended Mar. 31, 2005 '05. 1. 1. '05. 3.31'	Total for the year ended Mar. 31, 2005 '04. 4. 1. '05. 3.31'
Operating revenues	10,407	8,536	7,989	9,986	36,918
Commissions	7,990	6,116	5,531	7,446	27,083
Net gain (loss) on trading	13	(2)	(7)	(92)	(88)
Interest and dividend income	2,403	2,421	2,466	2,633	9,923
Interest expenses	603	534	626	532	2,295
Net operating revenues	9,804	8,001	7,363	9,454	34,623
Selling, general and administrative expenses	3,162	2,683	2,950	3,221	12,016
Transaction related expenses	926	753	770	890	3,339
Employees' compensation and benefits	522	399	489	517	1,927
Occupancy and rental	67	67	69	70	273
Data processing and office supplies	1,329	1,248	1,348	1,449	5,373
Depreciation	175	182	191	207	754
Duties and taxes other than income taxes	56	47	40	51	195
Provision of allowance for doubtful accounts	48	(48)	—	—	—
Others	38	35	44	37	154
Operating income	6,642	5,319	4,412	6,233	22,607
Non-operating income and expenses	(55)	12	22	(15)	(35)
Ordinary income	6,588	5,330	4,435	6,218	22,571
Special profits and losses	(123)	(112)	(146)	(223)	(604)
Income before income taxes	6,465	5,218	4,289	5,995	21,967
Income taxes-current	2,375	2,449	1,741	2,922	9,487
Income taxes-deferred	315	(190)	70	(359)	(164)
Net income	3,775	2,959	2,478	3,433	12,645

Non-Consolidated Financial Summary under Japanese GAAP
For the Year Ended March 31, 2005

Date: April 22, 2005
 Company name (code number): Matsui Securities Co., Ltd. (8628)
 Head Office: Hanzomon First Bldg 6F, 1-4, Kojimachi, Chiyoda-ku, Tokyo, 102-8516 Japan
 Stock exchange listing: Tokyo
 Representative: Michio Matsui: President and Chief Executive Officer
 For inquiries: Hirohito Imada: Chief Financial Officer
 +81-3-5216-0653
 Unit of shares: 100 shares
 Date of board meeting approving the account settlement: April 22, 2005
 Expected date of dividend payment to be started: June 27, 2005
 Date of the shareholders' meeting: June 26, 2005
 Interim dividend: The Company's rule allows interim dividend.

Note: All figures in the financial statements are rounded off to the nearest millionth.

Non-Consolidated financial summary for the year ended March 31, 2005

(1) Operating results

	Operating revenues		Net operating revenues		Operating income		Ordinary income	
	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)	(Millions of Yen)	(Yr/Yr % change)
Year ended March 31, 2005	36,918	(47.5)	34,623	(45.9)	22,601	(58.3)	22,559	(61.1)
Year ended March 31, 2004	25,036	(86.5)	23,738	(95.4)	14,277	(304.8)	14,007	(299.7)

	Net income	Earnings/share	Fully diluted earnings/share	Earnings/shareholders' equity	Ordinary income/total assets
	(Millions of Yen) (Yr/Yr % change)	(Yen)	(Yen)	(%)	(%)
Year ended March 31, 2005	12,638 (73.7)	140.90	125.49	28.5	3.8
Year ended March 31, 2004	7,275 (392.2)	81.44	76.93	20.5	4.3

Note 1. Average number of shares outstanding
 Year ended Mar. 31, 2005 89,989,029 shares
 Year ended Mar. 31, 2004 88,373,711 shares

2. Change in accounting policies: None

3. The % change indicated for Operating revenues, Net operating revenues, Operating income, Ordinary income and Net income is the change by the year ended March 31, 2004 and 2005.

(2) Dividends

	Dividend			Annual total (Millions of Yen)	Dividends Payout ratio (Yen)	Dividends per shareholders' equity (Yen)
	(Yen)	Interim (Yen)	Annual (Yen)			
Year ended March 31, 2005	42.58	0.00	42.58	3,792	30.00	7.64
Year ended March 31, 2004	24.54	0.00	24.54	2,183	30.01	5.58

(3) Financial position

	Total assets	Shareholders' equity	Shareholders' Equity ratio	Earnings/ shareholders' equity	Capital Adequacy ratio
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)	(%)
Year ended March 31, 2005	703,393	49,658	7.1	556.56	405.4
Year ended March 31, 2004	488,111	39,112	8.0	438.80	436.1

Note 1. Number of shares outstanding: As of Mar. 31, 2005 89,045,096 shares
As of Mar. 31, 2004 88,957,910 shares

2. Number of treasury stocks: March 31, 2005 10,219 shares
March 31, 2004 9,149 shares

(The board meeting of the Company resolved a stock split of 3 shares for 1 for the shareholders as of March 31, 2005. Effective date of this stock split is May 17, 2005.)

Forecast of business results

The business results of securities brokerage companies depend on the market situation considerably, which makes it difficult to forecast the future business results. Accordingly, the Company does not issue such forecast while it discloses its quarterly business results promptly instead of such forecasts.

Notice to readers:

The accompanying non-consolidated financial statements of the Company are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

Non-Consolidated Balance Sheets

Item	Note	March 31, 2004		March 31, 2005	
		Millions of Yen	%	Millions of Yen	%
(Assets)					
I Current Assets					
Cash and bank deposits		29,580		61,074	
Cash segregated as Deposits		183,002		223,003	
Cash in trust		4,400		9,000	
Trading assets		397		107	
Net receivables arising from pre-settlement date trades		14		923	
Margin account assets:		261,154		389,358	
Loans receivable from Customers		252,081		384,484	
Cash deposited as collateral for securities borrowed from securities finance companies		9,073		4,875	
Receivable on collateralized securities transactions:		—		1,610	
Cash deposits collateral for securities borrowed		—		1,610	
Receivables from customers and others		23		133	
Advance paid for subscription		44		—	
Short-term guarantee deposits		899		6,795	
Prepaid expenses		175		182	
Accrued income		1,931		3,431	
Deferred income taxes		692		613	
Others		616		1,033	
Allowance for doubtful accounts		(206)		(171)	
Total current assets		482,721	98.9	697,092	99.1
II Fixed assets					
1 Tangible fixed assets	1	634	0.1	821	0.1
Buildings		400		377	
Equipment and instruments		193		249	
Land		41		195	
2 Intangible assets		2,055	0.4	2,253	0.3
Software		1,997		2,215	
Others		58		39	
3 Investments and others		2,700	0.6	3,227	0.5
Investment securities		1,177		1,680	
Shares of affiliated company		450		450	
Investment in partnership		3		2	
Long-term loans receivable		168		30	
Long-term guarantee deposits		193		202	
Long-term prepaid expenses		21		13	
Deferred income taxes		643		776	
Others		307		104	
Allowance for doubtful accounts		(261)		(31)	
Total fixed assets		5,389	1.1	6,301	0.9
Total assets		488,111	100.0	703,393	100.0

Item	Note	March 31, 2004		March 31, 2005		
		Millions of Yen	%	Millions of Yen	%	
(Liabilities)						
I Current liabilities						
Trading assets			217		0	
Margin account liabilities:			101,342		142,920	
Loans from securities finance companies		64,046		103,384		
Proceeds of securities sold on customers' account		37,296		39,535		
Payables on collateralized securities transactions:			23,579		73,780	
Cash deposits as collateral for securities loaned		23,579		73,780		
Deposits received			79,360		106,566	
Guarantee money received			112,977		137,467	
Suspense account for undelivered securities			15		1	
Short-term borrowings			25,177		93,829	
Commercial paper			3,000		1,000	
Bond due within one year	2		500		—	
Deferred revenue			88		98	
Accounts payable			617		750	
Accrued expenses			943		1,353	
Accrued income taxes			6,111		6,339	
Accrued bonuses			—		301	
Others			—		0	
Total current liabilities			353,925	72.5	564,404	80.2
II Long-term liabilities						
Bond			20,000		40,000	
Convertible bond			40,000		40,000	
Long-term borrowings			33,532		7,203	
Reserve for directors' retirement bonuses			281		241	
Total long-term liabilities			93,813	19.2	87,443	12.4
III Statutory reserves						
Reserve for securities transactions	3		1,261		1,888	
Total statutory reserves			1,261	0.3	1,888	0.3
Total liabilities			448,999	92.0	653,735	92.9

Item	Note	March 31, 2004		March 31, 2005		
		Millions of Yen	%	Millions of Yen	%	
(Shareholders' equity)						
I Common Stock			11,463	2.3	11,469	1.7
II Capital surplus						
1 Additional paid-in capital			9,312		9,317	
Total capital surplus			9,312	1.9	9,317	1.3
III Earned surplus						
1 Earned surplus reserves			159		159	
2 Voluntary reserves			4,250		4,250	
Special purpose reserves		4,250			4,250	
3 Inappropriate retained earnings			13,893		24,271	
Total earned surplus			18,302	3.8	28,680	4.1
IV Net unrealized gain (loss) on investment securities, net of taxes			52	0.0	213	0.0
V Treasury stock			(17)	(0.0)	(21)	(0.0)
Total shareholders' equity			39,112	8.0	49,658	7.1
Total liabilities and shareholders' equity			488,111	100.0	703,393	100.0

Non-consolidated Statements of Income

Item	Note	Year ended March 31, 2004		Year ended March 31, 2005		
		Millions of Yen	%	Millions of Yen	%	
I Operating revenues						
Commissions			20,206		27,083	
Brokerage commissions		18,933		25,182		
Underwriting and selling commissions		191		307		
Subscription and distribution commissions		36		29		
Others		1,047		1,564		
Net gain (loss) on trading	1		30		(88)	
Interest and dividend income			4,800		9,923	
Total operating revenues			25,036	100.0	36,918	100.0
II Interest expenses			1,298		2,295	
Net operating revenues			23,738	94.8	34,623	93.8
III Selling, general and administrative expenses			9,461	37.8	12,022	32.6
Transaction related expenses		2,260		3,339		
Employees' compensation and benefits		1,845		1,923		
Occupancy and rental		399		295		
Data processing and office supplies		3,995		5,376		
Depreciation	2	682		748		
Duties and taxes other than income taxes		61		189		
Provision of allowance for doubtful accounts		94		—		
Others		124		152		
Operating income			14,277	57.0	22,601	61.2
IV Non - operating income			27	0.1	67	0.2
V Non - operating expenses			298	1.2	108	0.3
Bond issuing costs		169		95		
Others		129		14		
Ordinary income			14,007	55.9	22,559	61.1

Item	Note	Year ended March 31, 2004		Year ended March 31, 2005	
		Millions of Yen	%	Millions of Yen	%
VI Special profits					
Gain on sales of investment securities		0		—	
Gain on sales of corporate golf membership and resort membership		1		—	
Reversal of allowance for doubtful accounts		—		49	
Total special profits		2	0.0	49	0.2
VII Special losses					
Loss on sales and disposals of property and equipment		130		19	
Provision for statutory reserves		508		627	
Devaluation loss on telephone subscription rights		—		8	
Devaluation loss on investment securities		55		—	
Loss on cancellation of lease contracts		48		—	
Devaluation loss on corporate golf membership and resort membership		6		—	
Loss on sales of corporate golf membership and resort membership		0		—	
Expenses for the relocation of the head office		29		—	
Total special losses		776	3.1	653	1.8
Income before income taxes		13,233	52.8	21,954	59.5
Income taxes - current		6,672		9,481	
Income taxes - deferred		(713)	5,958	(164)	9,317
Net income		7,275	29.0	12,638	34.2
Inappropriate retained earnings at the beginning of period		6,619		11,633	
Inappropriate retained earnings at the end of period		13,893		24,271	

Statements of appropriation of retained earnings

Item	Note	Year ended March 31, 2004 (For the year ended March 31, 2004) *2		Year ended March 31, 2005 (For the year ended March 31, 2005)	
		(Millions of Yen)		(Millions of Yen)	
I Inappropriate retained earnings at the beginning of period			13,893		24,271
II Appropriation					
Dividends *1		2,183		3,792	
Bonuses to directors		74		99	
Bonuses to auditor		3	2,260	—	3,891
III Inappropriate retained earnings brought forward to the following period			11,633		20,380

*Note 1 For fiscal 2004: Cash dividend per share 24.54Yen

For fiscal 2005: Cash dividend per share 42.58Yen (subject to an approval at shareholders' meeting)

2 The appropriation of retained earnings for fiscal 2005 was approved at the shareholders' meeting on June 26, 2005

Significant accounting policies for the non-consolidated financial statements

The non-consolidated financial statements of the Company are prepared in accordance with the "Cabinet Office Ordinance Concerning Securities Companies" (Prime Minister's Office Ordinance and Ministry of Finance Ordinance No. 59, 1963), and the "Uniform Accounting Standards of Securities Companies" (set by the board of directors of the Japan Securities Dealers' Association, November 14, 1974), based on the "Regulations of Financial Statements" (Ministry of Finance Ordinance No. 59, 1963) and its Article 2.

Accounting policies:

(1) Valuation of securities and derivatives

(I) Securities and derivatives classified in trading assets: securities and derivatives classified in trading assets are valued at fair value.

(II) Securities not classified in trading assets: other securities, such as available-for-sale securities, whose fair values are readily determinable, are stated at fair value with unrealized gains or losses included as a component of shareholders' equity, net of applicable income taxes. Other securities not publicly quoted are stated at cost determined on a moving average method.

(2) Depreciation of significant depreciable assets

(I) Tangible fixed assets: the Company applies straight-line method while the consolidated subsidiary applies declining-balance method. Useful life for depreciation is 15 to 40 years for buildings and 4 to 10 years for equipment and instruments.

(II) Intangible assets: straight-line method is primarily applied. Software for in-house use is depreciated under straight-line method based on internal estimated useful life (within 5 years).

(3) Accrued Assets

The entire bond issuing cost is expensed at the issuance.

(4) Accounting policies for significant provisions

(I) Allowance for doubtful accounts: an allowance for doubtful accounts is provided for estimated irrecoverable doubtful accounts at an amount specifically assessed plus an amount computed based on historical loss experience.

(II) Accrued bonuses: estimated amount of employees' bonuses is accrued.

(III) Reserve for Securities transactions: the Company accounts for Reserve for Securities Transactions for the possible customer losses by default of the securities company on securities transactions according to the article 51 of the Securities Exchange Law and the Article 35 of the "Cabinet Office Ordinance Concerning Securities Companies".

(5) Accounting for significant lease transactions

Financial leases that do not transfer ownership to lessees are not capitalized and are accounted for in the same manner as operating leases ("non-capitalized finance leases").

(6) Accounting for significant hedging transactions

The Company uses interest rate swap trading to limit exposures to fluctuations in interest rates.

The Company accounts for its interest rate swap trading pursuant to an allowed alternative method.

(7) Other material items

National and local consumption taxes are separately recorded.

Notes to non-consolidated financial statements

(Notes to non-consolidated balance sheets)

1. Accumulated depreciation deducted from tangible assets is as follow (millions of Yen)

Year ended March 31, 2004	210
Year ended March 31, 2005	274

2. Bond due within one year is subordinated bond under the Article 2 of "Cabinet Office Ordinance on the Capital Adequacy Rule for Securities Companies" (Cabinet Office Ordinance No. 23, 2001).
3. The Company accounts for Reserve for Securities Transactions for the possible customer losses by default of the securities company on securities transactions according to the Article 51 of the Securities Exchange Law.

(Notes to non-consolidated Statements of income)

1. The details of net gain on trading

(Millions of Yen)

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2005
Stocks	28	(94)
Bonds/Others	2	6
Bonds		
Others	2	6
Total	30	(88)

2. The details of depreciation

(Millions of Yen)

	Year ended Mar. 31, 2004	Year ended Mar. 31, 2005
Tangible fixed assets	99	81
Intangible assets	582	666
Investments and others	1	1
Total	682	748

(Reference)

Supplemental Information for Non-Consolidated Financial Summary

1. Commission revenues

(1) Commission revenues by item

(Millions of Yen)

	Year ended March 31, 2005 (A)	Year ended March 31, 2004 (B)	Comparison (A) / (B)
Brokerage	25,182	18,933	133.0%
(Stocks)	25,060	18,798	133.3%
(Bonds)	—	—	—
(Beneficiary certificates)	86	83	103.6%
(Others)	36	52	69.3%
Underwriting and selling	307	191	161.0%
Subscription and distribution	29	36	82.8%
Others	1,564	1,047	149.4%
Total	27,083	20,206	134.0%

(2) Commission revenues by product

(Millions of Yen)

	Year ended March 31, 2005 (A)	Year ended March 31, 2004 (B)	Comparison (A) / (B)
Stocks	25,993	19,355	134.3 %
Bonds	—	—	—
Beneficiary certificates	91	85	107.5 %
Others	998	766	130.3 %
Total	27,083	20,206	134.0 %

2. Net trading gain

(Millions of Yen)

	Year ended March 31, 2005 (A)	Year ended March 31, 2004 (B)	Comparison (A) / (B)
Stocks	(94)	28	—
Bonds and others	6	2	247.9 %
Bonds	—	—	—
Others	6	2	247.9 %
Total	(88)	30	—

3. Stock Trading

(Millions of shares, Millions of Yen)

	Year ended March 31, 2005 (A)		Year ended March 31, 2004 (B)		Comparison (A) / (B)	
	Number of shares	Value	Number of shares	Value	Number of shares	Value
Total	31,260	20,402,719	25,304	13,651,243	123.5 %	149.5 %
(Proprietary trading)	9	4,042	8	3,269	112.7 %	123.6 %
(Brokerage)	31,251	20,398,678	25,296	13,647,974	123.5 %	149.5 %
Brokerage/Total	100.0	100.0	100.0	100.0		
Brokerage commission per share (Yen)	0.80		0.74			

4. Underwriting and selling, subscription and distribution

(Millions of shares, Millions of Yen)

			Year ended March 31, 2005 (A)	Year ended March 31, 2004 (B)	Comparison (A) / (B)
Underwriting and selling	Stocks	(Number of shares)	1	1	73.9 %
		(Value)	7,087	4,094	173.4%
	Bonds	(Face value)	—	—	—
	Beneficiary certificates	(Value)	—	—	—
	Commercial paper and others	(value)	—	—	—
Subscription and distribution	Stocks	(Number of shares)	0	0	162.6%
		(Value)	849	1,706	49.8%
	Bonds	(Face value)	—	—	—
	Beneficiary certificates	(Value)	3,160	2,098	150.7%
	Commercial paper and others	(Face value)	—	12	—

5. Capital Adequacy Ratio

(Millions of Yen)

		As of March 31, 2005	As of March 31, 2004
Tier I capital	(A)	49,444	36,799
Tier II capital	Net unrealized gain on investment	213	52
	Statutory reserves	1,888	1,261
	Allowance for doubtful accounts	171	205
	Short-term debts	—	500
	Total	(B)	2,272
Assets to be deducted from equity capital	(C)	5,207	4,633
Equity capital after deduction	(A) + (B) - (C) (D)	46,509	34,184
Risk	Market risk	166	135
	Counter party risk	8,341	5,439
	Basic risk	2,963	2,262
	Total	(E)	11,471
Capital adequacy ratio	(D) / (E)	405.4%	436.1 %

Note: Capital adequacy ratio as of March 31, 2004 is calculated with appropriated retained earnings being deducted from Tier I capital.

6. Summary of Quarterly Non-Consolidated Statements of Income

(Millions of Yen)

Item	1Q of the Year ended Mar. 31, 2004 (^{'03. 4. 1} _{'03. 6.30})	2Q of the Year ended Mar. 31, 2004 (^{'03. 7. 1} _{'03. 9.30})	3Q of the Year ended Mar. 31, 2004 (^{'03.10. 1} _{'03.12.31})	4Q of the Year ended Mar. 31, 2004 (^{'04. 1. 1} _{'04. 3.31})	Total for the year ended Mar. 31, 2004 (^{'03. 4. 1} _{'04. 3.31})
Operating revenues	3,894	6,180	6,856	8,107	25,036
Commissions	3,127	5,159	5,468	6,452	20,206
Net gain (loss) on trading	0	(0)	1	29	30
Interest and dividend income	767	1,021	1,387	1,626	4,800
Interest expenses	295	293	316	393	1,298
Net operating revenues	3,599	5,886	6,539	7,713	23,738
Selling, general and administrative expenses	2,039	2,461	2,380	2,580	9,461
Transaction related expenses	413	588	586	672	2,260
Employees' compensation and benefits	461	432	512	441	1,845
Occupancy and rental	92	89	88	130	399
Data processing and office supplies	870	1,020	1,001	1,105	3,995
Depreciation	155	170	174	183	682
Duties and taxes other than income taxes	14	51	(17)	13	61
Provision of allowance for doubtful accounts	9	76	10	(1)	94
Others	25	35	26	38	124
Operating income	1,560	3,426	4,159	5,133	14,277
Non-operating income and expenses	10	(44)	(223)	(13)	(270)
Ordinary income	1,570	3,381	3,935	5,120	14,007
Special profits and losses	(168)	(135)	(114)	(357)	(774)
Income before income taxes	1,402	3,246	3,822	4,763	13,233
Income taxes-current	708	1,748	1,847	2,369	6,672
Income taxes-deferred	(61)	(251)	(168)	(233)	(713)
Net income	756	1,749	2,143	2,627	7,275

(Millions of Yen)

Item	1Q of the Year ended Mar. 31, 2005 (^{'04. 4. 1} _{'04. 6.30})	2Q of the Year ended Mar. 31, 2005 (^{'04. 7. 1} _{'04. 9.30})	3Q of the Year ended Mar. 31, 2005 (^{'04.10. 1} _{'04.12.31})	4Q of the Year ended Mar. 31, 2005 (^{'05. 1. 1} _{'05. 3.31})	Total for the year ended Mar. 31, 2005 (^{'04. 4. 1} _{'05. 3.31})
Operating revenues	10,407	8,536	7,989	9,986	36,918
Commissions	7,990	6,116	5,531	7,446	27,083
Net gain (loss) on trading	13	(2)	(7)	(92)	(88)
Interest and dividend income	2,403	2,421	2,466	2,633	9,923
Interest expenses	603	534	626	532	2,295
Net operating revenues	9,804	8,001	7,363	9,454	34,623
Selling, general and administrative expenses	3,164	2,684	2,952	3,222	12,022
Transaction related expenses	926	753	770	890	3,339
Employees' compensation and benefits	520	398	488	516	1,923
Occupancy and rental	73	73	74	75	295
Data processing and office supplies	1,332	1,248	1,348	1,449	5,376
Depreciation	173	180	190	205	748
Duties and taxes other than income taxes	54	45	39	50	189
Provision of allowance for doubtful accounts	48	(48)	—	—	—
Others	37	34	43	37	152
Operating income	6,640	5,317	4,411	6,232	22,601
Non-operating income and expenses	(56)	10	21	(16)	(42)
Ordinary income	6,584	5,327	4,432	6,216	22,559
Special profits and losses	(123)	(112)	(146)	(223)	(604)
Income before income taxes	6,461	5,215	4,286	5,993	21,954
Income taxes-current	2,373	2,448	1,740	2,920	9,481
Income taxes-deferred	315	(189)	70	(359)	(164)
Net income	3,773	2,957	2,477	3,432	12,638

7. Operational information for Netstock

First half of fiscal 2003

	Apr. 2002	May 2002	Jun. 2002	Jul. 2002	Aug. 2002	Sep. 2002
Number of Netstock accounts (Change)	75,638 (1,532)	77,265 (1,627)	79,226 (1,961)	81,087 (1,861)	82,671 (1,584)	84,018 (1,347)
Number of Netstock margin accounts (Change)	21,471 (552)	21,871 (400)	22,250 (379)	22,797 (547)	23,297 (500)	23,614 (317)
Number of share trades via Netstock	622,829	616,338	519,679	620,032	544,769	495,589
Total value of shares traded via Netstock (Millions of Yen)	533,392	563,826	469,025	543,582	450,273	416,549

Second half of fiscal 2003

	Oct. 2002	Nov. 2002	Dec. 2002	Jan. 2003	Feb. 2003	Mar. 2003
Number of Netstock accounts (Change)	85,325 (1,307)	86,619 (1,294)	87,922 (1,303)	89,254 (1,332)	90,730 (1,476)	92,087 (1,357)
Number of Netstock margin accounts (Change)	23,933 (319)	24,181 (248)	24,431 (250)	24,651 (220)	24,893 (242)	25,150 (257)
Number of share trades via Netstock	593,425	606,211	493,275	528,380	548,925	545,429
Total value of shares traded via Netstock (Millions of Yen)	498,520	487,966	385,187	415,422	432,760	398,661

First half of fiscal 2004

	Apr. 2003	May 2003	Jun. 2003	Jul. 2003	Aug. 2003	Sep. 2003
Number of Netstock accounts (Change)	93,411 (1,324)	95,164 (1,753)	97,266 (2,102)	100,429 (3,163)	103,934 (3,505)	108,311 (4,377)
Number of Netstock margin accounts (Change)	25,394 (244)	25,889 (495)	26,478 (589)	27,671 (1,193)	28,949 (1,278)	30,324 (1,375)
Number of share trades via Netstock	671,059	764,828	1,011,839	1,120,759	976,406	1,167,254
Total value of shares traded via Netstock (Millions of Yen)	483,889	567,306	840,678	1,142,328	967,915	1,361,834

Second half of fiscal 2004

	Oct. 2003	Nov. 2003	Dec. 2003	Jan. 2004	Feb. 2004	Mar. 2004
Number of Netstock accounts (Change)	113,211 (4,900)	117,112 (3,901)	120,448 (3,336)	124,905 (4,457)	133,228 (8,323)	143,229 (10,001)
Number of Netstock margin accounts (Change)	31,855 (1,531)	33,000 (1,145)	34,069 (1,069)	35,200 (1,131)	36,260 (1,060)	37,763 (1,503)
Number of share trades via Netstock	1,464,661	880,831	879,429	1,072,906	948,776	1,824,028
Total value of shares traded via Netstock (Millions of Yen)	1,855,648	1,003,125	960,410	1,214,834	1,073,486	2,212,713

First half of fiscal 2005

	Apr. 2004	May 2004	Jun. 2004	Jul. 2004	Aug. 2004	Sep. 2004
Number of Netstock accounts (Change)	156,021 (12,792)	169,132 (13,111)	177,804 (8,672)	185,468 (7,664)	192,427 (6,959)	201,002 (8,575)
Number of Netstock margin accounts (Change)	39,350 (1,587)	40,852 (1,502)	42,052 (1,200)	43,081 (1,029)	43,847 (766)	44,711 (864)
Number of share trades via Netstock	2,060,086	1,383,328	1,650,460	1,468,081	1,251,581	1,357,833
Total value of shares traded via Netstock (Millions of Yen)	2,760,897	1,670,956	1,982,609	1,699,343	1,369,640	1,407,994

Second half of fiscal 2005

	Oct. 2004	Nov. 2004	Dec. 2004	Jan. 2005	Feb. 2005	Mar. 2005
Number of Netstock accounts (Change)	210,147 (9,145)	219,658 (9,511)	232,808 (13,150)	242,370 (9,562)	254,082 (11,712)	269,471 (15,389)
Number of Netstock margin accounts (Change)	45,616 (905)	46,807 (1,191)	47,688 (881)	48,661 (973)	49,912 (1,251)	51,316 (1,404)
Number of share trades via Netstock	1,317,782	1,381,641	1,513,759	1,740,455	1,752,030	2,171,658
Total value of shares traded via Netstock (Millions of Yen)	1,311,479	1,309,593	1,442,605	1,648,786	1,678,374	2,139,140

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File No. 82-5215

(Summary translation)

**The 89th Fiscal Year
Business Report**
(April 1, 2004 through March 31, 2005)

Matsui Securities Co., Ltd.

(Summary translation)

**The 89th Fiscal Year
Business Report**
(April 1, 2004 through March 31, 2005)

Matsui Securities Co., Ltd.

1. Outline of Operation

	Consolidated Non-consolidated					
	Year ended Mar. 31, 2000	Year ended Mar. 31, 2001	Year ended Mar. 31, 2002	Year ended Mar. 31, 2003	Year ended Mar. 31, 2004	Year ended Mar. 31, 2005
Earnings per share	143.45	114.77	24.56	16.94	81.50	140.98
(Yen)	142.40	114.26	24.42	16.86	81.44	140.90
Fully diluted earnings per share	—	—	24.11	16.66	76.99	125.56
(Yen)	—	—	23.98	16.58	76.93	125.49
Net assets per share	1,302.20	258.90	355.25	363.80	439.36	557.20
(Yen)	1,298.51	258.14	354.82	363.29	438.80	556.56

2. Interview with Michio Matsui (President and Chief Executive Officer)

Translation omitted.

Organization (As of June 26, 2005)

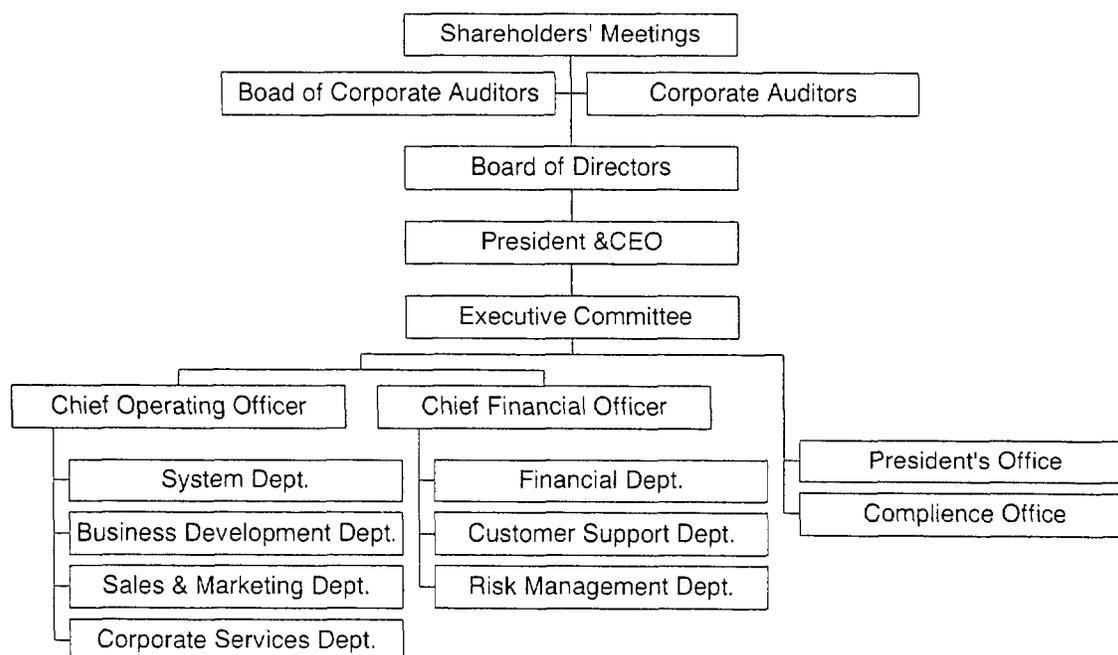
Directors:

Michio Matsui	President and Chief Executive Officer
Yuichiro Kuki	Senior Managing Director
Hirohito Imada	Senior Managing Director (CFO)
Akira Nakamura	Managing Director (General Manager of Compliance Office)
Yoshihiko Sugiyama	Director (General Manager of Risk Management Dept.)
Masahito Amemiya	Director (General Manager of President's Office)
Ayumi Sato	Director (General Manager of Customer Support Dept.)
Yukihiro Yabuki	Director (General Manager of Business Development Dept.)

Auditors:

Yoshinobu Isokawa	Standing Corporate Auditor
Kyosuke Moriya	Outside Corporate Auditor
Kentaro Aoki	Outside Corporate Auditor

Organization:



3. Consolidated Financial Statements

Notice to readers:

The accompanying consolidated financial statements have been prepared in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of International Accounting Standards.

The 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 and jurisdictions other than Japan.

Consolidated Balance Sheets

Item	March 31, 2004		March 31, 2005	
	Millions of Yen	%	Millions of Yen	%
(Assets)				
I Current Assets				
Cash and bank deposits	29,744		61,251	
Cash segregated as deposits	183,002		223,003	
Cash in trust	4,400		9,000	
Trading assets	397		107	
Net receivables arising from pre-settlement date trades	14		923	
Margin account assets:	261,154		389,358	
Loans receivable from customers	252,081		384,484	
Cash deposited as collateral for securities borrowed from securities finance companies	9,073		4,875	
Receivable on collateralized securities transactions:	—		1,610	
Cash deposits collateral for securities borrowed	—		1,610	
Receivables from customers and others	23		133	
Advance paid for subscription	44		—	
Short-term guarantee deposits	899		6,795	
Others	3,415		5,260	
Allowance for doubtful accounts	(206)		(171)	
Total current assets	482,887	98.9	697,270	99.1
II Fixed assets				
1 Tangible fixed assets	974	0.2	1,155	0.2
2 Intangible assets	2,055	0.4	2,253	0.3
3 Investments and others	2,250	0.5	2,777	0.4
Total fixed assets	5,279	1.1	6,185	0.9
Total assets	488,166	100.0	703,456	100.0

Item	March 31, 2004		March 31, 2005		
	Millions of Yen	%	Millions of Yen	%	
(Liabilities)					
I Current liabilities					
Trading assets		217		0	
Margin account liabilities:		101,342		142,920	
Loans from securities finance companies	64,046		103,384		
Proceeds of securities sold on customers' account	37,296		39,535		
Payables on collateralized securities transactions:		23,579		73,780	
Cash deposits as collateral for securities loaned	23,579		73,780		
Deposits received		79,361		106,567	
Guarantee money received		112,977		137,467	
Suspense account for undelivered securities		15		1	
Short-term borrowings		25,177		93,829	
Commercial paper		3,000		1,000	
Bond due within one year		500		—	
Accrued income taxes		6,112		6,342	
Accrued bonuses		—		301	
Others		1,650		2,202	
Total current liabilities		353,929	72.5	564,409	80.2
II Long-term liabilities					
Bond		20,000		40,000	
Convertible bond		40,000		40,000	
Long-term borrowings		33,532		7,203	
Reserve for directors' retirement bonuses		281		241	
Others		0		0	
Total long-term liabilities		93,813	19.2	87,443	12.4
III Statutory reserves					
Reserve for securities transactions		1,261		1,888	
Total statutory reserves		1,261	0.3	1,888	0.3
Total liabilities		449,004	92.0	653,740	92.9
(Shareholders' equity)					
I Common Stock		11,463	2.3	11,469	1.7
II Capital surplus		9,312	1.9	9,317	1.3
III Earned surplus		18,352	3.8	28,737	4.1
IV Net unrealized gain (loss) on investment securities, net of taxes		52	0.0	213	0.0
V Treasury Stock		(17)	(0.0)	(21)	(0.0)
Total shareholders' equity		39,162	8.0	49,715	7.1
Total liabilities and shareholders' equity		488,166	100.0	703,456	100.0

Brief comments on the consolidated balance sheets:

Translation omitted.

An outlook for the quarterly results of operations

Translation omitted.

Consolidated Statements of Income

Item	Year ended March 31, 2004		Year ended March 31, 2005	
	Millions of Yen	%	Millions of Yen	%
I Operating revenues				
Commissions		20,206	27,083	
Brokerage commissions	18,933		25,182	
Underwriting and selling commissions	191		307	
Subscription and distribution commission	36		29	
Others	1,047		1,564	
Net gain (loss) on trading		30	(88)	
Interest and dividend income		4,800	9,923	
Total operating revenues		25,036	36,918	100.0
II Interest expenses		1,298	2,295	
Net Operating revenues		23,738	34,623	93.8
III Selling, general and administrative expenses		9,453	12,016	32.6
Operating income		14,285	22,607	61.2
IV Non-operating income		30	73	0.2
V Non-operating expenses		298	108	0.3
Ordinary income		14,016	22,571	61.1
VI Special profits		2	49	0.2
VII Special losses		776	653	1.8
Income before income taxes		13,242	21,967	59.5
Income taxes - current	6,676		9,487	
Income taxes - deferred	(713)	5,962	(164)	9,322
Net income		7,280	12,645	34.3

Brief comments on the consolidated statements of income:

Translation omitted.

Consolidated Statements of Cash Flows

	Year ended March 31, 2004	Year ended March 31, 2005
Item	Millions of Yen	Millions of Yen
I Cash flows from operating activities		
Income before income taxes	13,242	21,967
Depreciation and amortization	689	754
Net change in allowance for doubtful accounts	94	(265)
Net change in accrued bonuses	(98)	301
Net change in reserve for securities transactions	508	627
Interest and dividend income	(14)	(568)
Interest expenses	313	925
Interest income on margin transactions	(4,720)	(9,288)
Interest expenses on margin transactions	862	1,227
Loss on sales and disposals of property and equipment	130	19
Devaluation loss on telephone subscription rights	—	8
Loss on sales of investment securities	(0)	—
Devaluation loss on corporate golf membership and resort membership	6	—
Net change in deposits segregated for customers	(105,201)	(40,002)
Net change in cash in trust	(4,400)	(4,600)
Net change in trading assets	(180)	73
Net change in net receivables arising from pre-settlement date trades	—	(909)
Net change in margin assets and liabilities	(121,683)	(86,626)
Net change in receivable on collateralized securities transactions	—	(1,610)
Net change in deposits received	44,105	27,206
Net change in cash collateral for securities loaned	18,715	50,202
Net change in guarantee deposits received	65,234	24,490
Net change in short-term guarantee deposits	2,100	(5,897)
Bonus to director	—	(77)
Others	(65)	(147)
Sub total	(90,362)	(22,189)
Interest and dividend received	14	521
Interest paid	(156)	(860)
Interest on margin transactions received	4,289	8,128
Interest on margin transactions paid	(915)	(1,208)
Income taxes paid	(699)	(9,412)
Net cash flows from operating activities	(87,829)	(25,019)
II Cash flows from investing activities		
Payments for purchases of property and equipment	(337)	(275)
Payments for purchases of intangible assets	(512)	(622)
Payments for purchases of investment securities	(250)	(130)
Proceeds from sales of investment securities	7	—
Proceeds from maturity and cancellation of insurance contracts	0	0
Others	(198)	1
Net cash flows from investing activities	(1,290)	(1,026)

	Year ended March 31, 2004	Year ended March 31, 2005
Item	Millions of Yen	Millions of Yen
III Cash flows from financing activities		
Net change in short-term borrowings	16,950	40,200
Net change in commercial paper	3,000	(2,000)
Proceeds from long-term borrowings	35,080	4,500
Repayments of long-term borrowings	(499)	(2,377)
Payments for installment purchase obligation	(143)	—
Proceeds from issuance of new bonds	59,831	19,905
Repayment for corporate bond	—	(500)
Proceeds from issuance of new stock	115	10
Payments for purchase of treasury stock	(15)	(4)
Dividends paid	(444)	(2,183)
Net cash flows from financing activities	113,875	57,552
IV Translation difference of cash and cash equivalent	(0)	(0)
V Net change in cash and cash equivalent	24,756	31,507
VI Cash and cash equivalent at beginning of period	4,989	29,744
VII Cash and cash equivalent at end of period	29,744	61,251

Capital Adequacy Ratio

(Millions of Yen)

		As of March 31, 2005	As of March 31, 2004
Tier I capital	(A)	49,444	36,799
Tier II capital	Net unrealized gain on investment	213	52
	Statutory reserves	1,888	1,261
	Allowance for doubtful accounts	171	205
	Short-term debts	-	500
	Total (B)	2,272	2,019
Assets to be deducted from equity capital	(C)	5,207	4,633
Equity capital after deduction	(A) + (B) - (C) (D)	46,509	34,184
Risk	Market risk	166	135
	Counter party risk	8,341	5,439
	Basic risk	2,963	2,262
	Total (E)	11,471	7,837
Capital adequacy ratio	(D) / (E)	405.4%	436.1 %

Note: Capital adequacy ratio is calculated with appropriated retained earnings being deducted from Tier I Capital.

4. Corporate profile and Company's shares

- Total number of shares outstanding: 89,055,315 shares
- Number of shareholders: 28,227
- Stock market listed: Tokyo Stock Exchange(First section)
- Accounting auditor: Chuo Aoyama Audit Corporation
- Number of employees: 147
- Distribution of shares

1) Number of shares

Individuals and others	52,795,882	(59.28%)
Financial institutions	13,414,000	(15.06%)
Other domestic institutions	12,071,708	(13.56%)
Foreigners	10,363,658	(11.64%)
Securities companies	410,067	(0.46%)
Total	89,055,315	

2) Number of shareholders

Individuals and others	27,835
Financial institutions	44
Other domestic institutions	162
Foreigners	171
Securities companies	15
Total	28,227

• Major shareholders

Chizuko Matsui	25,233,200	(28.33%)
Michio Matsui	11,698,581	(13.14%)
Shokosha Ltd.	8,130,408	(9.13%)
Japan Trustee Services Bank, Ltd. (Trust Account)	5,118,200	(5.75%)
Maruroku Ltd.	3,564,000	(4.00%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	2,553,100	(2.87%)
Michitaro Matsui	1,463,400	(1.64%)
Chiaki Matsui	1,463,300	(1.64%)
Yuma Matsui	1,463,200	(1.64%)
AIG star Life Insurance Company (Special Pension Account)	1,295,200	(1.45%)

5. Introduction to Netstock Online Trading Services

Translation omitted.

MEMORANDUM (Summary translation)

June 10, 2005

To: Shareholders

President and Chief Executive Officer
 Michio Matsui
 Matsui Securities Co., Ltd.
 1-4, Kojimachi, Chiyoda-ku,
 Tokyo, Japan

Notice of Convocation of the 89th Ordinary General Meeting of Shareholders

You are hereby notified that the 89th Ordinary General meeting of Shareholders of the Company will be held as set forth below and you are cordially invited to attend the meeting.

If you are unable to attend the meeting in person on the day of the meeting, we would appreciate your reviewing the reference materials enclosed herewith and sending us by return mail the enclosed proxy card indicating your approval or disapproval of the Agenda with your seal affixed thereon.

Description

1. Date and Time:
10:00 a.m. on Sunday, June 26, 2005
2. Place:
Marunouchi Building 7F, Marubiru Hall,
2-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
3. Matters constituting the objects of the meeting:

Matters to be reported:

1. Report on the business report, the consolidated balance sheet (as of March 31, 2005), the consolidated income statement for the 89th fiscal year (From April 1, 2004 through March 31, 2005) and the audit report of the independent accountants and the audit committee on such consolidated financial statements.
2. Report on the balance sheet (as of March 31, 2005) and the income statement for the 89th fiscal year (From April 1, 2004 through March 31, 2005).

Matters to be resolved:

- Agendum No.1: Approval of the Proposed Appropriation of Retained Earnings for the 89th Fiscal Year (from April 1, 2004 through March 31, 2005)
- Agendum No.2: Amendments to the Articles of Incorporation
- Agendum No.3: Election of 8 Directors
- Agendum No.4: Appointment of 1 substitute auditor in preparation for the vacancy of incumbent auditors

(Summary Translation)

June 26, 2005

To: Shareholders

President and Chief Executive Officer
Michio Matsui
Matsui Securities Co., Ltd.
1-4, Kojimachi, Chiyoda-ku,
Tokyo, Japan

Notice of Resolutions of the 89th Ordinary General Meeting of Shareholders

You are hereby notified that the following matters were reported or resolved at the 89th Ordinary General Meeting of Shareholders held today.

Description

Reported Matters:

1. Report on the business report, the consolidated balance sheet (as of March 31, 2005), the consolidated income statement for the 89th fiscal year (From April 1, 2004 through March 31, 2005) and the audit report of the independent accountants and the audit committee on such consolidated financial statements.
2. Report on the balance sheet (as of March 31, 2005) and the income statement for the 89th fiscal year (From April 1, 2004 through March 31, 2005).

Resolved Matters:

Agendum No. 1: Approval of the Proposed Appropriation of Retained Earnings for the 89th Fiscal Year (from April 1, 2004 through March 31, 2005)

This proposal was resolved as originally submitted.

Agendum No. 2: Amendments to the Articles of Incorporation

This proposal was resolved as originally submitted.

Agendum No. 3: Election of 8 Directors

This proposal was resolved as originally submitted.

The 8 directors, namely Mr. Michio Matsui, Mr. Yuichiro Kuki, Mr. Hirohito Imada, Mr. Akira Nakamura, Mr. Yoshihiko Sugiyama, Mr. Masahito Amemiya, Mr. Ayumi Sato and Mr. Yukihiro Yabuki were re-elected.

Agendum No. 4: Appointment of 1 substitute auditor in preparation for the vacancy of incumbent auditors

This proposal was resolved as originally submitted.

June 27, 2005

Public Notice of Settlement of Accounts for the 89th Fiscal Year**Balance Sheet**

As of March 31, 2005

(Millions of Yen)

Assets	
Account Item	Amount
Current Assets	697,092
Cash and bank deposits	61,074
Cash segregated as deposits	223,003
Cash in Trust	9,000
Trading assets	107
Net receivables arising from pre-settlement date trades	923
Margin account assets:	389,358
Loans receivable from customers	384,484
Cash deposited as collateral for securities borrowed from securities finance companies	4,875
Receivables on collateralized securities transactions:	1,610
Cash deposits collateral for securities borrowed	1,610
Receivables from customers and others	133
Short-term guarantee deposits	6,795
Advance payments	0
Prepaid expenses	182
Other accounts receivables	4
Accrued income	3,431
Deferred income taxes	613
Others	1,029
Allowance for doubtful accounts	(171)
Fixed Assets	6,301
Tangible fixed assets:	821
Buildings	377
Equipment and instruments	249
Land	195
Intangible assets:	2,253
Software	2,215
Telephone subscription rights	11
Others	28
Investments and others:	3,227
Investment securities	1,680
Shares of affiliated company	450
Investment in partnership	2
Long-term loans receivable	30
Long-term guarantee deposits	202
Long-term prepaid expenses	13
Deferred income taxes	776
Others	104
Allowance for doubtful accounts	(31)
Total Assets	703,393

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(Millions of Yen)

Liabilities	
Account item	Amount
Current Liabilities	564,404
Trading assets	0
Margin account liabilities:	142,920
Loans from securities finance companies	103,384
Proceeds of securities sold on customers' accounts	39,535
Payables on collateralized securities transactions:	73,780
Cash deposits as collateral for securities loaned	73,780
Deposits received	106,566
Guarantee money received	137,467
Suspense account for undelivered securities	1
Short-term borrowings	93,829
Commercial paper	1,000
Deferred revenue	98
Accounts payable	750
Accrued expenses	1,353
Accrued income taxes	6,339
Accrued bonuses	301
Others	0
Long-term Liabilities	87,443
Bond	40,000
Convertible bond	40,000
Long-term borrowings	7,203
Reserve for directors' retirement bonuses	241
Statutory reserves	1,888
Reserve for securities transactions	1,888
Total Liabilities	653,735
Shareholders' Equity	
Common stock	11,469
Capital Surplus	9,317
Additional paid-in capital	9,317
Earned Surplus	28,680
Earned surplus reserves	159
Voluntary reserves	4,250
Special purpose reserves	4,250
Inappropriate retained earnings	24,271
Net unrealized gain (loss) on investment securities, net of taxes	213
Treasury stock	(21)
Total Shareholders' Equity	49,658
Total Liabilities and Shareholders' Equity	703,393

The Statement of Income
(For the year ended March 31, 2005)

(Millions of Yen)

Account item	Amount	
Operating revenues		36,918
Commissions	27,083	
Net gain (loss) on trading	(88)	
Interest and dividend income	9,923	
Interest expenses		2,295
Net operating revenues		34,623
Selling, general and administrative expenses		12,022
Operating income		22,601
Non-operating income		67
Non-operating expenses		108
Ordinary income		22,559
Special profits		49
Reversal of allowance for doubtful accounts	49	
Special losses		653
Loss on sales and disposals of property and equipment	19	
Provision for statutory reserves	627	
Devaluation loss on telephone subscription rights	8	
Income before income taxes		21,954
Income taxes – Current	9,481	
Income taxes – Deferred	(164)	9,317
Net income		12,638
Inappropriate retained earnings at the beginning of period		11,633
Inappropriate retained earnings at the end of period		24,271

Notes

The accompanying financial statements have been prepared in accordance with the provision set forth in the Commercial Code of Japan, and in conformity with accounting principles and practices generally accepted in Japan, which are different in certain respects from the application and disclosure requirements of Internal Accounting Standards.

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

The statement of balance sheet and the statement of income of the Company are prepared in accordance with "The Implementing Restrictions of Commercial Code (Department of Justice Ordinance No.22, 2002), "Cabinet Office Ordinance Concerning Securities Companies" (Prime Minister's Office Ordinance and Ministry of Finance Ordinance No.32, 1998) and "Uniform Accounting Standards of Securities Companies" (set by the board of directors of Japan Securities Dealers' Association, November 14, 1974).

Amounts presented are rounded off to the nearest millions.

【Significant accounting policies】

1. Valuation of securities and derivatives

(1) Securities and derivatives classified in trading assets:

Securities and derivatives classified in trading assets are valued at fair value.

(2) Securities not classified in trading assets

① Investment in a subsidiary company

Investment in a subsidiary company is stated at cost determined on a moving average method.

② Other securities

Other securities, such as available-for-sale securities, whose fair values are readily determinable, are stated at fair value with unrealized gains or losses included as a component of shareholders' equity, net of applicable income taxes. Other securities not publicly quoted are stated at cost determined on a moving average method.

2. Depreciation of fixed assets

(1) Tangible fixed assets

The Company applies straight-line method. Useful life for depreciation is 15 to 40 years for buildings and 4 to 10 years for equipment and instruments.

(2) Intangible fixed assets

Software for in-house use is depreciated under straight-line method based on internal estimated useful life (5 years or less). Intangible

assets other than software are depreciated by straight-line method.

3. Bond issuing cost

The entire bond issuing cost is expensed at the issuance.

4. Accounting policies for provisions

(1) Allowance for doubtful accounts

An allowance for doubtful accounts is provided for estimated uncollectible doubtful accounts for an amount specifically assessed plus an amount computed based on historical loss experience.

(2) Accrued bonuses

Estimated amount of employees' bonuses is accrued.

5. Reserves for Securities Transactions

For the possible customer losses by default of a securities company on securities transactions the Company provides Reserve for Securities Transactions based on the article 51 of the Securities Exchange Law and the article 35 of the "Cabinet Office Ordinance Concerning Securities Companies."

6. Accounting for lease transactions

Financial leases that do not transfer ownership to lessees are not capitalized and are accounted for in the same manner as operating leases ("non-capitalized finance leases").

7. Accounting for significant hedging transactions

The Company uses interest rate swap trading to limit exposures to fluctuations in interest rate.

8. Accounting of consumption taxes

National and local consumption taxes are separately recorded.

(Additional information)

Upon the introduction of pro forma standard taxation on those companies whose fiscal year starts after April 1, 2004 by the promulgation of the "Law on the partial amendment of the Local Tax Law (Law No. 9 of year 2003)" on March 31, 2003, the partial amount of the corporate enterprise tax attributable to the value added and to the common stock is accounted for as selling, general and administrative expenses according to the "Report No. 12 on Accounting Practices by the Corporate Accounting Standard Committee dated February 13, 2004" from this fiscal period. Accordingly, selling, general and administrative expenses have increased by 155 million yen and operating revenues, ordinary income and income before income taxes has decreased by 155 million yen.

【Notes to the balance sheet】

1. Accumulated depreciation deducted from tangible fixed assets:

274 Millions yen
2. Besides the fixed assets accounted for on the balance sheet, the Company has computers and server systems obtained under non-capitalized finance leases.
3. Assets collateralized

The Company is offering no assets as collateral to the short-term and long-term liabilities. Although the securities bought by customers using the money loaned from the Company's own fund, of which fair value amounted to 7,782 Million yen are collateralized for the short-term borrowings, 37,821 Million yen of the guarantee securities received from customers are collateralized for the loans from securities finance companies.
4. Fair values of securities received and deposited are as follows (excluding those listed in the previous note):
 - (1) Securities deposited (Millions of yen)
 - ① Securities lent for customers' short position of margin trading 41,598
 - ② Collateralized securities for the loans from securities companies 101,485
 - ③ Securities loaned for consumption 75,091
 - ④ Long-term guarantee securities deposited 2,486
 - (2) Securities received (millions of yen)
 - ① Securities received for customers' long position of margin trading 369,084
 - ② Collateralized securities for borrowing securities from securities finance companies 4,816
 - ③ Securities borrowed for consumption 1,537
 - ④ Securities borrowed and deposited from customers 319,474
5. Outstanding new share purchase rights issues on this article 280-19 of the pre-revised Commercial Code

Date	Number of outstanding shares to be issued	Price of issuance	Issuing period
January 29, 2001	Common Stock 6,493 shares	110 Yen	From February 1, 2003 To January 31, 2006
June 1, 2001	Common Stock 207,599 shares	131 Yen	From December 1, 2003 To January 31, 2007

6. By applying the Article 124-3 of the Japanese Commercial Code, the Company recognized 213million yen of net, unrealized gain on investment securities.

【Notes to the statement of income】

1. Trading with a subsidiary company

Selling, general and administrative expenses: 36 Million Yen

2. Net income per share 140.90 Yen

Calculation basis of per share information is as follows:

Net income on the statements of income 12,638million yen

Net income not attributed to the common stock 99 million yen

(Appropriated bonuses for directors and corporate auditors)

(99 million yen)

Net income attributed to the common stock 12,539 million yen

Average number of common stock outstanding

88,989 Thousand shares