

Consolidated Balance Sheets

(Millions of Yen)

	2005	2006	2007	1Q	2Q	3Q	4Q
	31st March	31st March	31st March	2007	2007	2007	2008
				30th June	30th September	31st December	31st March
ASSETS							
CURRENT ASSETS:							
Cash and cash equivalents	¥106,460	¥132,545	¥115,092	¥144,309	¥123,253	¥129,523	¥159,007
Time deposits	2,904	399	616	626	488	485	1,518
Cash required to be segregated under regulations	188,150	332,876	340,090	355,800	319,998	319,189	313,817
Trade notes and accounts receivable	1,013	1,303	7,537	10,311	8,103	9,372	10,985
Operational investment securities	39,829	61,668	100,603	97,220	91,963	110,464	115,717
Valuation allowance for operational investment securities	(463)	(338)	(18,603)	(3,918)	(4,223)	(5,069)	(4,967)
Operational loans receivable	8,059	16,501	46,828	52,040	56,608	65,596	66,261
Real estate inventory		26,333	35,872	29,610	33,643	28,870	32,895
Trading assets	2,859	3,093	4,329	3,009	2,258	2,265	1,728
Margin transaction assets:							
Receivables from customers	317,801	562,693	489,269	521,339	406,205	394,338	274,887
Cash deposits as collateral for securities borrowed	15,680	18,547	11,303	7,950	11,584	4,249	17,995
Loans secured by securities		156	102	274	123	31	-
Short-term guarantee deposits	7,052	17,549	24,353	26,379	33,515	13,774	13,414
Deferred tax assets—current	986	1,959	2,271	2,564	3,296	1,855	1,053
Prepaid expenses and other current assets	11,960	30,993	40,324	57,031	57,018	44,344	66,723
Allowance for doubtful accounts	(401)	(691)	(1,070)	(1,501)	(1,819)	(2,406)	(1,762)
TOTAL CURRENT ASSETS	715,448	1,205,586	1,198,916	1,303,043	1,142,013	1,116,880	1,069,271
PROPERTY AND EQUIPMENT—Net:	4,715	4,144	4,602	4,944	5,166	5,770	5,728
LEASED ASSETS—Net:	8,231	11,225	10,036	9,341	8,769	8,446	7,877
INVESTMENTS AND OTHER ASSETS:							
Investment securities	11,686	28,127	19,390	24,758	20,642	20,442	15,972
Investments in unconsolidated subsidiaries and affiliated companies	807	23,534	60,420	31,626	35,647	32,198	25,923
Software, net of accumulated amortisation	4,017	5,169	6,559	7,357	8,390	8,645	8,816
Rental deposits	4,323	4,358	4,726	5,930	6,482	7,194	6,801
Goodwill	1,581	44,638	53,513	55,610	57,451	61,830	60,874
Long-term trade receivables	2,824	1,701	1,536	1,530	1,522	51	50
Deferred tax assets—non-current	880	1,310	1,915	2,243	4,408	7,477	10,595
Other assets	3,362	3,760	7,764	8,509	8,363	9,480	12,109
Allowance for doubtful accounts	(2,870)	(1,908)	(2,155)	(2,262)	(2,550)	(2,700)	(4,769)
TOTAL INVESTMENTS AND OTHER ASSETS	26,610	110,689	153,668	135,301	140,355	144,617	136,371
TOTAL	¥765,004	¥1,331,644	¥1,367,222	¥1,452,629	¥1,296,303	¥1,276,713	¥1,219,247
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES:							
Short-term borrowings	¥8,732	¥11,398	¥56,142	¥82,762	¥72,096	¥55,201	¥53,832
Current portion of long-term debt	11,759	900	17,725	25,172	76,432	82,247	112,743
Income taxes payable	7,506	19,535	15,755	8,103	11,910	6,448	9,352
Margin transaction liabilities:							
Payables to financial institutions	238,766	302,283	231,211	188,383	120,483	114,445	81,583
Proceeds of securities sold for customers' accounts	45,824	65,030	62,961	64,850	60,941	44,408	62,531
Loans secured by securities	1,165	56,553	55,825	74,579	46,954	57,483	35,441
Consignment guarantee money received for margin transactions	151,652	303,385	297,448	322,141	292,104	302,906	272,006
Customers' deposits as collateral for commodity futures	19,309	32,072	45,356	61,639	59,588	39,848	39,574
Customers' deposits for securities transactions	15,427	21,495	16,234	21,548	20,571	18,882	20,147
Unearned income	2,615	3,671	3,030	1,883	1,840	1,577	1,893
Accrued expenses	2,654	3,594	3,189	4,083	3,337	3,726	3,280
Contingent reserve	5,219	5	-	-	-	-	22
Deferred tax liabilities—current	3,367	2,096	7,201	8,568	5,497	11,104	8,867
Other current liabilities	16,619	25,550	30,549	45,002	25,701	32,401	39,363
TOTAL CURRENT LIABILITIES	530,614	847,567	850,073	909,200	797,454	770,676	740,634
LONG-TERM LIABILITIES:							
Long-term debt, less current portion	36,000	152,410	159,603	157,932	109,102	103,388	77,149
Deferred tax liabilities—non-current	2,051	2,053	748	533	298	302	300
Other long-term liabilities	302	1,469	3,633	4,028	4,483	4,890	5,431
TOTAL LONG-TERM LIABILITIES	38,353	155,932	163,984	162,493	113,883	108,580	82,880
STATUTORY RESERVES:							
Reserve for liability for securities transactions	2,523	4,715	6,314	6,794	7,219	7,478	7,925
Reserve for liability for commodity transactions	152	213	210	209	209	42	42
TOTAL STATUTORY RESERVES	2,675	4,928	6,524	7,003	7,428	7,520	7,967
MINORITY INTERESTS:	53,943	55,094	-	-	-	-	-
NET ASSETS							
Common stock	34,765	54,229	54,914	54,955	55,026	55,069	55,158
Capital surplus	53,467	115,692	116,519	116,559	116,631	116,673	116,762
Retained earnings	33,377	90,345	122,167	120,829	123,536	118,644	112,339
Treasury stock—at cost	(239)	(5,908)	(53,062)	(53,062)	(53,063)	(53,062)	(53,064)
Unrealized gain on available-for-sale securities	7,633	12,830	5,436	5,534	7,861	14,129	10,134
Foreign currency translation adjustments	416	935	974	1,309	950	772	(122)
Deferred hedged profit/loss	-	-	2	4	10	10	9
Stock acquisition right	-	-	42	73	81	58	4
Minority Interest	-	-	99,649	127,732	126,506	136,644	146,546
TOTAL NET ASSETS	129,419	268,123	346,641	373,933	377,538	388,937	387,766
TOTAL	¥765,004	¥1,331,644	¥1,367,222	¥1,452,629	¥1,296,303	¥1,276,713	¥1,219,247

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 2007.

These are presented as MINORITY INTEREST between liabilities and shareholder's equity respectively as at 31st March 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
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.	
OPERATING REVENUES						
Asset Management	¥52,460	¥16,588	¥23,635	¥6,638	¥11,152	¥58,008
A. Investment in Securities	36,030	15,316	23,197	5,816	10,341	54,670
1) Revenue from Operational Investment Securities	28,783	15,025	22,829	5,533	10,060	53,447
2) Fees from Funds	6,247	291	368	283	281	1,223
<i>Fees from Funds consists of:</i>						
- Management Fee	2,917	291	285	283	282	1,141
- Establishment Fee	606	-	50	-	-	50
- Success Fee	2,724	-	33	-	(1)	32
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	2,384	1,272	438	817	811	3,388
Brokerage and Investment Banking	¥86,419	¥17,377	¥18,909	¥17,409	¥14,936	¥68,531
A. Revenue from Securities Transactions	65,421	17,126	18,589	17,182	14,729	67,626
B. Revenue from Commodity Futures Transactions	998	251	220	227	207	905
Financial Services	¥27,660	¥5,369	¥5,154	¥5,596	¥6,376	¥22,495
Housing and Real Estate		¥17,226	¥14,731	¥22,890	¥20,284	¥75,071
A. Real Estate Business			13,133	9,418	17,760	14,815
B. Financial Real Estate Business			1,375	1,977	1,647	1,728
C. Lifestyle Networks Business			2,718	3,336	3,423	3,741
System Solution Business			¥59	¥35	¥229	¥323
Eliminations/Corporate	(1,958)	(474)	(443)	(421)	(522)	(1,860)
OPERATING REVENUE	144,581	56,086	61,945	52,082	52,455	222,568
OPERATING COSTS						
Asset Management	47,971	11,002	19,839	3,193	4,307	38,341
Brokerage and Investment Banking	4,295	1,400	2,063	1,531	1,622	6,616
Financial Services	17,451	3,129	2,874	3,318	3,839	13,160
Real Estate and Housing		12,918	10,424	17,825	16,667	57,834
System Solution Business			41	33	175	249
Eliminations/Corporate	(971)	(182)	(185)	(245)	(244)	(856)
OPERATING COSTS	68,746	28,267	35,056	25,655	26,386	115,344
GROSS PROFIT	75,835	27,819	26,889	26,427	26,069	107,224
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES						
Asset Management	5,589	1,039	494	968	684	3,185
Brokerage and Investment Banking	37,749	10,399	11,039	10,399	9,567	41,404
Financial Services	7,434	1,781	1,892	2,248	2,565	8,486
Real Estate and Housing		2,138	2,028	2,362	2,615	9,143
System Solution Business			300	124	123	547
Eliminations/Corporate	1,968	(259)	447	844	820	1,852
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	52,740	15,098	16,200	16,945	16,374	64,617
OPERATING INCOME						
Asset Management	(1,100)	4,547	3,302	2,472	6,161	16,482
Brokerage and Investment Banking	24,375	5,578	5,707	5,479	3,747	20,511
Financial Services	2,775	459	388	30	(28)	849
Real Estate and Housing		2,170	2,279	2,643	1,002	8,094
System Solution Business		0	(282)	(122)	(69)	(473)
Eliminations/Corporate	(2,955)	(33)	(705)	(1,020)	(1,098)	(2,856)
OPERATING INCOME	¥23,095	¥12,721	¥10,689	¥9,482	¥9,715	¥42,607
OTHER INCOME (EXPENSES):						
Interest and dividends income	644	280	111	180	77	648
Interest expense	(1,278)	(418)	(427)	(466)	(474)	(1,785)
Foreign exchange gain (loss)-net	14	136	(99)	(44)	(719)	(726)
Gain (loss) on sale of investment securities-net	(23,575)	5,439	1,076	265	0	6,780
Dilution gain from change in equity interest	650	36	(102)	(1,637)	1	(1,702)
Reversal of allowance for doubtful accounts	0	27	27	1	0	28
Amortization of goodwill -net	69,094	266	(496)	0	(1,891)	(2,121)
Provision for statutory reserves	(1,599)	(480)	(425)	(259)	(447)	(1,611)
Share of net earnings in equity affiliates -net	(5,003)	(706)	(1,154)	(2,076)	(7,473)	(11,409)
Other-net	(5,003)	(1,032)	(367)	93	(584)	(1,890)
OTHER INCOME (EXPENSES) - NET	38,947	3,521	(1,856)	(3,943)	(11,510)	(13,788)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	62,042	16,242	8,833	5,539	(1,795)	28,819
INCOME TAXES						
Current	38,855	6,892	5,578	2,762	4,079	19,311
Reversal of the prior year's income taxes	(583)					0
Deferred	(23,447)	922	(1,286)	(254)	(1,420)	(2,038)
TOTAL INCOME TAXES	14,825	7,814	4,292	2,508	2,659	17,273
MINORITY INTERESTS IN NET INCOME	(776)	(2,524)	(1,506)	(1,447)	(1,840)	(7,317)
NET INCOME	¥46,441	¥5,904	¥3,085	¥1,584	(¥6,294)	¥4,229
PER SHARE OF COMMON STOCK		(Yen)	(Yen)	(Yen)	(Yen)	
Basic net income	¥4,040.51	¥526.34	¥270.35	¥140.89	(¥560.95)	¥376.63
Diluted net income	¥3,845.82	¥469.70	¥266.52	¥126.13	(¥517.70)	¥344.65

Consolidated Statements of Cash Flows

(Millions of Yen)

(Millions of Yen)

	Year Ended 31st March,2007	Year Ended 31st March,2008				Year Ended 31st March,2008
		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
INVESTING ACTIVITIES	86,014	2,238	(10,543)	(1,485)	(10,820)	(20,610)
FINANCING ACTIVITIES	(58,176)	18,972	(22,623)	(21,048)	14,742	(9,957)
Newly consolidated subsidiaries and others	22,118	22,909	605	1,835	(940)	24,409
CASH AND CASH EQUIVALENT - End of Period	¥115,092	¥144,309	¥123,253	¥129,523	¥159,007	¥169,007

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 the change of business segment, Housing and real estate segment got independent from Asset Management Business from 1st April 2007.