

**Disclaimer**

This document is an English-language translation of the non-consolidated financial summary of the financial results for the third quarter of the fiscal year ending March 31, 2015 (from April 2014 to March 2015). 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 2014 to December 2014 of the Fiscal Year Ending March 31, 2015**

Company name: kabu.com Securities Co., Ltd.  
 Listing: 1st section of the Tokyo Stock Exchange  
 Code number: 8703  
 Representative: Masakatsu Saito, CEO  
 Contact: Takeshi Amemiya, CFO

URL: <http://kabu.com>E-mail: [ir@kabu.com](mailto:ir@kabu.com)**1. Financial summary (April 1, 2014 to December 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	%
Nine Months ended December 31, 2014	17,145	(5.1)	15,349	(6.4)	7,144	(20.7)	7,248	(20.3)	5,235	1.5
Nine Months ended December 31, 2013	18,066	114.0	16,395	131.9	9,007	422.1	9,098	402.3	5,159	347.2

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
Nine Months ended December 31, 2014	30.01	-	16.3
Nine Months ended December 31, 2013	29.30	-	17.8

**(2) Financial position**

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
December 31, 2014	776,266	43,355	5.5	479.7
March 31, 2014	700,675	42,240	6.0	432.5

**2. Dividends**

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
Fiscal year ended March 2014	-	0.00	-	18.00	18.00
Fiscal year ending March 2015	-	0.00	-		
Fiscal year ending March 2015 (Forecasts)				23.00	23.00

**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, 2014	As of December 31, 2014
<b>Assets</b>		
Current Assets		
Cash and bank deposits	49,214	39,597
Cash held in trust	349,578	458,948
Margin account assets	234,740	206,992
Loans receivable from customers	183,317	186,800
Cash deposited as collateral for securities borrowed from securities finance companies	51,422	20,191
Advances paid	97	197
Cash paid for offering	364	483
Short term guarantee deposits	52,818	57,262
Prepaid expenses	234	303
Accrued income	1,700	1,907
Deferred tax assets	147	-
Other	1,642	1,166
Total current assets	<u>690,539</u>	<u>766,860</u>
Fixed Assets		
Tangible fixed assets	936	755
Intangible fixed assets	2,658	2,867
Investment and others	6,541	5,783
Investment securities	5,829	5,016
Long term guarantee deposits	378	470
Long-term advances paid	1,269	1,226
Other	249	242
Allowance for doubtful accounts	(1,186)	(1,172)
Total fixed assets	<u>10,136</u>	<u>9,406</u>
Total Assets	<u>700,675</u>	<u>776,266</u>

(Unit : Millions of Yen)

	As of March 31, 2014	As of December 31, 2014
<b>Liabilities</b>		
Current liabilities		
Margin account liabilities	110,693	65,355
Loans from securities finance companies	46,460	24,685
Proceeds of securities lent on customers' account	64,232	40,670
Payables on collateralized securities transactions	59,169	44,647
Deposits received	189,320	279,413
Guarantee money received	196,545	246,809
Short-term borrowings	64,000	68,000
Short-term loans payable to subsidiaries and affiliates	10,000	-
Accounts payable	717	183
Accrued expenses	574	719
Accrued income taxes	4,161	774
Deferred tax liabilities	-	292
Reserve for bonuses	-	37
Reserve for directors' bonuses	-	78
Other	332	1,525
Total current liabilities	635,514	707,836
Long-term liabilities		
Long-term borrowings	13,100	15,100
Long-term loans payable to subsidiaries and affiliates	6,900	6,900
Deferred tax liabilities	1,399	1,167
Total long-term liabilities	21,399	23,167
Statutory reserves		
Reserve for financial product transaction liabilities	1,521	1,907
Total statutory reserves	1,521	1,907
Total liabilities	658,434	732,911
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	19,633	21,698
Treasury stock	-	(884)
Total shareholders' equity	38,743	39,924
Valuation and translation adjustments		
Net unrealized gain on investment securities	3,497	3,431
Total valuation and translation adjustments	3,497	3,431
Total net assets	42,240	43,355
Total liabilities and net assets	700,675	776,266

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

(Unit : Millions of Yen)

	Nine months of fiscal year ended March 2014 (April 1 to December 31, 2013)	Nine months of fiscal year ending March 2015 (April 1 to December 31, 2014)
Operating revenues		
Commissions	10,660	8,368
Brokerage commissions	9,069	6,920
Fees for offering, secondary distribution and solicitation for selling and other services for professional investors	282	203
Other	1,307	1,243
Net gain on trading	404	740
Financial revenues	7,001	8,036
Total operating revenues	18,066	17,145
Financial expenses	1,670	1,796
Net operating revenues	16,395	15,349
Selling, general and administrative expenses		
Transaction related expenses	3,571	4,231
Employment cost	898	851
Facilities and rentals	1,086	1,192
Outsourcing and office supplies	679	608
Depreciation and amortization	811	969
Duties and taxes other than income taxes	155	203
Provision of allowance for doubtful accounts	33	0
Other	151	147
Total selling, general and administrative expenses	7,388	8,205
Operating income	9,007	7,144
Non-operating income	113	128
Non-operating expenses	22	23
Ordinary income	9,098	7,248
Special profits		
Gain on sales of investment securities	-	1,537
Total special profits	-	1,537
Special losses		
Provision of reserve for financial product transaction liabilities	450	385
Impairment loss	21	-
Total special losses	471	385
Income before income taxes	8,627	8,401
Income taxes - current	3,466	2,921
Income taxes - deferred	1	244
Income taxes	3,467	3,165
Net income	5,159	5,235

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

(Unit : Millions of Yen)

	1Q of FY 2014	2Q of FY 2014	3Q of FY 2014	4Q of FY 2014	1Q of FY 2015	2Q of FY 2015	3Q of FY 2015
Operating revenues							
Commissions	4,654	2,967	3,037	2,702	2,316	2,720	3,330
Brokerage commissions	4,025	2,520	2,523	2,270	1,926	2,299	2,694
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	138	69	74	69	49	49	105
Other	490	377	439	362	341	372	530
Net gain on trading	60	232	111	219	172	231	335
Financial revenues	2,447	2,059	2,494	2,359	2,551	2,628	2,856
Total operating revenues	7,162	5,259	5,644	5,281	5,041	5,580	6,523
Financial expenses	691	342	636	391	606	554	635
Net operating revenues	6,471	4,916	5,007	4,890	4,435	5,026	5,887
Selling, general and administrative expenses							
Transaction related expenses	1,376	1,159	1,035	1,100	1,502	1,116	1,611
Employment cost	300	305	292	255	253	298	299
Facilities and rentals	348	365	372	392	393	397	401
Outsourcing and office supplies	210	246	221	199	207	203	197
Depreciation and amortization	266	273	272	285	299	338	331
Duties and taxes other than income taxes	67	34	53	58	100	46	56
Other	111	41	31	26	46	49	52
Total selling, general and administrative expenses	2,681	2,426	2,280	2,318	2,803	2,451	2,950
Operating income	3,789	2,490	2,727	2,571	1,632	2,575	2,936
Non-operating income	40	34	39	89	103	34	(9)
Non-operating expenses	11	8	2	9	9	8	5
Ordinary income	3,818	2,516	2,763	2,651	1,726	2,600	2,921
Special profits							
Gain on sales of investment securities	-	-	-	-	-	1,107	430
Total special profits	-	-	-	-	-	1,107	430
Special losses							
Provision of reserve for financial product transaction liabilities	194	126	129	122	109	130	146
Impairment loss	-	-	21	50	-	-	-
Total special losses	194	126	150	172	109	130	146
Income before income taxes	3,624	2,390	2,613	2,479	1,617	3,577	3,205
Income taxes - current	1,467	1,055	943	1,111	316	1,461	1,142
Income taxes - deferred	(6)	(92)	100	(102)	292	(122)	74
Net income	2,163	1,427	1,568	1,470	1,008	2,238	1,988

**(4)Monthly Business Data**

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Number of customer accounts *1 (at month-end)	883,602	886,965	891,095	895,416	900,347	905,390
Number of new customer accounts (monthly)	4,120	3,792	4,500	4,697	5,202	5,415
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	59,626	59,879	60,087	60,298	60,563	60,861
Number of active accounts *2	452,717	454,035	455,691	457,644	459,131	460,466
Number of margin customer accounts *1 (at month-end)	104,771	105,697	106,991	107,835	108,820	109,955
Number of future and option customer accounts *1 (at month-end)	44,283	44,556	44,821	45,172	45,575	45,959
Number of OTC FX customer accounts *1 (at month-end)	64,766	65,336	66,151	66,958	68,044	69,161
Average daily number of executed equity trades *3	96,993	99,089	103,826	98,243	122,734	124,138
Average value of equity trading (thousands of yen)	1,078	1,011	1,053	1,039	1,130	1,054
Monthly trading value of OTC FX (100 millions of yen)	20,108	22,595	44,393	57,444	79,648	94,809
Amount of customer assets *4 (at month-end) (millions of yen)	1,826,292	1,833,237	1,848,286	1,831,553	1,942,741	1,937,292
Margin trading balance *5 (at month-end) (millions of yen)	209,428	221,627	252,389	215,959	211,477	227,471
Number of automatic debit accounts *1 (at month-end)	415,450	416,143	416,734	417,463	418,211	419,132

  

	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14
Number of customer accounts *1 (at month-end)	861,267	865,354	869,044	872,970	876,143	879,762
Number of new customer accounts (monthly)	6,289	4,644	4,069	4,324	3,519	3,997
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	57,826	58,194	58,519	58,820	59,050	59,349
Number of active accounts *2	440,094	442,773	445,474	447,798	449,474	452,132
Number of margin customer accounts *1 (at month-end)	98,309	99,168	100,085	100,724	101,640	103,741
Number of future and option customer accounts *1 (at month-end)	42,636	42,994	43,294	43,588	43,822	44,067
Number of OTC FX customer accounts *1 (at month-end)	60,631	61,393	62,032	62,724	63,338	64,126
Average daily number of executed equity trades *3	113,244	98,794	89,145	79,193	81,127	100,542
Average value of equity trading (thousands of yen)	1,105	1,066	1,041	1,006	996	1,062
Monthly trading value of OTC FX (100 millions of yen)	42,635	33,720	31,779	28,715	22,367	19,513
Amount of customer assets *4 (at month-end) (millions of yen)	1,754,202	1,735,003	1,687,805	1,673,891	1,713,424	1,797,487
Margin trading balance *5 (at month-end) (millions of yen)	242,492	225,824	247,550	203,468	192,028	207,883
Number of automatic debit accounts *1 (at month-end)	411,467	412,231	412,973	413,567	414,138	414,722

\*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 : 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.