

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, 2014(from April 2013 to March 2014). 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, 2014

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, 2013 to March 31, 2014)

(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, 2014	23,347	77.8	21,286	85.5	11,579	198.2	11,750	197.4	6,629	189.4
Fiscal year ended March 31, 2013	13,132	6.2	11,472	6.9	3,882	30.8	3,950	27.5	2,290	44.3

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
Fiscal year ended March 31, 2014	37.65	-	17.0
Fiscal year ended March 31, 2013	13.01	-	6.7

(2) Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
March 31, 2014	700,675	42,240	6.0	432.5
March 31, 2013	573,306	35,937	6.3	478.0

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
				yen	yen
Fiscal year ended March 2013	-	-	-	8.00	8.00
Fiscal year ended March 2014	-	-	-	18.00	18.00

3. Forecast for the Business Results of Full Fiscal Year (April 1, 2014 to March 31, 2015)

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, 2013	As of March 31, 2014
Assets		
Current Assets		
Cash and bank deposits	55,041	49,214
Cash held in trust	284,488	349,578
Margin account assets	188,971	234,740
Loans receivable from customers	142,820	183,317
Cash deposited as collateral for securities borrowed	46,151	51,422
Advances paid	152	97
Amount paid	975	364
Short term guarantee deposits	34,027	52,818
Variation margin paid	-	825
Prepaid expenses	195	234
Accrued income	1,237	1,700
Deferred tax assets	-	147
Other	262	816
Total current assets	<u>565,352</u>	<u>690,539</u>
Fixed Assets		
Tangible fixed assets	761	936
Intangible fixed assets	2,236	2,658
Investment and others	4,956	6,541
Investment securities	4,199	5,829
Long term guarantee deposits	362	378
Long-term advances paid	1,566	1,269
Other	316	249
Allowance for doubtful accounts	(1,488)	(1,186)
Total fixed assets	<u>7,954</u>	<u>10,136</u>
Total Assets	<u>573,306</u>	<u>700,675</u>

(Unit : Millions of Yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Margin account liabilities	124,921	110,693
Loans from securities finance companies	64,458	46,460
Proceeds of securities lent on customers' account	60,463	64,232
Payables on collateralized securities transactions	30,976	59,169
Deposits received	152,651	189,320
Guarantee money received	154,500	196,545
Short-term borrowings	17,000	64,000
Short-term loans payable to subsidiaries and affiliate	33,000	10,000
Accounts payable	450	717
Accrued expenses	575	574
Accrued income taxes	882	4,161
Deferred tax liabilities	79	-
Other	701	332
Total current liabilities	515,737	635,514
Long-term liabilities		
Long-term borrowings	13,100	13,100
Long-term loans payable to subsidiaries and affiliate	6,900	6,900
Other	684	1,399
Total long-term liabilities	20,684	21,399
Statutory reserves		
Reserve for financial product transaction liabilities	948	1,521
Total statutory reserves	948	1,521
Total liabilities	537,369	658,434
Net assets		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	14,412	19,633
Total shareholders' equity	33,522	38,743
Valuation and translation adjustments		
Net unrealized gain on investment securities	2,414	3,497
Total valuation and translation adjustments	2,414	3,497
Total net assets	35,937	42,240
Total liabilities and net assets	573,306	700,675

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	Fiscal year ended March 2013 (April 2012 to March 2013)	Fiscal year ended March 2014 (April 2013 to March 2014)
Operating revenues		
Commissions	7,806	13,362
Brokerage commissions	6,211	11,340
Fees for offering, secondary distribution and solicitation for selling and other services for professional investor	205	352
Other	1,389	1,670
Net gain on trading	159	623
Financial income	5,166	9,361
Total operating revenues	13,132	23,347
Financial expenses	1,660	2,061
Net operating revenues	11,472	21,286
Selling, general and administrative expenses		
Transaction related expenses	3,458	4,672
Employment cost	920	1,154
Facilities and rentals	1,289	1,478
Outsourcing and office supplies	615	878
Depreciation and amortization	1,027	1,097
Duties and taxes other than income taxes	133	213
Provision of allowance for doubtful accounts	-	8
Other	144	203
Total selling, general and administrative expenses	7,589	9,707
Operating income	3,882	11,579
Non-operating income	284	203
Non-operating expenses	216	31
Ordinary income	3,950	11,750
Special losses		
Valuation loss on investment securities	0	-
Impairment loss	-	71
Provision of reserve for financial product transaction liabilities	166	573
Total special losses	167	644
Income before income taxes	3,783	11,106
Income taxes - current	1,035	4,578
Income taxes - deferred	457	(101)
Income taxes	1,492	4,476
Net income	2,290	6,629

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

(Unit : Millions of Yen)

	1Q of FY 2013	2Q of FY 2013	3Q of FY 2013	4Q of FY 2013	1Q of FY 2014	2Q of FY 2014	3Q of FY 2014	4Q of FY 2014
Operating revenues								
Commissions	1,499	1,348	1,775	3,182	4,654	2,967	3,037	2,702
Brokerage commissions	1,143	1,031	1,367	2,668	4,025	2,520	2,523	2,270
Fees for offering, secondary distribution and solicitation for selling and others for professional investor:	28	45	47	84	138	69	74	69
Other	327	271	361	429	490	377	439	362
Net gain on trading	17	11	24	106	60	232	111	219
Financial income	1,354	1,092	1,317	1,401	2,447	2,059	2,494	2,359
Total operating revenues	2,872	2,452	3,117	4,689	7,162	5,259	5,644	5,281
Financial expenses	548	303	519	288	691	342	636	391
Net operating revenues	2,324	2,149	2,598	4,400	6,471	4,916	5,007	4,890
Selling, general and administrative expenses								
Transaction related expenses	794	774	778	1,110	1,376	1,159	1,035	1,100
Employment cost	221	222	217	260	300	305	292	255
Facilities and rentals	289	312	329	357	348	365	372	392
Outsourcing and office supplies	159	155	130	170	210	246	221	199
Depreciation and amortization	240	244	259	281	266	273	272	285
Duties and taxes other than income taxes	49	30	25	27	67	34	53	58
Other	38	36	36	34	111	41	31	26
Total selling, general and administrative expenses	1,792	1,776	1,777	2,242	2,681	2,426	2,280	2,318
Operating income	531	373	820	2,157	3,789	2,490	2,727	2,571
Non-operating income	58	62	88	74	40	34	39	89
Non-operating expenses	0	64	58	92	11	8	2	9
Ordinary income	589	370	851	2,139	3,818	2,516	2,763	2,651
Special profits								
Reversal of reserve for financial product transactions	34	2	-	-	-	-	-	-
Total special profits	34	2	-	-	-	-	-	-
Special losses								
Valuation loss on investment securities	-	-	0	-	-	-	-	-
Provision of reserve for financial product transaction liabilities	-	-	1	202	194	126	129	122
Other	-	-	-	-	-	-	21	50
Total special losses	-	-	2	202	194	126	150	172
Income before income taxes	623	373	848	1,937	3,624	2,390	2,613	2,479
Income taxes - current	206	112	291	424	1,467	1,055	943	1,111
Income taxes - deferred	15	32	34	375	(6)	(92)	100	(102)
Net income	402	228	522	1,137	2,163	1,427	1,568	1,470

(4)Monthly Business Data

	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14
Number of customer accounts *1 (at month-end)	847,049	850,922	855,298	861,267	865,354	869,044
Number of new customer accounts (monthly)	4,831	4,189	4,679	6,289	4,644	4,069
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	56,945	57,199	57,455	57,826	58,194	58,519
Number of active accounts *2	432,984	434,266	435,243	440,094	442,773	445,474
Number of margin customer accounts *1 (at month-end)	95,735	96,380	97,166	98,309	99,168	100,085
Number of forward and option customer accounts *1 (at month-end)	41,680	41,952	42,250	42,636	42,994	43,294
Number of OTC FX customer accounts *1 (at month-end)	58,133	58,798	59,594	60,631	61,393	62,032
Average daily number of executed equity trades *3	93,659	93,079	106,859	113,244	98,794	89,145
Average value of equity trading (thousands of yen)	1,021	1,070	1,121	1,105	1,066	1,041
Monthly trading value of OTC FX (100 millions of yen)	30,021	31,265	34,435	42,635	33,720	31,779
Monthly trading value of Exchange FX*4 (100 millions of yen)	1,104	1,221	1,996	2,713	1,280	995
Amount of customer assets *5 (at month-end) (millions of yen)	1,698,625	1,745,818	1,776,189	1,754,202	1,735,003	1,687,805
Margin trading balance *6 (at month-end) (millions of yen)	209,633	204,132	221,939	242,492	225,824	247,550
Number of automatic debit accounts *1 (at month-end)	408,799	409,525	410,299	411,467	412,231	412,973

	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13
Number of customer accounts *1 (at month-end)	816,890	825,151	829,785	834,439	838,184	842,585
Number of new customer accounts (monthly)	7,150	8,571	4,942	4,963	4,088	4,710
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	53,687	54,644	55,111	55,525	56,058	56,560
Number of active accounts *2	419,042	422,996	426,626	427,775	429,346	431,935
Number of margin customer accounts *1 (at month-end)	90,381	91,734	92,615	93,541	94,286	95,034
Number of forward and option customer accounts *1 (at month-end)	39,404	39,958	40,388	40,751	40,973	41,265
Number of OTC FX customer accounts *1 (at month-end)	51,650	53,408	54,527	55,512	56,337	57,284
Average daily number of executed equity trades *3	125,732	148,213	97,574	98,431	75,411	96,546
Average value of equity trading (thousands of yen)	1,157	1,308	1,176	1,174	1,035	1,066
Monthly trading value of OTC FX (100 millions of yen)	114,109	48,938	64,164	51,488	44,712	33,485
Monthly trading value of Exchange FX*4 (100 millions of yen)	5,262	3,822	3,081	2,454	1,439	1,591
Amount of customer assets *5 (at month-end) (millions of yen)	1,663,329	1,680,169	1,596,338	1,638,637	1,597,200	1,696,613
Margin trading balance *6 (at month-end) (millions of yen)	188,274	208,154	193,416	202,014	194,991	225,113
Number of automatic debit accounts *1 (at month-end)	402,393	404,171	405,489	406,398	407,181	408,038

*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 : 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.