

Disclaimer

This document is an English-language translation of the non-consolidated financial summary of the financial results for the first quarter of the fiscal year ending March 31, 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
For the 1st Quarter (1Q) of the Fiscal Year Ending March 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 June 30, 2010)

(1) Operating results (Unit : Millions of Yen)

| | Operating revenues (% change year-on-year) | Net operating revenues (% change year-on-year) | Operating income (% change year-on-year) | Ordinary income (% change year-on-year) | Net income (% change year-on-year) |
|-------------------------------------|---|---|---|--|---------------------------------------|
| 1Q of fiscal year ending March 2011 | 4,042 (5.9) | 3,556 (6.3) | 1,394 (9.7) | 1,397 (9.0) | 1,040 (1.6) |
| 1Q of fiscal year ended March 2010 | 4,296 (5.4) | 3,794 (8.4) | 1,543 (15.2) | 1,535 (17.7) | 1,057 (15.8) |

| | Earnings per share (Yen) | Fully diluted earnings per share (Yen) | Return on equity |
|-------------------------------------|-----------------------------|---|------------------|
| 1Q of fiscal year ending March 2011 | * 5.81 | * 5.81 | 11.9% |
| 1Q of fiscal year ended March 2010 | 1,174.88 | 1,174.27 | 12.5% |

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

(2) Financial position

| | Total assets (Millions of Yen) | Net Assets (Millions of Yen) | Equity ratio | Net assets per share (Yen) | Capital adequacy ratio |
|----------------|-----------------------------------|---------------------------------|--------------|-------------------------------|------------------------|
| June 30, 2010 | 363,727 | 34,037 | 9.4% | 191.21 | 520.9% |
| March 31, 2010 | 389,292 | 35,664 | 9.2% | 39,623.97 | 638.4% |

2. Dividends

(Unit : Yen)

| | Dividends per share | | | | |
|-------------------------------|---------------------|----|----|-------|-------|
| | 1Q | 2Q | 3Q | 4Q | Total |
| Fiscal year ended March 2010 | - | - | - | 2,000 | 2,000 |
| Fiscal year ending March 2011 | - | | | | |

3. Forecast for the Business Results of Full Fiscal Year (April 1, 2010 to March 31, 2011)

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, new business contracts, and other operating statistics that have a major impact on the Company's performance. In addition, for the same reasons, the Company does not disclose forecasts for dividends.

(1)Non-Consolidated Balance Sheets

(Unit : Millions of Yen)

| | As of June 30, 2010 | As of March 31, 2010 |
|---|------------------------|-------------------------|
| Assets | | |
| Current Assets | | |
| Cash and bank deposits | 26,794 | 53,182 |
| Cash held in trust | 195,122 | 217,507 |
| Margin account assets | 112,406 | 90,336 |
| Loans receivable from customers | 109,593 | 79,553 |
| Cash deposited as collateral for securities borrowed | 2,813 | 10,782 |
| Advances paid | 182 | 34 |
| Amount paid | 320 | 343 |
| Short term guarantee deposits | 20,266 | 19,417 |
| Prepaid expenses | 368 | 200 |
| Accrued income | 1,364 | 1,232 |
| Other | 909 | 734 |
| Total current assets | <u>357,735</u> | <u>382,990</u> |
| Fixed Assets | | |
| Tangible fixed assets | 803 | 794 |
| Intangible fixed assets | 1,698 | 1,748 |
| Investment and others | 3,489 | 3,758 |
| Investment securities | 1,967 | 2,100 |
| Long term guarantee deposits | 405 | 421 |
| Deferred income tax assets | 910 | 1,002 |
| Other | 933 | 954 |
| Allowance for doubtful accounts | (727) | (719) |
| Total fixed assets | <u>5,991</u> | <u>6,301</u> |
| Total Assets | <u>363,727</u> | <u>389,292</u> |

(Unit : Millions of Yen)

| | June 30, 2010 | March 31, 2010 |
|---|----------------|----------------|
| Liabilities | | |
| Current liabilities | | |
| Margin account liabilities | 33,183 | 73,056 |
| Loans from securities finance companies | 19,785 | 46,718 |
| Proceeds of securities lent on customers' account | 13,398 | 26,338 |
| Payables on collateralized securities transactions | 13,342 | 10,623 |
| Deposits received | 104,518 | 123,101 |
| Guarantee money received | 117,688 | 115,260 |
| Short-term borrowings | 38,000 | 8,000 |
| Accounts payable | 156 | 108 |
| Accrued expenses | 502 | 486 |
| Accrued income taxes | 552 | 1,007 |
| Deferred tax liabilities | 218 | 102 |
| Income received in advance | 18 | 15 |
| Accrued employee bonuses | 10 | - |
| Accrued officers bonuses | 12 | - |
| Other | 221 | 206 |
| Total current liabilities | <u>308,426</u> | <u>331,969</u> |
| Long-term liabilities | | |
| Long-term borrowings | 20,000 | 20,000 |
| Other | 457 | 470 |
| Total long-term liabilities | <u>20,457</u> | <u>20,470</u> |
| Statutory reserves | | |
| Reserve for financial product transaction liabilities | 805 | 1,187 |
| Total statutory reserves | <u>805</u> | <u>1,187</u> |
| Total liabilities | <u>329,689</u> | <u>353,627</u> |
| Net assets | | |
| Shareholders' equity | | |
| Common stock | 7,196 | 7,196 |
| Additional paid in capital | 11,913 | 11,913 |
| Retained earnings | 24,113 | 24,872 |
| Treasury stock | (9,613) | (8,715) |
| Total shareholders' equity | <u>33,610</u> | <u>35,267</u> |
| Valuation and translation adjustments | | |
| Net unrealized gain on investment securities | 427 | 396 |
| Total valuation and translation adjustments | <u>427</u> | <u>396</u> |
| Total net assets | <u>34,037</u> | <u>35,664</u> |
| Total liabilities and net assets | <u>363,727</u> | <u>389,292</u> |

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

| | 1Q of fiscal year ended March 2010 (April 1 to June 30, 2009) | 1Q of fiscal year ending March 2011 (April 1 to June 30, 2010) |
|---|---|--|
| Operating revenues | | |
| Commissions | 2,988 | 2,536 |
| Brokerage commissions | 2,520 | 2,006 |
| Fees for offering, secondary distribution and solicitation for selling and other services for professional investors | 29 | 47 |
| Other | 438 | 481 |
| Financial income | 1,308 | 1,506 |
| Total operating revenues | 4,296 | 4,042 |
| Financial expenses | 502 | 486 |
| Net operating revenues | 3,794 | 3,556 |
| Selling, general and administrative expenses | | |
| Transaction related expenses | 936 | 926 |
| Employment cost | 239 | 251 |
| Facilities and rentals | 465 | 464 |
| Outsourcing and office supplies | 219 | 184 |
| Depreciation and amortization | 217 | 237 |
| Duties and taxes other than income taxes | 36 | 50 |
| Provision to allowance for doubtful accounts | 49 | 10 |
| Other | 86 | 37 |
| Total selling, general and administrative expenses | 2,250 | 2,162 |
| Operating income | 1,543 | 1,394 |
| Non-operating income | 37 | 19 |
| Non-operating expenses | 45 | 15 |
| Ordinary income | 1,535 | 1,397 |
| Special profits | | |
| Reversal of reserve for financial product transaction: | 247 | 381 |
| Reversal of allowance for doubtful accounts | 3 | 3 |
| Total special profits | 250 | 385 |
| Special losses | | |
| Valuation loss on investment securities | - | 5 |
| Loss on the effect of the adopting the accounting standard regarding asset retirement obligations | - | 13 |
| Total special losses | - | 19 |
| Income before income taxes | 1,786 | 1,763 |
| Income taxes - current | 675 | 536 |
| Income taxes - deferred | 53 | 186 |
| Income taxes | 728 | 722 |
| Net income | 1,057 | 1,040 |

(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 |
|---|------------------|-----------------|------------------|------------------|------------------|
| Operating revenues | | | | | |
| Commissions | 2,988 | 2,600 | 2,240 | 2,228 | 2,536 |
| Brokerage commissions | 2,520 | 2,160 | 1,746 | 1,804 | 2,006 |
| Fees for offering, secondary distribution and solicitation for selling and others for professional investors | 29 | 20 | 40 | 29 | 47 |
| Other | 438 | 420 | 453 | 394 | 481 |
| Financial income | 1,308 | 1,234 | 1,325 | 1,159 | 1,506 |
| Total operating revenues | 4,296 | 3,834 | 3,565 | 3,387 | 4,042 |
| Financial expenses | 502 | 348 | 412 | 265 | 486 |
| Net operating revenues | 3,794 | 3,486 | 3,153 | 3,122 | 3,556 |
| Selling, general and administrative expenses | | | | | |
| Transaction related expenses | 936 | 936 | 865 | 871 | 926 |
| Employment cost | 239 | 251 | 237 | 229 | 251 |
| Facilities and rentals | 465 | 497 | 524 | 535 | 464 |
| Outsourcing and office supplies | 219 | 194 | 140 | 180 | 184 |
| Depreciation and amortization | 217 | 215 | 227 | 254 | 237 |
| Duties and taxes other than income taxes | 36 | 31 | 35 | 26 | 50 |
| Provision to allowance for doubtful accounts | 49 | 1 | 0 | 0 | 10 |
| Other | 86 | 51 | 31 | 32 | 37 |
| Total selling, general and administrative expenses | 2,250 | 2,180 | 2,062 | 2,129 | 2,162 |
| Operating income | 1,543 | 1,306 | 1,090 | 992 | 1,394 |
| Non-operating income | 37 | 89 | 85 | 46 | 19 |
| Non-operating expenses | 45 | 119 | 26 | 96 | 15 |
| Ordinary income | 1,535 | 1,276 | 1,149 | 942 | 1,397 |
| Special profits | | | | | |
| Reversal of reserve for financial product transaction | 247 | - | - | - | 381 |
| Reversal of allowance for doubtful accounts | 3 | 2 | 47 | 4 | 3 |
| Profits on sales of investment securities | - | - | - | 134 | - |
| Total special profits | 250 | 2 | 47 | 138 | 385 |
| Special losses | | | | | |
| Valuation loss on investment securities | - | - | - | 28 | 5 |
| Loss on disposal of fixed assets | - | - | - | 88 | - |
| Loss on the effect of the adopting the accounting standard regarding asset retirement obligations | - | - | - | - | 13 |
| Total special losses | - | - | - | 116 | 19 |
| Income before income taxes | 1,786 | 1,278 | 1,197 | 965 | 1,763 |
| Income taxes - current | 675 | 543 | 414 | 436 | 536 |
| Income taxes - deferred | 53 | (15) | 80 | (51) | 186 |
| Income taxes | 728 | 527 | 494 | 384 | 722 |
| Net income | 1,057 | 751 | 703 | 580 | 1,040 |

(4)Monthly Business Data

| | Jan-10 | Feb-10 | Mar-10 | Apr-10 | May-10 | Jun-10 |
|--|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of customer accounts *1 (at month-end) | 693,240 | 696,509 | 700,162 | 703,038 | 705,680 | 708,753 |
| Number of margin customer accounts *1 (at month-end) | 70,971 | 71,508 | 72,007 | 72,436 | 72,880 | 73,341 |
| Number of forward and option customer accounts *1 (at month-end) | 28,059 | 28,319 | 28,604 | 28,852 | 29,142 | 29,366 |
| Number of FX customer accounts *1 (at month-end) | 31,017 | 31,609 | 32,199 | 32,781 | 33,524 | 34,027 |
| Number of customers using stock lending service | 13,043 | 12,933 | 11,696 | 13,197 | 13,243 | 13,288 |
| Average daily number of executed equity trades *2 | 43,936 | 34,825 | 39,721 | 49,246 | 44,088 | 32,910 |
| Average daily number of executed cash trades *2, 3 | 22,399 | 16,245 | 18,802 | 24,376 | 21,951 | 15,215 |
| Average daily number of executed margin trades *2 | 21,536 | 18,580 | 20,918 | 24,869 | 22,137 | 17,964 |
| Average value of equity trading (thousands of yen) | 906 | 886 | 889 | 906 | 910 | 912 |
| Average value of cash trading *3 (thousands of yen) | 589 | 543 | 623 | 631 | 587 | 541 |
| Average value of margin trading (thousands of yen) | 1,236 | 1,186 | 1,129 | 1,176 | 1,230 | 1,232 |
| Amount of customer assets *4 (at month-end) (millions of yen) | 1,051,733 | 1,053,185 | 1,120,713 | 1,162,927 | 1,078,391 | 1,045,962 |
| Margin trading balance *5 (at month-end) (millions of yen) | 110,017 | 106,832 | 105,892 | 114,610 | 116,069 | 122,991 |
| Amount of stock lending (at month-end) (millions of yen) | 65,341 | 64,707 | 40,906 | 71,724 | 65,826 | 63,121 |

| | Jul-09 | Aug-09 | Sep-09 | Oct-09 | Nov-09 | Dec-09 |
|---|-----------|-----------|-----------|-----------|---------|-----------|
| Number of customer accounts (at month-end) | 677,303 | 679,668 | 682,289 | 684,895 | 687,469 | 690,015 |
| Number of margin customer accounts (at month-end) | 67,948 | 68,367 | 68,941 | 69,484 | 69,895 | 70,430 |
| Number of forward and option customer accounts (at month-end) | 26,239 | 26,496 | 26,821 | 27,214 | 27,512 | 27,767 |
| Number of FX customer accounts (at month-end) | 28,075 | 28,530 | 29,166 | 29,632 | 30,068 | 30,478 |
| Number of customer using lending stock service | 12,240 | 12,331 | 11,763 | 12,736 | 12,868 | 12,902 |
| Average daily number of executed equity trades | 44,007 | 44,712 | 39,324 | 35,908 | 34,183 | 35,993 |
| Average daily number of executed cash trades | 22,476 | 23,207 | 20,528 | 16,994 | 16,294 | 17,346 |
| Average daily number of executed margin trades | 21,530 | 21,504 | 18,796 | 18,914 | 17,888 | 18,646 |
| Average trading value of equity trading | 879 | 953 | 883 | 912 | 864 | 940 |
| Average trading value of cash trading | 589 | 665 | 600 | 590 | 546 | 620 |
| Average trading value of margin trading | 1,181 | 1,264 | 1,193 | 1,202 | 1,154 | 1,238 |
| Amount of customer assets (at month-end) (millions of yen) | 1,070,091 | 1,104,627 | 1,058,518 | 1,052,055 | 992,541 | 1,047,100 |
| Margin trading balance (at month-end) (millions of yen) | 100,922 | 106,232 | 104,995 | 110,044 | 105,682 | 99,110 |
| Amount of lending stock (at month-end) (millions of yen) | 67,974 | 69,737 | 45,383 | 67,951 | 63,752 | 63,424 |

*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.

| | Jan-09 | Feb-09 | Mar-09 | Apr-09 | May-09 | Jun-09 |
|---|---------|---------|---------|---------|-----------|-----------|
| Number of customer accounts (at month-end) | 660,482 | 663,099 | 665,922 | 668,746 | 671,397 | 674,659 |
| Number of margin customer accounts (at month-end) | 64,495 | 65,010 | 65,599 | 66,239 | 66,857 | 67,516 |
| Number of forward and option customer accounts (at month-end) | 23,570 | 24,146 | 24,649 | 25,139 | 25,501 | 25,906 |
| Number of FX customer accounts (at month-end) | 25,259 | 25,799 | 26,257 | 26,643 | 27,160 | 27,642 |
| Number of customer using lending stock service | 10,026 | 10,279 | 9,524 | 11,010 | 11,432 | 11,794 |
| Average daily number of executed equity trades | 40,819 | 38,584 | 40,924 | 50,602 | 49,595 | 56,621 |
| Average daily number of executed cash trades | 20,836 | 18,939 | 20,505 | 25,868 | 25,985 | 30,160 |
| Average daily number of executed margin trades | 19,982 | 19,644 | 20,418 | 24,733 | 23,609 | 26,460 |
| Average trading value of equity trading | 794 | 772 | 787 | 844 | 865 | 876 |
| Average trading value of cash trading | 519 | 483 | 530 | 598 | 608 | 611 |
| Average trading value of margin trading | 1,081 | 1,052 | 1,045 | 1,101 | 1,147 | 1,177 |
| Amount of customer assets (at month-end) (millions of yen) | 861,221 | 836,728 | 871,377 | 942,579 | 1,009,237 | 1,062,916 |
| Margin trading balance (at month-end) (millions of yen) | 77,477 | 78,191 | 76,582 | 81,893 | 90,806 | 103,069 |
| Amount of lending stock (at month-end) (millions of yen) | 43,075 | 42,831 | 26,074 | 51,821 | 58,193 | 61,960 |

| | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 |
|---|-----------|-----------|---------|---------|---------|---------|
| Number of customer accounts (at month-end) | 634,861 | 637,142 | 639,832 | 646,244 | 653,682 | 657,374 |
| Number of margin customer accounts (at month-end) | 61,283 | 61,708 | 62,168 | 62,854 | 63,374 | 63,859 |
| Number of forward and option customer accounts (at month-end) | 20,064 | 20,556 | 21,140 | 22,078 | 22,587 | 23,009 |
| Number of FX customer accounts (at month-end) | 19,501 | 20,023 | 20,631 | 22,100 | 23,264 | 24,351 |
| Number of customer using lending stock service | 7,625 | 8,083 | 7,745 | 8,884 | 9,350 | 9,448 |
| Average daily number of executed equity trades | 36,107 | 32,843 | 39,644 | 53,306 | 47,995 | 40,919 |
| Average daily number of executed cash trades | 17,240 | 15,774 | 19,784 | 27,835 | 24,845 | 20,962 |
| Average daily number of executed margin trades | 18,866 | 17,068 | 19,859 | 25,470 | 23,150 | 19,956 |
| Average trading value of equity trading | 1,117 | 1,025 | 997 | 820 | 790 | 774 |
| Average trading value of cash trading | 766 | 696 | 661 | 536 | 533 | 514 |
| Average trading value of margin trading | 1,439 | 1,328 | 1,332 | 1,129 | 1,065 | 1,047 |
| Amount of customer assets (at month-end) (millions of yen) | 1,098,568 | 1,052,318 | 959,586 | 848,207 | 862,628 | 885,529 |
| Margin trading balance (at month-end) (millions of yen) | 116,790 | 111,942 | 101,739 | 71,355 | 72,297 | 75,579 |
| Amount of lending stock (at month-end) (millions of yen) | 50,137 | 51,714 | 29,309 | 39,206 | 40,804 | 39,922 |