

**Disclaimer**

This document is an English-language translation of the non-consolidated financial summary of the financial results for the third quarter 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 Nine Months from April 2018 to December 2018 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, Executive officer E-mail: [ir@kabu.com](mailto:ir@kabu.com)

**1. Financial summary (April 1, 2018 to December 31, 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	%
Nine months of fiscal year ending March 31, 2019	16,780	(7.1)	14,426	(4.7)	5,632	1.9	5,702	1.8	3,981	(13.8)
Nine months of fiscal year ended March 31, 2018	18,068	14.4	15,133	9.6	5,526	6.7	5,600	5.0	4,617	(0.9)

	Earnings per share	Fully diluted earnings per share	ROE
Nine months of fiscal year ending March 31, 2019	11.95	11.94	12.3
Nine months of fiscal year ended March 31, 2018	13.85	13.85	14.3

## (2) Financial position

	Total assets	Net assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
December 31, 2018	953,188	41,929	4.4	419.4
March 31, 2018	1,005,557	44,753	4.4	371.7

**2. Dividends**

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
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 December 31, 2018
<b>Assets</b>		
Current Assets		
Cash and bank deposits	88,361	183,174
Cash held in trust	495,707	455,955
Margin account assets	327,830	224,947
Loans receivable from customers	204,480	161,532
Cash deposited as collateral for securities borrowed from securities finance companies	123,350	63,415
Advances paid	202	885
Cash paid for offering	424	429
Short term guarantee deposits	71,535	67,398
Prepaid expenses	235	340
Accrued income	2,330	1,970
Other	10,368	9,224
Total current assets	<u>996,996</u>	<u>944,327</u>
Fixed Assets		
Tangible fixed assets	1,013	844
Intangible fixed assets	4,297	5,247
Investment and others	3,249	2,769
Investment securities	2,330	1,756
Long term guarantee deposits	419	435
Long-term advances paid	530	474
Deferred income tax assets	297	406
Other	153	134
Allowance for doubtful accounts	(482)	(438)
Total fixed assets	<u>8,560</u>	<u>8,861</u>
Total Assets	<u>1,005,557</u>	<u>953,188</u>

(Unit : Millions of Yen)

	As of March 31, 2018	As of December 31, 2018
<b>Liabilities</b>		
Current liabilities		
Margin account liabilities	173,736	99,143
Loans from securities finance companies	42,393	17,782
Proceeds of securities lent on customers' account	131,342	81,360
Payables on collateralized securities transactions	119,586	86,634
Deposits received	277,431	271,851
Guarantee money received	249,135	267,010
Short-term borrowings	104,000	85,000
Commercial papers	—	66,000
Accounts payable	977	482
Accrued expenses	1,186	863
Accrued income taxes	1,546	339
Reserve for bonuses	—	31
Other	1,037	1,788
Total current liabilities	928,637	879,145
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	2,114
Total statutory reserves	2,166	2,114
Total liabilities	960,803	911,259
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	25,730	23,380
Treasury stock	(2,093)	(2,093)
Total shareholders' equity	42,747	40,396
Valuation and translation adjustments		
Net unrealized gain on investment securities	1,986	1,505
Total valuation and translation adjustments	1,986	1,505
Subscription rights to shares	19	27
Total net assets	44,753	41,929
Total liabilities and net assets	1,005,557	953,188

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

(Unit : Millions of Yen)

	Nine months of fiscal year ending March 2018 (April 1 to December 31, 2017)	Nine months of fiscal year ending March 2019 (April 1 to December 31, 2018)
Operating revenues		
Commissions	7,789	6,893
Brokerage commissions	6,470	5,503
Fees for offering, secondary distribution and solicitation for selling and other services for professional investors	114	238
Other	1,204	1,151
Net gain on trading	716	834
Financial revenues	9,054	8,826
Other sales	507	226
Total operating revenues	18,068	16,780
Financial expenses	2,491	2,213
Cost of sales	442	141
Net operating revenues	15,133	14,426
Selling, general and administrative expenses		
Transaction related expenses	4,085	3,431
Employment cost	1,131	1,185
Facilities and rentals	1,689	1,741
Outsourcing and office supplies	735	705
Depreciation and amortization	1,485	1,227
Duties and taxes other than income taxes	282	264
Other	196	236
Total selling, general and administrative expenses	9,606	8,793
Operating income	5,526	5,632
Non-operating income	94	72
Non-operating expenses	21	2
Ordinary income	5,600	5,702
Special profits		
Reversal of reserve for financial products transaction liabilities	59	52
Gain on sales of investment securities	1,049	-
Total special profits	1,108	52
Income before income taxes	6,708	5,755
Income taxes - current	1,991	1,670
Income taxes - deferred	99	103
Income taxes	2,091	1,773
Net income	4,617	3,981