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ARIS  
3-31-08Consolidated and Non-Consolidated Financial Summary under Japanese GAAPFor the Year Ended March 31, 2008

Date: April 25, 2008  
 Company name (code number): Matsui Securities Co., Ltd. (8628)  
 Stock exchange listing: Tokyo  
 (URL <http://www.matsui.co.jp/ir/en/index.html>)  
 Representative: Michio Matsui: President and Chief Executive Officer  
 Contact: Shinichi Uzawa: Director, General Manager of Finance Department  
 Planned date of ordinary general meeting of shareholders: June 22, 2008  
 Planned date of dividends payment: June 23, 2008  
 Planned date of filing of annual securities report: June 23, 2008

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 CORPORATE FINANCE

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

## 1. Consolidated financial summary for the year ended March 31, 2008

## (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, 2008	39,915	(- 8.6)	36,689	(- 9.9)	20,660	(- 8.4)	20,744	(- 8.7)
Year ended March 31, 2007	43,691	(- 23.4)	40,708	(- 24.8)	22,547	(- 39.3)	22,720	(- 38.7)

	Net income	Earnings/share	Fully diluted earnings/share	Return on equity	Ordinary income/total assets	Operating income/Operating revenues
	(Millions of Yen) Yr/Yr (% change)	(Yen)	(Yen)	(%)	(%)	(%)
Year ended March 31, 2008	12,781 (- 4.9)	47.48	42.43	16.4	3.1	51.8
Year ended March 31, 2007	13,444 (- 34.9)	50.02	44.73	18.8	2.4	51.6

Investment gain and loss on equity method: Year ended March 31, 2008 None Year ended March 31, 2007 None

## (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets /share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of Mar. 31, 2008	513,369	81,044	15.8	301.03
As of Mar. 31, 2007	839,475	75,281	9.0	279.70

Net assets - (new-share purchase rights + minority interests):

As of Mar. 31, 2008 81,044 million yen As of Mar. 31, 2007 75,281 million yen

## (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, 2008	127,957	-77	-154,736	48,981
Year ended March 31, 2007	-30,991	-1,074	5,499	75,837

## 2. Dividends

	Dividends per share			Annual total (Millions of Yen)	Dividends payout ratio (%)	Dividends per net assets (%)
	Interim (Yen)	End of term (Yen)	Annual (Yen)			
Year ended March 31, 2007	—	23.00	23.00	6,190	46.0	8.6
Year ended March 31, 2008	—	35.00	35.00	9,423	73.7	12.1
Year ends March 31, 2009	undecided	undecided	undecided		undecided	

Note) Dividend of 35 yen per share for the year ended March 31, 2008 includes commemorative dividend of 15 yen.

## 3. 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 monthly business information instead of such forecasts.

## 4. Other information

(1) Changes in scope of consolidation: None

(2) Changes in accounting principles, procedures and reclassifications for the consolidated financial statements (such changes to be noted in "Significant change in accounting policies for the consolidated financial statements")

- ① Changes due to amendment to accounting standards: Yes  
② Changes due to other changes than above: None

(3) Number of shares outstanding (common stock)

- ① Number of shares outstanding including treasury stock  
As of Mar. 31, 2008 269,253,902 shares As of Mar. 31, 2007 269,182,502 shares
- ② Number of treasury stock  
As of Mar. 31, 2008 32,138 shares As of Mar. 31, 2007 31,836 shares

## (Reference)

## 1. Non-Consolidated financial summary for the year ended March 31, 2008

## (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, 2008	39,915	(- 8.6)	36,689	(- 9.9)	20,654	(- 8.4)	20,732	(- 8.7)
Year ended March 31, 2007	43,691	(-23.4)	40,708	(-24.8)	22,544	(-39.3)	22,709	(-38.7)

	Net income		Earnings/share	Fully diluted earnings/share
	(Millions of Yen)	(Yr/Yr % change)	(Yen)	(Yen)
Year ended March 31, 2008	12,771	(- 5.0)	47.44	42.40
Year ended March 31, 2007	13,449	(-34.9)	50.04	44.75

## (2) Financial position

	Total assets	Net assets	Equity ratio	Net assets /share
	(Millions of Yen)	(Millions of Yen)	(%)	(Yen)
As of Mar. 31, 2008	513,296	80,975	15.8	300.78
As of Mar. 31, 2007	839,414	75,222	9.0	279.48

Net assets - (new-share purchase rights + minority interests):

As of Mar. 31, 2008 80,975 million yen As of Mar. 31, 2007 75,222 million yen

Notice to readers:

The accompanying consolidated and 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.

1. Business results for the year ended March 31, 2008

Translation omitted.

2. Information on Group Companies

Translation omitted.

3. Management policy

Translation omitted.

## 4. Consolidated financial statements

## [1] Consolidated balance sheets

Item	Note	March 31, 2007		March 31, 2008		Increase/ Decrease	
		Millions of Yen	%	Millions of Yen	%	Millions of Yen	
<b>(Assets)</b>							
<b>I Current Assets</b>							
Cash and bank deposits		16,137		22,978			
Cash segregated as deposits		268,026		208,012			
Cash in trust		75,700		41,503			
Trading assets:		1		3,059			
Trading securities and Others	1	—		—			
Derivatives		—		3,059			
Net receivables arising from Pre-settlement date trades		174		1			
Margin account assets:		433,446		207,232			
Loans receivable from customers	430,420			203,823			
Cash deposited as collateral for securities borrowed from securities finance companies	3,026			3,408			
Receivables on collateralized securities transactions:		1,508		708			
Cash deposits collateral for securities borrowed	1,508			708			
Receivables from customers and others		34		65			
Short-term guarantee deposits		28,436		15,349			
Prepaid expenses		183		163			
Accrued income		5,564		4,260			
Deferred income taxes		503		524			
Others		2,620		2,554			
Allowance for doubtful accounts		(281)		(279)			
<b>Total current assets</b>		<b>832,051</b>	<b>99.1</b>	<b>506,129</b>	<b>98.6</b>		<b>(325,922)</b>
<b>II Fixed assets</b>							
<b>1 Tangible fixed assets</b>	<b>1</b>	<b>1,043</b>	<b>0.1</b>	<b>965</b>	<b>0.2</b>		<b>(77)</b>
Buildings		377		353			
Equipment and instruments		231		177			
Land		435		435			
<b>2 Intangible assets</b>		<b>2,949</b>	<b>0.4</b>	<b>3,291</b>	<b>0.6</b>		<b>342</b>
Software		2,926		3,274			
Others		23		16			
<b>3 Investments and others</b>		<b>3,433</b>	<b>0.4</b>	<b>2,984</b>	<b>0.6</b>		<b>(449)</b>
Investment securities		1,882		343			
Investment in partnership		3		2			
Long-term loans receivable		205		211			
Long-term guarantee deposits		264		288			
Long-term prepaid expenses		7		3			
Deferred income taxes		1,204		2,100			
Others		496		1,241			
Allowance for doubtful accounts		(628)		(1,204)			
<b>Total fixed assets</b>		<b>7,424</b>	<b>0.9</b>	<b>7,240</b>	<b>1.4</b>		<b>(185)</b>
<b>Total assets</b>		<b>839,475</b>	<b>100.0</b>	<b>513,369</b>	<b>100.0</b>		<b>(326,107)</b>

Item	Note	March 31, 2007		March 31, 2008		Increase/ Decrease
		Millions of Yen	%	Millions of Yen	%	Millions of Yen
(Liabilities)						
I Current liabilities						
Trading liabilities:						
Derivatives		—		175		
Margin account liabilities:						
Loans from securities finance companies		47,081		5,679		
Proceeds of securities sold on customers' account		32,396		24,041		
Payables on collateralized securities transactions:						
Cash deposits as collateral for securities loaned		86,038		22,278		
Deposits received		146,842		119,965		
Guarantee money received		171,506		128,036		
Suspense account for undelivered securities		—		16		
Short-term borrowings		157,093		36,050		
Commercial paper		1,000		—		
Bonds due within one year		—		20,000		
Deferred revenue		78		61		
Accounts payable		126		448		
Accrued expenses		2,080		1,926		
Accrued income taxes		4,917		4,761		
Accrued bonuses		82		136		
Others		0		0		
Total current liabilities		649,238	77.3	363,572	70.8	(285,666)
II Long-term liabilities						
Bonds		40,000		20,000		
Convertible bonds		39,800		39,800		
Long-term borrowings		31,550		5,000		
Reserve for retirement bonuses for directors and auditors		206		206		
Others		0		0		
Total long-term liabilities		111,556	13.3	65,006	12.7	(46,550)
III Statutory reserves						
Reserve for securities transactions	2	3,399		3,746		
Total statutory reserves		3,399	0.4	3,746	0.7	346
Total liabilities		764,194	91.0	432,324	84.2	(331,869)

Item	Note	March 31, 2007		March 31, 2008		Increase/ Decrease	
		Millions of Yen	%	Millions of Yen	%	Millions of Yen	
<b>(Net assets)</b>							
I Shareholders' equity							
Common stock		11,922		11,942			
Capital surplus		9,770		9,790			
Earned surplus		52,747		59,337			
Treasury stock		(22)		(22)			
Total shareholders' equity		74,417	8.9	81,046	15.8		6,630
II Valuation and translation adjustments							
Net unrealized gain (loss) on investment securities, net of taxes		865		(2)			
Total valuation and translation adjustments		865	0.1	(2)	(0.0)		(867)
Total net assets		75,281	9.0	81,044	15.8		5,763
Total liabilities and net assets		839,475	100.0	513,369	100.0		(326,107)

## [2] Consolidated statements of income

Item	Note	Year ended March 31, 2007		Year ended March 31, 2008		Increase/ Decrease	
		Millions of Yen	%	Millions of Yen	%	Millions of Yen	
I Operating revenues							
Commissions			26,936		24,521		
Brokerage commissions		24,386		22,085			
Underwriting and selling commissions		58		11			
Subscription and distribution commissions		24		2			
Others		2,468		2,424			
Net gain (loss) on trading			(73)		9		
Interest and dividend income			16,828		15,384		
Total operating revenues			43,691	100.0	39,915	100.0	(3,777)
II Interest expenses			2,984		3,226		242
Net operating revenues			40,708	93.2	36,689	91.9	(4,018)
III Selling, general and administrative expenses							
Transaction related expenses		5,182		4,601			
Employees' compensation and benefits		1,998		2,169			
Occupancy and rental		409		441			
Data processing and office supplies		8,848		6,752			
Depreciation		1,252		1,076			
Duties and taxes other than income taxes		284		243			
Provision of allowance for doubtful accounts		—		586			
Others		186		162			
Total selling, general and administrative expenses			18,160	41.6	16,030	40.1	(2,131)
Operating income			22,547	51.6	20,660	51.8	(1,888)
IV Non-operating income							
Compensation income for damages		96		7			
Dividend income		63		59			
Others		38		29			
Total non-operating income			196	0.5	94	0.2	(102)
V Non-operating expenses							
Commissions on syndicated loans		4		3			
Others		20		6			
Total non-operating expenses			24	0.1	9	0.0	(15)
Ordinary income			22,720	52.0	20,744	52.0	(1,976)



Item	Note	Year ended March 31, 2007		Year ended March 31, 2008		Increase/ Decrease		
		Millions of Yen	%	Millions of Yen	%	Millions of Yen		
VI Special profits								
Gain on sales of investment securities		332		1,110				
Reversal of allowance for doubtful accounts		200		—				
Total special profits		532	1.2	1,110	2.8	578		
VII Special losses								
Loss on sales and disposals of property and equipment		22		0				
Provision for statutory reserves		604		346				
Devaluation loss on telephone subscription rights		0		0				
Devaluation loss on investment securities		51		1				
Others		—		0				
Total special losses		677	1.5	348	0.9	(329)		
Income before income taxes			22,575	51.7		21,507	53.9	(1,068)
Income taxes - current		8,720			9,047			
Income taxes - deferred		411	9,130	20.9	(321)	8,726	21.9	(405)
Net income			13,444	30.8		12,781	32.0	(663)

## [3] Consolidated statements of changes in net assets

(Year ended March 31, 2007)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	11,750	9,598	45,497	(22)	66,823
Changes in the current term					
Issuance of new shares	172	172			344
Dividends from earned surplus			(6,194)		(6,194)
Net income			13,444		13,444
Purchase of treasury stock				(0)	(0)
Net change of items other than shareholders' equity					
Total changes of items in the current term	172	172	7,250	(0)	7,593
Balance as of March 31, 2007	11,922	9,770	52,747	(22)	74,417

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on investment securities, net of taxes	Total valuation and translation adjustments	
Balance as of March 31, 2006	822	822	67,645
Changes in the current term			
Issuance of new shares			344
Dividends from earned surplus			(6,194)
Net income			13,444
Purchase of treasury stock			(0)
Net change of items other than shareholders' equity	43	43	43
Total changes of items in the current term	43	43	7,636
Balance as of March 31, 2007	865	865	75,281

(Year ended March 31, 2008)

(Millions of Yen)

	Shareholders' equity				
	Common stock	Capital surplus	Earned surplus	Treasury stock	Total shareholders' equity
Balance as of March 31, 2007	11,922	9,770	52,747	(22)	74,417
Changes in the current term					
Issuance of new shares	20	20			40
Dividends from earned surplus			(6,190)		(6,190)
Net income			12,781		12,781
Purchase of treasury stock				(0)	(0)
Net change of items other than shareholders' equity					
Total changes of items in the current term	20	20	6,590	(0)	6,630
Balance as of March 31, 2008	11,942	9,790	59,337	(22)	81,046

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on investment securities, net of taxes	Total valuation and translation adjustments	
Balance as of March 31, 2007	865	865	75,281
Changes in the current term			
Issuance of new shares			40
Dividends from earned surplus			(6,190)
Net income			12,781
Purchase of treasury stock			(0)
Net change of items other than shareholders' equity	(867)	(867)	(867)
Total changes of items in the current term	(867)	(867)	5,763
Balance as of March 31, 2008	(2)	(2)	81,044

## [4] Consolidated statements of cash flows

		Year ended March 31, 2007	Year ended March 31, 2008	Increase/ Decrease
Item	Note	Millions of Yen	Millions of Yen	Millions of Yen
I Cash flows from operating activities				
Income before income taxes		22,575	21,507	
Depreciation and amortization		1,252	1,076	
Net change in allowance for doubtful accounts		(242)	573	
Net change in accrued bonuses		(301)	54	
Net change in reserve for securities transactions		604	346	
Interest and dividend income		(2,068)	(2,470)	
Interest expenses		1,842	2,218	
Interest income on margin transactions		(14,666)	(12,805)	
Interest expenses on margin transactions		983	840	
Loss on sales and disposals of property and equipment		22	0	
Devaluation loss on telephone subscription rights		0	0	
Gain on sales of investment securities		(332)	(1,110)	
Devaluation loss on investment securities		51	1	
Net change in cash segregated as deposits		53,991	60,014	
Net change in cash in trust		(15,000)	500	
Net change in trading assets and liabilities		(1)	(2,883)	
Net change in net receivables and payables arising from pre-settlement date trades		531	173	
Net change in margin assets and liabilities		38,274	176,458	
Net change in receivables on collateralized securities transactions		239	800	
Net change in deposits received		(8,631)	(26,877)	
Net change in payables on collateralized securities transactions		(67,082)	(63,761)	
Net change in guarantee money received		(24,729)	(43,470)	
Net change in short-term guarantee deposits		(15,370)	13,088	
Others		115	(45)	
Sub total		(27,942)	124,227	152,169
Interest and dividend received		2,043	2,550	
Interest paid		(1,768)	(2,225)	
Interest on margin transactions received		13,511	13,430	
Interest on margin transactions paid		(964)	(824)	
Income taxes paid		(15,872)	(9,200)	
Net cash flows from operating activities		(30,991)	127,957	158,947

		Year ended March 31, 2007	Year ended March 31, 2008	Increase/ Decrease
Item	Note	Millions of Yen	Millions of Yen	Millions of Yen
II Cash flows from investing activities				
Payments for purchases of property and equipment		(50)	(13)	
Proceeds from sales of property and equipment		22	—	
Payments for purchases of intangible assets		(1,398)	(1,227)	
Payments for purchases of investment securities		(10)	—	
Proceeds from sales of investment securities		401	1,177	
Others		(40)	(14)	
Net cash flows from investing activities		(1,074)	(77)	997
III Cash flows from financing activities				
Net change in short-term borrowings		33,500	(142,500)	
Net change in commercial paper		1,000	(1,000)	
Proceeds from long-term borrowings		1,000	4000	
Repayments of long-term borrowings		(4,150)	(9,093)	
Repayment for corporate bonds		(20,007)	—	
Proceeds from issuance of shares on the exercise of new-share purchase rights		339	39	
Payments for purchase of treasury stock		(0)	(0)	
Dividends paid		(6,183)	(6,182)	
Net cash flows from financing activities		5,499	(154,736)	(160,235)
IV Translation difference of cash and cash equivalent		1	(0)	(1)
V Net change in cash and cash equivalent		(26,565)	(26,856)	(291)
VI Cash and cash equivalents at beginning of period		102,403	75,837	(26,565)
VII Cash and cash equivalents at end of period	1	75,837	48,981	(26,856)

[5] Significant accounting policies for the consolidated financial statements

1. Scope of Consolidation

Number of consolidated subsidiary: 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 as trading assets:

Securities and derivatives classified as trading assets are carried 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 carried at fair value with unrealized gains or losses included as a component of net assets, net of applicable income taxes. Other securities not publicly quoted are stated at cost determined on a moving average method. Investments in investment funds are stated at the proportional net value of the Company's interest to the total fund interest.

(2) Depreciation of significant depreciable assets

(i) Tangible fixed assets

The Company applies straight-line method while the consolidated subsidiary applies the declining-balance method. The Useful life for depreciation is 15 to 40 years for buildings and 4 to 10 years for equipment and instruments.

(Changes in accounting policies)

In accordance with revision of the Corporate Tax Law (the Law amending Income Tax Law (Law No.6, March 30, 2007) and the Government Ordinance amending Implementation Ordinance of Corporate Tax Law (Government Ordinance No.83, March 30, 2007)), the Company has changed its depreciation method of tangible fixed assets acquired on or after April 1, 2007 to the method based on the revised Corporate Tax Law.

The effect of this change on the consolidated financial statements is immaterial.

(Additional information)

The Company has applied new depreciation method for the assets acquired on or before March 31, 2007. Under the new depreciation method, the assets acquired on or before March 31, 2007 are depreciated using the straight-line method for the following five years after the fiscal year when they have been depreciated to their depreciation limits that were defined under the old method.

The effect of this change on the consolidated financial statements is immaterial.

(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

Allowance for doubtful accounts is provided for estimated uncollectible 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 important 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 and its subsidiary account 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. 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 are exposed to negligible risk.

## [6] 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, 2007	538
Year ended March 31, 2008	622

## 2. The Company accounts for the Reserve for Securities Transactions for possible customer losses by default of the securities company on securities transactions according to Article 51 of the former Securities Exchange Law.

(Notes to consolidated statements of changes in net assets)

(Year ended March 31, 2007)

## 1. Type and number of outstanding shares and treasury stock

(Number of shares)

	Number of shares as of March 31, 2006	Number of shares increased for the year ended March 31, 2007	Number of shares decreased for the year ended March 31, 2007	Number of shares as of March 31, 2007
Outstanding shares				
Common stock	268,281,485	901,017	—	269,182,502
Total	268,281,485	901,017	—	269,182,502
Treasury stock				
Common stock	31,426	410	—	31,836
Total	31,426	410	—	31,836

Note 1. Increase of common stock outstanding is a result of the execution of new-share purchase rights as stock options.

2. Increase of treasury stock is a result of the purchase of odd-lot shares.

## 2. New-share purchase rights

No relevant items.

## 3. Dividends

## (1) Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 25, 2006
Type of shares	Common stock
Amount of dividend payment	6,194 million yen
Dividends per share	23.09 yen
Date of record for dividends	March 31, 2006
Effective date	June 26, 2006



## (2) Dividends whose effective date is in the year ends March 31, 2008

Date of resolution	Ordinary General Meeting of Shareholders held on June 24, 2007
Type of shares	Common stock
Source of dividends	Earned surplus
Amount of dividend payment	6,190 million yen
Dividends per share	23.00 yen
Date of record for dividends	March 31, 2007
Effective date	June 25, 2007

(Year ended March 31, 2008)

## 1. Type and number of outstanding shares and treasury stock

(Number of shares)

	Number of shares as of March 31, 2007	Number of shares increased for the year ended March 31, 2008	Number of shares decreased for the year ended March 31, 2008	Number of shares as of March 31, 2008
Outstanding shares				
Common stock	269,182,502	71,400	—	269,253,902
Total	269,182,502	71,400	—	269,253,902
Treasury stock				
Common stock	31,836	302	—	32,138
Total	31,836	302	—	32,138

Note 1. Increase of common stock outstanding is a result of the execution of new-share purchase rights as stock options.

2. Increase of treasury stock is a result of the purchase of odd-lot shares.

## 2. New-share purchase rights

No relevant items.

## 3. Dividends

## (1) Dividend payment

Date of resolution	Ordinary General Meeting of Shareholders held on June 24, 2007
Type of shares	Common stock
Amount of dividend payment	6,190 million yen
Dividends per share	23.00 yen
Date of record for dividends	March 31, 2007
Effective date	June 25, 2007

## (2) Dividends whose effective date is in the year ends March 31, 2009

Date of resolution	Ordinary General Meeting of Shareholders held on June 22, 2008
Type of shares	Common stock
Source of dividends	Earned surplus
Amount of dividend payment	9,423 million yen
Dividends per share	35.00 yen
Date of record for dividends	March 31, 2008
Effective date	June 23, 2008

## (Notes to consolidated statement of cash flows)

The reconciliation between the cash and cash equivalents and the balance of cash in hand and at banks presented in the consolidated balance sheet is as follows.

	(Millions of yen)	
	As of March 31, 2007	As of March 31, 2008
Cash and bank deposits	16,137	22,978
Cash in trust	75,700	41,503
Cash in trust whose purpose is to segregate guarantee money	(16,000)	(15,500)
Cash and cash equivalent	75,837	48,981

## (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 selling, and subscription and distribution, and over 90% of the operating revenue, operating income and assets 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.

(Per share information)

Year ended March 31, 2007		Year ended March 31, 2008	
Net assets per share	279.70Yen	Net assets per share	301.03Yen
Net income per share	50.02Yen	Net income per share	47.48Yen
Fully diluted earnings per share	44.73Yen	Fully diluted earnings per share	42.43Yen

Note: Calculation basis of per share information is as follows:

1. Net assets per share

Items	March 31, 2007	March 31, 2008
Total net assets on the balance sheets (Millions of Yen)	75,281	81,044
Net assets attributed to common stock (Millions of Yen)	75,281	81,044
Breakdown of difference (Millions of Yen)	—	—
Number of common stock outstanding (Thousands of shares)	269,183	269,254
Number of common stock held in treasury (Thousands of shares)	32	32
Number of common stock included in the calculation of net assets per share (Thousands of shares)	269,151	269,222

## 2. Net income and fully diluted earnings per share

Items	Year ended March 31, 2007	Year ended March 31, 2008
Net income on the statements of income (Millions of Yen)	13,444	12,781
Net income attributed to common stock (Millions of Yen)	13,444	12,781
Net income not attributed to common stock (Millions of Yen)	—	—
Average number of common stock outstanding (Thousands of shares)	268,771	269,197
Breakdown of increase of common stock considered in the calculation of fully diluted earnings per share (Thousands of shares)		
New-share purchase rights (Thousands of shares)	31,783	32,024
Increase of common stock (thousands of shares)	31,783	32,024
Number of new-share purchase rights or others without dilution effects which are not considered in the calculation of fully diluted earnings per share	New-share purchase rights of the resolution of general shareholders' meeting held on June 27, 2004 (Number of new-share purchase rights: 1,830, Number of shares to be issued by the new-share purchase rights: 549,000)	New-share purchase rights of the resolution of general shareholders' meeting held on June 27, 2004 (Number of new-share purchase rights: 1,590, Number of shares to be issued by the new-share purchase rights: 477,000)

## (Subsequent events)

No relevant items.

## (Others)

The notes regarding "Lease transactions", "Trades with related parties", "Tax effect accounting", "Securities", "Derivatives transactions", "Retirement benefits", "Stock options" and "Business combinations" are omitted because those notes have low priority on this disclosure.

(Reference)

Summary of Quarterly Consolidated Statements of Income

(Millions of Yen)

Item	1Q of the year ended Mar. 31, 2007	2Q of the year ended Mar. 31, 2007	3Q of the year ended Mar. 31, 2007	4Q of the year ended Mar. 31, 2007	Total for the year ended Mar. 31, 2007
	('06. 4. 1) '06. 6.30'	('06. 7. 1) '06. 9.30'	('06.10. 1) '06.12.31'	('07.1. 1) '07.3.31'	('06. 4. 1) '07. 3.31'
Operating revenues	11,820	9,805	10,000	12,066	43,691
Commissions	7,524	5,989	5,520	7,902	26,936
Net gain (loss) on trading	(1)	(76)	2	2	(73)
Interest and dividend income	4,297	3,891	4,478	4,162	16,828
Interest expenses	700	771	689	823	2,984
Net operating revenues	11,120	9,033	9,311	11,243	40,708
Selling, general and administrative expenses	4,666	4,426	4,547	4,520	18,160
Transaction related expenses	1,368	1,306	1,258	1,250	5,182
Employees' compensation and benefits	452	499	555	493	1,998
Occupancy and rental	90	93	110	117	409
Data processing and office supplies	2,309	2,094	2,209	2,236	8,848
Depreciation	288	305	321	339	1,252
Duties and taxes other than income taxes	80	72	66	67	284
Provision of allowance for doubtful accounts	—	—	—	—	—
Others	80	58	29	19	186
Operating income	6,454	4,607	4,764	6,722	22,547
Non-operating income and expenses	53	93	7	20	172
Ordinary income	6,507	4,700	4,770	6,742	22,720
Special profits and losses	(117)	33	107	(168)	(145)
Income before income taxes	6,390	4,733	4,877	6,574	22,575
Income taxes-current	1,806	2,110	1,908	2,896	8,720
Income taxes-deferred	780	(155)	106	(320)	411
Net income	3,804	2,778	2,864	3,999	13,444

(Millions of Yen)

Item	1Q of the year ended Mar. 31, 2008 (07. 4. 1) (07. 6.30)	2Q of the year ended Mar. 31, 2008 (07. 7. 1) (07. 9.30)	3Q of the year ended Mar. 31, 2008 (07.10. 1) (07.12.31)	4Q of the year ended Mar. 31, 2008 (08.1. 1) (08.3.31)	Total for the year ended Mar. 31, 2008 (07. 4. 1) (08. 3.31)
Operating revenues	11,235	10,860	9,779	8,041	39,915
Commissions	6,626	6,499	6,176	5,221	24,521
Net gain (loss) on trading	2	1	4	3	9
Interest and dividend income	4,607	4,361	3,599	2,817	15,384
Interest expenses	919	967	711	628	3,226
Net operating revenues	10,316	9,893	9,067	7,413	36,689
Selling, general and administrative expenses	5,034	3,628	3,761	3,607	16,030
Transaction related expenses	1,132	1,159	1,205	1,105	4,601
Employees' compensation and benefits	569	556	543	501	2,169
Occupancy and rental	110	109	107	115	441
Data processing and office supplies	1,931	1,610	1,624	1,586	6,752
Depreciation	292	265	261	257	1,076
Duties and taxes other than income taxes	76	65	53	49	243
Provision of allowance for doubtful accounts	856	(169)	(62)	(40)	586
Others	67	32	29	34	162
Operating income	5,282	6,265	5,306	3,806	20,660
Non-operating income and expenses	76	(1)	2	7	85
Ordinary income	5,359	6,264	5,308	3,813	20,744
Special profits and losses	1,023	(91)	(86)	(84)	762
Income before income taxes	6,381	6,173	5,222	3,729	21,507
Income taxes-current	2,879	2,788	1,774	1,606	9,047
Income taxes-deferred	(203)	(188)	158	(87)	(321)
Net income	3,705	3,574	3,291	2,211	12,781

5. Non-Consolidated financial statements

## [1] Non-Consolidated balance sheets

Item	Note	March 31, 2007		March 31, 2008		Increase/ Decrease	
		Millions of Yen	%	Millions of Yen	%	Millions of Yen	
<b>(Assets)</b>							
<b>I Current Assets</b>							
Cash and bank deposits		15,914		22,738			
Cash segregated as deposits		268,026		208,012			
Cash in trust		75,700		41,503			
Trading assets:		1		3,059			
Trading securities and others	1			—			
Derivatives	--			3,059			
Net receivables arising from pre-settlement date trades		174		1			
Margin account assets:		433,446		207,232			
Loans receivable from customers	430,420			203,823			
Cash deposited as collateral for securities borrowed from securities finance companies	3,026			3,408			
Receivables on collateralized securities transactions:		1,508		708			
Cash deposits collateral for securities borrowed	1,508			708			
Receivables from customers and others		34		65			
Short-term guarantee deposits		28,436		15,349			
Prepaid expenses		182		163			
Accrued income		5,564		4,260			
Deferred income taxes		503		523			
Others		2,618		2,554			
Allowance for doubtful accounts		(281)		(279)			
<b>Total current assets</b>		<b>831,825</b>	<b>99.1</b>	<b>505,888</b>	<b>98.6</b>		<b>(325,937)</b>
<b>II Fixed assets</b>							
<b>1 Tangible fixed assets</b>		<b>758</b>	<b>0.1</b>	<b>684</b>	<b>0.1</b>		<b>(74)</b>
Buildings		336		316			
Equipment and instruments		231		177			
Land		191		191			
<b>2 Intangible assets</b>		<b>2,949</b>	<b>0.3</b>	<b>3,291</b>	<b>0.6</b>		<b>342</b>
Software		2,926		3,274			
Others		23		16			
<b>3 Investments and others</b>		<b>3,882</b>	<b>0.5</b>	<b>3,433</b>	<b>0.7</b>		<b>(449)</b>
Investment securities		1,882		343			
Shares of affiliated companies		450		450			
Investment in partnership		3		2			
Long-term loans receivable		205		211			
Long-term guarantee deposits		264		288			
Long-term prepaid expenses		7		3			
Deferred income taxes		1,203		2,099			
Others		496		1,241			
Allowance for doubtful accounts		(628)		(1,204)			
<b>Total fixed assets</b>		<b>7,588</b>	<b>0.9</b>	<b>7,407</b>	<b>1.4</b>		<b>(181)</b>
<b>Total assets</b>		<b>839,414</b>	<b>100.0</b>	<b>513,296</b>	<b>100.0</b>		<b>(326,118)</b>

Item	Note	March 31, 2007		March 31, 2008		Increase/ Decrease	
		Millions of Yen	%	Millions of Yen	%	Millions of Yen	
<b>(Liabilities)</b>							
<b>I Current liabilities</b>							
Trading liabilities:							
Derivatives		—		175		175	
Margin account liabilities:							
Loans from securities finance companies		47,081		5,679		29,720	
Proceeds of securities sold on customers' account		32,396		24,041			
Payables on collateralized securities transactions:							
Cash deposits as collateral for securities loaned		86,038		22,278			
Deposits received		146,841				119,965	
Guarantee money received		171,506				128,036	
Suspense account for undelivered securities		—				16	
Short-term borrowings		157,093				36,050	
Commercial paper		1,000				—	
Bonds due within one year		—				20,000	
Deferred revenue		78				61	
Accounts payable		125				447	
Accrued expenses		2,080				1,926	
Accrued income taxes		4,917				4,759	
Accrued bonuses		82				136	
Others		0				—	
Total current liabilities		649,236	77.3	363,568	70.8	(285,668)	
<b>II Long-term liabilities</b>							
Bonds		40,000		20,000			
Convertible bonds		39,800		39,800			
Long-term borrowings		31,550		5,000			
Reserve for retirement bonuses for directors and auditors		206		206			
Total long-term liabilities		111,556	13.3	65,006	12.7	(46,550)	
<b>III Statutory reserves</b>							
Reserve for securities transactions		3,399		3,746			
Total statutory reserves		3,399	0.4	3,746	0.7	346	
<b>Total liabilities</b>		<b>764,192</b>	<b>91.0</b>	<b>432,320</b>	<b>84.2</b>	<b>(331,871)</b>	



Item	Note	March 31, 2007		March 31, 2008		Increase/ Decrease Millions of Yen
		Millions of Yen	%	Millions of Yen	%	
(Net assets)						
I Shareholders' equity						
1 Common stock		11,922	1.4	11,942	2.3	20
2 Capital surplus						
(1) Additional paid-in capital		9,770		9,790		
Total capital surplus		9,770	1.2	9,790	1.9	20
3 Earned surplus						
(1) Earned surplus reserves		159		159		
(2) Other earned surplus						
Special purpose reserves		4,250		4,250		
Earned surplus carried forward		48,279		54,860		
Total earned surplus		52,688	6.3	59,268	11.6	6,581
4 Treasury stock		(22)	(0.0)	(22)	(0.0)	(0)
Total shareholders' equity		74,357	8.9	80,977	15.8	6,620
II Valuation and translation adjustments						
1 Net unrealized gain (loss) on investment securities, net of taxes		865		(2)		
Total valuation and translation adjustments		865	0.1	(2)	(0.0)	(867)
Total net assets		75,222	9.0	80,975	15.8	5,753
Total liabilities and net assets		839,414	100.0	513,296	100.0	(326,118)

## [2] Non- Consolidated statements of income

Item	Note	Year ended March 31, 2007		Year ended March 31, 2008		Increase/ Decrease	
		Millions of Yen	%	Millions of Yen	%	Millions of Yen	
<b>I Operating revenues</b>							
Commissions			26,936		24,521		
Brokerage commissions		24,386		22,085			
Underwriting and selling commissions		58		11			
Subscription and distribution commissions		24		2			
Others		2,468		2,424			
Net gain (loss) on trading			(73)		9		
Interest and dividend income			16,828		15,384		
Total operating revenues			43,691	100.0	39,915	100.0	(3,777)
<b>II Interest expenses</b>			2,984		3,226		242
Net operating revenues			40,708	93.2	36,689	91.9	(4,018)
<b>III Selling, general and administrative expenses</b>							
Transaction related expenses		5,182		4,601			
Employees' compensation and benefits		1,994		2,166			
Occupancy and rental		428		459			
Data processing and office supplies		8,848		6,752			
Depreciation		1,248		1,072			
Duties and taxes other than income taxes		280		239			
Provision of allowance for doubtful accounts		—		586			
Others		185		160			
Total selling, general and administrative expenses			18,163	41.6	16,035	40.2	(2,128)
Operating income			22,544	51.6	20,654	51.7	(1,890)
<b>IV Non-operating income</b>							
Compensation income for damages		96		7			
Dividend income		63		59			
Others		30		22			
Total non-operating income			189	0.4	88	0.2	(101)
<b>V Non-operating expenses</b>							
Commissions on syndicated loans		4		3			
Others		20		6			
Total non-operating expenses			24	0.0	9	0.0	(15)
Ordinary income			22,709	52.0	20,732	51.9	(1,977)

Item	Note	Year ended March 31, 2007		Year ended March 31, 2008		Increase/ Decrease	
		Millions of Yen	%	Millions of Yen	%	Millions of Yen	
VI Special profits							
Gain on sales of investment securities		332		1,110			
Reversal of allowance for doubtful accounts		200		—			
Total special profits			532 1.2		1,110 2.8		578
VII Special losses							
Loss on sales and disposals of property and equipment		7		0			
Provision for statutory reserves		604		346			
Devaluation loss on telephone subscription rights		0		0			
Devaluation loss on investment securities		51		1			
Others		—		0			
Total special losses			662 1.5		348 0.8		(314)
Income before income taxes			22,579 51.7		21,494 53.9		(1,084)
Income taxes - current		8,720		9,045			
Income taxes - deferred		410	9,130 20.9	(321)	8,723 21.9		(407)
Net income			13,449 30.8		12,771 32.0		(678)

## [3] Non-Consolidated statements of changes in net assets

(Year ended March 31, 2007)

(Millions of Yen)

	Shareholders' equity								
	Common stock	Capital surplus		Earned surplus			Treasury stock	Total shareholders' equity	
		Additional paid-in capital	Total Capital surplus	Earned surplus reserves	Other earned surplus				Total earned surplus
					Special purpose reserves	Earned surplus carried forward			
Balance as of March 31, 2006	11,750	9,598	9,598	159	4,250	41,024	45,433	(22)	66,760
Changes in the current term									
Issuance of new shares	172	172	172						344
Dividends from earned surplus						(6,194)	(6,194)		(6,194)
Net income						13,449	13,449		13,449
Purchase of treasury stock								(0)	(0)
Net change of items other than shareholders' equity									
Total changes in the current term	172	172	172	—	—	7,255	7,255	(0)	7,598
Balance as of March 31, 2007	11,922	9,770	9,770	159	4,250	48,279	52,688	(22)	74,357

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on investment securities, net of taxes	Total valuation and translation adjustments	
Balance as of March 31, 2006	822	822	67,581
Changes in the current term			
Issuance of new shares			344
Dividends from earned surplus			(6,194)
Net income			13,449
Purchase of treasury stock			(0)
Net change of items other than shareholders' equity	43	43	43
Total changes in the current term	43	43	7,641
Balance as of March 31, 2007	865	865	75,222

(Year ended March 31, 2008)

(Millions of Yen)

	Shareholders' equity								
	Common stock	Capital surplus		Earned surplus			Treasury stock	Total shareholders' equity	
		Additional paid-in capital	Total Capital surplus	Earned surplus reserves	Other earned surplus				Total earned surplus
					Special purpose reserves	Earned surplus carried forward			
Balance as of March 31, 2007	11,922	9,770	9,770	159	4,250	48,279	52,688	(22)	74,357
Changes in the current term									
Issuance of new shares	20	20	20						40
Dividends from earned surplus						(6,190)	(6,190)		(6,190)
Net income						12,771	12,771		12,771
Purchase of treasury stock								(0)	(0)
Net change of items other than shareholders' equity									
Total changes in the current term	20	20	20	—	—	6,581	6,581	(0)	6,620
Balance as of March 31, 2008	11,942	9,790	9,790	159	4,250	54,860	59,268	(22)	80,977

	Valuation and translation adjustments		Total net assets
	Net unrealized gain (loss) on investment securities, net of taxes	Total valuation and translation adjustments	
Balance as of March 31, 2007	865	865	75,222
Changes in the current term			
Issuance of new shares			40
Dividends from earned surplus			(6,190)
Net income			12,771
Purchase of treasury stock			(0)
Net change of items other than shareholders' equity	(867)	(867)	(867)
Total changes in the current term	(867)	(867)	5,753
Balance as of March 31, 2008	(2)	(2)	80,975

END