

**Disclaimer**

This document is an English-language translation of the non-consolidated financial summary of the financial results for the second quarter of the fiscal year ending March 31, 2012. 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 2012**

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, 2011 to September 30, 2011)**

(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 2012	6,482	(7.7)	5,630	(10.7)	1,554	(27.6)	1,646	(23.4)	849	(42.9)
1H of fiscal year ended March 2011	7,020	(13.7)	6,307	(13.4)	2,146	(24.7)	2,151	(23.5)	1,487	(17.7)

	Earnings per share	Fully diluted earnings per share
	yen	yen
1H of fiscal year ending March 2012	4.82	-
1H of fiscal year ended March 2011	8.33	8.33

(2)Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
September 30, 2011	368,541	32,079	8.7	556.3
March 31, 2011	395,005	32,615	8.3	553.1

**2.Dividends**

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
Fiscal year ended March 2011	-	-	-	yen 8.00	yen 8.00
Fiscal year ending March 2012	-	-			

**3.Forecast for the Business Results of Full Fiscal Year (April 1, 2011 to March 31, 2012)**

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, 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, 2011	As of September 30, 2011
<b>Assets</b>		
Current Assets		
Cash and bank deposits	40,385	32,266
Cash held in trust	222,299	192,522
Margin account assets	95,742	110,332
Loans receivable from customers	80,947	81,652
Cash deposited as collateral for securities borrowed	14,794	28,680
Advances paid	291	239
Amount paid	413	232
Short term guarantee deposits	26,426	23,543
Prepaid expenses	219	341
Accrued income	1,044	1,280
Other	1,228	1,120
Total current assets	388,051	361,879
Fixed Assets		
Tangible fixed assets	862	937
Intangible fixed assets	1,908	1,667
Investment and others	4,183	4,056
Investment securities	1,484	1,381
Long term guarantee deposits	409	380
Deferred income tax assets	1,851	1,798
Long-term advances paid	4,068	3,798
Other	231	341
Allowance for doubtful accounts	(3,861)	(3,643)
Total fixed assets	6,954	6,662
Total Assets	395,005	368,541

(Unit : Millions of Yen)

	As of March 31, 2011	As of September 30, 2011
<b>Liabilities</b>		
Current liabilities		
Margin account liabilities	61,393	66,594
Loans from securities finance companies	30,201	29,707
Proceeds of securities lent on customers' account	31,192	36,886
Payables on collateralized securities transactions	10,232	17,627
Deposits received	117,107	99,249
Guarantee money received	127,615	118,472
Short-term borrowings	23,000	32,000
Accounts payable	154	136
Accrued expenses	603	553
Accrued income taxes	771	585
Other	332	232
Total current liabilities	341,210	335,451
Long-term liabilities		
Long-term borrowings	20,000	-
Other	370	230
Total long-term liabilities	20,370	230
Statutory reserves		
Reserve for financial product transaction liabilities	809	780
Total statutory reserves	809	780
Total liabilities	362,389	336,462
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	18,024	17,465
Treasury stock	(4,673)	(4,673)
Total shareholders' equity	32,461	31,902
Valuation and translation adjustments		
Net unrealized gain on investment securities	154	176
Total valuation and translation adjustments	154	176
Total net assets	32,615	32,079
Total liabilities and net assets	395,005	368,541

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

(Unit : Millions of Yen)

	1H of fiscal year ended March 2011 (April 1 to September 30, 2010)	1H of fiscal year ending March 2012 (April 1 to September 30, 2011)
Operating revenues		
Commissions	4,288	3,773
Brokerage commissions	3,295	2,875
Fees for offering, secondary distribution and solicitation for selling and other services for professional investor	83	62
Other	909	835
Net gain on trading	-	16
Financial income	2,731	2,692
Total operating revenues	7,020	6,482
Financial expenses	712	851
Net operating revenues	6,307	5,630
Selling, general and administrative expenses		
Transaction related expenses	1,770	1,781
Employment cost	490	450
Facilities and rentals	902	768
Outsourcing and office supplies	350	310
Depreciation and amortization	485	618
Duties and taxes other than income taxes	73	66
Provision to allowance for doubtful accounts	11	-
Other	75	79
Total selling, general and administrative expenses	4,161	4,075
Operating income	2,146	1,554
Non-operating income	158	308
Non-operating expenses	154	216
Ordinary income	2,151	1,646
Special profits		
Reversal of reserve for financial product transaction	381	28
Reversal of allowance for doubtful accounts	7	-
Total special profits	389	28
Special losses		
Valuation loss on investment securities	5	1
Loss on the effect of the adopting the accounting standard regarding asset retirement obligations	13	-
Loss on from PTS business withdrawal	-	261
Total special losses	19	263
Income before income taxes	2,520	1,411
Income taxes - current	921	564
Income taxes - deferred	111	(2)
Income taxes	1,032	562
Net income	1,487	849

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

(Unit : Millions of Yen)

	1Q of FY 2011	2Q of FY 2011	3Q of FY 2011	4Q of FY 2011	1Q of FY 2012	2Q of FY 2012
Operating revenues						
Commissions	2,536	1,752	1,889	2,535	1,841	1,931
Brokerage commissions	2,006	1,288	1,359	2,080	1,391	1,483
Fees for offering, secondary distribution and solicitation for selling and others for professional investors	47	35	40	44	33	29
Other	481	427	488	411	417	418
Net gain on trading	-	-	2	6	5	10
Financial income	1,506	1,225	1,341	1,256	1,445	1,246
Total operating revenues	4,042	2,977	3,233	3,798	3,293	3,189
Financial expenses	486	226	456	277	502	349
Net operating revenues	3,556	2,751	2,776	3,521	2,791	2,839
Selling, general and administrative expenses						
Transaction related expenses	926	844	798	908	880	900
Employment cost	251	238	223	213	223	227
Facilities and rentals	464	438	442	445	393	374
Outsourcing and office supplies	184	166	139	159	156	154
Depreciation and amortization	237	248	264	300	322	296
Duties and taxes other than income taxes	50	23	35	25	45	21
Other	47	38	35	43	37	42
Total selling, general and administrative expenses	2,162	1,998	1,938	2,095	2,059	2,016
Operating income	1,394	752	837	1,426	731	823
Non-operating income	19	139	11	15	93	214
Non-operating expenses	15	138	0	36	4	211
Ordinary income	1,397	753	848	1,405	820	826
Special profits						
Reversal of reserve for financial product transaction	381	-	-	-	28	-
Reversal of allowance for doubtful accounts	3	4	7	29	-	-
Profits on sales of investment securities	-	-	-	284	-	-
Total special profits	385	4	7	313	28	-
Special losses						
Valuation loss on investment securities	5	-	0	286	1	-
Provision of reserve for financial product transaction	-	0	1	2	-	0
Loss on from PTS business withdrawal	-	-	-	-	-	261
Loss on the effect of the adopting the accounting standard regarding asset retirement obligations	13	-	-	-	-	-
Provision to allowance for doubtful account	-	-	-	3,172	-	-
Loss on cancellation of lease contracts	-	-	-	41	-	-
Total special losses	19	0	1	3,501	1	261
Income before income taxes	1,763	757	854	(1,782)	847	564
Income taxes - current	536	385	383	478	259	305
Income taxes - deferred	186	(75)	(33)	(865)	70	(72)
Income taxes	722	310	349	(387)	329	377
Net income(lost)	1,040	447	505	(1,395)	517	332

#### (4)Monthly Business Data

	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11
Number of customer accounts *1 (at month-end)	735,029	737,647	740,266	742,950	746,126	748,567
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	44,032	44,320	44,639	44,931	45,236	45,429
Number of margin customer accounts *1 (at month-end)	77,172	77,413	77,814	78,091	78,517	78,953
Number of forward and option customer accounts *1 (at month-end)	33,203	33,464	33,641	33,913	34,284	34,596
Number of OTC FX customer accounts *1 (at month-end)	38,919	39,243	39,534	40,169	40,906	41,245
Number of customers using stock lending service	13,661	13,836	13,862	13,980	13,884	13,724
Average daily number of executed equity trades *2	40,252	37,231	34,663	36,705	37,856	34,095
Average daily number of executed cash trades *2, 3	17,389	16,243	14,792	16,160	16,935	14,148
Average daily number of executed margin trades *2	22,862	20,988	19,871	20,544	20,921	19,947
Average value of equity trading (thousands of yen)	884	878	883	922	855	877
Average value of cash trading *3 (thousands of yen)	546	511	514	587	520	512
Average value of margin trading (thousands of yen)	1,141	1,163	1,158	1,185	1,126	1,137
Monthly trading value of OTC FX (100 millions of yen)	10,662	10,475	10,075	9,261	11,592	9,422
Monthly trading value of Exchange FX*4 (100 millions of yen)	2,797	2,087	1,876	2,871	4,944	3,840
Amount of customer assets *5 (at month-end) (millions of yen)	1,107,959	1,096,550	1,103,989	1,105,965	1,054,295	1,022,889
Margin trading balance *6 (at month-end) (millions of yen)	105,185	112,870	113,685	108,894	108,703	118,538
Amount of stock lending (at month-end) (millions of yen)	65,449	65,765	63,969	67,115	63,220	41,747

  

	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11
Number of customer accounts (at month-end)	717,366	719,476	721,823	724,548	727,150	731,891
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	42,328	42,565	42,704	42,887	43,122	43,698
Number of margin customer accounts (at month-end)	74,747	75,031	75,354	75,762	76,141	76,832
Number of forward and option customer accounts (at month-end)	30,778	31,041	31,218	31,480	31,776	32,595
Number of OTC FX customer accounts (at month-end)	36,537	36,936	37,199	37,536	37,846	38,460
Number of customer using lending stock service	13,606	13,664	13,651	13,880	13,596	12,119
Average daily number of executed equity trades	30,373	35,648	38,406	45,779	47,695	58,101
Average daily number of executed cash trades	12,660	14,643	17,150	20,832	22,007	28,804
Average daily number of executed margin trades	17,713	21,005	21,255	24,947	25,688	29,297
Average trading value of equity trading	917	880	876	920	1,028	908
Average trading value of cash trading	507	562	578	587	664	590
Average trading value of margin trading	1,209	1,103	1,117	1,198	1,340	1,221
Monthly trading value of OTC FX (100 millions of yen)	10,556	12,228	8,336	8,744	8,500	11,450
Amount of customer assets (at month-end) (millions of yen)	1,017,255	1,069,484	1,109,805	1,133,489	1,180,014	1,109,338
Margin trading balance (at month-end) (millions of yen)	102,834	97,203	106,214	115,048	123,380	112,139
Amount of lending stock (at month-end) (millions of yen)	62,212	66,980	65,912	71,752	72,371	35,456

\*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 : 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.

	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10
Number of customer accounts (at month-end)	703,038	705,680	708,753	711,118	713,199	715,421
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	40,400	40,838	41,297	41,748	41,881	42,128
Number of margin customer accounts (at month-end)	72,436	72,880	73,341	73,694	74,045	74,406
Number of forward and option customer accounts (at month-end)	28,852	29,142	29,366	29,655	30,082	30,503
Number of OTC FX customer accounts (at month-end)	32,781	33,524	34,027	34,598	35,289	35,927
Number of customer using lending stock service	13,197	13,243	13,288	13,435	13,291	12,657
Average daily number of executed equity trades	49,246	44,088	32,910	28,571	28,276	29,483
Average daily number of executed cash trades	24,376	21,951	15,215	12,843	12,748	13,202
Average daily number of executed margin trades	24,869	22,137	17,964	15,727	15,527	16,280
Average trading value of equity trading	906	910	912	913	879	906
Average trading value of cash trading	631	587	541	516	497	531
Average trading value of margin trading	1,176	1,230	1,232	1,238	1,192	1,210
Monthly trading value of OTC FX (100 millions of yen)	11,232	16,110	11,431	11,703	10,945	11,766
Amount of customer assets (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 (at month-end) (millions of yen)	114,610	116,069	122,991	116,614	115,201	111,166
Amount of lending stock (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
Monthly trading value of OTC FX (100 millions of yen)	4,023	3,163	3,596	3,619	7,074	8,001
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