

**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	2006 31st December	2007 31st March
<b>ASSETS</b>							
<b>CURRENT ASSETS:</b>							
Cash and cash equivalents	¥34,361	¥106,460	¥132,545	¥101,006	¥126,661	¥148,579	¥115,092
Time deposits	61	2,904	399	401	408	4,027	616
Cash required to be segregated under regulations	95,608	188,150	332,876	314,600	320,831	321,133	340,090
Trade notes and accounts receivable	584	1,013	1,303	27,972	1,391	4,920	7,537
Operational investment securities	17,676	39,829	61,668	135,692	84,179	103,744	100,603
Valuation allowance for operational investment securities	(579)	(463)	(338)	(341)	(19,578)	(20,067)	(18,603)
Operational loans receivable	155	8,059	16,501	17,978	20,496	22,796	46,828
Real estate inventory	787		26,333	31,907	19,358	19,963	35,872
Trading assets	1,310	2,859	3,093	3,357	2,943	4,126	4,329
Margin transaction assets:							
Receivables from customers	168,485	317,801	562,693	517,040	456,757	425,658	489,269
Cash deposits as collateral for securities borrowed	12,558	15,680	18,547	3,779	15,193	12,415	11,303
Loans secured by securities			156	267	305	1,102	102
Short-term guarantee deposits	6,539	7,052	17,549	14,408	19,146	20,367	24,353
Deferred tax assets—current	2,014	986	1,959	9,842	6,512	6,375	2,271
Prepaid expenses and other current assets	3,900	11,960	30,993	43,453	48,999	35,912	40,324
Allowance for doubtful accounts	(205)	(401)	(691)	(852)	(932)	(1,089)	(1,070)
<b>TOTAL CURRENT ASSETS</b>	<b>366,799</b>	<b>715,448</b>	<b>1,205,586</b>	<b>1,220,509</b>	<b>1,102,669</b>	<b>1,109,961</b>	<b>1,198,916</b>
<b>PROPERTY AND EQUIPMENT—Net:</b>	<b>3,393</b>	<b>4,715</b>	<b>4,144</b>	<b>4,169</b>	<b>4,486</b>	<b>5,370</b>	<b>4,602</b>
<b>LEASED ASSETS—Net:</b>	<b>8,964</b>	<b>8,231</b>	<b>11,225</b>	<b>10,908</b>	<b>10,573</b>	<b>10,359</b>	<b>10,036</b>
<b>INVESTMENTS AND OTHER ASSETS:</b>							
Investment securities	17,749	11,686	28,127	26,521	42,816	42,522	19,390
Investments in unconsolidated subsidiaries and affiliated companies	112	807	23,534	30,214	35,217	35,429	60,420
Software, net of accumulated amortisation	2,877	4,017	5,169	5,207	5,662	5,792	6,559
Rental deposits	2,150	4,323	4,358	4,711	4,635	4,713	4,726
Goodwill	15	1,581	44,638	37,904	42,725	41,793	53,513
Long-term trade receivables	4,415	2,824	1,701	1,516	1,547	1,541	1,536
Deferred tax assets—non-current	510	880	1,310	1,743	1,780	1,756	1,915
Other assets	2,016	3,362	3,760	4,175	5,775	5,758	7,764
Allowance for doubtful accounts	(2,355)	(2,870)	(1,908)	(1,752)	(1,838)	(1,922)	(2,155)
<b>TOTAL INVESTMENTS AND OTHER ASSETS</b>	<b>27,489</b>	<b>26,610</b>	<b>110,689</b>	<b>110,239</b>	<b>138,319</b>	<b>137,382</b>	<b>153,668</b>
<b>TOTAL</b>	<b>¥396,645</b>	<b>¥755,004</b>	<b>¥1,331,644</b>	<b>¥1,345,826</b>	<b>¥1,256,047</b>	<b>¥1,263,072</b>	<b>¥1,367,222</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>							
<b>CURRENT LIABILITIES:</b>							
Short-term borrowings	¥9,630	¥8,732	¥11,398	¥47,049	¥17,171	¥17,899	¥56,142
Current portion of long-term debt	2,625	11,759	900	1,800	1,800	700	25,172
Income taxes payable	5,977	7,506	19,535	32,665	35,752	31,356	15,755
Margin transaction liabilities:							
Payables to financial institutions	126,722	238,766	302,283	250,351	169,603	159,745	231,211
Proceeds of securities sold for customers' accounts	33,661	45,824	65,030	37,631	63,171	71,308	62,961
Loans secured by securities	3,714	1,165	56,553	51,488	54,709	59,170	55,825
Consignment guarantee money received for margin transactions	84,111	151,652	303,385	314,550	296,253	298,113	297,448
Customers' deposits as collateral for commodity futures	7,254	19,309	32,072	31,448	33,737	37,846	45,356
Customers' deposits for securities transactions	7,631	15,427	21,495	16,620	15,386	19,442	16,234
Unearned income	1,307	2,615	3,671	5,996	2,568	1,957	3,030
Accrued expenses	1,708	2,654	3,594	3,666	3,344	3,347	3,189
Contingent reserve		5,219	5				
Deferred tax liabilities—current	6	3,367	2,096	398	4,045	4,190	7,201
Other current liabilities	6,053	16,619	25,550	40,258	40,177	33,867	30,549
<b>TOTAL CURRENT LIABILITIES</b>	<b>290,399</b>	<b>580,614</b>	<b>847,567</b>	<b>833,920</b>	<b>737,716</b>	<b>738,940</b>	<b>850,073</b>
<b>LONG-TERM LIABILITIES:</b>							
Long-term debt, less current portion	23,400	36,000	152,410	152,210	170,260	173,960	159,603
Deferred tax liabilities—non-current	3,308	2,051	2,053	1,691	1,566	1,648	748
Other long-term liabilities	286	302	1,469	1,988	2,293	3,222	3,633
<b>TOTAL LONG-TERM LIABILITIES</b>	<b>32,471</b>	<b>38,353</b>	<b>155,932</b>	<b>155,889</b>	<b>174,119</b>	<b>178,830</b>	<b>163,984</b>
<b>STATUTORY RESERVES:</b>							
Reserve for liability for securities transactions	1,267	2,523	4,715	5,121	5,484	5,826	6,314
Reserve for liability for commodity transactions	104	152	213	213	212	212	210
<b>TOTAL STATUTORY RESERVES</b>	<b>1,371</b>	<b>2,675</b>	<b>4,928</b>	<b>5,334</b>	<b>5,696</b>	<b>6,038</b>	<b>6,524</b>
<b>MINORITY INTERESTS:</b>	<b>24,939</b>	<b>53,943</b>	<b>55,094</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>NET ASSETS</b>							
Common stock	8,393	34,765	54,229	54,299	54,474	54,567	54,914
Capital surplus	27,092	53,467	115,692	115,761	116,078	116,172	116,519
Retained earnings	9,772	33,377	90,345	116,408	127,822	122,484	122,167
Treasury stock—at cost	(216)	(239)	(5,908)	(5,909)	(53,064)	(53,062)	(53,062)
Unrealised gain on available-for-sale securities	2,399	7,633	12,830	6,567	4,099	5,795	5,436
Foreign currency translation adjustments	25	416	935	905	1,012	1,183	974
Deferred hedged profit/loss	—	—	—	—	7	2	2
Stock acquisition right	—	—	—	7	29	29	42
Minority Interest	—	—	—	62,644	88,059	92,094	99,649
<b>TOTAL NET ASSETS</b>	<b>47,465</b>	<b>129,419</b>	<b>268,123</b>	<b>360,682</b>	<b>338,516</b>	<b>339,264</b>	<b>346,641</b>
<b>TOTAL</b>	<b>¥396,645</b>	<b>¥755,004</b>	<b>¥1,331,644</b>	<b>¥1,345,826</b>	<b>¥1,256,047</b>	<b>¥1,263,072</b>	<b>¥1,367,222</b>

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 Apr. - June	2Q Jul - Sep	3Q Oct. - Dec	4Q Jan. - Mar.	
<b>OPERATING REVENUES</b>						
<b>Asset Management</b>	<b>¥40,806</b>	<b>¥23,204</b>	<b>¥8,767</b>	<b>¥8,458</b>	<b>¥12,031</b>	<b>¥52,460</b>
<b>A. Investment in Securities</b>	<b>24,793</b>	<b>21,018</b>	<b>6,818</b>	<b>2,751</b>	<b>4,443</b>	<b>35,030</b>
1) Revenue from Operational Investment Securities	18,668	4,527	18,488	2,060	3,708	28,783
2) Fees from Funds	6,125	16,491	(11,670)	691	735	6,247
<i>Fees from Funds consists of:</i>						
- Management Fee	5,039	1,269	269	691	688	2,917
- Establishment Fee	531	348	232	0	26	606
- Success Fee	555	14,874	(12,171)	0	21	2,724
<b>B. Real Estate transactions</b>	<b>14,223</b>	<b>1,689</b>	<b>1,282</b>	<b>5,235</b>	<b>6,890</b>	<b>15,096</b>
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
<b>C. Investment Advisory Service Fee and Others</b>	<b>1,790</b>	<b>497</b>	<b>667</b>	<b>472</b>	<b>698</b>	<b>2,334</b>
<b>Brokerage and Investment Banking</b>	<b>¥80,815</b>	<b>¥18,089</b>	<b>14,886</b>	<b>16,073</b>	<b>17,371</b>	<b>¥66,419</b>
<b>A. Revenue from Securities Transactions</b>	<b>79,513</b>	<b>17,802</b>	14,632	15,836	17,151	<b>65,421</b>
<b>B. Revenue from Commodity Futures Transactions</b>	<b>1,302</b>	<b>287</b>	254	237	220	<b>998</b>
<b>Financial Services</b>	<b>¥19,845</b>	<b>¥5,498</b>	<b>5,390</b>	<b>5,363</b>	<b>11,409</b>	<b>¥27,660</b>
<b>Eliminations/Corporate</b>	<b>(4,219)</b>	<b>(944)</b>	<b>(282)</b>	<b>(386)</b>	<b>(346)</b>	<b>(1,958)</b>
<b>OPERATING REVENUE</b>	<b>137,247</b>	<b>45,847</b>	<b>28,761</b>	<b>29,508</b>	<b>40,465</b>	<b>144,581</b>
<b>OPERATING COSTS</b>						
Asset Management	26,885	4,709	27,842	6,399	9,021	47,971
Brokerage and Investment Banking	4,142	854	1,008	1,144	1,289	4,295
Financial Services	9,385	3,361	3,243	3,405	7,442	17,451
Eliminations/Corporate	(2,816)	(377)	(244)	(181)	(169)	(971)
<b>OPERATING COSTS</b>	<b>37,596</b>	<b>8,547</b>	<b>31,849</b>	<b>10,767</b>	<b>17,583</b>	<b>68,746</b>
<b>GROSS PROFIT</b>	<b>99,651</b>	<b>37,300</b>	<b>(3,088)</b>	<b>18,741</b>	<b>22,882</b>	<b>75,835</b>
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>						
Asset Management	3,501	1,317	1,310	997	1,965	5,589
Brokerage and Investment Banking	38,137	9,807	9,031	9,004	9,907	37,749
Financial Services	8,163	1,582	1,437	1,437	2,978	7,434
Eliminations/Corporate	255	410	105	466	987	1,968
<b>SELLING, GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>50,056</b>	<b>13,116</b>	<b>11,883</b>	<b>11,904</b>	<b>15,837</b>	<b>52,740</b>
<b>OPERATING INCOME</b>						
Asset Management	10,420	17,178	(20,385)	1,062	1,045	(1,100)
Brokerage and Investment Banking	38,536	7,428	4,847	5,925	6,175	24,375
Financial Services	2,297	555	710	521	989	2,775
Eliminations/Corporate	(1,658)	(977)	(143)	(671)	(1,164)	(2,955)
<b>OPERATING INCOME</b>	<b>¥49,595</b>	<b>¥24,184</b>	<b>(14,971)</b>	<b>6,837</b>	<b>7,045</b>	<b>¥23,095</b>
<b>OTHER INCOME (EXPENSES):</b>						
Interest and dividends income	277	258	71	176	139	644
Interest expense	(563)	(260)	(283)	(335)	(400)	(1,278)
Foreign exchange gain (loss)-net	825	(83)	75	42	(20)	14
Gain (loss) on sale of investment securities-net	4,308	38,338	(63,493)	384	1,196	(23,575)
Dilution gain from change in equity interest	25,367	212	227		211	650
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)	(489)	(1,599)
Other-net	(2,096)	(433)	(553)	(1,321)	(2,696)	(5,003)
<b>OTHER INCOME (EXPENSES) - NET</b>	<b>27,317</b>	<b>37,627</b>	<b>4,774</b>	<b>(1,395)</b>	<b>(2,059)</b>	<b>38,947</b>
<b>INCOME BEFORE INCOME TAXES/MINORITY INTERESTS</b>	<b>76,912</b>	<b>61,811</b>	<b>(10,197)</b>	<b>5,442</b>	<b>4,986</b>	<b>62,042</b>
<b>INCOME TAXES</b>						
Current	22,990	32,458	4,708	4,245	(2,556)	38,855
Reversal of the prior year's income taxes	1,280	(595)	(6)	9	9	(583)
Deferred	(6,189)	(6,016)	(22,754)	(1,235)	6,558	(23,447)
<b>TOTAL INCOME TAXES</b>	<b>18,081</b>	<b>25,847</b>	<b>(18,052)</b>	<b>3,019</b>	<b>4,011</b>	<b>14,825</b>
<b>MINORITY INTERESTS IN NET INCOME</b>	<b>(12,947)</b>	<b>(2,022)</b>	<b>3,559</b>	<b>(1,021)</b>	<b>(1,292)</b>	<b>(776)</b>
<b>NET INCOME</b>	<b>¥45,884</b>	<b>¥33,942</b>	<b>11,414</b>	<b>1,402</b>	<b>(317)</b>	<b>¥46,441</b>
<b>PER SHARE OF COMMON STOCK</b>						
Basic net income	(Yen) ¥4,957.08	(Yen) ¥2,791.50	(Yen) ¥1,047.78	(Yen) ¥193.24	(Yen) ¥7.99	¥4,040.51
Diluted net income	(Yen) ¥4,627.04	(Yen) ¥2,627.88	(Yen) ¥981.89	(Yen) ¥202.89	(Yen) ¥33.16	¥3,845.82

**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	
<b>OPERATING ACTIVITIES</b>	(¥132,740)	(¥33,575)	(¥15,502)	¥33,585	(¥51,917)	(¥67,409)
<b>INVESTING ACTIVITIES</b>	(¥33,137)	(24,470)	138,498	(7,653)	(20,361)	86,014
<b>FINANCING ACTIVITIES</b>	¥200,746	26,613	(116,439)	(6,372)	38,022	(58,176)
Newly consolidated subsidiaries and others	(¥8,784)	(107)	19,098	2,358	769	22,118
<b>CASH AND CASH EQUIVALENT - End of Period</b>	<b>¥132,545</b>	<b>¥101,006</b>	<b>¥126,661</b>	<b>¥148,579</b>	<b>¥115,092</b>	<b>¥115,092</b>

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 7,952M and operating income of 30,300M decreased, respectively.