

**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, 2019(from April 2018 to March 2019). 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, 2019**

Company name: kabu.com Securities Co., Ltd. URL: <https://kabu.com/>  
 Listing: 1st section of the Tokyo Stock Exchange  
 Code number: 8703  
 Representative: Masakatsu Saito, CEO  
 Contact: Motoo Matsumiya, Manager of Business Administration E-mail: [ir@kabu.com](mailto:ir@kabu.com)

**1. Financial summary (April 1, 2018 to September 30, 2018)**

(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 31, 2019	10,927	(4.0)	9,477	(0.4)	3,766	31.8	3,825	31.7	2,682	3.6
1H of fiscal year ending March 31, 2018	11,387	10.1	9,516	4.3	2,856	(12.9)	2,905	(14.1)	2,590	(15.8)

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
1H of fiscal year ending March 31, 2019	8.05	8.05	12.2
1H of fiscal year ended March 31, 2018	7.77	7.77	12.1

(2) Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
September 30, 2018	1,049,815	42,983	4.1	376.6
March 31, 2018	1,005,557	44,753	4.4	371.7

**2. Dividends**

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
				yen	yen
Fiscal year ended March 2018	-	6.00	-	13.00	19.00
Fiscal year ending March 2019	-	6.00			
Fiscal year ending March 2019 (Forecasts)			-	-	-

**3. Forecast for the Business Results of Full Fiscal Year (April 1, 2018 to March 31, 2019)**

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 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, 2018	As of September 30, 2018
<b>Assets</b>		
Current Assets		
Cash and bank deposits	88,361	139,198
Cash held in trust	495,707	528,778
Margin account assets	327,830	289,228
Loans receivable from customers	204,480	157,621
Cash deposited as collateral for securities borrowed from securities finance companies	123,350	131,607
Advances paid	202	93
Cash paid for offering	424	592
Short term guarantee deposits	71,535	70,071
Prepaid expenses	235	530
Accrued income	2,330	2,274
Other	10,368	9,922
Total current assets	<u>996,996</u>	<u>1,040,690</u>
Fixed Assets		
Tangible fixed assets	1,013	921
Intangible fixed assets	4,297	4,994
Investment and others	3,249	3,208
Investment securities	2,330	2,276
Long term guarantee deposits	419	437
Long-term advances paid	530	478
Deferred income tax assets	297	310
Other	153	145
Allowance for doubtful accounts	(482)	(441)
Total fixed assets	<u>8,560</u>	<u>9,124</u>
Total Assets	<u>1,005,557</u>	<u>1,049,815</u>

(Unit : Millions of Yen)

	As of March 31, 2018	As of September 30, 2018
<b>Liabilities</b>		
Current liabilities		
Margin account liabilities	173,736	175,122
Loans from securities finance companies	42,393	32,121
Proceeds of securities lent on customers' account	131,342	143,001
Payables on collateralized securities transactions	119,586	112,874
Deposits received	277,431	315,077
Guarantee money received	249,135	259,569
Short-term borrowings	104,000	45,000
Commercial papers	—	63,000
Accounts payable	977	818
Accrued expenses	1,186	784
Accrued income taxes	1,546	1,245
Other	1,037	1,225
Total current liabilities	928,637	974,718
Long-term liabilities		
Long-term borrowings	30,000	30,000
Total long-term liabilities	30,000	30,000
Statutory reserves		
Reserve for financial product transaction liabilities	2,166	2,112
Total statutory reserves	2,166	2,112
Total liabilities	960,803	1,006,831
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	25,730	24,081
Treasury stock	(2,093)	(2,093)
Total shareholders' equity	42,747	41,097
Valuation and translation adjustments		
Net unrealized gain on investment securities	1,986	1,858
Total valuation and translation adjustments	1,986	1,858
Subscription rights to shares	19	27
Total net assets	44,753	42,983
Total liabilities and net assets	1,005,557	1,049,815

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

(Unit : Millions of Yen)

	1H of fiscal year ending March 2018 (April 1 to September 30, 2017)	1H of fiscal year ending March 2019 (April 1 to September 30, 2018)
Operating revenues		
Commissions	4,874	4,416
Brokerage commissions	4,024	3,572
Fees for offering, secondary distribution and solicitation for selling and other services for professional investors	59	86
Other	790	756
Net gain on trading	474	517
Financial revenues	5,618	5,847
Other sales	420	145
Total operating revenues	11,387	10,927
Financial expenses	1,486	1,358
Cost of sales	383	91
Net operating revenues	9,516	9,477
Selling, general and administrative expenses		
Transaction related expenses	2,852	2,231
Employment cost	730	777
Facilities and rentals	1,175	1,126
Outsourcing and office supplies	487	473
Depreciation and amortization	1,105	774
Duties and taxes other than income taxes	182	180
Other	125	146
Total selling, general and administrative expenses	6,659	5,711
Operating income	2,856	3,766
Non-operating income	69	61
Non-operating expenses	21	1
Ordinary income	2,905	3,825
Special profits		
Reversal of reserve for financial products transaction liabilities	59	53
Gain on sales of investment securities	809	—
Total special profits	868	53
Income before income taxes	3,773	3,878
Income taxes - current	1,088	1,151
Income taxes - deferred	94	44
Income taxes	1,182	1,195
Net income	2,590	2,682