

**Disclaimer**

This document is an English-language translation of the non-consolidated financial summary of the financial results for the fiscal year ended 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**  
**Fiscal Year Ended 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  
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**1. Financial summary (April 1, 2018 to March 31, 2019)**

(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	%
Fiscal year ended March 31, 2019	21,202	(13.4)	18,267	(13.0)	5,881	(25.9)	5,936	(25.5)	4,295	(32.2)
Fiscal year ended March 31, 2018	24,476	2.7	21,000	10.3	7,934	5.7	7,971	8.9	6,335	5.5

	Earnings per share	Fully diluted earnings per share	ROE
	yen	yen	%
Fiscal year ended March 31, 2019	12.89	12.89	9.9
Fiscal year ended March 31, 2018	19.01	19.01	14.5

(2) Financial position

	Total assets	Net Assets	Equity ratio	Capital adequacy ratio
	millions of yen	millions of yen	%	%
March 31, 2019	1,009,924	42,151	4.2	369.0
March 31, 2018	1,005,557	44,753	4.4	371.7

**2. Dividends**

	Dividends per share				
	1Q	2Q	3Q	4Q	Total
		yen		yen	yen
Fiscal year ended March 2018	–	6.00	–	13.00	19.00
Fiscal year ended March 2019	–	6.00	–	6.00	12.00

**3. Forecast for the Business Results of Full Fiscal Year (April 1, 2019 to March 31, 2020)**

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 March 31, 2019
<b>Assets</b>		
Current Assets		
Cash and bank deposits	88,361	149,818
Cash held in trust	495,707	485,575
Margin account assets	327,830	284,969
Loans receivable from customers	204,480	141,590
Cash deposited as collateral for securities borrowed from securities finance companies	123,350	143,378
Advances paid	202	358
Cash paid for offering	424	405
Short term guarantee deposits	71,535	67,608
Variation margin paid	1,169	540
Prepaid expenses	235	189
Accrued income	2,330	2,086
Other	9,199	8,905
Total current assets	<u>996,996</u>	<u>1,000,458</u>
Fixed Assets		
Tangible fixed assets	1,013	1,126
Intangible fixed assets	4,297	5,405
Investment and others	3,249	2,933
Investment securities	2,330	1,627
Long-term guarantee deposits	419	432
Long-term prepaid expenses	141	140
Long-term advances paid	530	903
Deferred tax assets	297	596
Other	12	16
Allowance for doubtful accounts	(482)	(783)
Total fixed assets	<u>8,560</u>	<u>9,466</u>
Total Assets	<u>1,005,557</u>	<u>1,009,924</u>

(Unit : Millions of Yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
Current liabilities		
Margin account liabilities	173,736	178,129
Loans from securities finance companies	42,393	20,376
Proceeds of securities lent on customers' account	131,342	157,753
Payables on collateralized securities transactions	119,586	95,776
Deposits received	277,431	269,628
Guarantee money received	249,135	239,430
Short-term borrowings	104,000	79,000
Commercial papers	—	70,000
Accounts payable	977	890
Accrued expenses	1,186	1,121
Accrued income taxes	1,546	648
Other	1,037	1,034
Total current liabilities	<u>928,637</u>	<u>935,659</u>
Long-term liabilities		
Long-term borrowings	<u>30,000</u>	<u>30,000</u>
Total long-term liabilities	<u>30,000</u>	<u>30,000</u>
Statutory reserves		
Reserve for financial product transaction liabilities	<u>2,166</u>	<u>2,113</u>
Total statutory reserves	<u>2,166</u>	<u>2,113</u>
Total liabilities	<u>960,803</u>	<u>967,772</u>
<b>Net assets</b>		
Shareholders' equity		
Common stock	7,196	7,196
Additional paid in capital	11,913	11,913
Retained earnings	25,730	23,695
Treasury stock	<u>(2,093)</u>	<u>(2,094)</u>
Total shareholders' equity	<u>42,747</u>	<u>40,711</u>
Valuation and translation adjustments		
Net unrealized gain on investment securities	<u>1,986</u>	<u>1,412</u>
Total valuation and translation adjustments	<u>1,986</u>	<u>1,412</u>
Subscription rights to shares	19	27
Total net assets	<u>44,753</u>	<u>42,151</u>
Total liabilities and net assets	<u>1,005,557</u>	<u>1,009,924</u>

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

(Unit : Millions of Yen)

	Fiscal year ended March 2018 (April 2017 to March 2018)	Fiscal year ended March 2019 (April 2018 to March 2019)
Operating revenues		
Commissions	10,806	8,821
Brokerage commissions	9,026	7,090
Fees for offering, secondary distribution and solicitation for selling and other services for professional investors	192	262
Other	1,588	1,468
Net gain on trading	1,062	1,040
Financial revenues	12,022	11,041
Other sales	585	298
Total operating revenues	24,476	21,202
Financial expenses	2,984	2,751
Cost of sales	491	184
Net operating revenues	21,000	18,267
Selling, general and administrative expenses		
Transaction related expenses	5,732	4,761
Employment cost	1,511	1,566
Facilities and rentals	2,188	2,365
Outsourcing and office supplies	983	941
Depreciation and amortization	1,879	1,739
Duties and taxes other than income taxes	364	338
Provision of allowance for doubtful accounts	139	365
Other	268	307
Total selling, general and administrative expenses	13,066	12,386
Operating income	7,934	5,881
Non-operating income	138	58
Non-operating expenses	101	3
Ordinary income	7,971	5,936
Special profits		
Reversal of reserve for financial products transaction liabilities	—	52
Gain on sales of investment securities	1,175	281
Total special profits	1,175	334
Special losses		
Provision of reserve for financial product transaction liabilities	6	—
Impairment loss	31	—
TOB related expenses	—	75
Total special losses	37	75
Income before income taxes	9,109	6,195
Income taxes - current	2,752	1,944
Income taxes - deferred	22	(45)
Income taxes	2,774	1,899
Net income	6,335	4,295