

Consolidated Balance Sheets

(Millions of Yen)

	2008	2009	1Q	2Q
	31st March	31st March	2009 30th June	2009 30th September
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	¥159,007	¥126,313	¥130,312	¥115,477
Time deposits	1,518	1,141	1,870	2,041
Cash required to be segregated under regulations	313,817	266,267	313,257	322,213
Trade notes and accounts receivable	10,985	7,915	8,532	8,535
Operational investment securities	115,717	105,236	104,539	106,298
Valuation allowance for operational investment securities	(4,967)	(6,207)	(6,762)	(6,123)
Operational loans receivable	66,261	47,868	39,869	43,606
Real estate inventory	32,895	36,515	36,964	38,055
Trading assets	1,728	7,725	443	2,678
Margin transaction assets:				
Receivables from customers	274,887	134,792	226,442	229,589
Cash deposits as collateral for securities borrowed	17,995	46,009	23,200	33,529
Loans secured by securities	-	1	-	-
Short-term guarantee deposits	13,414	8,846	10,332	4,184
Deferred tax assets—current	1,053	5,921	6,185	7,794
Prepaid expenses and other current assets	66,723	65,771	72,227	47,651
Allowance for doubtful accounts	(1,762)	(2,703)	(2,175)	(2,406)
TOTAL CURRENT ASSETS	1,069,271	851,410	965,235	953,121
PROPERTY AND EQUIPMENT—Net:	12,652	8,578	8,407	10,758
INVESTMENTS AND OTHER ASSETS:				
Investment securities	15,972	10,088	10,946	9,465
Investments in unconsolidated subsidiaries and affiliated companies	25,923	23,781	25,139	30,021
Software, net of accumulated amortisation	9,769	9,370	9,341	11,152
Rental deposits	6,801	7,375	7,820	7,130
Goodwill	60,874	136,354	134,451	136,533
Long-term trade receivables	50	47	47	11
Deferred tax assets—non-current	10,595	10,602	10,402	11,783
Other assets	12,109	28,273	32,291	32,780
Allowance for doubtful accounts	(4,769)	(6,644)	(7,613)	(9,229)
TOTAL INVESTMENTS AND OTHER ASSETS	137,324	219,246	222,824	229,646
TOTAL	¥1,219,247	¥1,079,234	¥1,196,466	¥1,193,525
LIABILITIES AND SHAREHOLDERS' EQUITY				
CURRENT LIABILITIES:				
Short-term borrowings	¥53,832	¥54,658	¥57,153	¥97,587
Current portion of long-term debt	112,743	63,033	79,479	70,352
Income taxes payable	9,352	2,625	2,641	5,286
Margin transaction liabilities:				
Payables to financial institutions	81,583	56,726	74,416	53,380
Proceeds of securities sold for customers' accounts	62,531	89,545	82,468	88,653
Loans secured by securities	35,441	46,588	70,274	58,269
Consignment guarantee money received for margin transactions	272,006	229,184	249,658	242,556
Customers' deposits as collateral for commodity futures	39,574	28,885	52,061	54,886
Customers' deposits for securities transactions	20,147	23,488	24,979	28,509
Unearned income	1,893	2,085	2,012	2,085
Accrued expenses	3,280	3,035	2,747	2,148
Contingent reserve	22	-	-	-
Deferred tax liabilities—current	8,867	6	6	17
Other current liabilities	39,363	23,591	35,995	25,505
TOTAL CURRENT LIABILITIES	740,634	623,449	733,889	729,233
LONG-TERM LIABILITIES:				
Long-term debt, less current portion	77,149	13,584	12,500	12,866
Deferred tax liabilities—non-current	300	566	508	504
Other long-term liabilities	5,431	15,043	15,396	17,556
TOTAL LONG-TERM LIABILITIES	82,880	29,193	28,404	30,926
STATUTORY RESERVES	7,967	7,253	7,253	7,220
NET ASSETS				
Common stock	55,158	55,215	55,216	55,237
Capital surplus	116,762	219,012	219,014	218,922
Retained earnings	112,339	86,866	87,077	85,763
Treasury stock—at cost	(53,064)	(636)	(636)	(247)
Unrealized gain on available-for-sale securities	10,134	(5,946)	(2,982)	(2,192)
Foreign currency translation adjustments	(122)	(966)	(1,073)	(1,692)
Deferred hedged profit/loss	9	(26)	-	-
Stock acquisition right	4	12	12	12
Minority Interest	146,546	65,808	70,292	70,343
TOTAL NET ASSETS	387,766	419,339	426,920	426,146
TOTAL	¥1,219,247	¥1,079,234	¥1,196,466	¥1,193,525

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) The leased assets presented previously as Leased assets-net have been included in Property and equipment-net or Software, net of accumulated amortisation, respectively, because it has been not material.



Consolidated Statements of Operations with Segment Information

(Millions of Yen)

	Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009	Year Ending 31st March, 2010		Six-month period ended Sept. 30, 2009
		1Q	2Q	3Q	4Q		1Q	2Q	
		Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Jan. - Mar.		Apr. - Jun.	Jul. - Sep.	
OPERATING REVENUES									
Asset Management	¥58,008	¥2,935	¥5,802	¥3,898	¥3,347	¥15,982	¥9,815	¥2,304	¥12,119
A. Investment in Securities	54,870	2,110	4,743	3,375	2,697	12,925	9,205	1,632	10,737
1) Revenue from Operational Investment Securities	53,447	1,828	4,460	3,096	2,421	11,805	8,927	1,253	10,180
2) Fees from Funds	1,223	282	283	279	276	1,120	278	279	557
<i>Fees from Funds consists of:</i>									
· Management Fee	1,141	282	283	279	276	1,120	278	279	557
· Establishment Fee	50	-	-	-	-	-	-	-	0
· Success Fee	32	-	-	-	-	-	-	-	0
B. Investment Advisory Service Fee and Others	3,338	825	1,059	523	650	3,057	610	772	1,382
Brokerage and Investment Banking	¥68,531	¥14,100	¥12,852	¥10,923	¥11,307	¥49,182	¥13,539	¥13,084	¥26,623
Financial Services	¥22,495	¥5,633	¥5,513	¥5,548	¥5,923	¥22,617	¥6,061	¥5,902	¥11,963
Housing and Real Estate	¥75,071	¥11,230	¥12,617	¥8,257	¥8,803	¥40,907	¥6,727	¥6,839	¥12,566
A. Real Estate Business	55,126	6,022	6,765	2,192	3,374	18,358	959	881	1,840
B. Financial Real Estate Business	6,727	1,738	1,989	2,316	1,850	7,898	1,382	2,293	3,675
C. Lifestyle Networks Business	13,218	3,470	3,863	3,749	3,579	14,661	3,386	3,665	7,061
System Solution Business	¥323	¥1,456	¥1,500	¥1,937	¥1,461	¥6,354	¥1,015	¥1,295	¥2,310
Eliminations/Corporate	(1,860)	(751)	(1,140)	(1,138)	(1,090)	(4,119)	(1,126)	(1,303)	(2,428)
OPERATING REVENUE	222,568	34,603	37,144	29,425	29,751	130,923	35,032	28,121	63,153
OPERATING COSTS									
Asset Management	38,341	1,909	2,626	3,700	2,099	10,334	7,207	1,377	8,584
Brokerage and Investment Banking	6,616	1,342	1,616	1,143	1,352	5,453	1,025	1,090	2,115
Financial Services	13,160	3,378	3,428	3,542	3,929	14,277	4,222	3,991	8,213
Real Estate and Housing	57,834	7,681	9,499	5,548	6,347	29,075	3,363	4,357	7,720
System Solution Business	249	1,122	1,229	1,518	1,214	5,083	874	1,157	2,031
Eliminations/Corporate	(856)	(165)	(165)	(127)	(131)	(588)	(155)	(234)	(389)
OPERATING COSTS	115,344	15,267	18,288	15,324	14,810	63,634	16,536	11,738	28,274
GROSS PROFIT	107,224	19,336	18,911	14,101	14,941	67,289	18,496	16,383	34,879
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES									
Asset Management	3,185	694	983	715	662	3,054	668	743	1,411
Brokerage and Investment Banking	41,404	9,369	9,970	9,547	9,129	38,015	9,458	9,065	18,523
Financial Services	8,486	1,883	1,702	1,647	1,617	6,849	1,681	1,764	3,445
Real Estate and Housing	9,143	2,698	2,619	2,606	2,985	10,908	2,483	2,949	5,432
System Solution Business	547	438	409	320	407	1,574	337	294	631
Eliminations/Corporate	1,852	345	807	449	884	2,485	688	997	1,685
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	64,617	15,427	16,490	15,284	15,684	62,885	15,315	15,812	31,127
OPERATING INCOME									
Asset Management	16,482	332	2,193	(517)	586	2,594	1,940	184	2,124
Brokerage and Investment Banking	20,511	3,389	1,266	233	826	5,714	3,056	2,929	5,985
Financial Services	849	372	383	359	377	1,491	158	147	305
Real Estate and Housing	8,094	851	499	103	(529)	924	(119)	(468)	(587)
System Solution Business	(473)	(104)	(138)	99	(160)	(303)	(196)	(156)	(352)
Eliminations/Corporate	(2,856)	(931)	(1,782)	(1,460)	(1,843)	(6,016)	(1,658)	(2,065)	(3,723)
OPERATING INCOME	¥42,607	¥3,909	¥2,421	(¥1,183)	(¥743)	¥4,404	¥3,181	¥571	¥3,752
OTHER INCOME (EXPENSES):									
Interest and dividends income	648	460	577	281	116	1,434	175	108	283
Interest expense	(1,785)	(486)	(561)	(737)	(666)	(2,450)	(371)	(494)	(865)
Foreign exchange gain (loss)-net	(726)	245	(226)	(777)	137	(621)	(194)	(357)	(551)
(Gain) loss on sale of investment securities-net	6,780	(1,328)	(236)	54	(7)	(1,517)	610	157	767
Appraisal loss of investment securities	(677)	(9,470)	9,102	(5,962)	(1,218)	(7,548)	(4)	(21)	(25)
Dilution gain (loss) from change in equity interest	(1,702)	261	49	29	2	341	116	(10)	106
Reversal of allowance for doubtful accounts	28	-	-	-	-	-	-	-	-
Amortization of goodwill -net	(2,121)	-	(1,066)	-	-	(1,066)	-	-	-
Provision for statutory reserves	(1,611)	(0)	(5)	(0)	4	(1)	-	-	-
Equity in losses of subsidiaries and associated companies	(11,409)	(1,003)	(802)	(582)	(1,475)	(3,862)	(113)	(36)	(149)
Other-net	(1,213)	85	(651)	(2,482)	(2,198)	(5,246)	(383)	(1,861)	(2,244)
OTHER INCOME (EXPENSES) - NET	(13,788)	(11,236)	6,181	(10,176)	(5,305)	(20,536)	(164)	(2,514)	(2,678)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	28,819	(7,327)	8,602	(11,359)	(6,048)	(16,132)	3,017	(1,943)	1,074
INCOME TAXES									
Current	19,311	2,221	7,597	682	1,329	11,829	2,381	2,590	4,971
Deferred	(2,038)	(3,365)	(2,506)	55	136	(5,680)	(1,000)	(2,632)	(3,632)
TOTAL INCOME TAXES	17,273	(1,144)	5,091	737	1,465	6,149	1,381	(42)	1,339
MINORITY INTERESTS IN NET INCOME	(7,317)	275	874	1,771	986	3,906	263	824	1,087
NET INCOME (LOSS)	¥4,229	(¥5,908)	¥4,385	(¥10,325)	(¥6,527)	(¥18,375)	¥1,899	(¥1,077)	¥822
PER SHARE OF COMMON STOCK	(Yen)					(Yen)			(Yen)
Basic net income	¥376.63	-	-	-	-	(¥1,232.48)	-	-	¥49.12
Diluted net income	¥344.65	-	-	-	-	-	-	-	¥21.34

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009	Year Ending 31st March, 2010		Six-month period ended Sept. 30, 2009
		1Q	2Q	3Q	4Q		1Q	2Q	
		Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Jan. - Mar.		Apr. - Jun.	Jul. - Sep.	
OPERATING ACTIVITIES	¥50,073	(¥41,554)	¥38,140	¥63,484	¥42,965	¥103,035	(¥11,486)	(¥40,663)	(¥52,149)
INVESTING ACTIVITIES	(20,610)	(21,225)	(19,384)	1,812	(1,075)	(5,500)	(5,500)	(7,317)	(12,817)
FINANCING ACTIVITIES	(9,957)	16,043	(19,473)	(32,060)	(102,025)	(137,515)	21,113	34,092	55,205
Newly consolidated subsidiaries and others	24,409	2,451	(219)	(339)	997	2,890	(128)	(947)	(1,075)
CASH AND CASH EQUIVALENT - End of Period	¥159,007	¥114,722	¥152,554	¥185,451	¥126,313	¥126,313	¥130,312	¥115,477	¥115,477

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