

Consolidated Balance Sheets

(Millions of Yen)

ASSETS	2005 31st March	2006 31st March	2007 31st March	2008 31st March	2009 31st March
CURRENT ASSETS:					
Cash and cash equivalents	¥106,460	¥132,545	¥115,092	¥159,007	¥126,313
Time deposits	2,904	399	616	1,518	1,141
Cash required to be segregated under regulations	188,150	332,876	340,090	313,817	266,267
Trade notes and accounts receivable	1,013	1,303	7,537	10,985	7,915
Operational investment securities	39,829	61,668	100,603	115,717	105,236
Valuation allowance for operational investment securities	(463)	(338)	(18,603)	(4,967)	(6,207)
Operational loans receivable	8,059	16,501	46,828	66,261	47,868
Real estate inventory	—	26,333	35,872	32,895	36,515
Trading assets	2,859	3,093	4,329	1,728	7,725
Margin transaction assets:					
Receivables from customers	317,801	562,693	489,269	274,887	134,792
Cash deposits as collateral for securities borrowed	15,680	18,547	11,303	17,995	46,009
Loans secured by securities	—	156	102	—	1
Short-term guarantee deposits	7,052	17,549	24,353	13,414	8,846
Deferred tax assets—current	986	1,959	2,271	1,053	5,921
Prepaid expenses and other current assets	11,960	30,993	40,324	66,723	65,771
Allowance for doubtful accounts	(401)	(691)	(1,070)	(1,762)	(2,703)
TOTAL CURRENT ASSETS	715,448	1,205,586	1,198,916	1,069,271	851,410
PROPERTY AND EQUIPMENT—Net:	4,715	4,144	4,602	5,728	8,574
LEASED ASSETS—Net:	8,231	11,225	10,036	7,877	4
INVESTMENTS AND OTHER ASSETS:					
Investment securities	11,686	28,127	19,390	15,972	10,088
Investments in unconsolidated subsidiaries and affiliated companies	807	23,534	60,420	25,923	23,781
Software, net of accumulated amortisation	4,017	5,169	6,559	8,816	9,370
Rental deposits	4,323	4,358	4,726	6,801	7,375
Goodwill	1,581	44,638	53,513	60,874	136,354
Long-term trade receivables	2,824	1,701	1,536	50	47
Deferred tax assets—non-current	880	1,310	1,915	10,595	10,602
Other assets	3,362	3,760	7,764	12,109	28,273
Allowance for doubtful accounts	(2,870)	(1,908)	(2,155)	(4,769)	(6,644)
TOTAL INVESTMENTS AND OTHER ASSETS	26,610	110,689	153,688	136,371	219,246
TOTAL	¥755,004	¥1,331,644	¥1,367,222	¥1,219,247	¥1,079,234
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES:					
Short-term borrowings	¥8,732	¥11,398	¥56,142	¥53,832	¥54,658
Current portion of long-term debt	11,759	900	25,172	112,743	63,033
Income taxes payable	7,506	19,535	15,755	9,352	2,625
Margin transaction liabilities:					
Payables to financial institutions	238,766	302,283	231,211	81,583	56,726
Proceeds of securities sold for customers' accounts	45,824	65,030	62,961	62,531	89,545
Loans secured by securities	1,165	56,553	55,825	35,441	46,588
Consignment guarantee money received for margin transactions	151,652	303,385	297,448	272,006	229,184
Customers' deposits as collateral for commodity futures	19,309	32,072	45,356	39,574	28,885
Customers' deposits for securities transactions	15,427	21,495	16,234	20,147	23,488
Unearned income	2,615	3,671	3,030	1,893	2,085
Accrued expenses	2,654	3,594	3,189	3,280	3,035
Contingent reserve	5,219	5	—	22	—
Deferred tax liabilities—current	3,367	2,096	7,201	8,867	6
Other current liabilities	16,619	25,550	30,549	39,363	23,591
TOTAL CURRENT LIABILITIES	530,614	847,567	850,073	740,634	623,449
LONG-TERM LIABILITIES:					
Long-term debt, less current portion	36,000	152,410	159,603	77,149	13,584
Deferred tax liabilities—non-current	2,051	2,053	748	300	566
Other long-term liabilities	302	1,469	3,633	5,431	15,043
TOTAL LONG-TERM LIABILITIES	38,353	155,932	163,984	82,880	29,193
STATUTORY RESERVES	2,675	4,928	6,524	7,967	7,253
MINORITY INTERESTS:	53,943	55,094	—	—	—
NET ASSETS					
Common stock	34,765	54,229	54,914	55,158	55,215
Capital surplus	53,467	115,692	116,519	116,762	219,012
Retained earnings	33,377	90,345	122,167	112,339	86,866
Treasury stock—at cost	(239)	(5,908)	(53,062)	(53,064)	(636)
Unrealized gain on available-for-sale securities	7,633	12,830	5,436	10,134	(5,946)
Foreign currency translation adjustments	416	935	974	(122)	(966)
Deferred hedged profit/loss	—	—	2	9	(26)
Stock acquisition right	—	—	42	4	12
Minority Interest	—	—	99,649	146,546	65,808
TOTAL NET ASSETS	129,419	268,123	346,641	387,766	419,339
TOTAL	¥755,004	¥1,331,644	¥1,367,222	¥1,219,247	¥1,079,234

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) The above financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in Japan.

(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 2007.

Consolidated Statements of Operations with Segment Information

(Millions of Yen)

	Year Ended 31st March, 2007	Year Ended 31st March, 2008				Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.	
OPERATING REVENUES											
Asset Management	¥52,460	¥16,588	¥23,635	¥6,633	¥11,152	¥58,008	¥2,935	¥5,802	¥9,898	¥3,347	¥15,982
A. Investment in Securities	35,090	15,816	23,197	5,816	10,841	54,670	2,110	4,743	3,875	2,697	12,925
1) Revenue from Operational Investment Securities	28,783	15,025	22,829	5,533	10,060	53,447	1,828	4,460	3,096	2,421	11,805
2) Fees from Funds	6,247	291	368	283	281	1,223	282	283	279	276	1,120
<i>Fees from Funds consists of:</i>											
- Management Fee	2,917	291	285	283	282	1,141	282	283	279	276	1,120
- Establishment Fee	606	-	50	-	-	50	-	-	-	-	0
- Success Fee	2,724	-	33	-	(1)	32	-	-	-	-	0
B. Real Estate transactions	15,096										
1) Revenue from Operational Investment Securities	4,920										
2) Fees from Funds	51										
3) Other Real Estate Related Revenue	10,125										
C. Investment Advisory Service Fee and Others	2,334	1,272	438	817	811	3,338	825	1,069	523	650	3,057
Brokerage and Investment Banking	¥66,419	¥17,377	¥18,809	¥17,409	¥14,936	¥68,531	¥14,100	¥12,852	¥10,923	¥11,307	¥49,182
A. Revenue from Securities Transactions	65,421	17,126	18,589	17,182	14,729	67,626	13,935	12,701	10,787	11,190	48,613
B. Revenue from Commodity Futures Transactions	998	251	220	227	207	905	165	151	136	117	569
Financial Services	¥27,660	¥5,369	¥5,154	¥5,596	¥6,376	¥22,495	¥5,633	¥5,513	¥5,548	¥5,923	¥22,617
Housing and Real Estate		¥17,226	¥14,731	¥22,830	¥20,284	¥75,071	¥11,230	¥12,617	¥9,257	¥9,803	¥40,907
A. Real Estate Business	-	13,133	9,418	17,760	14,815	55,126	6,022	6,765	2,192	3,374	18,353
B. Financial Real Estate Business	-	1,375	1,977	1,647	1,728	6,727	1,989	2,316	1,850	1,850	7,898
C. Lifestyle Networks Business	-	2,718	3,336	3,423	3,741	13,218	3,470	3,863	3,749	3,579	14,661
System Solution Business			¥59	¥35	¥229	¥328	¥1,458	¥1,500	¥1,987	¥1,461	¥6,354
Eliminations/Corporate	(1,968)	(474)	(448)	(421)	(622)	(1,860)	(751)	(1,140)	(1,188)	(1,090)	(4,119)
OPERATING REVENUE	144,581	56,086	61,945	52,082	52,455	222,568	34,603	37,144	29,425	29,751	130,923
OPERATING COSTS											
Asset Management	47,971	11,002	19,839	3,193	4,307	38,341	1,909	2,626	3,700	2,099	10,334
Brokerage and Investment Banking	4,295	1,400	2,063	1,531	1,622	6,616	1,342	1,616	1,143	1,352	5,453
Financial Services	17,451	3,129	3,874	3,318	3,839	13,160	3,378	3,428	3,542	3,929	14,277
Real Estate and Housing	-	12,918	10,424	17,825	16,667	57,834	7,681	9,499	5,548	6,347	29,075
System Solution Business	-	-	41	33	175	249	1,122	1,229	1,518	1,214	5,083
Eliminations/Corporate	(971)	(182)	(185)	(245)	(244)	(856)	(165)	(165)	(127)	(131)	(588)
OPERATING COSTS	68,746	28,267	35,056	25,655	26,366	115,344	15,267	18,233	15,324	14,810	63,634
GROSS PROFIT	75,835	27,819	26,889	26,427	26,089	107,224	19,336	18,911	14,101	14,941	67,289
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES											
Asset Management	5,589	1,039	494	968	684	3,185	694	983	715	662	3,054
Brokerage and Investment Banking	37,749	10,399	11,039	10,399	9,567	41,404	9,369	9,970	9,547	9,129	38,015
Financial Services	7,434	1,781	1,892	2,248	2,565	8,486	1,883	1,702	1,647	1,617	6,849
Real Estate and Housing	-	2,138	2,028	2,362	2,615	2,698	2,631	2,606	2,985	2,985	10,908
System Solution Business	-	-	300	124	123	547	438	409	320	407	1,574
Eliminations/Corporate	1,968	(259)	447	844	820	1,852	345	807	449	884	2,485
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	62,740	15,098	16,200	16,945	16,374	64,617	15,427	16,490	15,284	15,684	62,885
OPERATING INCOME											
Asset Management	(1,100)	4,547	3,302	2,472	6,161	16,482	332	2,193	(517)	586	2,594
Brokerage and Investment Banking	24,375	5,578	5,707	5,479	3,747	20,511	3,389	1,266	233	826	5,714
Financial Services	2,775	459	388	30	(28)	849	372	383	359	377	1,491
Real Estate and Housing	-	2,170	2,279	2,643	1,092	5,094	851	499	103	(529)	924
System Solution Business	-	0	(282)	(122)	(69)	(473)	(104)	(138)	99	(160)	(303)
Eliminations/Corporate	(2,955)	(33)	(705)	(1,020)	(1,098)	(2,856)	(931)	(1,782)	(1,460)	(1,843)	(6,016)
OPERATING INCOME	¥23,095	¥12,721	¥10,689	¥9,482	¥9,715	¥42,607	¥3,908	¥2,421	(¥1,183)	(¥743)	¥4,404
OTHER INCOME (EXPENSES):											
Interest and dividends income	644	280	111	180	77	648	460	577	281	116	1,434
Interest expense	(1,278)	(418)	(427)	(466)	(474)	(1,785)	(486)	(561)	(737)	(666)	(2,450)
Foreign exchange gain (loss)-net	14	136	(99)	(44)	(719)	245	(226)	(777)	137	(621)	(621)
Gain (loss) on sale of investment securities-net	(23,575)	5,439	1,076	265	0	6,780	(236)	54	(7)	(7)	(1,517)
Appraisal loss of investment securities	(752)	(17)	(13)	-	(647)	(677)	(9,470)	9,102	(5,962)	(1,218)	(7,548)
Dilution gain from change in equity interest	650	36	(102)	(1,637)	1	(1,702)	261	49	29	2	341
Reversal of allowance for doubtful accounts	0	-	27	1	0	28	-	-	-	-	-
Amortization of goodwill-net	69,094	266	(496)	0	(1,891)	(2,121)	-	(1,066)	-	-	(1,066)
Provision for statutory reserves	(1,599)	(480)	(425)	(259)	(447)	(1,611)	(0)	(5)	(0)	4	(1)
Equity in losses of subsidiaries and associated companies	-	(706)	(1,154)	(2,076)	(7,473)	(11,409)	(1,003)	(802)	(582)	(1,475)	(3,862)
Other-net	(4,251)	(1,015)	(354)	93	63	(1,213)	85	(651)	(2,482)	(2,198)	(5,246)
OTHER INCOME (EXPENSES) - NET	38,947	3,521	(1,856)	(3,943)	(11,510)	(13,788)	(11,236)	6,181	(10,176)	(5,305)	(20,536)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	62,042	16,242	8,833	5,539	(1,795)	28,819	(7,327)	8,602	(11,959)	(6,048)	(16,132)
INCOME TAXES											
Current	38,855	6,892	5,578	2,762	4,079	19,311	2,221	7,597	682	1,329	11,829
Reversal of the prior year's income taxes	(583)	-	-	-	-	-	-	-	-	-	-
Deferred	(23,447)	922	(1,286)	(254)	(1,420)	(2,038)	(3,365)	(2,506)	55	136	(5,680)
TOTAL INCOME TAXES	14,825	7,814	4,292	2,508	2,659	17,273	(1,144)	(5,091)	737	1,465	6,149
MINORITY INTERESTS IN NET INCOME											
	(776)	(2,524)	(1,506)	(1,447)	(1,840)	(7,317)	275	874	1,771	986	3,906
NET INCOME (LOSS)	¥46,441	¥5,904	¥3,035	¥1,584	(¥6,294)	¥4,229	(¥5,908)	¥4,385	(¥10,325)	(¥6,527)	(¥18,375)
PER SHARE OF COMMON STOCK											
Basic net income	(Yen) ¥4,040.51					(Yen) ¥376.63					(Yen) ¥1,232.48
Diluted net income	¥3,845.82					¥344.65					-

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March, 2007	Year Ended 31st March, 2008				Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.	
OPERATING ACTIVITIES	(¥67,409)	(¥14,902)	¥11,505	¥26,968	¥26,502	¥50,073	(¥41,554)	¥38,140	¥63,484	¥42,965	¥103,035
INVESTING ACTIVITIES	86,014	2,238	(10,543)	(1,485)	(10,820)	(20,610)	(21,225)	19,384	1,812	(1,075)	(1,104)
FINANCING ACTIVITIES	(58,176)	18,972	(22,623)	(21,048)	14,742	(9,957)	16,043	(19,473)	(32,060)	(102,025)	(137,515)
Newly consolidated subsidiaries and others	22,118	22,909	605	1,835	(940)	24,409	2,451	(219)	(339)	997	2,890
CASH AND CASH EQUIVALENT - End of Period	¥115,092	¥144,309	¥123,258	¥129,523	¥159,007	¥159,007	¥114,722	¥162,554	¥185,451	¥126,813	¥126,813

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) The above financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in Japan.

(3) Due to the change of business segment, Housing and Real Estate segment got independent from Asset Management Business from 1st April 2007.