

Disclaimer

This document is an English-language translation of the non-consolidated financial summary of the financial results for the fiscal year ended March 31, 2015(from April 2014 to March 2015). 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
Fiscal Year Ended March 31, 2015

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, 2014 to March 31, 2015)

(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	%
Fiscal year ended March 31, 2015	23,374	0.1	20,960	(1.5)	10,120	(12.6)	10,256	(12.7)	7,640	15.2
Fiscal year ended March 31, 2014	23,347	77.8	21,286	85.5	11,579	198.2	11,750	197.4	6,629	189.4

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
Fiscal year ended March 31, 2015	43.82	–	17.2
Fiscal year ended March 31, 2014	37.65	–	17.0

(2) Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
March 31, 2015	867,769	46,632	5.4	441.5
March 31, 2014	700,675	42,240	6.0	432.5

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
				yen	yen
Fiscal year ended March 2014	–	0.00	–	18.00	18.00
Fiscal year ended March 2015	–	0.00	–	23.00	23.00

3. Forecast for the Business Results of Full Fiscal Year (April 1, 2015 to March 31, 2016)

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, 2014	As of March 31, 2015
Assets		
Current Assets		
Cash and bank deposits	49,214	40,115
Cash held in trust	349,578	478,749
Margin account assets	234,740	266,116
Loans receivable from customers	183,317	192,982
Cash deposited as collateral for securities borrowed from securities finance companies	51,422	73,134
Advances paid	97	216
Cash paid for offering	364	850
Short term guarantee deposits	52,818	66,838
Prepaid expenses	234	226
Accrued income	1,700	2,125
Deferred tax assets	147	—
Other	1,642	2,048
Total current assets	<u>690,539</u>	<u>857,289</u>
Fixed Assets		
Tangible fixed assets	936	704
Intangible fixed assets	2,658	2,840
Investment and others	6,541	6,936
Investment securities	5,829	6,202
Long term guarantee deposits	378	468
Long-term advances paid	1,269	1,189
Other	249	213
Allowance for doubtful accounts	(1,186)	(1,138)
Total fixed assets	<u>10,136</u>	<u>10,480</u>
Total Assets	<u>700,675</u>	<u>867,769</u>

(Unit : Millions of Yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Margin account liabilities	110,693	155,021
Loans from securities finance companies	46,460	58,883
Proceeds of securities lent on customers' account	64,232	96,137
Payables on collateralized securities transactions	59,169	81,522
Deposits received	189,320	271,949
Guarantee money received	196,545	231,157
Short-term borrowings	64,000	43,000
Short-term loans payable to subsidiaries and affiliates	10,000	10,000
Accounts payable	717	443
Accrued expenses	574	772
Accrued income taxes	4,161	2,017
Deferred tax liabilities	—	103
Other	332	343
Total current liabilities	<u>635,514</u>	<u>796,332</u>
Long-term liabilities		
Long-term borrowings	13,100	15,100
Long-term loans payable to subsidiaries and affiliates	6,900	6,900
Deferred tax liabilities	1,399	758
Total long-term liabilities	<u>21,399</u>	<u>22,758</u>
Statutory reserves		
Reserve for financial product transaction liabilities	1,521	2,046
Total statutory reserves	<u>1,521</u>	<u>2,046</u>
Total liabilities	<u>658,434</u>	<u>821,137</u>
Net assets		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	19,633	24,104
Treasury stock	—	(884)
Total shareholders' equity	<u>38,743</u>	<u>42,329</u>
Valuation and translation adjustments		
Net unrealized gain on investment securities	3,497	4,302
Total valuation and translation adjustments	<u>3,497</u>	<u>4,302</u>
Total net assets	<u>42,240</u>	<u>46,632</u>
Total liabilities and net assets	<u>700,675</u>	<u>867,769</u>

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	Fiscal year ended March 2014 (April 2013 to March 2014)	Fiscal year ended March 2015 (April 2014 to March 2015)
Operating revenues		
Commissions	13,362	11,555
Brokerage commissions	11,340	9,522
Fees for offering, secondary distribution and solicitation for selling and other services for professional investors	352	293
Other	1,670	1,739
Net gain on trading	623	1,016
Financial revenues	9,361	10,802
Total operating revenues	23,347	23,374
Financial expenses	2,061	2,414
Net operating revenues	21,286	20,960
Selling, general and administrative expenses		
Transaction related expenses	4,672	5,500
Employment cost	1,154	1,159
Facilities and rentals	1,478	1,610
Outsourcing and office supplies	878	816
Depreciation and amortization	1,097	1,288
Duties and taxes other than income taxes	213	264
Provision of allowance for doubtful accounts	8	—
Other	203	198
Total selling, general and administrative expenses	9,707	10,839
Operating income	11,579	10,120
Non-operating income	203	164
Non-operating expenses	31	28
Ordinary income	11,750	10,256
Special profits		
Gain on sales of investment securities	—	1,537
Total special profits	—	1,537
Special losses		
Provision of reserve for financial product transaction liabilities	573	525
Impairment loss	71	—
Total special losses	644	525
Income before income taxes	11,106	11,269
Income taxes - current	4,578	4,138
Income taxes - deferred	(101)	(509)
Income taxes	4,476	3,628
Net income	6,629	7,640

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

(Unit : Millions of Yen)

	1Q of FY 2014	2Q of FY 2014	3Q of FY 2014	4Q of FY 2014	1Q of FY 2015	2Q of FY 2015	3Q of FY 2015	4Q of FY 2015
Operating revenues								
Commissions	4,654	2,967	3,037	2,702	2,316	2,720	3,330	3,187
Brokerage commissions	4,025	2,520	2,523	2,270	1,926	2,299	2,694	2,602
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	138	69	74	69	49	49	105	89
Other	490	377	439	362	341	372	530	495
Net gain on trading	60	232	111	219	172	231	335	276
Financial revenues	2,447	2,059	2,494	2,359	2,551	2,628	2,856	2,765
Total operating revenues	7,162	5,259	5,644	5,281	5,041	5,580	6,523	6,229
Financial expenses	691	342	636	391	606	554	635	618
Net operating revenues	6,471	4,916	5,007	4,890	4,435	5,026	5,887	5,610
Selling, general and administrative expenses								
Transaction related expenses	1,376	1,159	1,035	1,100	1,502	1,116	1,611	1,269
Employment cost	300	305	292	255	253	298	299	308
Facilities and rentals	348	365	372	392	393	397	401	418
Outsourcing and office supplies	210	246	221	199	207	203	197	207
Depreciation and amortization	266	273	272	285	299	338	331	319
Duties and taxes other than income taxes	67	34	53	58	100	46	56	61
Other	111	41	31	26	46	49	52	50
Total selling, general and administrative expenses	2,681	2,426	2,280	2,318	2,803	2,451	2,950	2,634
Operating income	3,789	2,490	2,727	2,571	1,632	2,575	2,936	2,976
Non-operating income	40	34	39	89	103	34	(9)	36
Non-operating expenses	11	8	2	9	9	8	5	4
Ordinary income	3,818	2,516	2,763	2,651	1,726	2,600	2,921	3,008
Special profits								
Gain on sales of investment securities	-	-	-	-	-	1,107	430	-
Total special profits	-	-	-	-	-	1,107	430	-
Special losses								
Provision of reserve for financial product transaction liabilities	194	126	129	122	109	130	146	139
Impairment loss	-	-	21	50	-	-	-	-
Total special losses	194	126	150	172	109	130	146	139
Income before income taxes	3,624	2,390	2,613	2,479	1,617	3,577	3,205	2,868
Income taxes - current	1,467	1,055	943	1,111	316	1,461	1,142	1,217
Income taxes - deferred	(6)	(92)	100	(102)	292	(122)	74	(754)
Net income	2,163	1,427	1,568	1,470	1,008	2,238	1,988	2,405

(4)Monthly Business Data

	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15
Number of customer accounts *1 (at month-end)	895,416	900,347	905,390	910,592	915,587	920,998
Number of new customer accounts (monthly)	4,697	5,202	5,415	5,601	5,313	5,818
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	60,298	60,563	60,861	61,181	61,609	62,071
Number of active accounts *2	457,644	459,131	460,466	465,479	467,161	470,020
Number of margin customer accounts *1 (at month-end)	107,835	108,820	109,955	110,961	112,026	113,528
Number of future and option customer accounts *1 (at month-end)	45,172	45,575	45,959	46,311	46,648	47,066
Number of OTC FX customer accounts *1 (at month-end)	66,958	68,044	69,161	70,248	71,175	72,153
Average daily number of executed equity trades *3	98,243	122,734	124,138	114,507	126,170	124,431
Average value of equity trading (thousands of yen)	1,039	1,130	1,054	995	967	1,090
Monthly trading value of OTC FX (100 millions of yen)	57,444	79,648	94,809	79,007	47,339	53,355
Amount of customer assets *4 (at month-end) (millions of yen)	1,831,553	1,942,741	1,937,292	1,956,397	2,030,508	2,026,681
Margin trading balance *5 (at month-end) (millions of yen)	215,959	211,477	227,471	229,119	243,692	289,124
Number of automatic debit accounts *1 (at month-end)	417,463	418,211	419,132	419,946	420,864	421,818

	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14
Number of customer accounts *1 (at month-end)	872,970	876,143	879,762	883,602	886,965	891,095
Number of new customer accounts (monthly)	4,324	3,519	3,997	4,120	3,792	4,500
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	58,820	59,050	59,349	59,626	59,879	60,087
Number of active accounts *2	447,798	449,474	452,132	452,717	454,035	455,691
Number of margin customer accounts *1 (at month-end)	100,724	101,640	103,741	104,771	105,697	106,991
Number of future and option customer accounts *1 (at month-end)	43,588	43,822	44,067	44,283	44,556	44,821
Number of OTC FX customer accounts *1 (at month-end)	62,724	63,338	64,126	64,766	65,336	66,151
Average daily number of executed equity trades *3	79,193	81,127	100,542	96,993	99,089	103,826
Average value of equity trading (thousands of yen)	1,006	996	1,062	1,078	1,011	1,053
Monthly trading value of OTC FX (100 millions of yen)	28,715	22,367	19,513	20,108	22,595	44,393
Amount of customer assets *4 (at month-end) (millions of yen)	1,673,891	1,713,424	1,797,487	1,826,292	1,833,237	1,848,286
Margin trading balance *5 (at month-end) (millions of yen)	203,468	192,028	207,883	209,428	221,627	252,389
Number of automatic debit accounts *1 (at month-end)	413,567	414,138	414,722	415,450	416,143	416,734

*1 : The number of accounts includes corporate accounts.

*2 : The number of accounts which hold more than 0 yen.

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

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

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