

**Disclaimer**

This document is an English-language translation of the non-consolidated financial summary of the financial results for the fiscal year ended March 31, 2016(from April 2015 to March 2016). 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**  
**Fiscal Year Ended March 31, 2016**

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  
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**1. Financial summary (April 1, 2015 to March 31, 2016)**

(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	%
Fiscal year ended March 31, 2016	24,927	6.6	22,389	6.8	10,621	4.9	10,739	4.7	8,016	4.9
Fiscal year ended March 31, 2015	23,374	0.1	20,960	(1.5)	10,120	(12.6)	10,256	(12.7)	7,640	15.2

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
Fiscal year ended March 31, 2016	23.34	–	17.7
Fiscal year ended March 31, 2015	21.91	–	17.2

(Note) On July 1, 2015, we conducted a 2-for-1 common stock split. Earnings per share has been calculated on the presumption that the stock split was conducted at the beginning of the previous fiscal year.

(2) Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
March 31, 2016	799,995	43,786	5.5	435.9
March 31, 2015	867,769	46,632	5.4	441.5

**2. Dividends**

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
		yen		yen	yen
Fiscal year ended March 2015	–	0.00	–	23.00	23.00
Fiscal year ended March 2016	–	6.00	–	6.00	12.00

**3. Forecast for the Business Results of Full Fiscal Year (April 1, 2016 to March 31, 2017)**

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, 2015	As of March 31, 2016
<b>Assets</b>		
Current Assets		
Cash and bank deposits	40,115	47,829
Cash held in trust	478,749	411,524
Margin account assets	266,116	249,957
Loans receivable from customers	192,982	160,344
Cash deposited as collateral for securities borrowed from securities finance companies	73,134	89,612
Advances paid	216	140
Cash paid for offering	850	696
Short term guarantee deposits	66,838	72,725
Prepaid expenses	226	218
Accrued income	2,125	2,005
Other	2,048	5,762
Total current assets	<u>857,289</u>	<u>790,860</u>
Fixed Assets		
Tangible fixed assets	704	1,002
Intangible fixed assets	2,840	3,195
Investment and others	6,936	4,938
Investment securities	6,202	4,111
Long term guarantee deposits	468	514
Long-term advances paid	1,189	940
Other	213	164
Allowance for doubtful accounts	(1,138)	(794)
Total fixed assets	<u>10,480</u>	<u>9,135</u>
Total Assets	<u>867,769</u>	<u>799,995</u>

(Unit : Millions of Yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
Current liabilities		
Margin account liabilities	155,021	137,185
Loans from securities finance companies	58,883	31,718
Proceeds of securities lent on customers' account	96,137	105,466
Payables on collateralized securities transactions	81,522	88,703
Deposits received	271,949	223,035
Guarantee money received	231,157	227,717
Short-term borrowings	43,000	70,000
Short-term loans payable to subsidiaries and affiliates	10,000	—
Accounts payable	443	946
Accrued expenses	772	808
Accrued income taxes	2,017	2,250
Deferred tax liabilities	103	228
Other	343	964
Total current liabilities	<u>796,332</u>	<u>751,841</u>
Long-term liabilities		
Long-term borrowings	15,100	2,000
Long-term loans payable to subsidiaries and affiliates	6,900	—
Deferred tax liabilities	758	13
Total long-term liabilities	<u>22,758</u>	<u>2,013</u>
Statutory reserves		
Reserve for financial product transaction liabilities	2,046	2,354
Total statutory reserves	<u>2,046</u>	<u>2,354</u>
Total liabilities	<u>821,137</u>	<u>756,209</u>
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	24,104	21,454
Treasury stock	(884)	(170)
Total shareholders' equity	<u>42,329</u>	<u>40,394</u>
Valuation and translation adjustments		
Net unrealized gain on investment securities	4,302	3,392
Total valuation and translation adjustments	<u>4,302</u>	<u>3,392</u>
Total net assets	<u>46,632</u>	<u>43,786</u>
Total liabilities and net assets	<u>867,769</u>	<u>799,995</u>

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

(Unit : Millions of Yen)

	Fiscal year ended March 2015 (April 2014 to March 2015)	Fiscal year ended March 2016 (April 2015 to March 2016)
Operating revenues		
Commissions	11,555	12,210
Brokerage commissions	9,522	9,977
Fees for offering, secondary distribution and solicitation for selling and other services for professional investors	293	356
Other	1,739	1,876
Net gain on trading	1,016	1,347
Financial revenues	10,802	11,370
Total operating revenues	23,374	24,927
Financial expenses	2,414	2,538
Net operating revenues	20,960	22,389
Selling, general and administrative expenses		
Transaction related expenses	5,500	5,908
Employment cost	1,159	1,166
Facilities and rentals	1,610	1,738
Outsourcing and office supplies	816	919
Depreciation and amortization	1,288	1,190
Duties and taxes other than income taxes	264	300
Provision of allowance for doubtful accounts	—	133
Other	198	410
Total selling, general and administrative expenses	10,839	11,768
Operating income	10,120	10,621
Non-operating income	164	156
Non-operating expenses	28	38
Ordinary income	10,256	10,739
Special profits		
Gain on sales of investment securities	1,537	1,619
Total special profits	1,537	1,619
Special losses		
Provision of reserve for financial product transaction liabilities	525	307
Total special losses	525	307
Income before income taxes	11,269	12,051
Income taxes - current	4,138	4,106
Income taxes - deferred	(509)	(72)
Income taxes	3,628	4,034
Net income	7,640	8,016

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

(Unit : Millions of Yen)

	1Q of FY 2015	2Q of FY 2015	3Q of FY 2015	4Q of FY 2015	1Q of FY 2016	2Q of FY 2016	3Q of FY 2016	4Q of FY 2016
Operating revenues								
Commissions	2,316	2,720	3,330	3,187	3,238	3,354	2,716	2,900
Brokerage commissions	1,926	2,299	2,694	2,602	2,655	2,744	2,164	2,412
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	49	49	105	89	71	100	124	58
Other	341	372	530	495	510	508	427	429
Net gain on trading	172	231	335	276	289	357	322	377
Financial revenues	2,551	2,628	2,856	2,765	3,224	2,782	2,899	2,463
Total operating revenues	5,041	5,580	6,523	6,229	6,752	6,493	5,939	5,742
Financial expenses	606	554	635	618	975	465	678	418
Net operating revenues	4,435	5,026	5,887	5,610	5,776	6,028	5,260	5,324
Selling, general and administrative expenses								
Transaction related expenses	1,502	1,116	1,611	1,269	1,296	1,458	1,503	1,650
Employment cost	253	298	299	308	280	299	290	296
Facilities and rentals	393	397	401	418	418	424	453	441
Outsourcing and office supplies	207	203	197	207	214	232	241	231
Depreciation and amortization	299	338	331	319	293	294	298	303
Duties and taxes other than income taxes	100	46	56	61	96	67	72	63
Other	46	49	52	50	103	193	80	165
Total selling, general and administrative expenses	2,803	2,451	2,950	2,634	2,703	2,971	2,940	3,152
Operating income	1,632	2,575	2,936	2,976	3,072	3,056	2,320	2,171
Non-operating income	103	34	(9)	36	70	23	44	17
Non-operating expenses	9	8	5	4	8	8	1	20
Ordinary income	1,726	2,600	2,921	3,008	3,135	3,071	2,363	2,168
Special profits								
Gain on sales of investment securities	-	1,107	430	-	1,038	581	-	-
Total special profits	-	1,107	430	-	1,038	581	-	-
Special losses								
Provision of reserve for financial product transaction liabilities	109	130	146	139	146	142	19	(1)
Total special losses	109	130	146	139	146	142	19	(1)
Income before income taxes	1,617	3,577	3,205	2,868	4,027	3,510	2,344	2,170
Income taxes - current	316	1,461	1,142	1,217	1,298	1,358	663	786
Income taxes - deferred	292	(122)	74	(754)	35	(189)	110	(29)
Net income	1,008	2,238	1,988	2,405	2,693	2,340	1,569	1,412

**(4)Monthly Business Data**

	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16
Number of customer accounts *1 (at month-end)	972,019	979,131	986,890	991,794	997,531	1,002,268
Number of new customer accounts (monthly)	15,910	7,767	8,201	5,073	6,277	5,089
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	67,140	67,484	67,790	68,147	68,508	68,826
Number of active accounts *2	497,487	497,628	500,769	505,282	508,868	509,432
Number of margin customer accounts *1 (at month-end)	121,098	122,240	123,649	124,739	125,912	127,290
Number of future and option customer accounts *1 (at month-end)	49,932	50,257	50,696	50,777	51,101	51,371
Number of OTC FX customer accounts *1 (at month-end)	79,341	80,295	81,273	81,680	82,389	82,979
Average daily number of executed equity trades *3	92,823	105,028	108,045	121,814	124,254	118,309
Average value of equity trading (thousands of yen)	1,082	1,031	962	891	935	909
Monthly trading value of OTC FX (100 millions of yen)	38,796	44,067	38,075	45,919	53,522	39,791
Amount of customer assets *4 (at month-end) (millions of yen)	2,080,952	2,094,017	2,045,443	1,986,038	1,861,212	1,920,672
Margin trading balance *5 (at month-end) (millions of yen)	225,526	230,278	243,764	210,185	209,048	265,811
Number of automatic debit accounts *1 (at month-end)	430,509	432,083	433,577	434,862	435,839	436,840

  

	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15
Number of customer accounts *1 (at month-end)	925,776	930,094	934,662	939,375	944,447	956,224
Number of new customer accounts (monthly)	5,158	4,653	5,019	5,093	5,518	12,123
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	62,475	62,748	63,033	63,407	64,150	65,408
Number of active accounts *2	471,887	473,529	475,578	477,093	479,422	482,221
Number of margin customer accounts *1 (at month-end)	114,516	115,474	116,433	117,624	118,729	119,852
Number of future and option customer accounts *1 (at month-end)	47,394	47,726	48,040	48,432	48,877	49,358
Number of OTC FX customer accounts *1 (at month-end)	73,082	73,903	74,723	75,593	76,443	77,839
Average daily number of executed equity trades *3	119,970	118,712	115,305	117,916	118,782	98,992
Average value of equity trading (thousands of yen)	1,062	1,120	1,060	1,102	1,127	1,134
Monthly trading value of OTC FX (100 millions of yen)	46,250	46,733	59,208	57,560	65,684	54,902
Amount of customer assets *4 (at month-end) (millions of yen)	2,103,620	2,155,125	2,143,777	2,155,175	2,053,548	1,928,079
Margin trading balance *5 (at month-end) (millions of yen)	261,279	240,321	252,592	257,672	247,304	271,915
Number of automatic debit accounts *1 (at month-end)	422,614	423,450	424,278	425,278	426,283	427,938

\*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.