

Consolidated Balance Sheets

(Millions of Yen)

	2004	2005	2006	1Q	2Q	3Q	4Q
	2004	2005	2006	2006	2006	2006	2006
	31st March	31st March	31st March	30th June	30th September	31st December	
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	¥34,361	¥106,460	¥132,545	¥101,006	¥126,661	¥148,579	
Time deposits	61	2,904	399	401	408	4,027	
Cash required to be segregated under regulations	95,608	188,150	332,876	314,600	320,831	321,133	
Trade notes and accounts receivable	584	1,013	1,303	27,972	1,391	4,920	
Operational investment securities	17,676	39,829	61,668	135,692	84,179	103,744	
Valuation allowance for operational investment securities	(579)	(463)	(338)	(341)	(19,578)	(20,067)	
Operational loans receivable	155	8,059	16,501	17,978	20,496	22,796	
Real estate inventory	787		26,333	31,907	19,358	19,963	
Trading assets	1,310	2,859	3,093	3,357	2,943	4,126	
Margin transaction assets:							
Receivables from customers	168,485	317,801	562,693	517,040	456,757	425,658	
Cash deposits as collateral for securities borrowed	12,558	15,680	18,547	3,779	15,193	12,415	
Loans secured by securities			156	267	305	1,102	
Short-term guarantee deposits	6,539	7,052	17,549	14,408	19,146	20,367	
Deferred tax assets—current	2,014	986	1,959	9,842	6,512	6,375	
Prepaid expenses and other current assets	3,900	11,960	30,993	43,453	48,999	35,912	
Allowance for doubtful accounts	(205)	(401)	(691)	(852)	(932)	(1,089)	
TOTAL CURRENT ASSETS	356,799	715,448	1,205,586	1,220,509	1,102,669	1,109,961	
PROPERTY AND EQUIPMENT—Net:	3,393	4,715	4,144	4,169	4,486	5,370	
LEASED ASSETS—Net:	8,964	8,231	11,225	10,908	10,573	10,359	
INVESTMENTS AND OTHER ASSETS:							
Investment securities	17,749	11,686	28,127	26,521	42,816	42,522	
Investments in unconsolidated subsidiaries and affiliated companies	112	807	23,534	30,214	35,217	35,429	
Software, net of accumulated amortisation	2,877	4,017	5,169	5,207	5,662	5,792	
Rental deposits	2,150	4,323	4,358	4,711	4,635	4,713	
Goodwill	15	1,581	44,638	37,904	42,725	41,793	
Long-term trade receivables	4,415	2,824	1,701	1,516	1,547	1,541	
Deferred tax assets—non-current	510	880	1,310	1,743	1,780	1,756	
Other assets	2,016	3,362	3,760	4,175	5,775	5,758	
Allowance for doubtful accounts	(2,355)	(2,870)	(1,908)	(1,752)	(1,838)	(1,922)	
TOTAL INVESTMENTS AND OTHER ASSETS	27,489	26,610	110,889	110,239	138,319	137,882	
TOTAL	¥396,645	¥765,004	¥1,331,644	¥1,345,825	¥1,256,047	¥1,263,072	
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES:							
Short-term borrowings	¥9,630	¥8,732	¥11,398	¥47,049	¥17,171	¥17,899	
Current portion of long-term debt	2,625	11,759	900	1,800	1,800	700	
Income taxes payable	5,977	7,506	19,535	32,665	35,752	31,356	
Margin transaction liabilities:							
Payables to financial institutions	126,722	238,766	302,283	250,351	169,603	159,745	
Proceeds of securities sold for customers' accounts	33,661	45,824	65,030	37,631	63,171	71,308	
Loans secured by securities	3,714	1,165	56,553	51,488	54,709	59,170	
Consignment guarantee money received for margin transactions	84,111	151,652	303,385	314,550	296,253	298,113	
Customers' deposits as collateral for commodity futures	7,254	19,309	32,072	31,448	33,737	37,846	
Customers' deposits for securities transactions	7,631	15,427	21,495	16,620	15,386	19,442	
Unearned income	1,307	2,615	3,671	5,996	2,568	1,957	
Accrued expenses	1,708	2,654	3,594	3,666	3,344	3,347	
Contingent reserve		5,219	5				
Deferred tax liabilities—current	6	3,367	2,096	398	4,045	4,190	
Other current liabilities	6,053	16,619	25,550	40,258	40,177	33,867	
TOTAL CURRENT LIABILITIES	290,399	530,614	847,567	833,920	737,716	738,940	
LONG-TERM LIABILITIES:							
Long-term debt, less current portion	23,400	36,000	152,410	152,210	170,260	173,960	
Deferred tax liabilities—non-current	3,308	2,051	2,053	1,691	1,566	1,648	
Other long-term liabilities	286	302	1,469	1,988	2,293	3,222	
TOTAL LONG-TERM LIABILITIES	32,471	38,353	155,932	155,889	174,119	178,830	
STATUTORY RESERVES:							
Reserve for liability for securities transactions	1,267	2,523	4,715	5,121	5,484	5,826	
Reserve for liability for commodity transactions	104	152	213	213	212	212	
TOTAL STATUTORY RESERVES	1,371	2,675	4,928	5,334	5,696	6,038	
MINORITY INTERESTS:	24,939	53,943	55,094	—	—	—	
NET ASSETS							
Common stock	8,393	34,765	54,229	54,299	54,474	54,567	
Capital surplus	27,092	53,467	115,692	115,761	116,078	116,172	
Retained earnings	9,772	33,377	90,345	116,408	127,822	122,484	
Treasury stock—at cost	(216)	(239)	(5,908)	(5,909)	(53,064)	(53,062)	
Unrealised gain on available-for-sale securities	2,399	7,633	12,830	6,567	4,099	5,795	
Foreign currency translation adjustments	25	416	935	905	1,012	1,183	
Deferred hedged profit/loss	—	—	—	—	7	2	
Stock acquisition right	—	—	—	7	29	29	
Minority Interest	—	—	—	62,644	88,059	92,094	
TOTAL NET ASSETS	47,465	129,419	268,123	350,682	338,516	339,264	
TOTAL	¥396,645	¥765,004	¥1,331,644	¥1,345,825	¥1,256,047	¥1,263,072	

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.

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Consolidated Statements of Operations with Segment Information

(Millions of Yen)

	Year Ended 31st March,2006	Year Ended 31st March,2007				Total
		1Q Apr. - June	2Q Jul - Sep	3Q Oct. - Dec	4Q	
OPERATING REVENUES						
Asset Management	¥40,806	¥23,204	¥8,767	¥8,458		¥40,429
A. Investment in Securities	24,793	21,018	6,818	2,751		30,587
1) Revenue from Operational Investment Securities	18,668	4,527	18,488	2,060		25,075
2) Fees from Funds	6,125	16,491	(11,670)	691		5,512
<i>Fees from Funds consists of</i>						
- Management Fee	5,039	1,269	269	691		2,229
- Establishment Fee	531	348	232	0		580
- Success Fee	555	14,874	(12,171)	0		2,703
B. Real Estate transactions	14,223	1,689	1,282	5,285		8,206
1) Revenue from Operational Investment Securities	140	0	227	1,774		2,001
2) Fees from Funds	10	0	12	34		46
3) Other Real Estate Related Revenue	14,073	1,689	1,043	3,427		6,159
C. Investment Advisory Service Fee and Others	1,790	497	667	472		1,636
Brokerage and Investment Banking	¥80,815	¥18,089	14,886	16,073		¥49,048
A. Revenue from Securities Transactors	79,513	17,802	14,632	15,836		48,270
B. Revenue from Commodity Futures Transactions	1,302	287	254	237		778
Financial Services	¥19,845	¥5,496	5,390	5,363		¥16,251
Eliminations/Corporate	(4,219)	(944)	(282)	(886)		(1,612)
OPERATING REVENUE	137,247	45,847	28,761	29,508		104,116
OPERATING COSTS						
Asset Management	26,885	4,709	27,842	6,399		38,950
Brokerage and Investment Banking	4,142	854	1,008	1,144		3,006
Financial Services	9,385	3,361	3,243	3,405		10,009
Eliminations/Corporate	(2,816)	(377)	(244)	(181)		(802)
OPERATING COSTS	37,596	8,547	31,849	10,767		51,163
GROSS PROFIT	99,651	37,300	(3,088)	18,741		52,953
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES						
Asset Management	3,501	1,317	1,310	997		3,624
Brokerage and Investment Banking	38,137	9,807	9,031	9,004		27,842
Financial Services	8,163	1,582	1,437	1,437		4,456
Eliminations/Corporate	255	410	105	466		981
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	50,056	13,116	11,883	11,904		36,908
OPERATING INCOME						
Asset Management	10,420	17,178	(20,385)	1,062		(2,145)
Brokerage and Investment Banking	38,536	7,428	4,847	5,925		18,200
Financial Services	2,297	555	710	521		1,786
Eliminations/Corporate	(1,658)	(977)	(143)	(671)		(1,791)
OPERATING INCOME	¥49,595	¥24,184	(14,971)	6,837		¥16,050
OTHER INCOME (EXPENSES):						
Interest and dividends income	277	258	71	176		505
Interest expense	(563)	(260)	(283)	(335)		(878)
Foreign exchange gain (loss)-net	825	(83)	75	42		34
Gain (loss) on sale of investment securities-net	4,308	38,338	(63,493)	384		(24,771)
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)	(341)		(1,110)
Other-net	(2,096)	(433)	(553)	(1,321)		(2,307)
OTHER INCOME (EXPENSES) - NET	27,317	37,627	4,774	(1,395)		41,006
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	76,912	61,811	(10,197)	5,442		57,056
INCOME TAXES						
Current	22,990	32,458	4,708	4,245		41,411
Reversal of the prior year's income taxes	1,280	(595)	(6)	9		(592)
Deferred	(6,189)	(6,016)	(22,754)	(1,235)		(30,005)
TOTAL INCOME TAXES	18,081	25,847	(18,052)	3,019		10,814
MINORITY INTERESTS IN NET INCOME	(12,947)	(2,022)	3,559	(1,021)		516
NET INCOME	¥45,884	¥33,942	11,414	1,402		¥46,758
PER SHARE OF COMMON STOCK						
Basic net income	(Yen) ¥4,957.08	(Yen) ¥2,791.50	(Yen) ¥1,047.78	(Yen) ¥193.24		¥4,032.52
Diluted net income	(Yen) ¥4,627.04	(Yen) ¥2,627.88	(Yen) ¥981.89	(Yen) ¥202.89		¥3,812.66

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)	¥33,585		(¥15,492)
INVESTING ACTIVITIES	(¥33,137)	(24,470)	138,498	(7,653)		106,375
FINANCING ACTIVITIES	¥200,746	26,613	(116,439)	(6,372)		(96,198)
Newly consolidated subsidiaries and others	(¥8,784)	(107)	19,098	2,358		21,349
CASH AND CASH EQUIVALENT - End of Period	¥132,545	¥101,006	¥126,661	¥148,579		¥148,579

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 application of new accounting standard of control and influence to Investment associations, in Asset Management, by accumulated basis, operating revenue of 8,131M and operating income of 29,377M decreased, respectively.