

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, 2016(from April 2015 to March 2016). 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, 2016

Company name: kabu.com Securities Co., Ltd.
 Listing: 1st section of the Tokyo Stock Exchange
 Code number: 8703
 Representative: Masakatsu Saito, CEO
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1. Financial summary (April 1, 2015 to June 30, 2015)

	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, 2016	6,752	33.9	5,776	30.2	3,072	88.2	3,135	81.5	2,693	167.1
1Q of fiscal year ended March 31, 2015	5,041	(29.6)	4,435	(31.5)	1,632	(56.9)	1,726	(54.8)	1,008	(53.4)

(%: change year-on-year)

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
1Q of fiscal year ending March 31, 2016	7.78	-	24.2
1Q of fiscal year ended March 31, 2015	2.88	-	9.9

(Note) The Company implemented a two-for-one stock split on July 1, 2015. Net income per share has been calculated by assuming this stock split was executed on April 1, 2014.

(2) Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
June 30, 2015	877,562	42,586	4.9	438.0
March 31, 2015	867,769	46,632	5.4	441.5

2. Dividends

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
Fiscal year ended March 2015	-	0.00	-	23.00	23.00
Fiscal year ending March 2016	-				
Fiscal year ending March 2016 (Forecasts)		-	-	-	-

3. Forecast for the Business Results of Full Fiscal Year (April 1, 2015 to March 31, 2016)

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, 2015	As of June 30, 2015
Assets		
Current Assets		
Cash and bank deposits	40,115	48,989
Cash held in trust	478,749	518,933
Margin account assets	266,116	226,140
Loans receivable from customers	192,982	195,648
Cash deposited as collateral for securities borrowed from securities finance companies	73,134	30,491
Advances paid	216	361
Cash paid for offering	850	1,284
Short term guarantee deposits	66,838	66,747
Prepaid expenses	226	511
Accrued income	2,125	2,189
Other	2,049	2,638
Total current assets	857,289	867,797
Fixed Assets		
Tangible fixed assets	704	686
Intangible fixed assets	2,840	2,930
Investment and others	6,936	6,148
Investment securities	6,202	5,415
Long term guarantee deposits	468	494
Long-term advances paid	1,189	1,139
Other	214	191
Allowance for doubtful accounts	(1,138)	(1,091)
Total fixed assets	10,480	9,765
Total Assets	867,769	877,562

(Unit : Millions of Yen)

	As of March 31, 2015	As of June 30, 2015
Liabilities		
Current liabilities		
Margin account liabilities	155,021	84,731
Loans from securities finance companies	58,883	27,788
Proceeds of securities lent on customers' account	96,137	56,943
Payables on collateralized securities transactions	81,522	58,642
Deposits received	271,949	320,955
Guarantee money received	231,157	277,743
Short-term borrowings	43,000	65,000
Short-term loans payable to subsidiaries and affiliates	10,000	-
Accounts payable	443	342
Accrued expenses	772	821
Accrued income taxes	2,017	1,329
Deferred tax liabilities	103	150
Reserve for bonuses	-	43
Other	344	516
Total current liabilities	796,332	810,278
Long-term liabilities		
Long-term borrowings	15,100	22,000
Long-term loans payable to subsidiaries and affiliates	6,900	-
Deferred tax liabilities	758	503
Total long-term liabilities	22,758	22,503
Statutory reserves		
Reserve for financial product transaction liabilities	2,046	2,193
Total statutory reserves	2,046	2,193
Total liabilities	821,137	834,975
Net assets		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	24,104	22,793
Treasury stock	(884)	(3,072)
Total shareholders' equity	42,329	38,830
Valuation and translation adjustments		
Net unrealized gain on investment securities	4,302	3,755
Total valuation and translation adjustments	4,302	3,755
Total net assets	46,632	42,586
Total liabilities and net assets	867,769	877,562

(2)Non-Consolidated Statements of Income

(Unit : Millions of Yen)

	1Q of fiscal year ended March 2015 (April 1 to June 30, 2014)	1Q of fiscal year ending March 2016 (April 1 to June 30, 2015)
Operating revenues		
Commissions	2,316	3,238
Brokerage commissions	1,926	2,655
Fees for offering, secondary distribution and solicitation for selling and other services for professional investors	49	71
Other	341	510
Net gain on trading	172	289
Financial revenues	2,551	3,224
-	5,041	6,752
Financial expenses	606	975
Net operating revenues	4,435	5,776
Selling, general and administrative expenses		
Transaction related expenses	1,502	1,296
Employment cost	253	280
Facilities and rentals	393	418
Outsourcing and office supplies	207	214
Depreciation and amortization	299	293
Duties and taxes other than income taxes	100	96
Provision of allowance for doubtful accounts	-	10
Other	46	93
Total selling, general and administrative expenses	2,803	2,703
Operating income	1,632	3,072
Non-operating income	103	70
Non-operating expenses	9	8
Ordinary income	1,726	3,135
Special profits		
Gain on sales of investment securities	-	1,038
Total special profits	-	1,038
Special losses		
Provision of reserve for financial product transaction liabilities	109	146
Total special losses	109	146
Income before income taxes	1,617	4,027
Income taxes - current	316	1,298
Income taxes - deferred	292	35
Income taxes	609	1,333
Net income	1,008	2,693

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

(Unit : Millions of Yen)

	1Q of FY 2015	2Q of FY 2015	3Q of FY 2015	4Q of FY 2015	1Q of FY 2016
Operating revenues					
Commissions	2,316	2,720	3,330	3,187	3,238
Brokerage commissions	1,926	2,299	2,694	2,602	2,655
Fees for offering, secondary distribution and solicitation for selling and others for professional investor:	49	49	105	89	71
Other	341	372	530	495	510
Net gain on trading	172	231	335	276	289
Financial revenues	2,551	2,628	2,856	2,765	3,224
Total operating revenues	5,041	5,580	6,523	6,229	6,752
Financial expenses	606	554	635	618	975
Net operating revenues	4,435	5,026	5,887	5,610	5,776
Selling, general and administrative expenses					
Transaction related expenses	1,502	1,116	1,611	1,269	1,296
Employment cost	253	298	299	308	280
Facilities and rentals	393	397	401	418	418
Outsourcing and office supplies	207	203	197	207	214
Depreciation and amortization	299	338	331	319	293
Duties and taxes other than income taxes	100	46	56	61	96
Other	46	49	52	50	103
Total selling, general and administrative expenses	2,803	2,451	2,950	2,634	2,703
Operating income	1,632	2,575	2,936	2,976	3,072
Non-operating income	103	34	(9)	36	70
Non-operating expenses	9	8	5	4	8
Ordinary income	1,726	2,600	2,921	3,008	3,135
Special profits					
Gain on sales of investment securities	-	1,107	430	-	1,038
Total special profits	-	1,107	430	-	1,038
Special losses					
Provision of reserve for financial product transaction liabilities	109	130	146	139	146
Total special losses	109	130	146	139	146
Income before income taxes	1,617	3,577	3,205	2,868	4,027
Income taxes - current	316	1,461	1,142	1,217	1,298
Income taxes - deferred	292	(122)	74	(754)	35
Net income	1,008	2,238	1,988	2,405	2,693

(4)Monthly Business Data

	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15
Number of customer accounts *1 (at month-end)	910,592	915,587	920,998	925,776	930,094	934,662
Number of new customer accounts (monthly)	5,601	5,313	5,818	5,158	4,653	5,019
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	61,181	61,609	62,071	62,475	62,748	63,033
Number of active accounts *2	465,479	467,161	470,020	471,887	473,529	475,578
Number of margin customer accounts *1 (at month-end)	110,961	112,026	113,528	114,516	115,474	116,433
Number of future and option customer accounts *1 (at month-end)	46,311	46,648	47,066	47,394	47,726	48,040
Number of OTC FX customer accounts *1 (at month-end)	70,248	71,175	72,153	73,082	73,903	74,723
Average daily number of executed equity trades *3	114,507	126,170	124,431	119,970	118,712	115,305
Average value of equity trading (thousands of yen)	995	967	1,090	1,062	1,120	1,060
Monthly trading value of OTC FX (100 millions of yen)	79,007	47,339	53,355	46,250	46,733	59,208
Amount of customer assets *4 (at month-end) (millions of yen)	1,956,397	2,030,508	2,026,681	2,103,620	2,155,125	2,143,777
Margin trading balance *5 (at month-end) (millions of yen)	229,119	243,692	289,124	261,279	240,321	252,592
Number of automatic debit accounts *1 (at month-end)	419,946	420,864	421,818	422,614	423,450	424,278

	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14
Number of customer accounts *1 (at month-end)	883,602	886,965	891,095	895,416	900,347	905,390
Number of new customer accounts (monthly)	4,120	3,792	4,500	4,697	5,202	5,415
Number of customer accounts from Bank of Tokyo-Mitsubishi UFJ and other partners (at month-end)	59,626	59,879	60,087	60,298	60,563	60,861
Number of active accounts *2	452,717	454,035	455,691	457,644	459,131	460,466
Number of margin customer accounts *1 (at month-end)	104,771	105,697	106,991	107,835	108,820	109,955
Number of future and option customer accounts *1 (at month-end)	44,283	44,556	44,821	45,172	45,575	45,959
Number of OTC FX customer accounts *1 (at month-end)	64,766	65,336	66,151	66,958	68,044	69,161
Average daily number of executed equity trades *3	96,993	99,089	103,826	98,243	122,734	124,138
Average value of equity trading (thousands of yen)	1,078	1,011	1,053	1,039	1,130	1,054
Monthly trading value of OTC FX (100 millions of yen)	20,108	22,595	44,393	57,444	79,648	94,809
Amount of customer assets *4 (at month-end) (millions of yen)	1,826,292	1,833,237	1,848,286	1,831,553	1,942,741	1,937,292
Margin trading balance *5 (at month-end) (millions of yen)	209,428	221,627	252,389	215,959	211,477	227,471
Number of automatic debit accounts *1 (at month-end)	415,450	416,143	416,734	417,463	418,211	419,132

*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 : 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.