

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, 2011 (from April 2010 to March 2011) . 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, 2011

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, 2010 to March 31, 2011)

(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	%
Year ended March 31, 2011	14,052	(6.8)	12,605	(7.0)	4,410	(10.6)	4,404	(10.2)	597	(80.7)
Year ended March 31, 2010	15,084	(9.9)	13,556	(9.6)	4,933	(18.1)	4,905	(18.2)	3,092	(15.1)

	Earnings per share	Fully diluted earnings per share	Return on equity
	yen	yen	%
Year ended March 31, 2011	* 3.35	* 3.35	1.7
Year ended March 31, 2010	3,436.03	3,434.40	8.9

* Due to 200-for-1 stock split on April 1, 2010.

(2) Financial position

	Total assets	Net Assets	Equity ratio	Net assets per share	Capital adequacy ratio
	millions of yen	millions of yen	%	yen	%
March 31, 2011	395,005	32,615	8.3	*185.20	553.1
March 31, 2010	389,292	35,664	9.2	39,623.97	638.4

* Due to 200-for-1 stock split on April 1, 2010.

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
				yen	yen
Fiscal year ended March 2010	-	-	-	2,000	2,000
Fiscal year ended March 2011	-	-	-	* 8	* 8

* Due to 200-for-1 stock split on April 1, 2010.

3. Forecast for the Business Results of Full Fiscal Year (April 1, 2011 to March 31, 2012)

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 securities 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, 2010	As of March 31, 2011
Assets		
Current Assets		
Cash and bank deposits	53,182	40,385
Cash held in trust	217,507	222,299
Margin account assets	90,336	95,742
Loans receivable from customers	79,553	80,947
Cash deposited as collateral for securities borrowed	10,782	14,794
Advances paid	34	291
Amount paid	343	413
Short term guarantee deposits	19,417	26,426
Prepaid expenses	200	219
Accrued income	1,232	1,044
Other	734	1,228
Total current assets	<u>382,990</u>	<u>388,051</u>
Fixed Assets		
Tangible fixed assets	794	862
Intangible fixed assets	1,748	1,908
Investment and others	3,758	4,183
Investment securities	2,100	1,484
Long term guarantee deposits	421	409
Deferred income tax assets	1,002	1,851
Other	954	4,299
Allowance for doubtful accounts	(719)	(3,861)
Total fixed assets	<u>6,301</u>	<u>6,954</u>
Total Assets	<u>389,292</u>	<u>395,005</u>

(Unit : Millions of Yen)

	As of March 31, 2010	As of March 31, 2011
Liabilities		
Current liabilities		
Margin account liabilities	73,056	61,393
Loans from securities finance companies	46,718	30,201
Proceeds of securities lent on customers' account	26,338	31,192
Payables on collateralized securities transactions	10,623	10,232
Deposits received	123,101	117,107
Guarantee money received	115,260	127,615
Short-term borrowings	8,000	23,000
Income received in advance	15	2
Accounts payable	108	154
Accrued expenses	486	603
Accrued income taxes	1,007	771
Deferred tax liabilities	102	-
Other	206	329
Total current liabilities	331,969	341,210
Long-term liabilities		
Long-term borrowings	20,000	20,000
Other	470	370
Total long-term liabilities	20,470	20,370
Statutory reserves		
Reserve for financial product transaction liabilities	1,187	809
Total statutory reserves	1,187	809
Total liabilities	353,627	362,389
Net assets		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	24,872	18,024
Treasury stock	(8,715)	(4,673)
Total shareholders' equity	35,267	32,461
Valuation and translation adjustments		
Net unrealized gain on investment securities	396	154
Total valuation and translation adjustments	396	154
Total net assets	35,664	32,615
Total liabilities and net assets	389,292	395,005

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	Fiscal year ended March 2010 (April 2009 to March 2010)	Fiscal year ended March 2011 (April 2010 to March 2011)
Operating revenues		
Commissions	10,058	8,713
Brokerage commissions	8,231	6,735
Fees for offering, secondary distribution and solicitation for selling and other services for professional investor	119	168
Other	1,707	1,809
Net gain on trading	-	9
Financial income	5,026	5,329
Total operating revenues	15,084	14,052
Financial expenses	1,528	1,446
Net operating revenues	13,556	12,605
Selling, general and administrative expenses		
Transaction related expenses	3,610	3,477
Employment cost	957	927
Facilities and rentals	2,023	1,789
Outsourcing and office supplies	734	649
Depreciation and amortization	915	1,050
Duties and taxes other than income taxes	129	134
Provision to allowance for doubtful accounts	50	13
Other	202	152
Total selling, general and administrative expenses	8,623	8,195
Operating income	4,933	4,410
Non-operating income	259	185
Non-operating expenses	287	191
Ordinary income	4,905	4,404
Special profits		
Reversal of reserve for financial product transaction	247	378
Reversal of allowance for doubtful accounts	57	44
Profits on sales of investment securities	134	284
Total special profits	439	706
Special losses		
Valuation loss on investment securities	28	292
Provision to allowance for doubtful account	-	3,172
Loss on cancellation of lease contracts	-	41
Loss on the effect of the adopting the accounting standard regarding asset retirement obligations	-	13
Loss on disposal of fixed assets	88	-
Total special losses	116	3,519
Income before income taxes	5,227	1,592
Income taxes - current	2,069	1,783
Income taxes - deferred	66	(788)
Income taxes	2,135	994
Net income	3,092	597

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

(Unit : Millions of Yen)

	1Q of FY 2010	2Q of FY2010	3Q of FY 2010	4Q of FY 2010	1Q of FY 2011	2Q of FY 2011	3Q of FY 2011	4Q of FY 2011
Operating revenues								
Commissions	2,988	2,600	2,240	2,228	2,536	1,752	1,889	2,535
Brokerage commissions	2,520	2,160	1,746	1,804	2,006	1,288	1,359	2,080
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	29	20	40	29	47	35	40	44
Other	438	420	453	394	481	427	488	411
Net gain on trading	-	-	-	-	-	-	2	6
Financial income	1,308	1,234	1,325	1,159	1,506	1,225	1,341	1,256
Total operating revenues	4,296	3,834	3,565	3,387	4,042	2,977	3,233	3,798
Financial expenses	502	348	412	265	486	226	456	277
Net operating revenues	3,794	3,486	3,153	3,122	3,556	2,751	2,776	3,521
Selling, general and administrative expenses								
Transaction related expenses	936	936	865	871	926	844	798	908
Employment cost	239	251	237	229	251	238	223	213
Facilities and rentals	465	497	524	535	464	438	442	445
Outsourcing and office supplies	219	194	140	180	184	166	139	159
Depreciation and amortization	217	215	227	254	237	248	264	300
Duties and taxes other than income taxes	36	31	35	26	50	23	35	25
Provision to allowance for doubtful accounts	49	1	0	0	10	0	0	0
Other	86	51	31	32	37	38	35	43
Total selling, general and administrative expenses	2,250	2,180	2,062	2,129	2,162	1,998	1,938	2,095
Operating income	1,543	1,306	1,090	992	1,394	752	837	1,426
Non-operating income	37	89	85	46	19	139	11	15
Non-operating expenses	45	119	26	96	15	138	0	36
Ordinary income	1,535	1,276	1,149	942	1,397	753	848	1,405
Special profits								
Reversal of reserve for financial product transaction	247	-	-	-	381	-	-	-
Reversal of allowance for doubtful accounts	3	2	47	4	3	4	7	29
Profits on sales of investment securities	-	-	-	134	-	-	-	284
Total special profits	250	2	47	138	385	4	7	313
Special losses								
Valuation loss on investment securities	-	-	-	28	5	-	0	286
Provision of reserve for financial product transaction	-	-	-	-	-	0	1	2
Loss on disposal of fixed assets	-	-	-	88	-	-	-	-
Loss on the effect of the adopting the accounting standard regarding asset retirement obligations	-	-	-	-	13	-	-	-
Provision to allowance for doubtful account	-	-	-	-	-	-	-	3,172
Loss on cancellation of lease contracts	-	-	-	-	-	-	-	41
Total special losses	-	-	-	116	19	0	1	3,501
Income before income taxes	1,786	1,278	1,197	965	1,763	757	854	(1,782)
Income taxes - current	675	543	414	436	536	385	383	478
Income taxes - deferred	53	(15)	80	(51)	186	(75)	(33)	(865)
Income taxes	728	527	494	384	722	310	349	(387)
Net income(lost)	1,057	751	703	580	1,040	447	505	(1,395)

(4)Monthly Business Data

	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
Number of customer accounts *1 (at month-end)	717,366	719,476	721,823	724,548	727,150	731,891
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	42,328	42,565	42,704	42,887	43,122	43,698
Number of margin customer accounts *1 (at month-end)	74,747	75,031	75,354	75,762	76,141	76,832
Number of forward and option customer accounts *1 (at month-end)	30,778	31,041	31,218	31,480	31,776	32,595
Number of OTC FX customer accounts *1 (at month-end)	36,537	36,936	37,199	37,536	37,846	38,460
Number of customers using stock lending service	13,606	13,664	13,651	13,880	13,596	12,119
Average daily number of executed equity trades *2	30,373	35,648	38,406	45,779	47,695	58,101
Average daily number of executed cash trades *2, 3	12,660	14,643	17,150	20,832	22,007	28,804
Average daily number of executed margin trades *2	17,713	21,005	21,255	24,947	25,688	29,297
Average value of equity trading (thousands of yen)	917	880	876	920	1,028	908
Average value of cash trading *3 (thousands of yen)	507	562	578	587	664	590
Average value of margin trading (thousands of yen)	1,209	1,103	1,117	1,198	1,340	1,221
Monthly trading value of OTC FX (100 millions of yen)	10,556	12,228	8,336	8,744	8,500	11,450
Amount of customer assets *4 (at month-end) (millions of yen)	1,017,255	1,069,484	1,109,805	1,133,489	1,180,014	1,109,338
Margin trading balance *5 (at month-end) (millions of yen)	102,834	97,203	106,214	115,048	123,380	112,139
Amount of stock lending (at month-end) (millions of yen)	62,212	66,980	65,912	71,752	72,371	35,456

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Number of customer accounts (at month-end)	703,038	705,680	708,753	711,118	713,199	715,421
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	40,400	40,838	41,297	41,748	41,881	42,128
Number of margin customer accounts (at month-end)	72,436	72,880	73,341	73,694	74,045	74,406
Number of forward and option customer accounts (at month-end)	28,852	29,142	29,366	29,655	30,082	30,503
Number of OTC FX customer accounts (at month-end)	32,781	33,524	34,027	34,598	35,289	35,927
Number of customer using lending stock service	13,197	13,243	13,288	13,435	13,291	12,657
Average daily number of executed equity trades	49,246	44,088	32,910	28,571	28,276	29,483
Average daily number of executed cash trades	24,376	21,951	15,215	12,843	12,748	13,202
Average daily number of executed margin trades	24,869	22,137	17,964	15,727	15,527	16,280
Average trading value of equity trading	906	910	912	913	879	906
Average trading value of cash trading	631	587	541	516	497	531
Average trading value of margin trading	1,176	1,230	1,232	1,238	1,192	1,210
Monthly trading value of OTC FX (100 millions of yen)	11,232	16,110	11,431	11,703	10,945	11,766
Amount of customer assets (at month-end) (millions of yen)	1,162,927	1,078,391	1,045,962	1,055,660	1,017,304	1,037,481
Margin trading balance (at month-end) (millions of yen)	114,610	116,069	122,991	116,614	115,201	111,166
Amount of lending stock (at month-end) (millions of yen)	71,724	65,826	63,121	66,302	61,644	42,289

*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"®) and transactions through "kabu.comPTS", excluded institutional investors.

*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.

	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
Number of customer accounts (at month-end)	684,895	687,469	690,015	693,240	696,509	700,162
Number of margin customer accounts (at month-end)	69,484	69,895	70,430	70,971	71,508	72,007
Number of forward and option customer accounts (at month-end)	27,214	27,512	27,767	28,059	28,319	28,604
Number of OTC FX customer accounts (at month-end)	29,632	30,068	30,478	31,017	31,609	32,199
Number of customer using lending stock service	12,736	12,868	12,902	13,043	12,933	11,696
Average daily number of executed equity trades	35,908	34,183	35,993	43,936	34,825	39,721
Average daily number of executed cash trades	16,994	16,294	17,346	22,399	16,245	18,802
Average daily number of executed margin trades	18,914	17,888	18,646	21,536	18,580	20,918
Average trading value of equity trading	912	864	940	906	886	889
Average trading value of cash trading	590	546	620	589	543	623
Average trading value of margin trading	1,202	1,154	1,238	1,236	1,186	1,129
Monthly trading value of OTC FX (100 millions of yen)	4,023	3,163	3,596	3,619	7,074	8,001
Amount of customer assets (at month-end) (millions of yen)	1,052,055	992,541	1,047,100	1,051,733	1,053,185	1,120,713
Margin trading balance (at month-end) (millions of yen)	110,044	105,682	99,110	110,017	106,832	105,892
Amount of lending stock (at month-end) (millions of yen)	67,951	63,752	63,424	65,341	64,707	40,906

	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Number of customer accounts (at month-end)	668,746	671,397	674,659	677,303	679,668	682,289
Number of margin customer accounts (at month-end)	66,239	66,857	67,516	67,948	68,367	68,941
Number of forward and option customer accounts (at month-end)	25,139	25,501	25,906	26,239	26,496	26,821
Number of OTC FX customer accounts (at month-end)	26,643	27,160	27,642	28,075	28,530	29,166
Number of customer using lending stock service	11,010	11,432	11,794	12,240	12,331	11,763
Average daily number of executed equity trades	50,602	49,595	56,621	44,007	44,712	39,324
Average daily number of executed cash trades	25,868	25,985	30,160	22,476	23,207	20,528
Average daily number of executed margin trades	24,733	23,609	26,460	21,530	21,504	18,796
Average trading value of equity trading	844	865	876	879	953	883
Average trading value of cash trading	598	608	611	589	665	600
Average trading value of margin trading	1,101	1,147	1,177	1,181	1,264	1,193
Monthly trading value of OTC FX (100 millions of yen)	4,073	3,879	4,272	4,529	3,867	3,637
Amount of customer assets (at month-end) (millions of yen)	942,579	1,009,237	1,062,916	1,070,091	1,104,627	1,058,518
Margin trading balance (at month-end) (millions of yen)	81,893	90,806	103,069	100,922	106,232	104,995
Amount of lending stock (at month-end) (millions of yen)	51,821	58,193	61,960	67,974	69,737	45,383