

**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, 2011. 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 2011**

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, 2010 to September 30, 2010)**

(1) Operating results (Unit : Millions of Yen)

	Operating revenues (% change year-on-year)	Net operating revenues (% change year-on-year)	Operating income (% change year-on-year)	Ordinary income (% change year-on-year)	Net income (% change year-on-year)
1H of fiscal year ending March 2011	7,020 (13.7)	6,307 (13.4)	2,146 (24.7)	2,151 (23.5)	1,487 (17.7)
1H of fiscal year ended March 2010	8,131 (6.6)	7,280 (7.5)	2,849 (13.9)	2,812 (13.5)	1,808 (13.5)

	Earnings per share	Fully diluted earnings per share (Yen)	Return on equity
1H of fiscal year ending March 2011	* 8.33	* 8.33	8.5%
1H of fiscal year ended March 2010	2,009.41	2,008.39	10.6%

\* Due to 200-for-1 stock split on April 1, 2010.

(2) Financial position

	Total assets (Millions of Yen)	Net Assets (Millions of Yen)	Equity ratio	Net assets per share (Yen)	Capital adequacy ratio
September 30, 2010	373,188	34,473	9.2%	193.55	559.7%
March 31, 2010	389,292	35,664	9.2%	39,623.97	638.4%

**2. Dividends**

(Unit : Yen)

	Dividends per share				
	1H	2Q	3Q	4Q	Total
Fiscal year ended March 2010	-	-	-	2,000	2,000
Fiscal year ending March 2011	-	-			

**3. Forecast for the Business Results of Full Fiscal Year (April 1, 2010 to March 31, 2011)**

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, new business contracts, and other operating statistics that have a major impact on the Company's performance. In addition, for the same reasons, the Company does not disclose forecasts for dividends.

**(1)Non-Consolidated Balance Sheets**

(Unit : Millions of Yen)

	As of September 30, 2010	As of March 31, 2010
<b>Assets</b>		
Current Assets		
Cash and bank deposits	48,266	53,182
Cash held in trust	199,242	217,507
Margin account assets	96,305	90,336
Loans receivable from customers	84,999	79,553
Cash deposited as collateral for securities borrowed	11,306	10,782
Advances paid	43	34
Amount paid	340	343
Short term guarantee deposits	20,546	19,417
Prepaid expenses	327	200
Accrued income	1,546	1,232
Other	400	734
Total current assets	<u>367,019</u>	<u>382,990</u>
Fixed Assets		
Tangible fixed assets	953	794
Intangible fixed assets	1,746	1,748
Investment and others	3,469	3,758
Investment securities	1,849	2,100
Long term guarantee deposits	413	421
Deferred income tax assets	944	1,002
Other	985	954
Allowance for doubtful accounts	(723)	(719)
Total fixed assets	<u>6,169</u>	<u>6,301</u>
Total Assets	<u>373,188</u>	<u>389,292</u>

(Unit : Millions of Yen)

	As of September 30, 2010	As of March 31, 2010
<b>Liabilities</b>		
Current liabilities		
Margin account liabilities	72,259	73,056
Loans from securities finance companies	46,092	46,718
Proceeds of securities lent on customers' account	26,167	26,338
Payables on collateralized securities transactions	11,000	10,623
Deposits received	105,277	123,101
Guarantee money received	115,793	115,260
Short-term borrowings	11,000	8,000
Income received in advance	13	15
Accounts payable	179	108
Accrued expenses	503	486
Accrued income taxes	949	1,007
Deferred tax liabilities	163	102
Accrued employee bonuses	11	-
Other	257	206
Total current liabilities	<u>317,407</u>	<u>331,969</u>
Long-term liabilities		
Long-term borrowings	20,000	20,000
Other	501	470
Total long-term liabilities	<u>20,501</u>	<u>20,470</u>
Statutory reserves		
Reserve for financial product transaction liabilities	805	1,187
Total statutory reserves	<u>805</u>	<u>1,187</u>
Total liabilities	<u>338,715</u>	<u>353,627</u>
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	24,514	24,872
Treasury stock	(9,558)	(8,715)
Total shareholders' equity	<u>34,065</u>	<u>35,267</u>
Valuation and translation adjustments		
Net unrealized gain on investment securities	407	396
Total valuation and translation adjustments	<u>407</u>	<u>396</u>
Total net assets	<u>34,473</u>	<u>35,664</u>
Total liabilities and net assets	<u>373,188</u>	<u>389,292</u>

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

(Unit : Millions of Yen)

	1H of fiscal year ended March 2010 (April 1 to September 30, 2009)	1H of fiscal year ending March 2011 (April 1 to September 30, 2010)
Operating revenues		
Commissions	5,589	4,288
Brokerage commissions	4,680	3,295
Fees for offering, secondary distribution and solicitation for selling and other services for professional investor	49	83
Other	859	909
Financial income	2,542	2,731
Total operating revenues	8,131	7,020
Financial expenses	850	712
Net operating revenues	7,280	6,307
Selling, general and administrative expenses		
Transaction related expenses	1,872	1,770
Employment cost	490	490
Facilities and rentals	963	902
Outsourcing and office supplies	413	350
Depreciation and amortization	433	485
Duties and taxes other than income taxes	68	73
Provision to allowance for doubtful accounts	50	11
Other	138	75
Total selling, general and administrative expenses	4,431	4,161
Operating income	2,849	2,146
Non-operating income	127	158
Non-operating expenses	164	154
Ordinary income	2,812	2,151
Special profits		
Reversal of reserve for financial product transaction	247	381
Reversal of allowance for doubtful accounts	5	7
Total special profits	252	389
Special losses		
Valuation loss on investment securities	-	5
Loss on the effect of the adopting the accounting standards regarding asset retirement obligations	-	13
Total special losses	-	19
Income before income taxes	3,065	2,520
Income taxes - current	1,218	921
Income taxes - deferred	37	111
Income taxes	1,256	1,032
Net income	1,808	1,487

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

(Unit : Millions of Yen)

	1Q of FY 2010	2Q of FY2010	3Q of FY 2010	4Q of FY 2010	1Q of FY 2011	2Q of FY 2011
Operating revenues						
Commissions	2,988	2,600	2,240	2,228	2,536	1,752
Brokerage commissions	2,520	2,160	1,746	1,804	2,006	1,288
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	29	20	40	29	47	35
Other	438	420	453	394	481	427
Financial income	1,308	1,234	1,325	1,159	1,506	1,225
Total operating revenues	4,296	3,834	3,565	3,387	4,042	2,977
Financial expenses	502	348	412	265	486	226
Net operating revenues	3,794	3,486	3,153	3,122	3,556	2,751
Selling, general and administrative expenses						
Transaction related expenses	936	936	865	871	926	844
Employment cost	239	251	237	229	251	238
Facilities and rentals	465	497	524	535	464	438
Outsourcing and office supplies	219	194	140	180	184	166
Depreciation and amortization	217	215	227	254	237	248
Duties and taxes other than income taxes	36	31	35	26	50	23
Provision to allowance for doubtful accounts	49	1	0	0	10	0
Other	86	51	31	32	37	38
Total selling, general and administrative expenses	2,250	2,180	2,062	2,129	2,162	1,998
Operating income	1,543	1,306	1,090	992	1,394	752
Non-operating income	37	89	85	46	19	139
Non-operating expenses	45	119	26	96	15	138
Ordinary income	1,535	1,276	1,149	942	1,397	753
Special profits						
Reversal of reserve for financial product transaction	247	-	-	-	381	-
Reversal of allowance for doubtful accounts	3	2	47	4	3	4
Profits on sales of investment securities	-	-	-	134	-	-
Total special profits	250	2	47	138	385	4
Special losses						
Valuation loss on investment securities	-	-	-	28	5	-
Provision of reserve for financial product transaction	-	-	-	-	-	0
Loss on disposal of fixed assets	-	-	-	88	-	-
Loss on the effect of the adopting the accounting standard regarding asset retirement obligations	-	-	-	-	13	-
Total special losses	-	-	-	116	19	0
Income before income taxes	1,786	1,278	1,197	965	1,763	757
Income taxes - current	675	543	414	436	536	385
Income taxes - deferred	53	(15)	80	(51)	186	(75)
Income taxes	728	527	494	384	722	310
Net income	1,057	751	703	580	1,040	447

**(4)Monthly Business Data**

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Number of customer accounts *1 (at month-end)	703,038	705,680	708,753	711,118	713,199	715,421
Number of margin customer accounts *1 (at month-end)	72,436	72,880	73,341	73,694	74,045	74,406
Number of forward and option customer accounts *1 (at month-end)	28,852	29,142	29,366	29,655	30,082	30,503
Number of OTC FX customer accounts *1 (at month-end)	32,781	33,524	34,027	34,598	35,289	35,927
Number of customers using stock lending service	13,197	13,243	13,288	13,435	13,291	12,657
Average daily number of executed equity trades *2	49,246	44,088	32,910	28,571	28,276	29,483
Average daily number of executed cash trades *2, 3	24,376	21,951	15,215	12,843	12,748	13,202
Average daily number of executed margin trades *2	24,869	22,137	17,964	15,727	15,527	16,280
Average value of equity trading (thousands of yen)	906	910	912	913	879	906
Average value of cash trading *3 (thousands of yen)	631	587	541	516	497	531
Average value of margin trading (thousands of yen)	1,176	1,230	1,232	1,238	1,192	1,210
Amount of customer assets *4 (at month-end) (millions of yen)	1,162,927	1,078,391	1,045,962	1,055,660	1,017,304	1,037,481
Margin trading balance *5 (at month-end) (millions of yen)	114,610	116,069	122,991	116,614	115,201	111,166
Amount of stock lending (at month-end) (millions of yen)	71,724	65,826	63,121	66,302	61,644	42,289

	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Mar-10
Number of customer accounts (at month-end)	684,895	687,469	690,015	693,240	696,509	700,162
Number of margin customer accounts (at month-end)	69,484	69,895	70,430	70,971	71,508	72,007
Number of forward and option customer accounts (at month-end)	27,214	27,512	27,767	28,059	28,319	28,604
Number of OTC FX customer accounts (at month-end)	29,632	30,068	30,478	31,017	31,609	32,199
Number of customer using lending stock service	12,736	12,868	12,902	13,043	12,933	11,696
Average daily number of executed equity trades	35,908	34,183	35,993	43,936	34,825	39,721
Average daily number of executed cash trades	16,994	16,294	17,346	22,399	16,245	18,802
Average daily number of executed margin trades	18,914	17,888	18,646	21,536	18,580	20,918
Average trading value of equity trading	912	864	940	906	886	889
Average trading value of cash trading	590	546	620	589	543	623
Average trading value of margin trading	1,202	1,154	1,238	1,236	1,186	1,129
Amount of customer assets (at month-end) (millions of yen)	1,052,055	992,541	1,047,100	1,051,733	1,053,185	1,120,713
Margin trading balance (at month-end) (millions of yen)	110,044	105,682	99,110	110,017	106,832	105,892
Amount of lending stock (at month-end) (millions of yen)	67,951	63,752	63,424	65,341	64,707	40,906

\*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.

	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09
Number of customer accounts (at month-end)	668,746	671,397	674,659	677,303	679,668	682,289
Number of margin customer accounts (at month-end)	66,239	66,857	67,516	67,948	68,367	68,941
Number of forward and option customer accounts (at month-end)	25,139	25,501	25,906	26,239	26,496	26,821
Number of OTC FX customer accounts (at month-end)	26,643	27,160	27,642	28,075	28,530	29,166
Number of customer using lending stock service	11,010	11,432	11,794	12,240	12,331	11,763
Average daily number of executed equity trades	50,602	49,595	56,621	44,007	44,712	39,324
Average daily number of executed cash trades	25,868	25,985	30,160	22,476	23,207	20,528
Average daily number of executed margin trades	24,733	23,609	26,460	21,530	21,504	18,796
Average trading value of equity trading	844	865	876	879	953	883
Average trading value of cash trading	598	608	611	589	665	600
Average trading value of margin trading	1,101	1,147	1,177	1,181	1,264	1,193
Amount of customer assets (at month-end) (millions of yen)	942,579	1,009,237	1,062,916	1,070,091	1,104,627	1,058,518
Margin trading balance (at month-end) (millions of yen)	81,893	90,806	103,069	100,922	106,232	104,995
Amount of lending stock (at month-end) (millions of yen)	51,821	58,193	61,960	67,974	69,737	45,383

	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09
Number of customer accounts (at month-end)	646,244	653,682	657,374	660,482	663,099	665,922
Number of margin customer accounts (at month-end)	62,854	63,374	63,859	64,495	65,010	65,599
Number of forward and option customer accounts (at month-end)	22,078	22,587	23,009	23,570	24,146	24,649
Number of OTC FX customer accounts (at month-end)	22,100	23,264	24,351	25,259	25,799	26,257
Number of customer using lending stock service	8,884	9,350	9,448	10,026	10,279	9,524
Average daily number of executed equity trades	53,306	47,995	40,919	40,819	38,584	40,924
Average daily number of executed cash trades	27,835	24,845	20,962	20,836	18,939	20,505
Average daily number of executed margin trades	25,470	23,150	19,956	19,982	19,644	20,418
Average trading value of equity trading	820	790	774	794	772	787
Average trading value of cash trading	536	533	514	519	483	530
Average trading value of margin trading	1,129	1,065	1,047	1,081	1,052	1,045
Amount of customer assets (at month-end) (millions of yen)	848,207	862,628	885,529	861,221	836,728	871,377
Margin trading balance (at month-end) (millions of yen)	71,355	72,297	75,579	77,477	78,191	76,582
Amount of lending stock (at month-end) (millions of yen)	39,206	40,804	39,922	43,075	42,831	26,074