# Disclaimer

This document is an English-language translation of the non-consolidated financial summary of the financial results for the first harf 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 Half (1H) of the Fiscal Year Ending March 31, 2015

| Company name:   | kabu.com Securities Co., Ltd.           | URL: <u>http://kabu.com</u> |
|-----------------|---|-----------------------------|
| Listing:        | 1st section of the Tokyo Stock Exchange |                             |
| Code number:    | 8703                                    |                             |
| Representative: | Masakatsu Saito, CEO                    |                             |
| Contact:        | Takeshi Amemiya, CFO                    | E-mail: <u>ir@kabu.com</u>  |

#### 1.Financial summary (April 1, 2014 to September 30, 2014)

| (1) | Solution of the second se | nor  | otir | 20 | resu | 1+0 |
|-----|--|------|------|----|------|-----|
|     | ハリ   | Deri | 4UH  | 12 | resu | ILS |

| (1)Operating results (%:change year-on-year) |                 |                           |                 |                  |                 |                    |                 |            |                 |       |
|--|-----------------|---------------------------|-----------------|------------------|-----------------|--------------------|-----------------|------------|-----------------|-------|
| Operating<br>revenues                        |                 | Net operating<br>revenues |                 | Operating income |                 | Ordinary<br>income |                 | Net income |                 |       |
|  | millions of yen | %                         | millions of yen | %                | millions of yen | %                  | millions of yen | %          | millions of yen | %     |
| 1H of fiscal year ending<br>March 31,2015    | 10,622          | (14.5)                    | 9,461           | (16.9)           | 4,207           | (33.0)             | 4,327           | (31.7)     | 3,246           | (9.6) |
| 1H of fiscal year ended<br>March 31,2014     | 12,421          | 133.3                     | 11,388          | 154.6            | 6,280           | 594.2              | 6,335           | 559.7      | 3,590           | 469.2 |

|   | Earnings per share | Fully diluted earnings per share | ROE  |
|---|--------------------|----------------------------------|------|
|   | yen                | yen                              | %    |
| 1H of fiscal year ending<br>March 31,2015 | 18.59              | -                                | 15.6 |
| 1H of fiscal year ended<br>March 31,2014  | 20.39              | -                                | 19.2 |

(2)Financial position

|                    | Total assets    | Net Assets      | Equity ratio | Capital adequacy ratio |
|--------------------|-----------------|-----------------|--------------|------------------------|
|                    | millions of yen | millions of yen | %            | %                      |
| September 30, 2014 | 774,137         | 40,935          | 5.3          | 427.9                  |
| March 31, 2014     | 700,675         | 42,240          | 6.0          | 432.5                  |

## 2.Dividends

|   |    | Dividends per share |    |       |       |  |  |  |  |
|---|----|---------------------|----|-------|-------|--|--|--|--|
|   | 1Q | 2Q                  | 3Q | 4Q    | Total |  |  |  |  |
|   |    |                     |    | yen   | yen   |  |  |  |  |
| Fiscal year<br>ended March 2014                 | -  | 0.00                | -  | 18.00 | 18.00 |  |  |  |  |
| Fiscal year<br>ending March 2015                | -  | 0.00                |    |       |       |  |  |  |  |
| Fiscal year<br>ending March 2015<br>(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          | As of                    |
|  | March 31, 2014 | September 30, 2014       |
| Assets   |                |                          |
| Current Assets                                       |                |                          |
| Cash and bank deposits                               | 49,214         | 44,537                   |
| Cash held in trust                                   | 349,578        | 428,534                  |
| Margin account assets                                | 234,740        | 229,274                  |
| Loans receivable from customers                      | 183,317        | 164,174                  |
| Cash deposited as collateral for securities borrowed | 51,422         | 65,099                   |
| Advances paid  | 97             | 117                      |
| Cash paid for offering                               | 364            | 851                      |
| Short term guarantee deposits                        | 52,818         | 57,911                   |
| Prepaid expenses                                     | 234            | 439                      |
| Accrued income                                       | 1,700          | 1,964                    |
| Deferred tax assets                                  | 147            |                          |
| Other  | 1,642          | 1,318                    |
| Total current assets                                 | 690,539        | 764,950                  |
| Fixed Assets   |                |                          |
| Tangible fixed assets                                | 936            | 818                      |
| Intangible fixed assets                              | 2,658          | 2,837                    |
| Investment and others                                | 6,541          | 5,530                    |
| Investment securities                                | 5,829          | 4,737                    |
| Long term guarantee deposits                         | 378            | 472                      |
| Long-term advances paid                              | 1,269          | 1,188                    |
| Other  | 249            | 266                      |
| Allowance for doubtful accounts                      | (1,186)        | (1,133)                  |
| Total fixed assets                                   | 10,136         | 9,187                    |
| Total Assets   | 700,675        | 774,137                  |

| LiabilitiesCurrent liabilitiesMargin account liabilities110,693Loans from securities finance companies46,460Proceeds of securities lent on customers' account64,232Payables on collateralized securities transactions59,169Guarantee money received189,320Short-term borrowings64,000Short-term loans payable to subsidiaries and affiliate10,000Accounds payable717Accrued expenses574Accrued income taxes4,161Long-term liabilities-Reserve for directors' bonuses-Long-term liabilities635,514Long-term liabilities13,100Long-term liabilities13,100Long-term liabilities13,100Long-term liabilities21,399Long-term liabilities1,521Long-term liabilities1,521Long-term liabilities1,521Total long-term liabilities1,521Total lang-term liabilities1,521Total statutory reserves1,521Reserve for financial product transaction liabilities1,521Total liabilities1,521Total statutory reserves1,521Total liabilities11,913Total statutory reserves1,521Total liabilities1,521Net ansets19,633Shareholders' equity38,743Common stock7,196Total shareholders' equity3,497Valuation and translation adjustments3,497 </th <th></th> <th></th> <th>(Unit : Millions of Yen)</th>   |  |                | (Unit : Millions of Yen) |
|--|--|----------------|--------------------------|
| LiabilitiesCurrent liabilitiesMargin account liabilities110,693Loans from securities finance companies46,460Proceeds of securities lent on customers' account64,232Payables on collateralized securities transactions59,169Guarantee money received189,320Short-term borrowings64,000Accounts payable717Accrued expenses574Accrued expenses574Accrued income taxes4,161Long-term liabilities-Long-term liabilities-Long-term borrowings635,514Conter332Other332Total current liabilities-Long-term borrowings13,100Long-term borrowings13,100Long-term borrowings13,100Long-term baryable to subsidiaries and affiliate:6,9006,900Deferred tax liabilities1,339Long-term baryable to subsidiaries and affiliate:6,9006,900Deferred tax liabilities1,3100Long-term baryable to subsidiaries and affiliate:6,9006,900Deferred tax liabilities1,521Total long-term liabilitiesCommo stock7,196Total liabilitiesShareholders' equityCommon stock7,1967,1967,196Additional paid in capital11,913Retained earningsNet unrealized gain on investment securities3,4972,999<  |  | As of          | As of                    |
| Current liabilitiesMargin account liabilities110,693144,355Loans from securities finance companies46,46056,173Proceeds of securities lett on customers' account64,23288,182Payables on collateralized securities transactions59,16964,443Deposits received189,320246,665Guarantee money received196,545219,620Short-term borrowings64,00030,000Short-term loans payable to subsidiaries and affiliate10,000-Accounts payable717350Accrued expenses574653Accrued income taxes4,1611,803Deferred tax liabilities-85Reserve for directors' bonuses-46Other332357Total current liabilities13,10015,100Long-term liabilities1,31015,100Long-term loans payable to subsidiaries and affiliate:6,9006,900Other332357Total current liabilities1,31015,100Long-term liabilities1,31015,100Long-term liabilities21,39923,060Statutory reserves1,5211,760Total lang-term liabilities1,5211,760Total liabilities1,5211,760Total liabilities1,5211,760Total liabilities1,96319,710Total liabilities1,63319,710Total liabilities3,4972,999Tot  |  | March 31, 2014 | September 30, 2014       |
| Margin account liabilities110,693144,355Loans from securities finance companies46,46056,173Proceeds of securities lent on customers' account64,23288,182Payables on collateralized securities transactions59,16964,443Deposits received189,320246,665Guarantee money received196,545219,620Short-term borrowings64,00030,000Short-term loans payable to subsidiaries and affiliate10,000-Accounts payable717350Accrued expenses574653Accrued income taxes4,1611,803Deferred tax liabilities-85Reserve for directors' bonuses-46Other332357Total current liabilities635,514708,380Long-term loans payable to subsidiaries and affiliate6,9006,900Deferred tax liabilities13,10015,100Long-term liabilities1,31991,060Total current liabilities1,5211,760Total long-term liabilities1,5211,760Total long-term liabilities1,5211,760Total liabilities658,434733,202Statutory reserves1,5211,760Total liabilities658,434733,202Net assets19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Tot  | Liabilities  |                |                          |
| Loans from securities finance companies $46,460$ $56,173$<br>Proceeds of securities lent on customers' account $64,232$ $88,182$ Payables on collateralized securities transactions $59,169$ $64,443$ Deposits received $189,320$ $246,665$ Guarantee money received $196,545$ $219,620$ Short-term borrowings $64,000$ $30,000$ Short-term borrowings $64,000$ $30,000$ Accrued expenses $574$ $653$ Accrued expenses $574$ $653$ Accrued income taxes $4,161$ $1,803$ Deferred tax liabilities $ 85$ Reserve for directors' bonuses $ 46$ Other $332$ $357$ Total current liabilities $6,900$ $6,900$ Long-term liabilities $13,100$ $15,100$ Long-term liabilities $1,399$ $1,060$ Total long-term liabilities $1,521$ $1,760$ Total long-term liabilities $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $1,521$ $1,760$ Total liabilities $19,633$ $19,713$ Reserve for financial product transaction liabilities $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total shareholders' equity $ (884)$ Common stock $7,196$ $7,196$ Total shareholders' equity $38,743$ $37,935$ Valuation and translat  | Current liabilities                                    |                |                          |
| Proceeds of securities lent on customers' account $64,232$ $88,182$ Payables on collateralized securities transactions $59,169$ $64,443$ Deposits received $189,320$ $246,665$ Guarantee money received $196,545$ $219,620$ Short-term borrowings $64,000$ $30,000$ Short-term loans payable to subsidiaries and affiliate $10,000$ Accounts payable $717$ $350$ Accrued expenses $574$ $653$ Accrued income taxes $4,161$ $1,803$ Deferred tax liabilities- $85$ Reserve for directors' bonuses- $46$ Other $332$ $357$ Total current liabilities- $85$ Long-term liabilities13,100 $15,100$ Long-term liabilities1,399 $23,060$ Statutory reserves $1,521$ $1,760$ Total long-term liabilities $1,521$ $1,760$ Total liabilities $5,514$ $733,202$ Net assets $5,514$ $733,202$ Net assets $5,521$ $1,760$ Shareholders' equity $6,58,434$ $733,202$ Net assets $19,633$ $19,710$ Treasury stock-(884)Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$  | Margin account liabilities                             | 110,693        | 144,355                  |
| Payables on collateralized securities transactions $59,169$ $64,443$ Deposits received $189,320$ $246,665$ Guarantee money received $196,545$ $219,620$ Short-term loans payable to subsidiaries and affiliate $10,000$ $0.000$ Accounts payable $717$ $350$ Accrued expenses $574$ $653$ Accrued income taxes $4,161$ $1,803$ Deferred tax liabilities $ 85$ Reserve for directors' bonuses $ 46$ Other $332$ $357$ Total current liabilities $ 635,514$ Long-term borrowings $13,100$ $15,100$ Long-term liabilities $1,399$ $23,060$ Statutory reserves $1,521$ $1,760$ Total long-term liabilities $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $1,933$ $19,710$ Total liabilities $1,913$ $11,913$ Reserve for financial product transaction liabilities $1,521$ $1,760$ Total liabilities $658,434$ $733,202$ Net assets $19,633$ $19,710$ Reserve for financial product transaction liabilities $1,913$ $11,913$ Total statutory reserves $1,633$ $19,710$ Total statutory reserves $ (884)$ Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$ <td>Loans from securities finance companies</td> <td>46,460</td> <td>56,173</td> | Loans from securities finance companies                | 46,460         | 56,173                   |
| Deposits received $189,320$ $246,665$ Guarantee money received $196,545$ $219,620$ Short-term borrowings $64,000$ $30,000$ Short-term loans payable to subsidiaries and affiliate $100,000$ Accounts payable $717$ $350$ Accrued expenses $574$ $653$ Accrued income taxes $4,161$ $1,803$ Deferred tax liabilities- $85$ Reserve for directors' bonuses- $46$ Other $332$ $357$ Total current liabilities $635,514$ $708,380$ Long-term borrowings $13,100$ $15,100$ Long-term borrowings $13,100$ $15,100$ Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reserves $1,521$ $1,760$ Reserve for financial product transaction liabilities $1,521$ $1,760$ Total liabilities $658,434$ $733,202$ Net assets $51,212$ $1,760$ Shareholders' equity $658,434$ $733,202$ Net assets $ (884)$ Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$  | Proceeds of securities lent on customers' account      | 64,232         | 88,182                   |
| Guarantee money received196,545219,620Short-term borrowings64,00030,000Short-term loans payable to subsidiaries and affiliate10,000Accounts payable717350Accrued expenses574653Accrued income taxes4,1611,803Deferred tax liabilities-85Reserve for directors' bonuses-46Other332357Total current liabilities635,514708,380Long-term borrowings13,10015,100Long-term loans payable to subsidiaries and affiliate6,9006,900Deferred tax liabilities1,3991,060Total long-term liabilities21,39923,060Statutory reserves1,5211,760Reserve for financial product transaction liabilities1,5211,760Total liabilities1,5211,760Total liabilities1,5211,760Total liabilities658,434733,202Net assets19,63319,710Common stock7,1967,196Additional paid in capital11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Payables on collateralized securities transactions     | 59,169         | 64,443                   |
| Short-term borrowings $64,000$ $30,000$ Short-term loans payable to subsidiaries and affiliate $10,000$ Accounts payable $717$ Accrued expenses $574$ Accrued income taxes $4,161$ 1,803Deferred tax liabilitiesConter tax liabilities-Reserve for directors' bonuses-46OtherOther $3322$ 337Total current liabilitiesLong-term liabilities-Long-term liabilities13,100Long-term loans payable to subsidiaries and affiliate0,900Deferred tax liabilities1,3991,060Total long-term liabilities1,5211,760Total long-term liabilitiesReserve for financial product transaction liabilities1,5211,760Total liabilities1,5211,760Total liabilities1,5211,7607,196Additional paid in capital11,913Retained earnings19,63319,63319,710Treasury stock-K-Net unrealized gain on investment securities3,4972,999Total net anslation adjustmentsNet unrealized gain on investment securities3,4972,24040,935   | Deposits received                                      | 189,320        | 246,665                  |
| Short-term loans payable to subsidiaries and affiliate $10,000$ Accounts payable $717$ $350$ Accrued expenses $574$ $653$ Accrued income taxes $4,161$ $1,803$ Deferred tax liabilities- $85$ Reserve for directors' bonuses- $46$ Other $332$ $357$ Total current liabilities $635,514$ $708,380$ Long-term borrowings $13,100$ $15,100$ Long-term borrowings $13,100$ $15,100$ Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $658,434$ $733,202$ Net assetsShareholders' equity $658,434$ $733,202$ Net assets $19,633$ $19,710$ Treasury stock- $(884)$ Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$  | Guarantee money received                               | 196,545        | 219,620                  |
| Accounts payable $717$ $350$ Accrued expenses $574$ $653$ Accrued income taxes $4,161$ $1,803$ Deferred tax liabilities- $85$ Reserve for directors' bonuses- $46$ Other $332$ $357$ Total current liabilities $635,514$ $708,380$ Long-term loans payable to subsidiaries and affiliate: $6,900$ $6,900$ Deferred tax liabilities $1,399$ $1,060$ Total long-term loans payable to subsidiaries and affiliate: $6,900$ $6,900$ Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $0,58,434$ $733,202$ Net assets $19,633$ $19,710$ Shareholders' equity $ (884)$ Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total neg agin on investment securities $3,497$ $2,999$ Total net assets $42,240$ $40,935$   | Short-term borrowings                                  | 64,000         | 30,000                   |
| Accrued expenses $574$ $653$ Accrued income taxes $4,161$ $1,803$ Deferred tax liabilities $ 85$ Reserve for directors' bonuses $ 46$ Other $332$ $357$ Total current liabilities $635,514$ $708,380$ Long-term liabilities $635,514$ $708,380$ Long-term loans payable to subsidiaries and affiliate: $6,900$ $6,900$ Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $658,434$ $733,202$ Net assetsShareholders' equity $ (884)$ Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$   | Short-term loans payable to subsidiaries and affiliate | 10,000         | -                        |
| Accrued income taxes4,1611,803Deferred tax liabilitiesReserve for directors' bonusesOther  | Accounts payable                                       | 717            | 350                      |
| Deferred tax liabilities-85Reserve for directors' bonuses-46Other332357Total current liabilities635,514708,380Long-term liabilities13,10015,100Long-term loans payable to subsidiaries and affiliate:6,9006,900Deferred tax liabilities1,3991,060Total long-term liabilities21,39923,060Statutory reserves21,39923,060Reserve for financial product transaction liabilities1,5211,760Total statutory reserves1,5211,760Total liabilities658,434733,202Net assets511,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935   | Accrued expenses                                       | 574            | 653                      |
| Reserve for directors' bonuses-46Other332357Total current liabilities $635,514$ 708,380Long-term liabilities $635,514$ 708,380Long-term borrowings13,10015,100Long-term loans payable to subsidiaries and affiliate: $6,900$ $6,900$ Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reservesReserve for financial product transaction liabilities $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $658,434$ $733,202$ Net assetsShareholders' equity $658,434$ Common stock $7,196$ $7,196$ Additional paid in capital $11,913$ $11,913$ Retained earnings $19,633$ $19,710$ Treasury stock-(884)Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$  | Accrued income taxes                                   | 4,161          | 1,803                    |
| Other $332$ $357$ Total current liabilities $635,514$ $708,380$ Long-term liabilities $13,100$ $15,100$ Long-term loans payable to subsidiaries and affiliate: $6,900$ $6,900$ Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reservesReserve for financial product transaction liabilities $1,521$ $1,760$ Total statutory reserves $1,913$ $11,913$ Total statutory reserves $1,913$ $11,913$ Total statutory reserves $1,963$ $19,710$ Total statutory reserves $ (884)$ Shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$   | Deferred tax liabilities                               | -              | 85                       |
| Total current liabilities $635,514$ $708,380$ Long-term liabilities $13,100$ $15,100$ Long-term borrowings $13,100$ $15,100$ Long-term loans payable to subsidiaries and affiliate: $6,900$ $6,900$ Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $658,434$ $733,202$ Net assets $658,434$ $733,202$ Net assets $11,913$ $11,913$ Shareholders' equity $658,434$ $733,202$ Net assets $19,633$ $19,710$ Treasury stock $ (884)$ Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$  | Reserve for directors' bonuses                         | -              | 46                       |
| Long-term liabilities13,10015,100Long-term borrowings13,10015,100Long-term loans payable to subsidiaries and affiliate:6,9006,900Deferred tax liabilities1,3991,060Total long-term liabilities21,39923,060Statutory reserves21,5211,760Total statutory reserves1,5211,760Total statutory reserves1,5211,760Total liabilities658,434733,202Net assets658,434733,202Net assets11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Other  | 332            | 357                      |
| Long-term borrowings13,10015,100Long-term loans payable to subsidiaries and affiliate:6,9006,900Deferred tax liabilities1,3991,060Total long-term liabilities21,39923,060Statutory reserves81,5211,760Total statutory reserves1,5211,760Total statutory reserves1,5211,760Total statutory reserves1,5211,760Total liabilities658,434733,202Net assetsShareholders' equity658,434733,202Net assets11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935   | Total current liabilities                              | 635,514        | 708,380                  |
| Long-term loans payable to subsidiaries and affiliate: $6,900$ $6,900$ Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $658,434$ $733,202$ Net assets $658,434$ $733,202$ Net assets $7,196$ $7,196$ Additional paid in capital $11,913$ $11,913$ Retained earnings $19,633$ $19,710$ Treasury stock-(884)Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments $3,497$ $2,999$ Total valuation and translation adjustments $3,497$ $2,999$ Total net assets $42,240$ $40,935$  | Long-term liabilities                                  |                |                          |
| Deferred tax liabilities $1,399$ $1,060$ Total long-term liabilities $21,399$ $23,060$ Statutory reserves $21,399$ $23,060$ Reserve for financial product transaction liabilities $1,521$ $1,760$ Total statutory reserves $1,521$ $1,760$ Total liabilities $658,434$ $733,202$ Net assetsShareholders' equity<br>Common stock $7,196$ $7,196$ Additional paid in capital $11,913$ $11,913$ Retained earnings $19,633$ $19,710$ Treasury stock- $(884)$ Total shareholders' equity $38,743$ $37,935$ Valuation and translation adjustments<br>Net unrealized gain on investment securities $3,497$ $2,999$ Total net assets $42,240$ $40,935$   | Long-term borrowings                                   | 13,100         | 15,100                   |
| Total long-term liabilities21,39923,060Statutory reserves21,39923,060Statutory reserves1,5211,760Total statutory reserves1,5211,760Total liabilities658,434733,202Net assets658,434733,202Net assets7,1967,196Additional paid in capital11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total net assets42,24040,935   | Long-term loans payable to subsidiaries and affiliate  | 6,900          | 6,900                    |
| Statutory reserves<br>Reserve for financial product transaction liabilities1,5211,760Total statutory reserves1,5211,760Total liabilities658,434733,202Net assets658,434733,202Shareholders' equity<br>Common stock7,1967,196Additional paid in capital<br>Retained earnings11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments<br>Net unrealized gain on investment securities3,4972,999Total net assets42,24040,935  | Deferred tax liabilities                               | 1,399          | 1,060                    |
| Reserve for financial product transaction liabilities1,5211,760Total statutory reserves1,5211,760Total liabilities658,434733,202Net assetsShareholders' equity7,1967,196Common stock7,1967,196Additional paid in capital11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Total long-term liabilities                            | 21,399         | 23,060                   |
| Total statutory reserves1,5211,760Total liabilities658,434733,202Net assetsShareholders' equity7,1967,196Common stock7,1967,196Additional paid in capital11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935   | Statutory reserves                                     |                |                          |
| Total liabilities658,434733,202Net assetsShareholders' equityCommon stockAdditional paid in capitalRetained earnings19,633Treasury stockTotal shareholders' equityValuation and translation adjustmentsNet unrealized gain on investment securities3,4972,999Total net assets42,24040,935  | Reserve for financial product transaction liabilities  | 1,521          | 1,760                    |
| Net assetsShareholders' equityCommon stockAdditional paid in capitalAdditional paid in capitalRetained earnings19,633Treasury stockTotal shareholders' equity38,743Valuation and translation adjustmentsNet unrealized gain on investment securities3,4972,999Total net assets42,24040,935   | Total statutory reserves                               | 1,521          | 1,760                    |
| Shareholders' equity7,1967,196Common stock7,1967,196Additional paid in capital11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Total liabilities                                      | 658,434        | 733,202                  |
| Common stock7,1967,196Additional paid in capital11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Net assets   |                |                          |
| Additional paid in capital11,91311,913Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Shareholders' equity                                   |                |                          |
| Retained earnings19,63319,710Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Common stock   | 7,196          | 7,196                    |
| Treasury stock-(884)Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935   | Additional paid in capital                             | 11,913         | 11,913                   |
| Total shareholders' equity38,74337,935Valuation and translation adjustments3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935   | Retained earnings                                      | 19,633         | 19,710                   |
| Valuation and translation adjustmentsNet unrealized gain on investment securitiesTotal valuation and translation adjustments3,4972,999Total net assets42,24040,935   | Treasury stock   | -              | (884)                    |
| Net unrealized gain on investment securities3,4972,999Total valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Total shareholders' equity                             | 38,743         | 37,935                   |
| Total valuation and translation adjustments3,4972,999Total net assets42,24040,935  | Valuation and translation adjustments                  |                |                          |
| Total net assets 42,240 40,935   | Net unrealized gain on investment securities           | 3,497          | 2,999                    |
| Total net assets 42,240 40,935   |  | 3,497          | 2,999                    |
| Total liabilities and net assets700,675774,137   | -  | 42,240         |                          |
|  | Total liabilities and net assets                       |                |                          |

# (2)Non-Consolidated Statements of Income

|  |   | (Unit . Winnons of Ten)  |
|--|---|--|
|  | 1H of fiscal year<br>ended March 2014<br>(April 1 to September 30,<br>2013) | 1H of fiscal year<br>ending March 2015<br>(April 1 to September 30,<br>2014) |
| Operating revenues   |   |  |
| Commissions  | 7,622   | 5,037  |
| Brokerage commissions  | 6,546   | 4,225  |
| Fees for offering, secondary distribution and solicitation         | 208   | 98   |
| for selling and other services for professional investors          | 9.67  | 712  |
| Other  | 867   | 713  |
| Net gain on trading  | 292   | 404  |
| Financial income   | 4,506   | 5,180  |
| Total operating revenues   | 12,421  | 10,622   |
| Financial expenses   | 1,033   | 1,160  |
| Net operating revenues   | 11,388  | 9,461  |
| Selling, general and administrative expenses                       |   |  |
| Transaction related expenses                                       | 2,536   | 2,619  |
| Employment cost  | 605   | 551  |
| Facilities and rentals   | 714   | 790  |
| Outsourcing and office supplies                                    | 457   | 411  |
| Depreciation and amortization                                      | 539   | 637  |
| Duties and taxes other than income taxes                           | 101   | 147  |
| Provision of allowance for doubtful accounts                       | 49  | -  |
| Other  | 103   | 95   |
| Total selling, general and administrative expenses                 | 5,108   | 5,254  |
| Operating income   | 6,280   | 4,207  |
| Non-operating income   | 74  | 138  |
| Non-operating expenses   | 19  | 18   |
| Ordinary income  | 6,335   | 4,327  |
| Special profits  |   |  |
| Gain on sales of investment securities                             | -   | 1,107  |
| Total special profits  | _   | 1,107  |
| Special losses   |   |  |
| Provision of reserve for financial product transaction liabilities | 320   | 239  |
| Total special losses   | 320   | 239  |
| Income before income taxes   | 6,014   | 5,195  |
| Income taxes - current   | 2,523   | 1,778  |
| Income taxes - deferred  | (99)  | 170  |
| Income taxes   | 2,423   | 1,948  |
| Net income   | 3,590   | 3,246  |
|  | 5,570   | 5,210  |

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

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

#### (4)Monthly Business Data

|   | Apr-14    | May-14    | Jun-14    | Jul-14    | Aug-14    | Sep-14    |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
| Number of customer accounts *1 (at month-end)   | 872,970   | 876,143   | 879,762   | 883,602   | 886,965   | 891,095   |
| Number of new customer accounts (monthly)   | 4,324     | 3,519     | 3,997     | 4,120     | 3,792     | 4,500     |
| Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end) | 58,820    | 59,050    | 59,349    | 59,626    | 59,879    | 60,087    |
| Number of active accounts *2  | 447,798   | 449,474   | 452,132   | 452,717   | 454,035   | 455,691   |
| Number of margin customer accounts *1 (at month-end)  | 100,724   | 101,640   | 103,741   | 104,771   | 105,697   | 106,991   |
| Number of forward and option customer accounts *1 (at month-end)                                | 43,588    | 43,822    | 44,067    | 44,283    | 44,556    | 44,821    |
| Number of OTC FX customer accounts *1 (at month-end)  | 62,724    | 63,338    | 64,126    | 64,766    | 65,336    | 66,151    |
| Average daily number of executed equity trades *3   | 79,193    | 81,127    | 100,542   | 96,993    | 99,089    | 103,826   |
| Average value of equity trading (thousands of yen)  | 1,006     | 996       | 1,062     | 1,078     | 1,011     | 1,053     |
| Monthly trading value of OTC FX (100 millions of yen)   | 28,715    | 22,367    | 19,513    | 20,108    | 22,595    | 44,393    |
| Monthly trading value of Exchange FX*4 (100 millions of yen)                                    | 785       | 806       | 764       | 800       | 837       | 1,230     |
| Amount of customer assets *5 (at month-end) (millions of yen)                                   | 1,673,891 | 1,713,424 | 1,797,487 | 1,826,292 | 1,833,237 | 1,848,286 |
| Margin trading balance *6 (at month-end) (millions of yen)                                      | 203,468   | 192,028   | 207,883   | 209,428   | 221,627   | 252,389   |
| Number of automatic debit accounts *1 (at month-end)  | 413,567   | 414,138   | 414,722   | 415,450   | 416,143   | 416,734   |
|   | Oct-13    | Nov-13    | Dec-13    | Jan-14    | Feb-14    | Mar-14    |
| Number of customer accounts *1 (at month-end)   | 847,049   | 850,922   | 855,298   | 861,267   | 865,354   | 869,044   |
| Number of new customer accounts (monthly)   | 4,831     | 4,189     | 4,679     | 6,289     | 4,644     | 4,069     |
| Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end) | 56,945    | 57,199    | 57,455    | 57,826    | 58,194    | 58,519    |
| Number of active accounts *2  | 432,984   | 434,266   | 435,243   | 440,094   | 442,773   | 445,474   |

95,735

41,680

58,133

93,659

1,021

30,021

1,104

96,380

41,952

58,798

93,079

1,070

31,265

1,221

204,132

409,525

97,166

42,250

59,594

106,859

1,121

34,435

1,996

221,939

410,299

1,698,625 1,745,818 1,776,189 1,754,202 1,735,003 1,687,805

98,309

42,636

60,631

113,244

1,105

42,635

2,713

242,492

411,467

99,168

42,994

61,393

98,794

1,066

33,720

1,280

225,824

412,231

100,085

43,294

62,032

89,145

1,041

31,779

247,550

412,973

995

| Margin trading balance *6 (at month-end) (millions of yen) | 209,633 |
|--|---------|
| Number of automatic debit accounts *1 (at month-end)       | 408,799 |

\*1 : The number of accounts includes corporate accounts.

Number of margin customer accounts \*1 (at month-end)

Number of OTC FX customer accounts \*1 (at month-end)

Average daily number of executed equity trades \*3

Average value of equity trading (thousands of yen)

Monthly trading value of OTC FX (100 millions of yen)

Monthly trading value of Exchange FX\*4 (100 millions of yen)

Amount of customer assets \*5 (at month-end) (millions of yen)

Number of forward and option customer accounts \*1 (at month-end)

 $\ast 2$  : 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 Exchang

\*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.