

Consolidated Balance Sheets

(Millions of Yen)

	2004	2005	2006	2007	1Q
	31st March	31st March	31st March	31st March	30th June
ASSETS					
CURRENT ASSETS:					
Cash and cash equivalents	¥34,361	¥106,460	¥132,545	¥115,092	¥144,309
Time deposits	61	2,904	399	616	626
Cash required to be segregated under regulations	95,608	188,150	332,876	340,090	355,800
Trade notes and accounts receivable	584	1,013	1,303	7,537	10,311
Operational investment securities	17,676	39,829	61,668	100,603	97,220
Valuation allowance for operational investment securities	(579)	(463)	(338)	(18,603)	(3,918)
Operational loans receivable	155	8,059	16,501	46,828	52,040
Real estate inventory	787		26,333	35,872	29,610
Trading assets	1,310	2,859	3,093	4,329	3,009
Margin transaction assets:					
Receivables from customers	168,485	317,801	562,693	489,269	521,339
Cash deposits as collateral for securities borrowed	12,558	15,680	18,547	11,303	7,950
Loans secured by securities			156	102	274
Short-term guarantee deposits	6,539	7,052	17,549	24,353	26,379
Deferred tax assets—current	2,014	986	1,959	2,271	2,564
Prepaid expenses and other current assets	3,900	11,960	30,993	40,324	57,031
Allowance for doubtful accounts	(205)	(401)	(691)	(1,070)	(1,501)
TOTAL CURRENT ASSETS	356,799	715,448	1,205,586	1,198,916	1,303,043
PROPERTY AND EQUIPMENT—Net:	3,393	4,715	4,144	4,602	4,944
LEASED ASSETS—Net:	8,964	8,231	11,225	10,036	9,341
INVESTMENTS AND OTHER ASSETS:					
Investment securities	17,749	11,686	28,127	19,390	23,715
Investments in unconsolidated subsidiaries and affiliated companies	112	807	23,534	60,420	32,624
Software, net of accumulated amortisation	2,877	4,017	5,169	6,559	7,357
Rental deposits	2,150	4,323	4,358	4,726	5,930
Goodwill	15	1,581	44,638	53,513	55,610
Long-term trade receivables	4,415	2,824	1,701	1,536	1,530
Deferred tax assets—non-current	510	880	1,310	1,915	2,243
Other assets	2,016	3,362	3,760	7,764	8,554
Allowance for doubtful accounts	(2,355)	(2,870)	(1,908)	(2,155)	(2,262)
TOTAL INVESTMENTS AND OTHER ASSETS	27,489	26,610	110,689	153,668	135,301
TOTAL	¥396,645	¥755,004	¥1,331,644	¥1,367,222	¥1,452,629
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term borrowings	¥9,630	¥8,732	¥11,398	¥56,142	¥82,762
Current portion of long-term debt	2,625	11,759	900	25,172	25,659
Income taxes payable	5,977	7,506	19,535	15,755	8,103
Margin transaction liabilities:					
Payables to financial institutions	126,722	238,766	302,283	231,211	188,383
Proceeds of securities sold for customers' accounts	33,661	45,824	65,030	62,961	64,850
Loans secured by securities	3,714	1,165	56,553	55,825	74,579
Consignment guarantee money received for margin transactions	84,111	151,652	303,385	297,448	322,141
Customers' deposits as collateral for commodity futures	7,254	19,309	32,072	45,356	61,639
Customers' deposits for securities transactions	7,631	15,427	21,495	16,234	21,548
Unearned income	1,307	2,615	3,671	3,030	1,883
Accrued expenses	1,708	2,654	3,594	3,189	4,083
Contingent reserve		5,219	5		
Deferred tax liabilities—current	6	3,367	2,096	7,201	8,568
Other current liabilities	6,053	16,619	25,550	30,549	45,002
TOTAL CURRENT LIABILITIES	290,399	530,614	847,567	850,073	909,200
LONG-TERM LIABILITIES:					
Long-term debt, less current portion	23,400	36,000	152,410	159,603	157,932
Deferred tax liabilities—non-current	3,308	2,051	2,053	748	533
Other long-term liabilities	286	302	1,469	3,633	4,028
TOTAL LONG-TERM LIABILITIES	32,471	38,353	155,932	163,984	162,493
STATUTORY RESERVES:					
Reserve for liability for securities transactions	1,267	2,523	4,715	6,314	6,794
Reserve for liability for commodity transactions	104	152	213	210	209
TOTAL STATUTORY RESERVES	1,371	2,675	4,928	6,524	7,003
MINORITY INTERESTS:	24,939	53,943	55,094	—	—
NET ASSETS					
Common stock	8,393	34,765	54,229	54,914	54,955
Capital surplus	27,092	53,467	115,692	116,519	116,559
Retained earnings	9,772	33,377	90,345	122,167	120,829
Treasury stock—at cost	(216)	(239)	(5,908)	(53,062)	(53,062)
Unrealised gain on available-for-sale securities	2,399	7,633	12,830	5,436	5,534
Foreign currency translation adjustments	25	416	935	974	1,309
Deferred hedged profit/loss	—	—	—	2	4
Stock acquisition right	—	—	—	42	73
Minority Interest	—	—	—	99,649	127,732
TOTAL NET ASSETS	47,465	129,419	268,123	346,641	373,933
TOTAL	¥396,645	¥755,004	¥1,331,644	¥1,367,222	¥1,452,629

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 31st March,2006	Year Ended 31st March,2007				Year Ended 31st March,2007	Year Ended 31st March,2008		
		1Q		2Q				3Q	4Q
		Apr. - June	Jul - Sep	Oct. - Dec	Jan. - Mar.				
OPERATING REVENUES									
Asset Management	¥40,806	¥23,204	¥9,767	¥8,458	¥12,031	¥52,460	¥16,588		
A. Investment in Securities	24,793	21,018	6,818	2,751	4,443	35,090	15,316		
1) Revenue from Operational Investment Securities	18,668	4,527	18,488	2,060	3,708	28,783	15,025		
2) Fees from Funds	6,125	16,491	(11,670)	691	735	6,247	291		
<i>Fees from Funds consists of:</i>									
- Management Fee	5,039	1,269	269	691	688	2,917	291		
- Establishment Fee	531	348	232	0	26	606			
- Success Fee	555	14,874	(12,171)	0	21	2,724			
B. Real Estate transactions	14,223	1,689	1,282	5,285	6,990	15,096	0		
1) Revenue from Operational Investment Securities	140	0	227	1,774	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	3,965	10,125			
C. Investment Advisory Service Fee and Others	1,790	497	667	472	698	2,384	1,272		
Brokerage and Investment Banking	¥80,815	¥18,089	14,886	16,073	17,371	¥66,419	¥17,877		
A. Revenue from Securities Transactions	79,513	17,802	14,632	15,836	17,151	65,421	17,126		
B. Revenue from Commodity Futures Transactions	1,302	287	254	237	220	998	251		
Financial Services	¥19,845	¥6,498	5,390	5,363	11,409	¥27,660	¥8,073		
Housing and Real Estate							¥14,508		
A. Real Estate Business							13,133		
B. Financial Real Estate Business							1,375		
Eliminations/Corporate	(4,219)	(944)	(282)	(386)	(346)	(1,958)	(459)		
OPERATING REVENUE	137,247	45,847	28,761	29,508	40,465	144,581	56,087		
OPERATING COSTS									
Asset Management	26,885	4,709	27,842	6,399	9,021	47,971	11,002		
Brokerage and Investment Banking	4,142	854	1,008	1,144	1,289	4,295	1,400		
Financial Services	9,385	3,361	3,243	3,405	7,442	17,451	4,905		
Real Estate and Housing							11,129		
Eliminations/Corporate	(2,816)	(377)	(244)	(181)	(169)	(971)	(168)		
OPERATING COSTS	37,596	8,547	31,849	10,767	17,583	68,746	28,268		
GROSS PROFIT	99,651	37,300	(3,088)	18,741	22,882	75,835	27,819		
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES									
Asset Management	3,501	1,317	1,310	997	1,965	5,589	1,039		
Brokerage and Investment Banking	38,137	9,807	9,031	9,004	9,907	37,749	10,399		
Financial Services	8,163	1,582	1,437	1,437	2,978	7,434	2,781		
Real Estate and Housing							1,137		
Eliminations/Corporate	255	410	105	466	987	1,968	(258)		
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	50,056	13,116	11,883	11,904	15,837	52,740	15,098		
OPERATING INCOME									
Asset Management	10,420	17,178	(20,385)	1,062	1,045	(1,100)	4,547		
Brokerage and Investment Banking	38,536	7,428	4,847	5,925	6,175	24,375	5,578		
Financial Services	2,297	555	710	521	989	2,775	387		
Real Estate and Housing							2,242		
Eliminations/Corporate	(1,658)	(977)	(143)	(671)	(1,164)	(2,955)	(33)		
OPERATING INCOME	¥49,595	¥24,184	(14,971)	6,887	7,045	¥28,095	¥12,721		
OTHER INCOME (EXPENSES):									
Interest and dividends income	277	258	71	176	139	644	280		
Interest expense	(563)	(260)	(283)	(335)	(400)	(1,278)	(418)		
Foreign exchange gain (loss)-net	825	(83)	75	42	(20)	14	136		
Gain (loss) on sale of investment securities-net	4,308	38,338	(63,493)	384	1,196	(23,575)	5,439		
Dilution gain from change in equity interest	25,367	212	227		211	650	36		
Reversal of allowance for doubtful accounts	176					0			
Amortisation of goodwill -net	1,443		69,094			69,094	266		
Provision for statutory reserves	(2,420)	(405)	(364)	(341)	(489)	(1,599)	(480)		
Other-net	(2,096)	(433)	(553)	(1,321)	(2,696)	(5,003)	(1,738)		
OTHER INCOME (EXPENSES) - NET	27,317	37,627	4,774	(1,395)	(2,059)	38,947	3,521		
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	76,912	61,811	(10,197)	5,442	4,986	62,042	16,242		
INCOME TAXES									
Current	22,990	32,458	4,708	4,245	(2,556)	38,855	6,892		
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)	922		
TOTAL INCOME TAXES	18,081	25,847	(18,052)	3,019	4,011	14,825	7,814		
MINORITY INTERESTS IN NET INCOME	(12,947)	(2,022)	3,559	(1,021)	(1,292)	(776)	(2,524)		
NET INCOME	¥45,884	¥33,942	11,414	1,402	(317)	¥46,441	¥5,904		
PER SHARE OF COMMON STOCK									
Basic net income	(Yen) ¥4,957.08	(Yen) ¥2,791.50	(Yen) ¥1,047.78	(Yen) ¥193.24	(Yen) ¥7.99	(Yen) ¥4,040.51	(Yen) ¥526.34		
Diluted net income	(Yen) ¥4,627.04	(Yen) ¥2,627.88	(Yen) ¥981.89	(Yen) ¥202.89	(Yen) ¥33.16	(Yen) ¥3,845.82	(Yen) ¥469.70		

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March,2006	Year Ended 31st March,2007				Year Ended 31st March,2007		
		1Q		2Q			3Q	4Q
		April to June	July to September	October to December	January to March			
OPERATING ACTIVITIES	(¥132,740)	(¥33,575)	(¥15,502)	¥33,585	(¥51,917)	(¥67,409)	(¥14,902)	
INVESTING ACTIVITIES	(¥33,137)	(24,470)	138,498	(7,653)	(20,361)	86,014	2,238	
FINANCING ACTIVITIES	¥200,746	26,613	(116,439)	(6,372)	38,022	(58,176)	18,972	
Newly consolidated subsidiaries and others	(¥8,784)	(107)	19,098	2,358	769	22,118	22,909	
CASH AND CASH EQUIVALENT - End of Period	¥132,545	¥101,006	¥126,661	¥148,579	¥115,092	¥115,092	¥144,309	

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 the change of business segment, Housing and real estate segment got independent from Asset Management Business from 1st April 2007