

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, 2012. 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 2012**

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, 2011 to Jun 30, 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	%
1Q of fiscal year ending March 2012	3,293	(18.5)	2,791	(21.5)	731	(47.5)	820	(41.3)	517	(50.3)
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)

	Earnings per share	Fully diluted earnings per share	Return on equity
	yen	yen	%
1Q of fiscal year ending March 2012	2.94	-	6.4
1Q of fiscal year ended March 2011	5.81	5.81	11.9

(2)Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
June 30, 2011	360,345	31,741	8.8	558.3
March 31, 2011	395,005	32,615	8.3	553.1

2.Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
				yen	yen
Fiscal year ended March 2011	-	-	-	8.00	8.00
Fiscal year ending March 2012	-				

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, 2011	As of Jun 30, 2011
Assets		
Current Assets		
Cash and bank deposits	40,385	20,149
Cash held in trust	222,299	206,740
Margin account assets	95,742	99,815
Loans receivable from customers	80,947	89,719
Cash deposited as collateral for securities borrowed	14,794	10,096
Advances paid	291	303
Amount paid	413	521
Short term guarantee deposits	26,426	23,444
Prepaid expenses	219	407
Accrued income	1,044	1,299
Other	1,228	618
Total current assets	<u>388,051</u>	<u>353,299</u>
Fixed Assets		
Tangible fixed assets	862	1,037
Intangible fixed assets	1,908	1,850
Investment and others	4,183	4,158
Investment securities	1,484	1,459
Long term guarantee deposits	409	379
Deferred income tax assets	1,851	1,836
Long-term advances paid	4,068	3,925
Other	231	361
Allowance for doubtful accounts	(3,861)	(3,803)
Total fixed assets	<u>6,954</u>	<u>7,045</u>
Total Assets	<u>395,005</u>	<u>360,345</u>

(Unit : Millions of Yen)

	As of March 31, 2011	As of Jun 30, 2011
Liabilities		
Current liabilities		
Margin account liabilities	61,393	37,428
Loans from securities finance companies	30,201	13,461
Proceeds of securities lent on customers' account	31,192	23,966
Payables on collateralized securities transactions	10,232	16,117
Deposits received	117,107	111,844
Guarantee money received	127,615	125,882
Short-term borrowings	23,000	15,000
Accounts payable	154	122
Accrued expenses	603	567
Accrued income taxes	771	265
Deferred tax liabilities	-	64
Provision for bonuses	-	9
Other		233
Total current liabilities	341,210	307,535
Long-term liabilities		
Long-term borrowings	20,000	20,000
Other	370	287
Total long-term liabilities	20,370	20,287
Statutory reserves		
Reserve for financial product transaction liabilities	809	780
Total statutory reserves	809	780
Total liabilities	362,389	328,604
Net assets		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	18,024	17,133
Treasury stock	(4,673)	(4,673)
Total shareholders' equity	32,461	31,570
Valuation and translation adjustments		
Net unrealized gain on investment securities	154	171
Total valuation and translation adjustments	154	171
Total net assets	32,615	31,741
Total liabilities and net assets	395,005	360,345

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	1Q of fiscal year ending March 2011 (April 1 to June 30, 2010)	1Q of fiscal year ending March 2012 (April 1 to June 30, 2011)
Operating revenues		
Commissions	2,536	1,841
Brokerage commissions	2,006	1,391
Fees for offering, secondary distribution and solicitation for selling and other services for professional investor	47	33
Other	481	417
Net gain on trading	-	5
Financial income	1,506	1,445
Total operating revenues	4,042	3,293
Financial expenses	486	502
Net operating revenues	3,556	2,791
Selling, general and administrative expenses		
Transaction related expenses	926	880
Employment cost	251	223
Facilities and rentals	464	393
Outsourcing and office supplies	184	156
Depreciation and amortization	237	322
Duties and taxes other than income taxes	50	45
Provision to allowance for doubtful accounts	10	-
Other	37	37
Total selling, general and administrative expenses	2,162	2,059
Operating income	1,394	731
Non-operating income	19	93
Non-operating expenses	15	4
Ordinary income	1,397	820
Special profits		
Reversal of reserve for financial product transaction	381	28
Reversal of allowance for doubtful accounts	3	-
Total special profits	385	28
Special losses		
Valuation loss on investment securities	5	1
Loss on the effect of the adopting the accounting standard regarding asset retirement obligations	13	-
Total special losses	19	1
Income before income taxes	1,763	847
Income taxes - current	536	259
Income taxes - deferred	186	70
Income taxes	722	329
Net income	1,040	517

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

(Unit : Millions of Yen)

	1Q of FY 2011	2Q of FY 2011	3Q of FY 2011	4Q of FY 2011	1Q of FY 2012
Operating revenues					
Commissions	2,536	1,752	1,889	2,535	1,841
Brokerage commissions	2,006	1,288	1,359	2,080	1,391
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	47	35	40	44	33
Other	481	427	488	411	417
Net gain on trading	-	-	2	6	5
Financial income	1,506	1,225	1,341	1,256	1,445
Total operating revenues	4,042	2,977	3,233	3,798	3,293
Financial expenses	486	226	456	277	502
Net operating revenues	3,556	2,751	2,776	3,521	2,791
Selling, general and administrative expenses					
Transaction related expenses	926	844	798	908	880
Employment cost	251	238	223	213	223
Facilities and rentals	464	438	442	445	393
Outsourcing and office supplies	184	166	139	159	156
Depreciation and amortization	237	248	264	300	322
Duties and taxes other than income taxes	50	23	35	25	45
Provision to allowance for doubtful accounts	10	0	0	0	-
Other	37	38	35	43	37
Total selling, general and administrative expenses	2,162	1,998	1,938	2,095	2,059
Operating income	1,394	752	837	1,426	731
Non-operating income	19	139	11	15	93
Non-operating expenses	15	138	0	36	4
Ordinary income	1,397	753	848	1,405	820
Special profits					
Reversal of reserve for financial product transaction	381	-	-	-	28
Reversal of allowance for doubtful accounts	3	4	7	29	-
Profits on sales of investment securities	-	-	-	284	-
Total special profits	385	4	7	313	28
Special losses					
Valuation loss on investment securities	5	-	0	286	1
Provision of reserve for financial product transaction	-	0	1	2	-
Loss on disposal of fixed assets	-	-	-	-	-
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	19	0	1	3,501	1
Income before income taxes	1,763	757	854	(1,782)	847
Income taxes - current	536	385	383	478	259
Income taxes - deferred	186	(75)	(33)	(865)	70
Income taxes	722	310	349	(387)	329
Net income(lost)	1,040	447	505	(1,395)	517

(4)Monthly Business Data

	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11
Number of customer accounts *1 (at month-end)	724,548	727,150	731,891	735,029	737,647	740,266
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	42,887	43,122	43,698	44,032	44,320	44,639
Number of margin customer accounts *1 (at month-end)	75,762	76,141	76,832	77,172	77,413	77,814
Number of forward and option customer accounts *1 (at month-end)	31,480	31,776	32,595	33,203	33,464	33,641
Number of OTC FX customer accounts *1 (at month-end)	37,536	37,846	38,460	38,919	39,243	39,534
Number of customers using stock lending service	13,880	13,596	12,119	13,661	13,836	13,862
Average daily number of executed equity trades *2	45,779	47,695	58,101	40,252	37,231	34,663
Average daily number of executed cash trades *2, 3	20,832	22,007	28,804	17,389	16,243	14,792
Average daily number of executed margin trades *2	24,947	25,688	29,297	22,862	20,988	19,871
Average value of equity trading (thousands of yen)	920	1,028	908	884	878	883
Average value of cash trading *3 (thousands of yen)	587	664	590	546	511	514
Average value of margin trading (thousands of yen)	1,198	1,340	1,221	1,141	1,163	1,158
Monthly trading value of OTC FX (100 millions of yen)	8,744	8,500	11,450	10,662	10,475	10,075
Amount of customer assets *4 (at month-end) (millions of yen)	1,133,489	1,180,014	1,109,338	1,107,959	1,096,550	1,103,989
Margin trading balance *5 (at month-end) (millions of yen)	115,048	123,380	112,139	105,185	112,870	113,685
Amount of stock lending (at month-end) (millions of yen)	71,752	72,371	35,456	65,449	65,765	63,969

	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Number of customer accounts (at month-end)	711,118	713,199	715,421	717,366	719,476	721,823
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	41,748	41,881	42,128	42,328	42,565	42,704
Number of margin customer accounts (at month-end)	73,694	74,045	74,406	74,747	75,031	75,354
Number of forward and option customer accounts (at month-end)	29,655	30,082	30,503	30,778	31,041	31,218
Number of OTC FX customer accounts (at month-end)	34,598	35,289	35,927	36,537	36,936	37,199
Number of customer using lending stock service	13,435	13,291	12,657	13,606	13,664	13,651
Average daily number of executed equity trades	28,571	28,276	29,483	30,373	35,648	38,406
Average daily number of executed cash trades	12,843	12,748	13,202	12,660	14,643	17,150
Average daily number of executed margin trades	15,727	15,527	16,280	17,713	21,005	21,255
Average trading value of equity trading	913	879	906	917	880	876
Average trading value of cash trading	516	497	531	507	562	578
Average trading value of margin trading	1,238	1,192	1,210	1,209	1,103	1,117
Monthly trading value of OTC FX (100 millions of yen)	11,703	10,945	11,766	10,556	12,228	8,336
Amount of customer assets (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 (at month-end) (millions of yen)	116,614	115,201	111,166	102,834	97,203	106,214
Amount of lending stock (at month-end) (millions of yen)	66,302	61,644	42,289	62,212	66,980	65,912

*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-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	40,400	40,838	41,297
Number of forward and option customer accounts (at month-end)	28,059	28,319	28,604	72,436	72,880	73,341
Number of OTC FX customer accounts (at month-end)	31,017	31,609	32,199	28,852	29,142	29,366
Number of customer using lending stock service	13,043	12,933	11,696	32,781	33,524	34,027
Average daily number of executed equity trades	43,936	34,825	39,721	13,197	13,243	13,288
Average daily number of executed cash trades	22,399	16,245	18,802	49,246	44,088	32,910
Average daily number of executed margin trades	21,536	18,580	20,918	24,376	21,951	15,215
Average trading value of equity trading	906	886	889	24,869	22,137	17,964
Average trading value of cash trading	589	543	623	906	910	912
Average trading value of margin trading	1,236	1,186	1,129	631	587	541
Monthly trading value of OTC FX (100 millions of yen)	3,619	7,074	8,001	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	11,232	16,110	11,431
Margin trading balance (at month-end) (millions of yen)	110,017	106,832	105,892	1,162,927	1,078,391	1,045,962
				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 OTC FX customer accounts (at month-end)	28,075	28,530	29,166		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
Monthly trading value of OTC FX (100 millions of yen)	4,529	3,867	3,637	4,023	3,163	3,596
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