

Disclaimer

This document is an English-language translation of the non-consolidated financial summary of the financial results for the first 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 1st Quarter (1Q) of the Fiscal Year Ending March 31, 2015**

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

1. Financial summary (April 1, 2014 to Jun 30, 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	%
1Q of fiscal year ending March 31, 2015	5,041	(29.6)	4,435	(31.5)	1,632	(56.9)	1,726	(54.8)	1,008	(53.4)
1Q of fiscal year ended March 31, 2014	7,162	149.4	6,471	178.4	3,789	613.1	3,818	547.9	2,163	438.0

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
1Q of fiscal year ending March 31, 2015	5.76	-	9.9
1Q of fiscal year ended March 31, 2014	12.28	-	23.7

(2) Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
Jun 30, 2014	695,025	39,310	5.7	440.7
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	-	-	-	18.00	18.00
Fiscal year ending March 2015	-	-	-	-	-
Fiscal year ending March 2015 (Forecasts)	-	-	-	-	-

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 Jun 30, 2014
Assets		
Current Assets		
Cash and bank deposits	49,214	39,400
Cash held in trust	349,578	401,595
Margin account assets	234,740	185,700
Loans receivable from customers	183,317	165,651
Cash deposited as collateral for securities borrowed	51,422	20,049
Advances paid	97	236
Amount paid	364	573
Short term guarantee deposits	52,818	53,662
Prepaid expenses	234	500
Accrued income	1,700	1,842
Deferred tax assets	147	-
Other	1,642	1,335
Total current assets	<u>690,539</u>	<u>684,848</u>
Fixed Assets		
Tangible fixed assets	936	850
Intangible fixed assets	2,658	2,708
Investment and others	6,541	6,618
Investment securities	5,829	5,826
Long term guarantee deposits	378	474
Long-term advances paid	1,269	1,223
Other	249	253
Allowance for doubtful accounts	(1,186)	(1,159)
Total fixed assets	<u>10,136</u>	<u>10,177</u>
Total Assets	<u>700,675</u>	<u>695,025</u>

(Unit : Millions of Yen)

	As of March 31, 2014	As of Jun 30, 2014
Liabilities		
Current liabilities		
Margin account liabilities	110,693	62,152
Loans from securities finance companies	46,460	19,920
Proceeds of securities lent on customers' account	64,232	42,232
Payables on collateralized securities transactions	59,169	40,299
Deposits received	189,320	234,147
Guarantee money received	196,545	219,462
Short-term borrowings	64,000	73,000
Short-term loans payable to subsidiaries and affiliate	10,000	-
Accounts payable	717	164
Accrued expenses	574	620
Accrued income taxes	4,161	313
Deferred tax liabilities	-	195
Reserve for bonuses	-	26
Reserve for directors' bonuses	-	7
Other	332	282
Total current liabilities	635,514	630,671
Long-term liabilities		
Long-term borrowings	13,100	15,100
Long-term loans payable to subsidiaries and affiliate	6,900	6,900
Deferred tax liabilities	1,399	1,412
Total long-term liabilities	21,399	23,412
Statutory reserves		
Reserve for financial product transaction liabilities	1,521	1,630
Total statutory reserves	1,521	1,630
Total liabilities	658,434	655,715
Net assets		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	19,633	17,471
Treasury stock	-	(884)
Total shareholders' equity	38,743	35,697
Valuation and translation adjustments		
Net unrealized gain on investment securities	3,497	3,612
Total valuation and translation adjustments	3,497	3,612
Total net assets	42,240	39,310
Total liabilities and net assets	700,675	695,025

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	1Q of fiscal year ended March 2014 (April 1 to June 30, 2013)	1Q of fiscal year ending March 2015 (April 1 to June 30, 2014)
Operating revenues		
Commissions	4,654	2,316
Brokerage commissions	4,025	1,926
Fees for offering, secondary distribution and solicitation for selling and other services for professional investors	138	49
Other	490	341
Net gain on trading	60	172
Financial income	2,447	2,551
Total operating revenues	7,162	5,041
Financial expenses	691	606
Net operating revenues	6,471	4,435
Selling, general and administrative expenses		
Transaction related expenses	1,376	1,502
Employment cost	300	253
Facilities and rentals	348	393
Outsourcing and office supplies	210	207
Depreciation and amortization	266	299
Duties and taxes other than income taxes	67	100
Provision of allowance for doubtful accounts	62	-
Other	48	46
Total selling, general and administrative expenses	2,681	2,803
Operating income	3,789	1,632
Non-operating income	40	103
Non-operating expenses	11	9
Ordinary income	3,818	1,726
Special losses		
Provision of reserve for financial product transaction liabilities	194	109
Total special losses	194	109
Income before income taxes	3,624	1,617
Income taxes - current	1,467	316
Income taxes - deferred	(6)	292
Income taxes	1,461	609
Net income	2,163	1,008

(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
Operating revenues					
Commissions	4,654	2,967	3,037	2,702	2,316
Brokerage commissions	4,025	2,520	2,523	2,270	1,926
Fees for offering, secondary distribution and solicitation for selling and others for professional investor:	138	69	74	69	49
Other	490	377	439	362	341
Net gain on trading	60	232	111	219	172
Financial income	2,447	2,059	2,494	2,359	2,551
Total operating revenues	7,162	5,259	5,644	5,281	5,041
Financial expenses	691	342	636	391	606
Net operating revenues	6,471	4,916	5,007	4,890	4,435
Selling, general and administrative expenses					
Transaction related expenses	1,376	1,159	1,035	1,100	1,502
Employment cost	300	305	292	255	253
Facilities and rentals	348	365	372	392	393
Outsourcing and office supplies	210	246	221	199	207
Depreciation and amortization	266	273	272	285	299
Duties and taxes other than income taxes	67	34	53	58	100
Other	111	41	31	26	46
Total selling, general and administrative expenses	2,681	2,426	2,280	2,318	2,803
Operating income	3,789	2,490	2,727	2,571	1,632
Non-operating income	40	34	39	89	103
Non-operating expenses	11	8	2	9	9
Ordinary income	3,818	2,516	2,763	2,651	1,726
Special losses					
Provision of reserve for financial product transaction liabilities	194	126	129	122	109
Impairment loss	-	-	21	50	-
Total special losses	194	126	150	172	109
Income before income taxes	3,624	2,390	2,613	2,479	1,617
Income taxes - current	1,467	1,055	943	1,111	316
Income taxes - deferred	(6)	(92)	100	(102)	292
Net income	2,163	1,427	1,568	1,470	1,008

(4)Monthly Business Data

	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 forward 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
Monthly trading value of Exchange FX*4 (100 millions of yen)	2,713	1,280	995	785	806	764
Amount of customer assets *5 (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 *6 (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

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13
Number of customer accounts *1 (at month-end)	834,439	838,184	842,585	847,049	850,922	855,298
Number of new customer accounts (monthly)	4,963	4,088	4,710	4,831	4,189	4,679
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	55,525	56,058	56,560	56,945	57,199	57,455
Number of active accounts *2	427,775	429,346	431,935	432,984	434,266	435,243
Number of margin customer accounts *1 (at month-end)	93,541	94,286	95,034	95,735	96,380	97,166
Number of forward and option customer accounts *1 (at month-end)	40,751	40,973	41,265	41,680	41,952	42,250
Number of OTC FX customer accounts *1 (at month-end)	55,512	56,337	57,284	58,133	58,798	59,594
Average daily number of executed equity trades *3	98,431	75,411	96,546	93,659	93,079	106,859
Average value of equity trading (thousands of yen)	1,174	1,035	1,066	1,021	1,070	1,121
Monthly trading value of OTC FX (100 millions of yen)	51,488	44,712	33,485	30,021	31,265	34,435
Monthly trading value of Exchange FX*4 (100 millions of yen)	2,454	1,439	1,591	1,104	1,221	1,996
Amount of customer assets *5 (at month-end) (millions of yen)	1,638,637	1,597,200	1,696,613	1,698,625	1,745,818	1,776,189
Margin trading balance *6 (at month-end) (millions of yen)	202,014	194,991	225,113	209,633	204,132	221,939
Number of automatic debit accounts *1 (at month-end)	406,398	407,181	408,038	408,799	409,525	410,299

*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 : 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.