

Consolidated Balance Sheets

(Millions of Yen)

ASSETS					1Q	2Q
	2005 31st March	2006 31st March	2007 31st March	2008 31st March	2008 30th June	2008 30th September
CURRENT ASSETS:						
Cash and cash equivalents	¥106,460	¥132,545	¥115,092	¥159,007	¥114,722	¥152,554
Time deposits	2,904	399	616	1,518	12,307	62
Cash required to be segregated under regulations	188,150	332,876	340,090	313,817	361,723	317,242
Trade notes and accounts receivable	1,013	1,303	7,537	10,985	27,853	9,973
Operational investment securities	39,829	61,668	100,603	115,717	118,317	112,766
Valuation allowance for operational investment securities	(463)	(338)	(18,603)	(4,967)	(5,853)	(5,895)
Operational loans receivable	8,059	16,501	46,828	66,261	63,837	54,874
Real estate inventory	—	26,333	35,872	32,895	38,608	36,245
Trading assets	2,859	3,093	4,329	1,728	3,302	340
Margin transaction assets:						
Receivables from customers	317,801	562,693	489,269	274,887	298,296	228,462
Cash deposits as collateral for securities borrowed	15,680	18,547	11,303	17,995	12,556	21,031
Loans secured by securities	—	156	102	—	1,012	9
Short-term guarantee deposits	7,052	17,549	24,353	13,414	14,660	10,505
Deferred tax assets—current	986	1,959	2,271	1,053	1,176	6,270
Prepaid expenses and other current assets	11,960	30,993	40,324	66,723	75,030	89,440
Allowance for doubtful accounts	(401)	(691)	(1,070)	(1,762)	(2,290)	(1,926)
TOTAL CURRENT ASSETS	716,448	1,205,586	1,198,916	1,069,271	1,135,256	1,031,952
PROPERTY AND EQUIPMENT—Net:	4,715	4,144	4,602	5,728	5,212	7,001
LEASED ASSETS—Net:	8,231	11,225	10,036	7,877	—	5
INVESTMENTS AND OTHER ASSETS:						
Investment securities	11,686	28,127	19,390	15,972	17,002	13,418
Investments in unconsolidated subsidiaries and affiliated companies	807	23,534	60,420	25,923	21,814	23,114
Software, net of accumulated amortisation	4,017	5,169	6,559	8,816	8,740	9,007
Rental deposits	4,323	4,358	4,726	6,801	6,916	6,887
Goodwill	1,581	44,638	53,513	60,874	58,653	140,088
Long-term trade receivables	2,824	1,701	1,536	50	49	48
Deferred tax assets—non-current	880	1,310	1,915	10,595	13,729	7,811
Other assets	3,362	3,760	7,764	12,109	24,564	24,815
Allowance for doubtful accounts	(2,870)	(1,908)	(2,155)	(4,769)	(4,727)	(4,638)
TOTAL INVESTMENTS AND OTHER ASSETS	26,610	110,689	153,668	136,371	146,740	220,550
TOTAL	¥756,004	¥1,331,644	¥1,367,222	¥1,219,247	¥1,287,208	¥1,259,508
LIABILITIES AND SHAREHOLDERS' EQUITY						
CURRENT LIABILITIES:						
Short-term borrowings	¥8,732	¥11,398	¥56,142	¥53,832	¥98,389	¥128,755
Current portion of long-term debt	11,759	900	25,172	112,743	125,643	104,866
Income taxes payable	7,506	19,535	15,755	9,352	2,458	7,358
Margin transaction liabilities:						
Payables to financial institutions	238,766	302,283	231,211	81,583	86,431	55,832
Proceeds of securities sold for customers' accounts	45,824	65,030	62,961	62,531	70,533	64,475
Loans secured by securities	1,165	56,553	55,825	35,441	35,778	38,947
Consignment guarantee money received for margin transactions	151,652	303,385	297,448	272,006	297,804	266,672
Customers' deposits as collateral for commodity futures	19,309	32,072	45,356	39,574	44,857	46,492
Customers' deposits for securities transactions	15,427	21,495	16,234	20,147	22,945	21,555
Unearned income	2,615	3,671	3,030	1,893	2,120	2,393
Accrued expenses	2,654	3,594	3,189	3,280	3,297	3,178
Contingent reserve	5,219	5	—	22	22	—
Deferred tax liabilities—current	3,367	2,096	7,201	8,867	6,607	3
Other current liabilities	16,619	25,550	30,549	39,363	34,518	18,821
TOTAL CURRENT LIABILITIES	530,614	847,567	850,073	740,634	831,402	759,347
LONG-TERM LIABILITIES:						
Long-term debt, less current portion	36,000	152,410	159,603	77,149	62,807	31,227
Deferred tax liabilities—non-current	2,051	2,053	748	300	526	536
Other long-term liabilities	302	1,469	3,633	5,431	14,026	14,523
TOTAL LONG-TERM LIABILITIES	38,353	155,932	163,984	82,880	77,359	46,286
STATUTORY RESERVES	2,675	4,928	6,524	7,967	7,277	7,252
MINORITY INTERESTS:	53,943	55,094	—	—	—	—
NET ASSETS						
Common stock	34,765	54,229	54,914	55,158	55,189	55,195
Capital surplus	53,467	115,692	116,519	116,762	115,947	219,001
Retained earnings	33,377	90,345	122,167	112,339	99,580	103,965
Treasury stock—at cost	(239)	(5,908)	(53,062)	(53,064)	(50,309)	(653)
Unrealized gain on available-for-sale securities	7,633	12,830	5,436	10,134	7,121	561
Foreign currency translation adjustments	416	935	974	(122)	13	(290)
Deferred hedged profit/loss	—	—	2	9	2	13
Stock acquisition right	—	—	42	4	13	12
Minority Interest	—	—	99,649	146,546	143,614	68,819
TOTAL NET ASSETS	129,419	268,123	346,641	387,766	371,170	446,623
TOTAL	¥756,004	¥1,331,644	¥1,367,222	¥1,219,247	¥1,287,208	¥1,259,508

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	Year Ending 31st March, 2009		Six-month period ended Sept. 30, 2008
		1Q		2Q			1Q	2Q	
		Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Jan. - Mar.		Apr. - Jun.	Jul. - Sep.	
OPERATING REVENUES									
Asset Management	¥52,460	¥16,688	¥23,635	¥6,633	¥11,152	¥58,008	¥2,935	¥5,802	¥8,737
A. Investment in Securities	35,030	15,316	23,197	5,816	10,341	54,670	2,110	4,743	6,853
1) Revenue from Operational Investment Securities	28,783	15,025	22,829	5,533	10,060	53,447	1,828	4,460	6,288
2) Fees from Funds	6,247	291	368	283	281	1,223	282	283	565
Fees from Funds consists of:									
- Management Fee	2,917	291	285	283	282	1,141	282	283	565
- Establishment Fee	606	-	50	-	-	50	-	-	0
- Success Fee	2,724	-	33	-	(1)	32	-	-	0
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	3,338	825	1,059	1,884
Brokerage and Investment Banking	¥66,419	¥17,377	¥18,809	¥17,409	¥14,936	¥68,551	¥14,100	¥12,852	¥26,952
A. Revenue from Securities Transactions	65,421	17,126	18,589	17,182	14,729	67,626	13,955	12,701	26,636
B. Revenue from Commodity Futures Transactions	998	251	220	227	207	905	165	151	316
Financial Services	¥27,660	¥6,369	¥5,154	¥5,596	¥6,376	¥22,495	¥5,633	¥5,513	¥11,146
Housing and Real Estate		¥17,226	¥14,731	¥22,390	¥20,284	¥75,071	¥11,230	¥12,617	¥23,347
A. Real Estate Business		13,133	9,418	17,760	14,815	55,126	6,022	6,765	12,787
B. Financial Real Estate Business		1,375	1,977	1,647	1,728	6,727	1,738	1,989	3,727
C. Lifestyle Networks Business		2,718	3,336	3,423	3,741	13,218	3,470	3,863	7,338
System Solution Business		-	¥69	¥35	¥229	¥323	¥1,456	¥1,500	¥2,956
Eliminations/Corporate	(1,968)	(474)	(448)	(421)	(522)	(1,860)	(751)	(1,140)	(1,891)
OPERATING REVENUE	144,581	56,086	61,946	52,082	52,465	222,568	34,608	37,144	71,747
OPERATING COSTS									
Asset Management	47,971	11,002	19,839	3,193	4,307	38,341	1,909	2,626	4,535
Brokerage and Investment Banking	4,295	1,400	2,063	1,531	1,622	6,616	1,342	1,616	2,958
Financial Services	17,451	3,129	2,874	3,318	3,839	13,160	3,328	3,428	6,806
Real Estate and Housing	-	12,918	10,424	17,825	16,667	57,834	7,681	9,499	17,180
System Solution Business	-	-	41	33	175	249	1,122	1,229	2,351
Eliminations/Corporate	(971)	(182)	(185)	(245)	(244)	(856)	(165)	(165)	(330)
OPERATING COSTS	68,746	28,287	35,056	25,055	26,366	115,344	15,287	18,233	35,500
GROSS PROFIT	75,835	27,819	26,899	26,427	26,099	107,224	19,336	18,911	38,247
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES									
Asset Management	5,589	1,039	494	968	684	3,185	694	983	1,677
Brokerage and Investment Banking	37,749	10,399	11,039	10,399	9,567	41,404	9,369	9,970	19,339
Financial Services	7,434	1,781	1,892	2,248	2,565	8,486	1,883	1,702	3,585
Real Estate and Housing	-	2,138	2,028	2,362	2,615	9,143	2,698	2,619	5,317
System Solution Business	-	-	300	124	123	547	438	407	847
Eliminations/Corporate	1,968	(259)	447	844	820	1,852	345	809	1,152
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	52,740	15,098	16,200	16,945	16,374	64,617	15,427	16,490	31,917
OPERATING INCOME									
Asset Management	(1,100)	4,547	3,302	2,472	6,161	16,482	332	2,193	2,525
Brokerage and Investment Banking	24,375	5,578	5,707	5,479	3,747	20,511	3,389	1,266	4,655
Financial Services	2,775	459	388	30	(58)	849	372	383	755
Real Estate and Housing	-	2,170	2,279	2,643	1,092	8,094	851	499	1,350
System Solution Business	-	0	(282)	(122)	(69)	0	(164)	(138)	(242)
Eliminations/Corporate	(2,955)	(33)	(705)	(1,020)	(1,098)	(2,856)	(931)	(1,782)	(2,713)
OPERATING INCOME	¥23,095	¥12,721	¥10,689	¥9,482	¥9,715	¥42,607	¥3,909	¥2,421	¥6,330
OTHER INCOME (EXPENSES):									
Interest and dividends income	644	280	111	180	77	648	460	577	1,037
Interest expense	(1,278)	(418)	(427)	(466)	(474)	(1,785)	(486)	(561)	(1,047)
Foreign exchange gain (loss)-net	14	136	(99)	(44)	(719)	(726)	245	(226)	19
Gain (loss) on sale of investment securities-net	(23,575)	5,439	1,076	265	0	6,780	(1,328)	(236)	(1,564)
Dilution gain from change in equity interest	650	36	(102)	(1,637)	1	(1,702)	261	49	310
Reversal of allowance for doubtful accounts	0	-	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)	(0)	(5)	(5)
Equity in losses of subsidiaries and associated companies	-	(706)	(1,154)	(2,076)	(7,473)	(11,409)	(1,003)	(802)	(1,805)
Appraisal loss of affiliated companies	-	-	-	-	-	-	(9,470)	9,470	-
Other-net	(5,003)	(1,032)	(367)	93	(584)	(1,890)	85	(2,085)	(2,000)
OTHER INCOME (EXPENSES) - NET	38,947	3,521	(1,856)	(3,943)	(11,510)	(13,788)	(11,236)	6,181	(5,055)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	62,042	16,242	8,833	5,539	(1,795)	28,819	(7,327)	8,602	1,275
INCOME TAXES									
Current	38,855	6,892	5,578	2,762	4,079	19,311	2,221	7,597	9,818
Reversal of the prior year's income taxes	(583)	-	-	-	-	-	-	-	-
Deferred	(23,447)	922	(1,286)	(254)	(1,420)	(2,038)	(3,365)	(2,506)	(5,871)
TOTAL INCOME TAXES	14,825	7,814	4,292	2,508	2,659	17,273	(1,144)	5,091	3,947
MINORITY INTERESTS IN NET INCOME	(776)	(2,524)	(1,506)	(1,447)	(1,840)	(7,317)	275	874	1,149
NET INCOME (LOSS)	¥46,441	¥5,904	¥3,035	¥1,584	(¥6,294)	¥4,229	(¥5,906)	¥4,385	(¥1,529)
PER SHARE OF COMMON STOCK									
Basic net income	(Yen) ¥4,040.51					(Yen) ¥376.63			(Yen) ¥116.23
Diluted net income	¥3,845.82					¥344.65			¥0.00

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	Year Ended 31st March, 2009		Year Ended 31st March, 2008
		1Q		2Q			1Q	2Q	
		Apr. - Jun.	Jul. - Sep.	Oct. - Dec.	Jan. - Mar.		Apr. - Jun.	Jul. - Sep.	
OPERATING ACTIVITIES	(¥67,409)	(¥14,902)	¥11,505	¥26,968	¥26,502	¥50,073	(¥41,554)	¥38,140	(¥3,414)
INVESTING ACTIVITIES	86,014	2,238	(10,543)	(1,485)	(10,820)	(20,610)	(21,225)	19,384	(1,841)
FINANCING ACTIVITIES	(58,176)	18,972	(22,623)	(21,048)	14,742	(9,957)	16,043	(19,473)	(3,430)
Newly consolidated subsidiaries and others	22,118	22,909	605	1,835	(940)	24,409	2,451	(219)	2,232
CASH AND CASH EQUIVALENT - End of Period	¥115,092	¥144,809	¥123,253	¥129,523	¥159,007	¥159,007	¥114,722	¥152,554	¥152,554

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.