

**Consolidated Balance Sheets**

(Millions of Yen)

|   | 2004            | 2005            | 2006              | 1Q                | 2Q                     | 3Q                    | 4Q                 |
|---|-----------------|-----------------|-------------------|-------------------|------------------------|-----------------------|--------------------|
|   | 31st March      | 31st March      | 31st March        | 2006<br>30th June | 2006<br>30th September | 2006<br>31st December | 2007<br>31st March |
| <b>ASSETS</b>   |                 |                 |                   |                   |                        |                       |                    |
| <b>CURRENT ASSETS:</b>  |                 |                 |                   |                   |                        |                       |                    |
| Cash and cash equivalents   | ¥34,361         | ¥106,460        | ¥132,545          | ¥101,006          | ¥126,661               | ¥148,579              | ¥115,092           |
| Time deposits   | 61              | 2,904           | 399               | 401               | 408                    | 4,027                 | 616                |
| Cash required to be segregated under regulations                    | 95,608          | 188,150         | 332,876           | 314,600           | 320,831                | 321,133               | 340,090            |
| Trade notes and accounts receivable                                 | 584             | 1,013           | 1,303             | 27,972            | 1,391                  | 4,920                 | 7,537              |
| Operational investment securities                                   | 17,676          | 39,829          | 61,668            | 135,692           | 84,179                 | 103,744               | 100,603            |
| Valuation allowance for operational investment securities           | (579)           | (463)           | (338)             | (341)             | (19,578)               | (20,067)              | (18,603)           |
| Operational loans receivable  | 155             | 8,059           | 16,501            | 17,978            | 20,496                 | 22,796                | 46,828             |
| Real estate inventory   | 787             |                 | 26,333            | 31,907            | 19,358                 | 19,963                | 35,872             |
| Trading assets  | 1,310           | 2,859           | 3,093             | 3,357             | 2,943                  | 4,126                 | 4,329              |
| Margin transaction assets:  |                 |                 |                   |                   |                        |                       |                    |
| Receivables from customers  | 168,485         | 317,801         | 562,693           | 517,040           | 456,757                | 425,658               | 489,269            |
| Cash deposits as collateral for securities borrowed                 | 12,558          | 15,680          | 18,547            | 3,779             | 15,193                 | 12,415                | 11,303             |
| Loans secured by securities   |                 |                 | 156               | 267               | 305                    | 1,102                 | 102                |
| Short-term guarantee deposits                                       | 6,539           | 7,052           | 17,549            | 14,408            | 19,146                 | 20,367                | 24,353             |
| Deferred tax assets—current   | 2,014           | 986             | 1,959             | 9,842             | 6,512                  | 6,375                 | 2,271              |
| Prepaid expenses and other current assets                           | 3,900           | 11,960          | 30,993            | 43,453            | 48,999                 | 35,912                | 40,324             |
| Allowance for doubtful accounts                                     | (205)           | (401)           | (691)             | (852)             | (932)                  | (1,089)               | (1,070)            |
| <b>TOTAL CURRENT ASSETS</b>   | <b>366,799</b>  | <b>715,448</b>  | <b>1,205,586</b>  | <b>1,220,509</b>  | <b>1,102,669</b>       | <b>1,109,961</b>      | <b>1,198,916</b>   |
| <b>PROPERTY AND EQUIPMENT—Net:</b>                                  | <b>3,393</b>    | <b>4,715</b>    | <b>4,144</b>      | <b>4,169</b>      | <b>4,486</b>           | <b>5,370</b>          | <b>4,602</b>       |
| <b>LEASED ASSETS—Net:</b>   | <b>8,964</b>    | <b>8,231</b>    | <b>11,225</b>     | <b>10,908</b>     | <b>10,573</b>          | <b>10,359</b>         | <b>10,036</b>      |
| <b>INVESTMENTS AND OTHER ASSETS:</b>                                |                 |                 |                   |                   |                        |                       |                    |
| Investment securities   | 17,749          | 11,686          | 28,127            | 26,521            | 42,816                 | 42,522                | 19,390             |
| Investments in unconsolidated subsidiaries and affiliated companies | 112             | 807             | 23,534            | 30,214            | 35,217                 | 35,429                | 60,420             |
| Software, net of accumulated amortisation                           | 2,877           | 4,017           | 5,169             | 5,207             | 5,662                  | 5,792                 | 6,559              |
| Rental deposits   | 2,150           | 4,323           | 4,358             | 4,711             | 4,635                  | 4,713                 | 4,726              |
| Goodwill  | 15              | 1,581           | 44,638            | 37,904            | 42,725                 | 41,793                | 53,513             |
| Long-term trade receivables   | 4,415           | 2,824           | 1,701             | 1,516             | 1,547                  | 1,541                 | 1,536              |
| Deferred tax assets—non-current                                     | 510             | 880             | 1,310             | 1,743             | 1,780                  | 1,756                 | 1,915              |
| Other assets  | 2,016           | 3,362           | 3,760             | 4,175             | 5,775                  | 5,758                 | 7,764              |
| Allowance for doubtful accounts                                     | (2,355)         | (2,870)         | (1,908)           | (1,752)           | (1,838)                | (1,922)               | (2,155)            |
| <b>TOTAL INVESTMENTS AND OTHER ASSETS</b>                           | <b>27,489</b>   | <b>26,610</b>   | <b>110,689</b>    | <b>110,239</b>    | <b>138,319</b>         | <b>137,382</b>        | <b>153,668</b>     |
| <b>TOTAL</b>  | <b>¥396,645</b> | <b>¥755,004</b> | <b>¥1,331,644</b> | <b>¥1,345,826</b> | <b>¥1,256,047</b>      | <b>¥1,263,072</b>     | <b>¥1,367,222</b>  |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>                         |                 |                 |                   |                   |                        |                       |                    |
| <b>CURRENT LIABILITIES:</b>   |                 |                 |                   |                   |                        |                       |                    |
| Short-term borrowings   | ¥9,630          | ¥8,732          | ¥11,398           | ¥47,049           | ¥17,171                | ¥17,899               | ¥56,142            |
| Current portion of long-term debt                                   | 2,625           | 11,759          | 900               | 1,800             | 1,800                  | 700                   | 25,172             |
| Income taxes payable  | 5,977           | 7,506           | 19,535            | 32,665            | 35,752                 | 31,356                | 15,755             |
| Margin transaction liabilities:                                     |                 |                 |                   |                   |                        |                       |                    |
| Payables to financial institutions                                  | 126,722         | 238,766         | 302,283           | 250,351           | 169,603                | 159,745               | 231,211            |
| Proceeds of securities sold for customers' accounts                 | 33,661          | 45,824          | 65,030            | 37,631            | 63,171                 | 71,308                | 62,961             |
| Loans secured by securities   | 3,714           | 1,165           | 56,553            | 51,488            | 54,709                 | 59,170                | 55,825             |
| Consignment guarantee money received for margin transactions        | 84,111          | 151,652         | 303,385           | 314,550           | 296,253                | 298,113               | 297,448            |
| Customers' deposits as collateral for commodity futures             | 7,254           | 19,309          | 32,072            | 31,448            | 33,737                 | 37,846                | 45,356             |
| Customers' deposits for securities transactions                     | 7,631           | 15,427          | 21,495            | 16,620            | 15,386                 | 19,442                | 16,234             |
| Unearned income   | 1,307           | 2,615           | 3,671             | 5,996             | 2,568                  | 1,957                 | 3,030              |
| Accrued expenses  | 1,708           | 2,654           | 3,594             | 3,666             | 3,344                  | 3,347                 | 3,189              |
| Contingent reserve  |                 | 5,219           | 5                 |                   |                        |                       |                    |
| Deferred tax liabilities—current                                    | 6               | 3,367           | 2,096             | 398               | 4,045                  | 4,190                 | 7,201              |
| Other current liabilities   | 6,053           | 16,619          | 25,550            | 40,258            | 40,177                 | 33,867                | 30,549             |
| <b>TOTAL CURRENT LIABILITIES</b>                                    | <b>290,399</b>  | <b>580,614</b>  | <b>847,567</b>    | <b>833,920</b>    | <b>737,716</b>         | <b>738,940</b>        | <b>850,073</b>     |
| <b>LONG-TERM LIABILITIES:</b>                                       |                 |                 |                   |                   |                        |                       |                    |
| Long-term debt, less current portion                                | 23,400          | 36,000          | 152,410           | 152,210           | 170,260                | 173,960               | 159,603            |
| Deferred tax liabilities—non-current                                | 3,308           | 2,051           | 2,053             | 1,691             | 1,566                  | 1,648                 | 748                |
| Other long-term liabilities   | 286             | 302             | 1,469             | 1,988             | 2,293                  | 3,222                 | 3,633              |
| <b>TOTAL LONG-TERM LIABILITIES</b>                                  | <b>32,471</b>   | <b>38,353</b>   | <b>155,932</b>    | <b>155,889</b>    | <b>174,119</b>         | <b>178,830</b>        | <b>163,984</b>     |
| <b>STATUTORY RESERVES:</b>  |                 |                 |                   |                   |                        |                       |                    |
| Reserve for liability for securities transactions                   | 1,267           | 2,523           | 4,715             | 5,121             | 5,484                  | 5,826                 | 6,314              |
| Reserve for liability for commodity transactions                    | 104             | 152             | 213               | 213               | 212                    | 212                   | 210                |
| <b>TOTAL STATUTORY RESERVES</b>                                     | <b>1,371</b>    | <b>2,675</b>    | <b>4,928</b>      | <b>5,334</b>      | <b>5,696</b>           | <b>6,038</b>          | <b>6,524</b>       |
| <b>MINORITY INTERESTS:</b>  | <b>24,939</b>   | <b>53,943</b>   | <b>55,094</b>     | <b>—</b>          | <b>—</b>               | <b>—</b>              | <b>—</b>           |
| <b>NET ASSETS</b>   |                 |                 |                   |                   |                        |                       |                    |
| Common stock  | 8,393           | 34,765          | 54,229            | 54,299            | 54,474                 | 54,567                | 54,914             |
| Capital surplus   | 27,092          | 53,467          | 115,692           | 115,761           | 116,078                | 116,172               | 116,519            |
| Retained earnings   | 9,772           | 33,377          | 90,345            | 116,408           | 127,822                | 122,484               | 122,167            |
| Treasury stock—at cost  | (216)           | (239)           | (5,908)           | (5,909)           | (53,064)               | (53,062)              | (53,062)           |
| Unrealised gain on available-for-sale securities                    | 2,399           | 7,633           | 12,830            | 6,567             | 4,099                  | 5,795                 | 5,436              |
| Foreign currency translation adjustments                            | 25              | 416             | 935               | 905               | 1,012                  | 1,183                 | 974                |
| Deferred hedged profit/loss   | —               | —               | —                 | —                 | 7                      | 2                     | 2                  |
| Stock acquisition right   | —               | —               | —                 | 7                 | 29                     | 29                    | 42                 |
| Minority Interest   | —               | —               | —                 | 62,644            | 88,059                 | 92,094                | 99,649             |
| <b>TOTAL NET ASSETS</b>   | <b>47,465</b>   | <b>129,419</b>  | <b>268,123</b>    | <b>360,682</b>    | <b>338,516</b>         | <b>339,264</b>        | <b>346,641</b>     |
| <b>TOTAL</b>  | <b>¥396,645</b> | <b>¥755,004</b> | <b>¥1,331,644</b> | <b>¥1,345,826</b> | <b>¥1,256,047</b>      | <b>¥1,263,072</b>     | <b>¥1,367,222</b>  |

Note(1) The above financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates.

(2) Quarterly financial statements are not reviewed or audited by Deloitte Touche Tohmatsu.

(3) Due to the enforce of new Corporate Law effective from 1st May 2006, Minority interests, Stock acquisition right and Deferred hedged profit/loss are presented in NET ASSETS after 1st May 2006.

These are presented as MINORITY INTEREST between liabilities and shareholder's equity and liabilities respectively as at 31st March 2006.

**Consolidated Statements of Operations with Segment Information**

(Millions of Yen)

|   | Year Ended<br>31st March,2006 | Year Ended 31st March,2007 |                 |                  |                   | Total          |
|---|-------------------------------|----------------------------|-----------------|------------------|-------------------|----------------|
|   |                               | 1Q<br>Apr. - June          | 2Q<br>Jul - Sep | 3Q<br>Oct. - Dec | 4Q<br>Jan. - Mar. |                |
| <b>OPERATING REVENUES</b>                             |                               |                            |                 |                  |                   |                |
| <b>Asset Management</b>                               | <b>¥40,806</b>                | <b>¥23,204</b>             | <b>¥8,767</b>   | <b>¥8,458</b>    | <b>¥12,031</b>    | <b>¥52,460</b> |
| <b>A. Investment in Securities</b>                    | <b>24,793</b>                 | <b>21,018</b>              | <b>6,818</b>    | <b>2,751</b>     | <b>4,443</b>      | <b>35,030</b>  |
| 1) Revenue from Operational Investment Securities     | 18,668                        | 4,527                      | 18,488          | 2,060            | 3,708             | 28,783         |
| 2) Fees from Funds                                    | 6,125                         | 16,491                     | (11,670)        | 691              | 735               | 6,247          |
| <i>Fees from Funds consists of:</i>                   |                               |                            |                 |                  |                   |                |
| - Management Fee                                      | 5,039                         | 1,269                      | 269             | 691              | 688               | 2,917          |
| - Establishment Fee                                   | 531                           | 348                        | 232             | 0                | 26                | 606            |
| - Success Fee   | 555                           | 14,874                     | (12,171)        | 0                | 21                | 2,724          |
| <b>B. Real Estate transactions</b>                    | <b>14,223</b>                 | <b>1,689</b>               | <b>1,282</b>    | <b>5,235</b>     | <b>6,890</b>      | <b>15,096</b>  |
| 1) Revenue from Operational Investment Securities     | 140                           | 0                          | 227             | 1,774            | 2,919             | 4,920          |
| 2) Fees from Funds                                    | 10                            | 0                          | 12              | 34               | 5                 | 51             |
| 3) Other Real Estate Related Revenue                  | 14,073                        | 1,689                      | 1,043           | 3,427            | 3,966             | 10,125         |
| <b>C. Investment Advisory Service Fee and Others</b>  | <b>1,790</b>                  | <b>497</b>                 | <b>667</b>      | <b>472</b>       | <b>698</b>        | <b>2,334</b>   |
| <b>Brokerage and Investment Banking</b>               | <b>¥80,815</b>                | <b>¥18,089</b>             | <b>14,886</b>   | <b>16,073</b>    | <b>17,371</b>     | <b>¥66,419</b> |
| <b>A. Revenue from Securities Transactions</b>        | <b>79,513</b>                 | <b>17,802</b>              | 14,632          | 15,836           | 17,151            | <b>65,421</b>  |
| <b>B. Revenue from Commodity Futures Transactions</b> | <b>1,302</b>                  | <b>287</b>                 | 254             | 237              | 220               | <b>998</b>     |
| <b>Financial Services</b>                             | <b>¥19,845</b>                | <b>¥5,498</b>              | <b>5,390</b>    | <b>5,363</b>     | <b>11,409</b>     | <b>¥27,660</b> |
| <b>Eliminations/Corporate</b>                         | <b>(4,219)</b>                | <b>(944)</b>               | <b>(282)</b>    | <b>(386)</b>     | <b>(346)</b>      | <b>(1,958)</b> |
| <b>OPERATING REVENUE</b>                              | <b>137,247</b>                | <b>45,847</b>              | <b>28,761</b>   | <b>29,508</b>    | <b>40,465</b>     | <b>144,581</b> |
| <b>OPERATING COSTS</b>                                |                               |                            |                 |                  |                   |                |
| Asset Management                                      | 26,885                        | 4,709                      | 27,842          | 6,399            | 9,021             | 47,971         |
| Brokerage and Investment Banking                      | 4,142                         | 854                        | 1,008           | 1,144            | 1,289             | 4,295          |
| Financial Services                                    | 9,385                         | 3,361                      | 3,243           | 3,405            | 7,442             | 17,451         |
| Eliminations/Corporate                                | (2,816)                       | (377)                      | (244)           | (181)            | (169)             | (971)          |
| <b>OPERATING COSTS</b>                                | <b>37,596</b>                 | <b>8,547</b>               | <b>31,849</b>   | <b>10,767</b>    | <b>17,583</b>     | <b>68,746</b>  |
| <b>GROSS PROFIT</b>                                   | <b>99,651</b>                 | <b>37,300</b>              | <b>(3,088)</b>  | <b>18,741</b>    | <b>22,882</b>     | <b>75,835</b>  |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>   |                               |                            |                 |                  |                   |                |
| Asset Management                                      | 3,501                         | 1,317                      | 1,310           | 997              | 1,965             | 5,589          |
| Brokerage and Investment Banking                      | 38,137                        | 9,807                      | 9,031           | 9,004            | 9,907             | 37,749         |
| Financial Services                                    | 8,163                         | 1,582                      | 1,437           | 1,437            | 2,978             | 7,434          |
| Eliminations/Corporate                                | 255                           | 410                        | 105             | 466              | 987               | 1,968          |
| <b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>   | <b>50,056</b>                 | <b>13,116</b>              | <b>11,883</b>   | <b>11,904</b>    | <b>15,837</b>     | <b>52,740</b>  |
| <b>OPERATING INCOME</b>                               |                               |                            |                 |                  |                   |                |
| Asset Management                                      | 10,420                        | 17,178                     | (20,385)        | 1,062            | 1,045             | (1,100)        |
| Brokerage and Investment Banking                      | 38,536                        | 7,428                      | 4,847           | 5,925            | 6,175             | 24,375         |
| Financial Services                                    | 2,297                         | 555                        | 710             | 521              | 989               | 2,775          |
| Eliminations/Corporate                                | (1,658)                       | (977)                      | (143)           | (671)            | (1,164)           | (2,955)        |
| <b>OPERATING INCOME</b>                               | <b>¥49,595</b>                | <b>¥24,184</b>             | <b>(14,971)</b> | <b>6,837</b>     | <b>7,045</b>      | <b>¥23,095</b> |
| <b>OTHER INCOME (EXPENSES):</b>                       |                               |                            |                 |                  |                   |                |
| Interest and dividends income                         | 277                           | 258                        | 71              | 176              | 139               | 644            |
| Interest expense                                      | (563)                         | (260)                      | (283)           | (335)            | (400)             | (1,278)        |
| Foreign exchange gain (loss)-net                      | 825                           | (83)                       | 75              | 42               | (20)              | 14             |
| Gain (loss) on sale of investment securities-net      | 4,308                         | 38,338                     | (63,493)        | 384              | 1,196             | (23,575)       |
| Dilution gain from change in equity interest          | 25,367                        | 212                        | 227             |                  | 211               | 650            |
| Reversal of allowance for doubtful accounts           | 176                           |                            |                 |                  |                   | 0              |
| Amortisation of goodwill -net                         | 1,443                         |                            | 69,094          |                  |                   | 69,094         |
| Provision for statutory reserves                      | (2,420)                       | (405)                      | (364)           | (341)            | (489)             | (1,599)        |
| Other-net   | (2,096)                       | (433)                      | (553)           | (1,321)          | (2,696)           | (5,003)        |
| <b>OTHER INCOME (EXPENSES) - NET</b>                  | <b>27,317</b>                 | <b>37,627</b>              | <b>4,774</b>    | <b>(1,395)</b>   | <b>(2,059)</b>    | <b>38,947</b>  |
| <b>INCOME BEFORE INCOME TAXES/MINORITY INTERESTS</b>  | <b>76,912</b>                 | <b>61,811</b>              | <b>(10,197)</b> | <b>5,442</b>     | <b>4,986</b>      | <b>62,042</b>  |
| <b>INCOME TAXES</b>                                   |                               |                            |                 |                  |                   |                |
| Current   | 22,990                        | 32,458                     | 4,708           | 4,245            | (2,556)           | 38,855         |
| Reversal of the prior year's income taxes             | 1,280                         | (595)                      | (6)             | 9                | 9                 | (583)          |
| Deferred  | (6,189)                       | (6,016)                    | (22,754)        | (1,235)          | 6,558             | (23,447)       |
| <b>TOTAL INCOME TAXES</b>                             | <b>18,081</b>                 | <b>25,847</b>              | <b>(18,052)</b> | <b>3,019</b>     | <b>4,011</b>      | <b>14,825</b>  |
| <b>MINORITY INTERESTS IN NET INCOME</b>               | <b>(12,947)</b>               | <b>(2,022)</b>             | <b>3,559</b>    | <b>(1,021)</b>   | <b>(1,292)</b>    | <b>(776)</b>   |
| <b>NET INCOME</b>                                     | <b>¥45,884</b>                | <b>¥33,942</b>             | <b>11,414</b>   | <b>1,402</b>     | <b>(317)</b>      | <b>¥46,441</b> |
| <b>PER SHARE OF COMMON STOCK</b>                      |                               |                            |                 |                  |                   |                |
| Basic net income                                      | (Yen) ¥4,957.08               | (Yen) ¥2,791.50            | (Yen) ¥1,047.78 | (Yen) ¥193.24    | (Yen) ¥7.99       | ¥4,040.51      |
| Diluted net income                                    | (Yen) ¥4,627.04               | (Yen) ¥2,627.88            | (Yen) ¥981.89   | (Yen) ¥202.89    | (Yen) ¥33.16      | ¥3,845.82      |

**Consolidated Statements of Cash Flows**

(Millions of Yen)

|   | Year Ended<br>31st March,2006 | Year Ended 31st March,2007 |                         |                 |                 | Total           |
|---|-------------------------------|----------------------------|-------------------------|-----------------|-----------------|-----------------|
|   |                               | 1Q<br>April to June        | 2Q<br>July to September | 3Q              | 4Q              |                 |
| <b>OPERATING ACTIVITIES</b>                     | (¥132,740)                    | (¥33,575)                  | (¥15,502)               | ¥33,585         | (¥51,917)       | (¥67,409)       |
| <b>INVESTING ACTIVITIES</b>                     | (¥33,137)                     | (24,470)                   | 138,498                 | (7,653)         | (20,361)        | 86,014          |
| <b>FINANCING ACTIVITIES</b>                     | ¥200,746                      | 26,613                     | (116,439)               | (6,372)         | 38,022          | (58,176)        |
| Newly consolidated subsidiaries and others      | (¥8,784)                      | (107)                      | 19,098                  | 2,358           | 769             | 22,118          |
| <b>CASH AND CASH EQUIVALENT - End of Period</b> | <b>¥132,545</b>               | <b>¥101,006</b>            | <b>¥126,661</b>         | <b>¥148,579</b> | <b>¥115,092</b> | <b>¥115,092</b> |

Note(1) The above financial statements are stated in Japanese yen, the currency of the country in which the Company is incorporated and operates.

Quarterly financial statements are not reviewed or audited by Deloitte Touche Tohmatsu.

(2) Due to application of new accounting standard of control and influence to Investment associations, in Asset Management, by accumulated basis, operating revenue of 7,952M and operating income of 30,300M decreased, respectively.