

Disclaimer

This document is an English-language translation of the non-consolidated financial summary of the financial results for nine months (from April 2010 to December 2010) 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 Nine Months from April 2010 to December 2010 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 December 31, 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)
Nine months ended December 31, 2010	10,253 (12.3)	9,084 (12.9)	2,984 (24.3)	2,999 (24.3)	1,992 (20.7)
Nine months ended December 31, 2009	11,697 (11.7)	10,433 (12.1)	3,940 (21.6)	3,962 (21.4)	2,511 (19.4)

	Earnings per share (Yen)	Fully diluted earnings per share (Yen)	Return on equity
Nine months ended December 31, 2010	* 11.17	* 11.17	7.5%
Nine months ended December 31, 2009	2,790.73	2,789.37	9.7%

* 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
December 31, 2010	342,552	34,818	10.2%	195.48	620.1%
March 31, 2010	389,292	35,664	9.2%	39,623.97	638.4%

2. Dividends

(Unit : Yen)

	Dividends per share				
	1H	2Q	3Q	4Q	Total
Fiscal year ended March 2010	-	-	-	2,000	2,000
Fiscal year ending March 2011	-	-	-	* 8 (forecast)	* 8 (forecast)

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

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.

(1)Non-Consolidated Balance Sheets

(Unit : Millions of Yen)

	As of December 31, 2010	As of March 31, 2010
Assets		
Current Assets		
Cash and bank deposits	11,650	53,182
Cash held in trust	214,853	217,507
Margin account assets	85,965	90,336
Loans receivable from customers	77,882	79,553
Cash deposited as collateral for securities borrowed	8,082	10,782
Advances paid	61	34
Amount paid	304	343
Short term guarantee deposits	21,652	19,417
Prepaid expenses	278	200
Accrued income	1,260	1,232
Other	267	734
Total current assets	<u>336,293</u>	<u>382,990</u>
Fixed Assets		
Tangible fixed assets	936	794
Intangible fixed assets	1,837	1,748
Investment and others	3,484	3,758
Investment securities	1,910	2,100
Long term guarantee deposits	411	421
Deferred income tax assets	937	1,002
Other	943	954
Allowance for doubtful accounts	(718)	(719)
Total fixed assets	<u>6,258</u>	<u>6,301</u>
Total Assets	<u>342,552</u>	<u>389,292</u>

(Unit : Millions of Yen)

	As of December 31, 2010	As of March 31, 2010
Liabilities		
Current liabilities		
Margin account liabilities	38,185	73,056
Loans from securities finance companies	9,853	46,718
Proceeds of securities lent on customers' account	28,331	26,338
Payables on collateralized securities transactions	11,490	10,623
Deposits received	119,665	123,101
Guarantee money received	115,946	115,260
Short-term borrowings	-	8,000
Income received in advance	11	15
Accounts payable	184	108
Accrued expenses	437	486
Accrued income taxes	277	1,007
Deferred tax liabilities	12	102
Accrued employee bonuses	9	-
Accrued officers bonuses	9	-
Other	258	206
Total current liabilities	<u>286,490</u>	<u>331,969</u>
Long-term liabilities		
Long-term borrowings	20,000	20,000
Other	436	470
Total long-term liabilities	<u>20,436</u>	<u>20,470</u>
Statutory reserves		
Reserve for financial product transaction liabilities	807	1,187
Total statutory reserves	<u>807</u>	<u>1,187</u>
Total liabilities	<u>307,733</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	25,019	24,872
Treasury stock	(9,558)	(8,715)
Total shareholders' equity	<u>34,570</u>	<u>35,267</u>
Valuation and translation adjustments		
Net unrealized gain on investment securities	247	396
Total valuation and translation adjustments	<u>247</u>	<u>396</u>
Total net assets	<u>34,818</u>	<u>35,664</u>
Total liabilities and net assets	<u>342,552</u>	<u>389,292</u>

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	Nine months of fiscal year ended March 2010	Nine months of fiscal year ending March 2011
Operating revenues		
Commissions	7,829	6,178
Brokerage commissions	6,427	4,655
Fees for offering, secondary distribution and solicitation for selling and other services for professional investor	89	124
Other	1,312	1,398
Net gain(loss) on trading	-	2
Financial income	3,867	4,072
Total operating revenues	11,697	10,253
Financial expenses	1,263	1,169
Net operating revenues	10,433	9,084
Selling, general and administrative expenses		
Transaction related expenses	2,738	2,569
Employment cost	728	713
Facilities and rentals	1,487	1,344
Outsourcing and office supplies	553	490
Depreciation and amortization	660	750
Duties and taxes other than income taxes	103	109
Provision to allowance for doubtful accounts	50	13
Other	169	109
Total selling, general and administrative expenses	6,493	6,099
Operating income	3,940	2,984
Non-operating income	212	170
Non-operating expenses	190	154
Ordinary income	3,962	2,999
Special profits		
Reversal of reserve for financial product transaction	247	380
Reversal of allowance for doubtful accounts	53	14
Total special profits	300	395
Special losses		
Valuation loss on investment securities	-	6
Loss on the effect of the adopting the accounting standards regarding asset retirement obligations	-	13
Total special losses	-	19
Income before income taxes	4,262	3,375
Income taxes - current	1,633	1,304
Income taxes - deferred	117	77
Income taxes	1,750	1,382
Net income	2,511	1,992

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

(4)Monthly Business Data

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Number of customer accounts *1 (at month-end)	711,118	713,199	715,421	717,366	719,476	721,823
Number of margin customer accounts *1 (at month-end)	73,694	74,045	74,406	74,747	75,031	75,354
Number of forward and option customer accounts *1 (at month-end)	29,655	30,082	30,503	30,778	31,041	31,218
Number of OTC FX customer accounts *1 (at month-end)	34,598	35,289	35,927	36,537	36,936	37,199
Number of customers using stock lending service	13,435	13,291	12,657	13,606	13,664	13,651
Average daily number of executed equity trades *2	28,571	28,276	29,483	30,373	35,648	38,406
Average daily number of executed cash trades *2, 3	12,843	12,748	13,202	12,660	14,643	17,150
Average daily number of executed margin trades *2	15,727	15,527	16,280	17,713	21,005	21,255
Average value of equity trading (thousands of yen)	913	879	906	917	880	876
Average value of cash trading *3 (thousands of yen)	516	497	531	507	562	578
Average value of margin trading (thousands of yen)	1,238	1,192	1,210	1,209	1,103	1,117
Amount of customer assets *4 (at month-end) (millions of yen)	1,055,660	1,017,304	1,037,481	1,017,255	1,069,484	1,109,805
Margin trading balance *5 (at month-end) (millions of yen)	116,614	115,201	111,166	102,834	97,203	106,214
Amount of stock lending (at month-end) (millions of yen)	66,302	61,644	42,289	62,212	66,980	65,912

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

*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.

	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 OTC 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

	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 OTC 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