

Consolidated Balance Sheets

(Millions of Yen)

	2004	2005	2006	1Q	2Q	3Q	4Q
	31st March	31st March	31st March	2006 30th June	2006 30th September		
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	¥34,361	¥106,460	¥132,545	¥101,006	¥126,661		
Time deposits	61	2,904	399	401	408		
Cash required to be segregated under regulations	95,608	188,150	332,876	314,600	320,831		
Trade notes and accounts receivable	584	1,013	1,303	27,972	1,391		
Operational investment securities	17,676	39,829	61,668	135,692	84,179		
Valuation allowance for operational investment securities	(579)	(463)	(338)	(341)	(19,578)		
Operational loans receivable	155	8,059	16,501	17,978	20,496		
Real estate inventory	787		26,333	31,907	19,358		
Trading assets	1,310	2,859	3,093	3,357	2,943		
Margin transaction assets:							
Receivables from customers	168,485	317,801	562,693	517,040	456,757		
Cash deposits as collateral for securities borrowed	12,558	15,680	18,547	3,779	15,193		
Loans secured by securities			156	267	305		
Short-term guarantee deposits	6,539	7,052	17,549	14,408	19,146		
Deferred tax assets—current	2,014	986	1,959	9,842	6,512		
Prepaid expenses and other current assets	3,900	11,960	30,993	43,453	48,999		
Allowance for doubtful accounts	(205)	(401)	(691)	(852)	(932)		
TOTAL CURRENT ASSETS	356,799	715,448	1,205,586	1,220,509	1,102,669		
PROPERTY AND EQUIPMENT—Net:	3,393	4,715	4,144	4,189	4,486		
LEASED ASSETS—Net:	8,964	8,231	11,225	10,908	10,573		
INVESTMENTS AND OTHER ASSETS:							
Investment securities	17,749	11,686	28,127	26,521	42,816		
Investments in unconsolidated subsidiaries and affiliated companies	112	807	23,534	30,214	35,217		
Software, net of accumulated amortisation	2,877	4,017	5,169	5,207	5,662		
Rental deposits	2,150	4,323	4,358	4,711	4,635		
Goodwill	15	1,581	44,638	37,904	42,725		
Long-term trade receivables	4,415	2,824	1,701	1,516	1,547		
Deferred tax assets—non-current	510	880	1,310	1,743	1,780		
Other assets	2,016	3,362	3,760	4,175	5,775		
Allowance for doubtful accounts	(2,355)	(2,870)	(1,908)	(1,752)	(1,838)		
TOTAL INVESTMENTS AND OTHER ASSETS	27,489	26,610	110,689	110,239	138,319		
TOTAL	¥396,645	¥755,004	¥1,331,644	¥1,345,825	¥1,256,047		
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES:							
Short-term borrowings	¥9,630	¥8,732	¥11,398	¥47,049	¥17,171		
Current portion of long-term debt	2,625	11,759	900	1,800	1,800		
Income taxes payable	5,977	7,506	19,535	32,665	35,752		
Margin transaction liabilities:							
Payables to financial institutions	126,722	238,766	302,283	250,351	169,603		
Proceeds of securities sold for customers' accounts	33,661	45,824	65,030	37,631	63,171		
Loans secured by securities	3,714	1,165	56,553	51,488	54,709		
Consignment guarantee money received for margin transactions	84,111	151,652	303,385	314,550	296,253		
Customers' deposits as collateral for commodity futures	7,254	19,309	32,072	31,448	33,737		
Customers' deposits for securities transactions	7,631	15,427	21,495	16,620	15,386		
Unearned income	1,307	2,615	3,671	5,996	2,568		
Accrued expenses	1,708	2,654	3,594	3,666	3,344		
Contingent reserve		5,219	5				
Deferred tax liabilities—current	6	3,367	2,096	398	4,045		
Other current liabilities	6,053	16,619	25,550	40,258	40,177		
TOTAL CURRENT LIABILITIES	290,399	530,614	847,567	833,920	737,716		
LONG-TERM LIABILITIES:							
Long-term debt, less current portion	23,400	36,000	152,410	152,210	170,260		
Deferred tax liabilities—non-current	3,308	2,051	2,053	1,691	1,566		
Other long-term liabilities	286	302	1,469	1,988	2,293		
TOTAL LONG-TERM LIABILITIES	32,471	38,353	155,932	155,889	174,119		
STATUTORY RESERVES:							
Reserve for liability for securities transactions	1,267	2,523	4,715	5,121	5,484		
Reserve for liability for commodity transactions	104	152	213	213	212		
TOTAL STATUTORY RESERVES	1,371	2,675	4,928	5,334	5,696		
MINORITY INTERESTS:	24,939	53,943	55,094				
NET ASSETS							
Common stock	8,393	34,765	54,229	54,299	54,474		
Capital surplus	27,092	53,467	115,692	115,761	116,078		
Retained earnings	9,772	33,377	90,345	116,408	127,822		
Treasury stock—at cost	(216)	(239)	(5,908)	(5,909)	(53,064)		
Unrealised gain on available-for-sale securities	2,399	7,633	12,830	6,567	4,099		
Foreign currency translation adjustments	25	416	935	905	1,012		
Deferred hedged profit/loss					7		
Stock acquisition right				7	29		
Minority Interest				62,644	88,059		
TOTAL NET ASSETS	47,465	129,419	268,123	350,682	338,516		
TOTAL	¥396,645	¥755,004	¥1,331,644	¥1,345,825	¥1,256,047		

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				Total
		1Q April to June	2Q July to September	3Q	4Q	
OPERATING REVENUES						
Asset Management	¥40,806	¥23,204	¥8,767			¥31,971
A. Investment in Securities	24,793	21,018	6,818			27,836
1) Revenue from Operational Investment Securities	18,668	4,527	18,488			23,015
2) Fees from Funds	6,125	16,491	(11,670)			4,821
<i>Fees from Funds consists of:</i>						
- Management Fee	5,039	1,269	269			1,538
- Establishment Fee	531	348	232			580
- Success Fee	555	14,874	(12,171)			2,703
B. Real Estate transactions	14,223	1,689	1,282			2,971
1) Revenue from Operational Investment Securities	140	0	227			227
2) Fees from Funds	10	0	12			12
3) Other Real Estate Related Revenue	14,073	1,689	1,043			2,732
C. Investment Advisory Service Fee and Others	1,790	497	667			1,164
Brokerage and Investment Banking	¥80,815	¥18,089	14,886			¥32,975
A. Revenue from Securities Transactions	79,513	17,802	14,632			32,434
B. Revenue from Commodity Futures Transactions	1,302	287	254			541
Financial Services	¥19,845	¥5,498	5,390			¥10,888
Eliminations/Corporate	(4,219)	(944)	(282)			(1,226)
OPERATING REVENUE	137,247	45,847	28,761			74,608
OPERATING COSTS						
Asset Management	26,885	4,709	27,842			32,551
Brokerage and Investment Banking	4,142	854	1,008			1,862
Financial Services	9,385	3,361	3,243			6,604
Eliminations/Corporate	(2,816)	(377)	(244)			(621)
OPERATING COSTS	37,596	8,547	31,849			40,396
GROSS PROFIT	99,651	37,300	(3,088)			34,212
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES						
Asset Management	3,501	1,317	1,310			2,627
Brokerage and Investment Banking	38,137	9,807	9,031			18,838
Financial Services	8,163	1,582	1,437			3,019
Eliminations/Corporate	255	410	105			515
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	50,056	13,116	11,883			24,999
OPERATING INCOME						
Asset Management	10,420	17,178	(20,385)			(3,207)
Brokerage and Investment Banking	38,536	7,428	4,847			12,275
Financial Services	2,297	555	710			1,265
Eliminations/Corporate	(1,658)	(977)	(143)			(1,120)
OPERATING INCOME	¥49,595	¥24,184	(14,971)			¥9,213
OTHER INCOME (EXPENSES):						
Interest and dividends income	277	258	71			329
Interest expense	(563)	(260)	(283)			(543)
Foreign exchange gain (loss)-net	825	(83)	75			(8)
Gain (loss) on sale of investment securities-net	4,308	38,338	(63,493)			(25,155)
Dilution gain from change in equity interest	25,367	212	227			439
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)			(769)
Other-net	(2,096)	(433)	(553)			(986)
OTHER INCOME (EXPENSES) - NET	27,317	37,627	4,774			42,401
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	76,912	61,811	(10,197)			51,614
INCOME TAXES						
Current	22,990	32,458	4,708			37,166
Reversal of the prior year's income taxes	1,280	(595)	(6)			(601)
Deferred	(6,189)	(6,016)	(22,754)			(28,770)
TOTAL INCOME TAXES	18,081	25,847	(18,052)			7,795
MINORITY INTERESTS IN NET INCOME	(12,947)	(2,022)	3,559			1,537
NET INCOME	¥45,884	¥33,942	11,414			¥45,356
PER SHARE OF COMMON STOCK						
Basic net income	(Yen) ¥4,957.08	(Yen) ¥2,791.50	(Yen) ¥1,047.78			¥3,839.28
Diluted net income	¥4,627.04	¥2,627.88	¥981.89			¥3,609.77

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March,2006	Year Ended 31st March,2007				Total
		1Q April to June	2Q July to September	3Q	4Q	
OPERATING ACTIVITIES	(¥132,740)	(¥33,575)	(¥15,502)			(¥49,077)
INVESTING ACTIVITIES	(¥33,137)	(24,470)	138,498			114,028
FINANCING ACTIVITIES	¥200,746	26,613	(116,439)			(89,826)
Newly consolidated subsidiaries and others	(¥8,784)	(107)	19,098			18,991
CASH AND CASH EQUIVALENT - End of Period	¥132,545	¥101,006	¥126,661			¥126,661

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) In 2nd Quarter, due to application of new accounting standard of control and influence to Investment associations, in Asset Management, operating revenue of 4,546M and operating income of 25,977M decreased, respectively.