

Disclaimer

This document is an English-language translation of the non-consolidated financial summary of the financial results for the third quarter of the fiscal year ending March 31, 2013 (from April 2012 to March 2013). This summary was prepared originally in Japanese in accordance with generally accepted accounting principles in Japan (Japanese GAAP). If there are discrepancies between the English translation and the original document in Japanese, the Japanese version will take precedence.

kabu.com Securities Co., Ltd.

Non-Consolidated Financial Summary under Japanese GAAP
For the Nine Months from April 2012 to December 2012 of the Fiscal Year Ending March 31, 2013

Company name: kabu.com Securities Co., Ltd. URL: <http://kabu.com>
 Listing: 1st section of the Tokyo Stock Exchange
 Code number: 8703
 Representative: Masakatsu Saito, CEO
 Contact: Takeshi Amemiya, CFO E-mail: ir@kabu.com

1. Financial summary (April 1, 2012 to December 31, 2012)(1) Operating results (% : change year-on-year)

	Operating revenues		Net operating revenues		Operating income		Ordinary income		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Nine Months ended December 31, 2012	8,443	(10.2)	7,071	(12.6)	1,725	(22.9)	1,811	(22.7)	1,153	3.0
Nine Months ended December 31, 2011	9,407	(8.2)	8,091	(10.9)	2,236	(25.0)	2,343	(21.9)	1,120	(43.8)

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
Nine Months ended December 31, 2012	6.55	-	4.7
Nine Months ended December 31, 2011	6.36	-	4.6

(2) Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
December 31, 2012	384,140	32,603	8.5	648.5
March 31, 2012	395,810	32,779	8.3	581.1

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
				yen	yen
Fiscal year ended March 2012	-	-	-	8.00	8.00
Fiscal year ending March 2013	-	-	-		

3. Forecast for the Business Results of Full Fiscal Year (April 1, 2012 to March 31, 2013)

The Company's principal business is acting as a broker in transactions in financial instruments, mainly securities. Since this business is strongly influenced by conditions in equity and other financial markets, forecasting future performance is extremely difficult. Accordingly the Company does not disclose forecasts of its performance. In place of such forecasts, the Company discloses its quarterly financial results as quickly as possible. The Company also provides monthly information on fees and commissions, which account for a high percentage of operating revenues, the number of customer accounts, equity trading value, and other operating statistics that have a major impact on the Company's performance.

(1)Non-Consolidated Balance Sheets

(Unit : Millions of Yen)

	As of March 31, 2012	As of December 31, 2012
Assets		
Current Assets		
Cash and bank deposits	25,252	19,199
Cash held in trust	222,027	239,702
Margin account assets	115,271	92,684
Loans receivable from customers	73,408	75,225
Cash deposited as collateral for securities borrowed	41,862	17,458
Advances paid	148	144
Amount paid	481	395
Short term guarantee deposits	24,192	24,920
Prepaid expenses	215	204
Accrued income	1,255	1,251
Other	1,233	91
Total current assets	<u>390,079</u>	<u>378,592</u>
Fixed Assets		
Tangible fixed assets	749	738
Intangible fixed assets	1,812	2,126
Investment and others	3,168	2,683
Investment securities	1,337	1,100
Long term guarantee deposits	375	364
Deferred income tax assets	1,036	888
Long-term advances paid	2,634	2,162
Other	280	247
Allowance for doubtful accounts	(2,496)	(2,079)
Total fixed assets	<u>5,730</u>	<u>5,548</u>
Total Assets	<u>395,810</u>	<u>384,140</u>

(Unit : Millions of Yen)

	As of March 31, 2012	As of December 31, 2012
Liabilities		
Current liabilities		
Margin account liabilities	77,619	42,994
Loans from securities finance companies	19,724	10,296
Proceeds of securities lent on customers' account	57,894	32,697
Payables on collateralized securities transactions	16,784	23,850
Deposits received	118,807	136,677
Guarantee money received	122,029	133,029
Short-term borrowings	6,000	-
Current portion of long-term loans payable	17,500	-
Current portion of long-term loans payable to subsidiaries and affiliates	2,500	-
Accounts payable	112	320
Accrued expenses	475	429
Accrued income taxes	-	444
Deferred tax liabilities	72	48
Reserve for bonuses	-	10
Other	222	462
Total current liabilities	362,124	338,267
Long-term liabilities		
Long-term borrowings	-	10,000
Long-term loans payable to subsidiaries and affiliates	-	2,500
Other	124	24
Total long-term liabilities	124	12,524
Statutory reserves		
Reserve for financial product transaction liabilities	781	745
Total statutory reserves	781	745
Total liabilities	363,030	351,537
Net assets		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	18,203	17,948
Treasury stock	(4,673)	(4,673)
Total shareholders' equity	32,640	32,385
Valuation and translation adjustments		
Net unrealized gain on investment securities	138	217
Total valuation and translation adjustments	138	217
Total net assets	32,779	32,603
Total liabilities and net assets	395,810	384,140

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	Nine months of fiscal year ended March 2012 (April 1 to December 31, 2011)	Nine months of fiscal year ending March 2013 (April 1 to December 31, 2012)
Operating revenues		
Commissions	5,399	4,624
Brokerage commissions	4,139	3,542
Fees for offering, secondary distribution and solicitation for selling and other services for professional investor	80	121
Other	1,179	959
Net gain on trading	23	53
Financial income	3,983	3,765
Total operating revenues	9,407	8,443
Financial expenses	1,316	1,371
Net operating revenues	8,091	7,071
Selling, general and administrative expenses		
Transaction related expenses	2,551	2,347
Employment cost	679	660
Facilities and rentals	1,099	931
Outsourcing and office supplies	452	445
Depreciation and amortization	864	745
Duties and taxes other than income taxes	95	106
Other	111	110
Total selling, general and administrative expenses	5,854	5,346
Operating income	2,236	1,725
Non-operating income	326	210
Non-operating expenses	220	123
Ordinary income	2,343	1,811
Special profits		
Reversal of reserve for financial product transaction	29	35
Total special profits	29	35
Special losses		
Valuation loss on investment securities	1	0
Loss on from PTS business withdrawal	261	-
Total special losses	263	0
Income before income taxes	2,109	1,846
Income taxes - current	418	610
Income taxes - deferred	570	81
Income taxes	989	692
Net income	1,120	1,153

(3)Non-Consolidated Statement of Income by Quarter (Quarterly transition)

(Unit : Millions of Yen)

	1Q of FY 2012	2Q of FY 2012	3Q of FY 2012	4Q of FY 2012	1Q of FY 2013	2Q of FY 2013	3Q of FY 2013
Operating revenues							
Commissions	1,841	1,931	1,626	1,877	1,499	1,348	1,775
Brokerage commissions	1,391	1,483	1,264	1,490	1,143	1,031	1,367
Fees for offering, secondary distribution and solicitation for selling and others for professional investor:	33	29	18	21	28	45	47
Other	417	418	343	366	327	271	361
Net gain on trading	5	10	7	16	17	11	24
Financial income	1,445	1,246	1,291	1,067	1,354	1,092	1,317
Total operating revenues	3,293	3,189	2,924	2,961	2,872	2,452	3,117
Financial expenses	502	349	464	320	548	303	519
Net operating revenues	2,791	2,839	2,460	2,640	2,324	2,149	2,598
Selling, general and administrative expenses							
Transaction related expenses	880	900	770	874	794	774	778
Employment cost	223	227	228	225	221	222	217
Facilities and rentals	393	374	331	317	289	312	329
Outsourcing and office supplies	156	154	141	176	159	155	130
Depreciation and amortization	322	296	245	257	240	244	259
Duties and taxes other than income taxes	45	21	28	26	49	30	25
Other	37	42	32	29	38	36	36
Total selling, general and administrative expenses	2,059	2,016	1,778	1,909	1,792	1,776	1,777
Operating income	731	823	682	731	531	373	820
Non-operating income	93	214	18	137	58	62	88
Non-operating expenses	4	211	3	113	0	64	58
Ordinary income	820	826	696	754	589	370	851
Special profits							
Reversal of reserve for financial product transactions	28	-	1	-	34	2	-
Total special profits	28	-	1	-	34	2	-
Special losses							
Valuation loss on investment securities	1	-	-	-	-	-	0
Provision of reserve for financial product transaction liabilities	-	0	-	1	-	-	1
Loss on from PTS business withdrawal	-	261	-	-	-	-	-
Total special losses	1	261	-	1	-	-	2
Income before income taxes	847	564	697	753	623	373	848
Income taxes - current	259	305	(146)	(62)	206	112	291
Income taxes - deferred	70	(72)	573	347	15	32	34
Net income	517	332	270	467	402	228	522

(4)Monthly Business Data

	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
Number of customer accounts *1 (at month-end)	778,481	780,932	784,022	786,506	788,954	791,688
Number of new customer accounts (monthly)	2,965	2,832	3,425	2,882	2,736	2,995
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	47,609	47,852	48,169	48,438	48,599	48,889
Number of margin customer accounts *1 (at month-end)	83,137	83,721	84,447	84,349	84,468	85,097
Number of forward and option customer accounts *1 (at month-end)	36,931	37,114	37,300	37,478	37,668	37,888
Number of OTC FX customer accounts *1 (at month-end)	43,524	43,683	43,890	44,078	44,304	44,749
Number of customers using stock lending service	17,502	17,414	16,482	17,885	17,990	17,836
Average daily number of executed equity trades *2	37,457	34,633	38,941	39,492	45,766	60,192
Average daily number of executed cash trades *2, 3	17,021	15,539	17,855	17,770	21,469	30,181
Average daily number of executed margin trades *2	20,436	19,093	21,086	21,722	24,296	30,011
Average value of equity trading (thousands of yen)	706	738	759	723	718	813
Average value of cash trading *3 (thousands of yen)	387	399	423	396	426	504
Average value of margin trading (thousands of yen)	973	1,014	1,042	990	975	1,123
Monthly trading value of OTC FX (100 millions of yen)	4,462	4,415	4,143	7,123	11,962	14,834
Monthly trading value of Exchange FX*4 (100 millions of yen)	1,261	1,077	1,308	1,410	1,799	2,282
Amount of customer assets *5 (at month-end) (millions of yen)	1,061,797	1,058,937	1,059,203	1,078,942	1,123,431	1,217,003
Margin trading balance *6 (at month-end) (millions of yen)	102,759	106,382	118,633	95,367	96,722	107,923
Amount of stock lending (at month-end) (millions of yen)	72,585	71,673	47,984	76,584	80,308	81,087

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Number of customer accounts *1 (at month-end)	758,621	762,955	767,607	770,661	773,362	775,799
Number of new customer accounts (monthly)	3,587	4,758	5,076	3,446	3,017	2,733
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	46,245	46,495	46,754	46,940	47,198	47,392
Number of margin customer accounts *1 (at month-end)	79,336	80,034	81,225	81,744	82,222	82,624
Number of forward and option customer accounts *1 (at month-end)	35,301	35,562	35,839	36,143	36,484	36,733
Number of OTC FX customer accounts *1 (at month-end)	41,565	41,964	42,447	42,734	43,025	43,303
Number of customers using stock lending service	16,004	15,906	14,716	16,824	17,103	17,128
Average daily number of executed equity trades *2	36,228	50,019	50,846	39,602	38,892	38,941
Average daily number of executed cash trades *2, 3	14,824	23,148	24,839	17,884	17,345	17,409
Average daily number of executed margin trades *2	21,403	26,870	26,006	21,718	21,546	21,531
Average value of equity trading (thousands of yen)	768	814	765	776	704	700
Average value of cash trading *3 (thousands of yen)	502	547	478	442	377	409
Average value of margin trading (thousands of yen)	951	1,044	1,039	1,050	967	935
Monthly trading value of OTC FX (100 millions of yen)	6,102	7,193	9,725	7,408	6,224	6,665
Monthly trading value of Exchange FX*4 (100 millions of yen)	3,133	3,514	4,191	3,158	2,253	2,306
Amount of customer assets *5 (at month-end) (millions of yen)	1,045,597	1,131,522	1,145,744	1,115,602	1,033,840	1,085,903
Margin trading balance *6 (at month-end) (millions of yen)	94,448	105,754	131,303	110,753	101,986	107,996
Amount of stock lending (at month-end) (millions of yen)	68,712	73,619	43,250	75,619	69,682	71,436

*1 : The number of accounts includes corporate accounts.

*2 : The number of trades includes partially executed trades.

*3 : Cash trading includes odd-lot stocks ("Puchi Stock"®).

*4 : Exchange FX includes OSE-FX(FX traded in Osaka Securities Exchange) and Click365(FX traded in Tokyo Financial Exchange)

*5 : Amount of customer assets is the value on a market price basis at month-end.

*6 : Margin trading balance is the value on a handover basis at month-end.