

Consolidated Balance Sheets

(Millions of Yen)

ASSETS	2004	2005	2006	2007	1Q	2Q
	31st March	31st March	31st March	31st March	2007 30th June	2007 30th September
CURRENT ASSETS:						
Cash and cash equivalents	¥34,361	¥106,460	¥132,545	¥115,092	¥144,309	¥123,253
Time deposits	61	2,904	399	616	626	488
Cash required to be segregated under regulations	95,608	188,150	332,876	340,090	355,800	319,998
Trade notes and accounts receivable	584	1,013	1,303	7,537	10,311	8,103
Operational investment securities	17,676	39,829	61,668	100,603	97,220	91,963
Valuation allowance for operational investment securities	(579)	(463)	(338)	(18,603)	(3,918)	(4,223)
Operational loans receivable	155	8,059	16,501	46,828	52,040	56,608
Real estate inventory	787		26,333	35,872	29,610	33,643
Trading assets	1,310	2,859	3,093	4,329	3,009	2,258
Margin transaction assets:						
Receivables from customers	168,485	317,801	562,693	489,269	521,339	406,205
Cash deposits as collateral for securities borrowed	12,558	15,680	18,547	11,303	7,950	11,584
Loans secured by securities			156	102	274	123
Short-term guarantee deposits	6,539	7,052	17,549	24,353	26,379	33,515
Deferred tax assets—current	2,014	986	1,959	2,271	2,564	3,296
Prepaid expenses and other current assets	3,900	11,960	30,993	40,324	57,031	57,018
Allowance for doubtful accounts	(205)	(401)	(691)	(1,070)	(1,501)	(1,819)
TOTAL CURRENT ASSETS	356,799	715,448	1,205,586	1,198,916	1,303,043	1,142,013
PROPERTY AND EQUIPMENT—Net:	3,393	4,715	4,144	4,602	4,944	5,166
LEASED ASSETS—Net:	8,964	8,231	11,225	10,036	9,341	8,769
INVESTMENTS AND OTHER ASSETS:						
Investment securities	17,749	11,686	28,127	19,390	24,758	20,642
Investments in unconsolidated subsidiaries and affiliated companies	112	807	23,534	60,420	31,626	35,647
Software, net of accumulated amortisation	2,877	4,017	5,169	6,559	7,357	8,390
Rental deposits	2,150	4,323	4,358	4,726	5,930	6,482
Goodwill	15	1,581	44,638	53,513	55,610	57,451
Long-term trade receivables	4,415	2,824	1,701	1,536	1,530	1,522
Deferred tax assets—non-current	510	880	1,310	1,915	2,243	4,408
Other assets	2,016	3,362	3,760	7,764	8,509	8,363
Allowance for doubtful accounts	(2,355)	(2,870)	(1,908)	(2,155)	(2,262)	(2,550)
TOTAL INVESTMENTS AND OTHER ASSETS	27,489	26,610	110,689	153,668	135,301	140,355
TOTAL	¥396,645	¥755,004	¥1,331,644	¥1,367,222	¥1,452,629	¥1,296,303
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Short-term borrowings	¥9,630	¥8,732	¥11,398	¥56,142	¥82,762	¥72,096
Current portion of long-term debt	2,625	11,759	900	25,172	25,659	76,432
Income taxes payable	5,977	7,506	19,535	15,755	8,103	11,910
Margin transaction liabilities:						
Payables to financial institutions	126,722	238,766	302,283	231,211	188,383	120,483
Proceeds of securities sold for customers' accounts	33,661	45,824	65,030	62,961	64,850	60,941
Loans secured by securities	3,714	1,165	56,553	55,825	74,579	46,954
Consignment guarantee money received for margin transactions	84,111	151,652	303,385	297,448	322,141	292,104
Customers' deposits as collateral for commodity futures	7,254	19,309	32,072	45,356	61,639	59,588
Customers' deposits for securities transactions	7,631	15,427	21,495	16,234	21,548	20,571
Unearned income	1,307	2,615	3,671	3,030	1,883	1,840
Accrued expenses	1,708	2,654	3,594	3,189	4,083	3,337
Contingent reserve		5,219	5			
Deferred tax liabilities—current	6	3,367	2,096	7,201	8,568	5,497
Other current liabilities	6,053	16,619	25,550	30,549	45,002	25,701
TOTAL CURRENT LIABILITIES	290,399	530,614	847,567	850,073	909,200	797,454
LONG-TERM LIABILITIES:						
Long-term debt, less current portion	23,400	36,000	152,410	159,603	157,932	109,102
Deferred tax liabilities—non-current	3,308	2,051	2,053	748	533	298
Other long-term liabilities	286	302	1,469	3,633	4,028	4,483
TOTAL LONG-TERM LIABILITIES	32,471	38,353	155,932	163,984	162,493	113,883
STATUTORY RESERVES:						
Reserve for liability for securities transactions	1,267	2,523	4,715	6,314	6,794	7,219
Reserve for liability for commodity transactions	104	152	213	210	209	209
TOTAL STATUTORY RESERVES	1,371	2,675	4,928	6,524	7,003	7,428
MINORITY INTERESTS:	24,939	53,943	55,094	—	—	—
NET ASSETS						
Common stock	8,393	34,765	54,229	54,914	54,955	55,026
Capital surplus	27,092	53,467	115,692	116,519	116,559	116,631
Retained earnings	9,772	33,377	90,345	122,167	120,829	123,536
Treasury stock—at cost	(216)	(239)	(5,908)	(53,062)	(53,062)	(53,063)
Unrealised gain on available-for-sale securities	2,399	7,633	12,830	5,436	5,534	7,861
Foreign currency translation adjustments	25	416	935	974	1,309	950
Deferred hedged profit/loss	—	—	—	2	4	10
Stock acquisition right	—	—	—	42	73	81
Minority Interest	—	—	—	99,649	127,732	126,506
TOTAL NET ASSETS	47,465	129,419	268,123	346,641	373,933	377,538
TOTAL	¥396,645	¥755,004	¥1,331,644	¥1,367,222	¥1,452,629	¥1,296,303

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		Year Ended 31st March,2008
		1Q Apr. -June	2Q Jul -Sep	3Q Oct. -Dec	4Q Jan. -Mar.		1Q Apr. -June	2Q Jul -Sep	
OPERATING REVENUES									
Asset Management	¥40,806	¥28,204	¥8,767	¥8,458	¥12,081	¥52,460	¥16,588	¥28,635	¥40,228
A. Investment in Securities	24,793	21,018	6,818	2,751	4,443	35,030	15,316	23,197	38,513
1) Revenue from Operational Investment Securities	18,668	4,527	18,488	2,060	3,708	28,783	15,025	22,829	37,854
2) Fees from Funds	6,125	16,491	(11,670)	691	735	6,247	291	368	659
<i>Fees from Funds consists of:</i>									
- Management Fee	5,039	1,269	269	691	688	2,917	291	285	576
- Establishment Fee	531	348	232	0	26	606	50	50	50
- Success Fee	555	14,874	(12,171)	0	21	2,724	33	33	33
B. Real Estate transactions	14,223	1,689	1,282	5,285	6,890	15,096			
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			
C. Investment Advisory Service Fee and Others	1,790	497	667	472	698	2,334	1,272	438	1,710
Brokerage and Investment Banking	¥90,815	¥18,089	14,886	16,073	17,371	¥66,419	¥17,377	¥18,909	¥36,186
A. Revenue from Securities Transactions	79,513	17,902	14,632	15,836	17,151	65,421	17,126	18,589	35,715
B. Revenue from Commodity Futures Transactions	1,302	287	254	237	220	998	251	220	471
Financial Services	¥19,845	¥5,498	5,390	5,363	11,409	¥27,660	¥5,369	¥5,154	¥10,523
Housing and Real Estate							¥17,226	¥14,731	¥31,957
A. Real Estate Business							13,133	9,418	22,551
B. Financial Real Estate Business							1,375	1,977	3,352
C. Lifestyle Networks Business							2,718	3,336	6,054
System Solution Business								¥59	¥59
Eliminations/Corporate	(4,219)	(944)	(282)	(386)	(346)	(1,958)	(474)	(448)	(917)
OPERATING REVENUE	137,247	45,847	28,761	29,508	40,465	144,581	56,086	61,945	118,031
OPERATING COSTS									
Asset Management	26,885	4,709	27,842	6,399	9,021	47,971	11,002	19,839	30,841
Brokerage and Investment Banking	4,142	854	1,008	1,144	1,289	4,295	1,400	2,063	3,463
Financial Services	9,385	3,361	3,243	3,405	7,442	17,451	3,129	2,874	6,003
Real Estate and Housing							12,918	10,424	23,342
System Solution Business								41	41
Eliminations/Corporate	(2,816)	(377)	(244)	(181)	(169)	(971)	(182)	(185)	(367)
OPERATING COSTS	37,596	8,547	31,849	10,767	17,583	68,746	28,267	35,056	63,323
GROSS PROFIT	99,651	37,300	(3,088)	18,741	22,882	75,835	27,819	26,889	54,708
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES									
Asset Management	3,501	1,317	1,310	997	1,965	5,589	1,039	494	1,533
Brokerage and Investment Banking	38,137	9,807	9,031	9,004	9,907	37,749	10,399	11,039	21,438
Financial Services	8,163	1,582	1,437	1,437	2,978	7,434	1,781	1,892	3,673
Real Estate and Housing							2,138	2,028	4,166
System Solution Business								300	300
Eliminations/Corporate	255	410	105	466	987	1,968	(259)	447	188
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	50,066	13,116	11,883	11,904	15,837	52,740	15,098	16,200	31,298
OPERATING INCOME									
Asset Management	10,420	17,178	(20,385)	1,062	1,045	(1,100)	4,547	3,302	7,849
Brokerage and Investment Banking	38,536	7,428	4,847	5,925	6,175	24,375	5,578	5,707	11,285
Financial Services	2,297	555	710	521	989	2,775	459	388	847
Real Estate and Housing							2,170	2,279	4,449
System Solution Business							0	(282)	(282)
Eliminations/Corporate	(1,658)	(977)	(143)	(671)	(1,164)	(2,955)	(33)	(705)	(738)
OPERATING INCOME	¥49,595	¥24,184	(14,971)	6,837	7,045	¥23,095	¥12,721	¥10,689	¥23,410
OTHER INCOME (EXPENSES):									
Interest and dividends income	277	258	71	176	139	644	280	111	391
Interest expense	(563)	(260)	(283)	(335)	(400)	(1,278)	(418)	(427)	(845)
Foreign exchange gain (loss)-net	825	(63)	75	42	(20)	14	136	(69)	37
Gain (loss) on sale of investment securities-net	4,308	38,338	(63,493)	384	1,196	(23,575)	5,439	1,076	6,515
Dilution gain from change in equity interest	25,367	212	227	211	211	650	36	(102)	(69)
Reversal of allowance for doubtful accounts	176					0	27	27	27
Amortisation of goodwill-net	1,443		69,094	(364)	(489)	69,094	266	(496)	(230)
Provision for statutory reserves	(2,420)	(405)	(364)	(341)	(489)	(1,599)	(480)	(425)	(905)
Share of net earnings in equity affiliates -net							(706)	(1,154)	(1,860)
Other-net	(2,096)	(433)	(553)	(1,321)	(2,696)	(5,003)	(1,032)	(367)	(1,399)
OTHER INCOME (EXPENSES) - NET	27,317	37,627	4,774	(1,395)	(2,059)	38,947	3,521	(1,856)	1,665
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	76,912	61,811	(10,197)	5,442	4,986	62,042	16,242	8,833	25,075
INCOME TAXES									
Current	22,990	32,458	4,708	4,245	(2,556)	38,855	6,892	5,578	12,470
Reversal of the prior year's income taxes	1,280	(595)	(6)	9	9	(583)			0
Deferred	(6,189)	(6,016)	(22,754)	(1,235)	6,558	(23,447)	922	(1,286)	(364)
TOTAL INCOME TAXES	18,081	25,847	(18,052)	3,019	4,011	14,825	7,814	4,292	12,106
MINORITY INTERESTS IN NET INCOME	(12,947)	(2,022)	3,559	(1,021)	(1,292)	(776)	(2,524)	(1,506)	(4,030)
NET INCOME	¥45,884	¥38,942	11,414	1,402	(817)	¥46,441	¥5,904	¥3,035	¥8,939
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	¥4,040.51	¥526.34	¥270.35	¥796.69
Diluted net income	¥4,627.04	¥2,627.88	¥981.89	¥202.89	¥33.16	¥3,845.82	¥469.70	¥266.52	¥736.22

Consolidated Statements of Cash Flows

(Millions of Yen)

(Millions of Yen)

	Year Ended 31st March,2006	Year Ended 31st March,2007				Year Ended 31st March,2007	Year Ended 31st March,2008		Year Ended 31st March,2008
		1Q Apr. -June	2Q Jul -Sep	3Q Oct. -Dec	4Q Jan. -Mar.		1Q Apr. -June	2Q Jul -Sep	
OPERATING ACTIVITIES	(¥132,740)	(¥33,575)	(¥15,502)	(¥33,585)	(¥51,917)	(¥67,409)	(¥14,902)	¥11,505	(¥3,397)
INVESTING ACTIVITIES	(¥33,137)	(24,470)	138,498	(7,653)	(20,361)	86,014	2,238	(10,543)	(8,305)
FINANCING ACTIVITIES	¥200,746	26,613	(116,439)	(6,372)	38,022	(58,176)	18,972	(22,623)	(3,651)
Newly consolidated subsidiaries and others	(¥8,784)	(107)	19,098	2,358	769	22,118	22,909	605	23,514
CASH AND CASH EQUIVALENT - End of Period	¥132,545	¥101,006	¥126,661	¥148,679	¥115,092	¥115,092	¥144,309	¥123,253	¥123,253

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