

**Disclaimer**

This document is an English-language translation of the non-consolidated financial summary of the financial results for the first half of the fiscal year ending March 31, 2013 (from April 2012 to March 2013). 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 Half(1H) of the Fiscal Year Ending March 31, 2013**

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](mailto:ir@kabu.com)

**1.Financial summary (April 1, 2012 to September 30, 2012)**

(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	%
1H of fiscal year ending March 2013	5,325	(17.9)	4,473	(20.5)	904	(41.8)	960	(41.7)	630	(25.7)
1H of fiscal year ended March 2012	6,482	(7.7)	5,630	(10.7)	1,554	(27.6)	1,646	(23.4)	849	(42.9)

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
1H of fiscal year ending March 2013	3.58	-	3.9
1H of fiscal year ended March 2012	4.82	-	5.3

(2)Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
September 30, 2012	375,093	32,119	8.6	581.9
March 31, 2012	395,810	32,779	8.3	581.1

**2.Dividends**

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
				yen	yen
Fiscal year ended March 2012	-	-	-	8.00	8.00
Fiscal year ending March 2013	-	-			

**3.Forecast for the Business Results of Full Fiscal Year (April 1, 2012 to March 31, 2013)**

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, 2012	As of September 30, 2012
<b>Assets</b>		
Current Assets		
Cash and bank deposits	25,252	26,077
Cash held in trust	222,027	209,424
Margin account assets	115,271	108,220
Loans receivable from customers	73,408	72,372
Cash deposited as collateral for securities borrowed	41,862	35,847
Advances paid	148	155
Amount paid	481	339
Short term guarantee deposits	24,192	23,255
Prepaid expenses	215	273
Accrued income	1,255	1,322
Other	1,233	564
Total current assets	<u>390,079</u>	<u>369,633</u>
Fixed Assets		
Tangible fixed assets	749	820
Intangible fixed assets	1,812	1,862
Investment and others	3,168	2,777
Investment securities	1,337	1,104
Long term guarantee deposits	375	371
Deferred income tax assets	1,036	930
Long-term advances paid	2,634	2,271
Other	280	276
Allowance for doubtful accounts	(2,496)	(2,176)
Total fixed assets	<u>5,730</u>	<u>5,460</u>
Total Assets	<u>395,810</u>	<u>375,093</u>

(Unit : Millions of Yen)

	As of March 31, 2012	As of September 30, 2012
<b>Liabilities</b>		
Current liabilities		
Margin account liabilities	77,619	64,711
Loans from securities finance companies	19,724	18,451
Proceeds of securities lent on customers' account	57,894	46,260
Payables on collateralized securities transactions	16,784	32,875
Deposits received	118,807	109,891
Guarantee money received	122,029	119,875
Short-term borrowings	6,000	1,000
Current portion of long-term loans payable	17,500	-
Current portion of long-term loans payable to subsidiaries and affiliates	2,500	-
Accounts payable	112	332
Accrued expenses	475	394
Accrued income taxes	-	337
Deferred tax liabilities	72	78
Other	222	182
Total current liabilities	362,124	329,679
Long-term liabilities		
Long-term borrowings	-	12,500
Other	124	50
Total long-term liabilities	124	12,550
Statutory reserves		
Reserve for financial product transaction liabilities	781	744
Total statutory reserves	781	744
Total liabilities	363,030	342,974
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	18,203	17,425
Treasury stock	(4,673)	(4,673)
Total shareholders' equity	32,640	31,862
Valuation and translation adjustments		
Net unrealized gain on investment securities	138	256
Total valuation and translation adjustments	138	256
Total net assets	32,779	32,119
Total liabilities and net assets	395,810	375,093

**(2)Non-Consolidated Statements of Income**

(Unit : Millions of Yen)

	1H of fiscal year ended March 2012 (April 1 to September 30, 2011)	1H of fiscal year ending March 2013 (April 1 to September 30, 2012)
Operating revenues		
Commissions	3,773	2,848
Brokerage commissions	2,875	2,175
Fees for offering, secondary distribution and solicitation for selling and other services for professional investor	62	74
Other	835	598
Net gain on trading	16	29
Financial income	2,692	2,447
Total operating revenues	6,482	5,325
Financial expenses	851	851
Net operating revenues	5,630	4,473
Selling, general and administrative expenses		
Transaction related expenses	1,781	1,569
Employment cost	450	443
Facilities and rentals	768	601
Outsourcing and office supplies	310	314
Depreciation and amortization	618	485
Duties and taxes other than income taxes	66	80
Other	79	74
Total selling, general and administrative expenses	4,075	3,569
Operating income	1,554	904
Non-operating income	308	121
Non-operating expenses	216	65
Ordinary income	1,646	960
Special profits		
Reversal of reserve for financial product transaction	28	37
Total special profits	28	37
Special losses		
Valuation loss on investment securities	1	-
Loss on from PTS business withdrawal	261	-
Total special losses	263	-
Income before income taxes	1,411	997
Income taxes - current	564	319
Income taxes - deferred	(2)	47
Income taxes	562	366
Net income	849	630

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

(Unit : Millions of Yen)

	1Q of FY 2012	2Q of FY 2012	3Q of FY 2012	4Q of FY 2012	1Q of FY 2013	2Q of FY 2013
Operating revenues						
Commissions	1,841	1,931	1,626	1,877	1,499	1,348
Brokerage commissions	1,391	1,483	1,264	1,490	1,143	1,031
Fees for offering, secondary distribution and solicitation for selling and others for professional investor:	33	29	18	21	28	45
Other	417	418	343	366	327	271
Net gain on trading	5	10	7	16	17	11
Financial income	1,445	1,246	1,291	1,067	1,354	1,092
Total operating revenues	3,293	3,189	2,924	2,961	2,872	2,452
Financial expenses	502	349	464	320	548	303
Net operating revenues	2,791	2,839	2,460	2,640	2,324	2,149
Selling, general and administrative expenses						
Transaction related expenses	880	900	770	874	794	774
Employment cost	223	227	228	225	221	222
Facilities and rentals	393	374	331	317	289	312
Outsourcing and office supplies	156	154	141	176	159	155
Depreciation and amortization	322	296	245	257	240	244
Duties and taxes other than income taxes	45	21	28	26	49	30
Other	37	42	32	29	38	36
Total selling, general and administrative expenses	2,059	2,016	1,778	1,909	1,792	1,776
Operating income	731	823	682	731	531	373
Non-operating income	93	214	18	137	58	62
Non-operating expenses	4	211	3	113	0	64
Ordinary income	820	826	696	754	589	370
Special profits						
Reversal of reserve for financial product transactions	28	-	1	-	34	2
Total special profits	28	-	1	-	34	2
Special losses						
Valuation loss on investment securities	1	-	-	-	-	-
Provision of reserve for financial product transaction liabilities	-	0	-	1	-	-
Loss on from PTS business withdrawal	-	261	-	-	-	-
Total special losses	1	261	-	1	-	-
Income before income taxes	847	564	697	753	623	373
Income taxes - current	259	305	(146)	(62)	206	112
Income taxes - deferred	70	(72)	573	347	15	32
Net income	517	332	270	467	402	228

**(4)Monthly Business Data**

	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12
Number of customer accounts *1 (at month-end)	770,661	773,362	775,799	778,481	780,932	784,022
Number of new customer accounts (monthly)	3,446	3,017	2,733	2,965	2,832	3,425
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	46,940	47,198	47,392	47,609	47,852	48,169
Number of margin customer accounts *1 (at month-end)	81,744	82,222	82,624	83,137	83,721	84,447
Number of forward and option customer accounts *1 (at month-end)	36,143	36,484	36,733	36,931	37,114	37,300
Number of OTC FX customer accounts *1 (at month-end)	42,734	43,025	43,303	43,524	43,683	43,890
Number of customers using stock lending service	16,824	17,103	17,128	17,502	17,414	16,482
Average daily number of executed equity trades *2	39,602	38,892	38,941	37,457	34,633	38,941
Average daily number of executed cash trades *2, 3	17,884	17,345	17,409	17,021	15,539	17,855
Average daily number of executed margin trades *2	21,718	21,546	21,531	20,436	19,093	21,086
Average value of equity trading (thousands of yen)	776	704	700	706	738	759
Average value of cash trading *3 (thousands of yen)	442	377	409	387	399	423
Average value of margin trading (thousands of yen)	1,050	967	935	973	1,014	1,042
Monthly trading value of OTC FX (100 millions of yen)	7,408	6,224	6,665	4,462	4,415	4,143
Monthly trading value of Exchange FX*4 (100 millions of yen)	3,158	2,253	2,306	1,261	1,077	1,308
Amount of customer assets *5 (at month-end) (millions of yen)	1,115,602	1,033,840	1,085,903	1,061,797	1,058,937	1,059,203
Margin trading balance *6 (at month-end) (millions of yen)	110,753	101,986	107,996	102,759	106,382	118,633
Amount of stock lending (at month-end) (millions of yen)	75,619	69,682	71,436	72,585	71,673	47,984

	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12
Number of customer accounts *1 (at month-end)	750,703	752,831	755,338	758,621	762,955	767,607
Number of new customer accounts (monthly)	2,432	2,463	2,798	3,587	4,758	5,076
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	45,612	45,793	46,000	46,245	46,495	46,754
Number of margin customer accounts *1 (at month-end)	79,210	79,457	79,564	79,336	80,034	81,225
Number of forward and option customer accounts *1 (at month-end)	34,836	35,072	35,323	35,301	35,562	35,839
Number of OTC FX customer accounts *1 (at month-end)	41,516	41,816	41,816	41,565	41,964	42,447
Number of customers using stock lending service	15,261	15,510	15,599	16,004	15,906	14,716
Average daily number of executed equity trades *2	33,396	31,507	30,971	36,228	50,019	50,846
Average daily number of executed cash trades *2, 3	13,107	13,587	13,121	14,824	23,148	24,839
Average daily number of executed margin trades *2	20,289	17,920	17,850	21,403	26,870	26,006
Average value of equity trading (thousands of yen)	843	812	767	768	814	765
Average value of cash trading *3 (thousands of yen)	526	500	485	502	547	478
Average value of margin trading (thousands of yen)	1,048	1,049	974	951	1,044	1,039
Monthly trading value of OTC FX (100 millions of yen)	8,158	8,845	5,600	6,102	7,193	9,725
Monthly trading value of Exchange FX*4 (100 millions of yen)	3,393	3,717	2,474	3,133	3,514	4,191
Amount of customer assets *5 (at month-end) (millions of yen)	1,039,631	1,005,741	1,010,064	1,045,597	1,131,522	1,145,744
Margin trading balance *6 (at month-end) (millions of yen)	99,800	95,315	101,134	94,448	105,754	131,303
Amount of stock lending (at month-end) (millions of yen)	67,741	65,219	63,388	68,712	73,619	43,250

\*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"(until October 31,2011), exclude investors.

\*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.