

Consolidated Balance Sheets

(Millions of Yen)

	2008	2009	1Q 2009
	31st March	31st March	30th June
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	¥159,007	¥126,313	¥130,312
Time deposits	1,518	1,141	1,870
Cash required to be segregated under regulations	313,817	266,267	313,257
Trade notes and accounts receivable	10,985	7,915	8,532
Operational investment securities	115,717	105,236	104,539
Valuation allowance for operational investment securities	(4,967)	(6,207)	(6,762)
Operational loans receivable	66,261	47,868	39,869
Real estate inventory	32,895	36,515	36,964
Trading assets	1,728	7,725	443
Margin transaction assets:			
Receivables from customers	274,887	134,792	226,442
Cash deposits as collateral for securities borrowed	17,995	46,009	23,200
Loans secured by securities	-	1	-
Short-term guarantee deposits	13,414	8,846	10,332
Deferred tax assets—current	1,053	5,921	6,185
Prepaid expenses and other current assets	66,723	65,771	72,227
Allowance for doubtful accounts	(1,762)	(2,703)	(2,175)
TOTAL CURRENT ASSETS	1,069,271	851,410	965,235
PROPERTY AND EQUIPMENT—Net:	12,652	8,578	8,407
INVESTMENTS AND OTHER ASSETS:			
Investment securities	15,972	10,088	10,946
Investments in unconsolidated subsidiaries and affiliated companies	25,923	23,781	25,139
Software, net of accumulated amortisation	9,769	9,370	9,341
Rental deposits	6,801	7,375	7,820
Goodwill	60,874	136,354	134,451
Long-term trade receivables	50	47	47
Deferred tax assets—non-current	10,595	10,602	10,402
Other assets	12,109	28,273	32,291
Allowance for doubtful accounts	(4,769)	(6,644)	(7,613)
TOTAL INVESTMENTS AND OTHER ASSETS	137,324	219,246	222,824
TOTAL	¥1,219,247	¥1,079,234	¥1,196,466
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Short-term borrowings	¥53,832	¥54,658	¥57,153
Current portion of long-term debt	112,743	63,033	79,479
Income taxes payable	9,352	2,625	2,641
Margin transaction liabilities:			
Payables to financial institutions	81,583	56,726	74,416
Proceeds of securities sold for customers' accounts	62,531	89,545	82,468
Loans secured by securities	35,441	46,588	70,274
Consignment guarantee money received for margin transactions	272,006	229,184	249,658
Customers' deposits as collateral for commodity futures	39,574	28,885	52,061
Customers' deposits for securities transactions	20,147	23,488	24,979
Unearned income	1,893	2,085	2,012
Accrued expenses	3,280	3,035	2,747
Contingent reserve	22	-	-
Deferred tax liabilities—current	8,867	6	6
Other current liabilities	39,363	23,591	35,995
TOTAL CURRENT LIABILITIES	740,634	623,449	733,889
LONG-TERM LIABILITIES:			
Long-term debt, less current portion	77,149	13,584	12,500
Deferred tax liabilities—non-current	300	566	508
Other long-term liabilities	5,431	15,043	15,396
TOTAL LONG-TERM LIABILITIES	82,880	29,193	28,404
STATUTORY RESERVES	7,967	7,253	7,253
NET ASSETS			
Common stock	55,158	55,215	55,216
Capital surplus	116,762	219,012	219,014
Retained earnings	112,339	86,866	87,077
Treasury stock—at cost	(53,064)	(636)	(636)
Unrealized gain on available-for-sale securities	10,134	(5,946)	(2,982)
Foreign currency translation adjustments	(122)	(966)	(1,073)
Deferred hedged profit/loss	9	(26)	-
Stock acquisition right	4	12	12
Minority Interest	146,546	65,808	70,292
TOTAL NET ASSETS	387,766	419,339	426,920
TOTAL	¥1,219,247	¥1,079,234	¥1,196,466

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) The above financial statements are unaudited and have been prepared in accordance with accounting principles generally accepted in Japan.

(3) The leased assets presented previously as Leased assets-net have been included in Property and equipment-net or Software, net of accumulated amortisation, respectively, because it has been not material.

Consolidated Statements of Operations with Segment Information

(Millions of Yen)

	Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009	Year Ending 31st March, 2010
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		
OPERATING REVENUES							
Asset Management	¥58,008	¥2,935	¥5,802	¥3,898	¥3,347	¥15,982	¥9,815
A. Investment in Securities	54,670	2,110	4,743	3,375	2,697	12,925	9,205
1) Revenue from Operational Investment Securities	53,447	1,828	4,460	3,096	2,421	11,805	8,927
2) Fees from Funds	1,223	282	283	279	276	1,120	278
<i>Fees from Funds consists of:</i>							
- Management Fee	1,141	282	283	279	276	1,120	278
- Establishment Fee	50	-	-	-	-	-	-
- Success Fee	32	-	-	-	-	-	-
B. Investment Advisory Service Fee and Others	3,338	825	1,059	523	650	3,057	610
Brokerage and Investment Banking	¥68,581	¥14,100	¥12,852	¥10,923	¥11,807	¥49,182	¥13,539
Financial Services	¥22,495	¥5,638	¥5,513	¥5,548	¥5,923	¥22,617	¥6,061
Housing and Real Estate	¥75,071	¥11,230	¥12,617	¥8,257	¥8,803	¥40,907	¥5,727
A. Real Estate Business	55,126	6,022	6,765	2,192	3,374	18,353	959
B. Financial Real Estate Business	6,727	1,738	1,989	2,316	1,850	7,893	1,382
C. Lifestyle Networks Business	13,218	3,470	3,863	3,749	3,579	14,661	3,386
System Solution Business	¥323	¥1,456	¥1,500	¥1,937	¥1,461	¥6,354	¥1,015
Eliminations/Corporate	(1,860)	(751)	(1,140)	(1,138)	(1,090)	(4,119)	(1,125)
OPERATING REVENUE	222,568	34,608	37,144	29,425	29,751	180,923	35,082
OPERATING COSTS							
Asset Management	38,341	1,909	2,626	3,700	2,099	10,334	7,207
Brokerage and Investment Banking	6,616	1,342	1,616	1,143	1,352	5,453	1,025
Financial Services	13,160	3,378	3,428	3,542	3,929	14,277	4,222
Real Estate and Housing	57,834	7,681	9,499	5,548	6,347	29,075	3,363
System Solution Business	249	1,122	1,229	1,518	1,214	5,083	874
Eliminations/Corporate	(856)	(165)	(165)	(127)	(131)	(588)	(155)
OPERATING COSTS	115,344	15,287	18,233	15,324	14,810	63,634	16,536
GROSS PROFIT	107,224	19,336	18,911	14,101	14,941	67,289	18,496
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES							
Asset Management	3,185	694	983	715	662	3,054	668
Brokerage and Investment Banking	41,404	9,369	9,970	9,547	9,129	38,015	9,458
Financial Services	8,486	1,883	1,702	1,647	1,617	6,849	1,681
Real Estate and Housing	9,143	2,698	2,619	2,606	2,985	10,908	2,483
System Solution Business	547	438	409	320	407	1,574	337
Eliminations/Corporate	1,852	345	807	449	884	2,485	688
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	64,617	15,427	16,490	15,284	15,684	62,885	15,315
OPERATING INCOME							
Asset Management	16,482	332	2,193	(517)	586	2,594	1,940
Brokerage and Investment Banking	20,511	3,388	1,266	233	826	5,714	3,056
Financial Services	849	372	383	359	377	1,491	158
Real Estate and Housing	8,094	851	499	103	(529)	924	(119)
System Solution Business	(473)	(104)	(138)	99	(160)	(303)	(196)
Eliminations/Corporate	(2,856)	(931)	(1,782)	(1,460)	(1,843)	(6,016)	(1,658)
OPERATING INCOME	¥42,607	¥3,909	¥2,421	(¥1,183)	(¥743)	¥4,404	¥3,181
OTHER INCOME (EXPENSES):							
Interest and dividends income	648	460	577	281	116	1,434	175
Interest expense	(1,785)	(486)	(561)	(737)	(666)	(2,450)	(371)
Foreign exchange gain (loss)-net	(726)	245	(226)	(777)	137	(621)	(194)
Gain (loss) on sale of investment securities-net	6,780	(1,328)	(236)	54	(7)	(1,517)	610
Appraisal loss of investment securities	(677)	(9,470)	9,102	(5,962)	(1,218)	(7,548)	(4)
Dilution gain (loss) from change in equity interest	(1,702)	261	49	29	2	341	116
Reversal of allowance for doubtful accounts	28	-	-	-	-	-	-
Amortization of goodwill -net	(2,121)	-	(1,066)	-	-	(1,066)	-
Provision for statutory reserves	(1,611)	(0)	(5)	(0)	4	(1)	-
Equity in losses of subsidiaries and associated companies	(11,409)	(1,003)	(802)	(582)	(1,475)	(3,862)	(113)
Other-net	(1,213)	85	(651)	(2,482)	(2,198)	(5,246)	(383)
OTHER INCOME (EXPENSES) - NET	(13,788)	(11,236)	6,181	(10,176)	(5,305)	(20,536)	(164)
INCOME BEFORE INCOME TAXES/MINORITY INTERESTS	28,819	(7,327)	8,602	(11,859)	(6,048)	(16,132)	3,017
INCOME TAXES							
Current	19,311	2,221	7,597	682	1,329	11,829	2,381
Deferred	(2,038)	(3,365)	(2,506)	55	136	(5,680)	(1,000)
TOTAL INCOME TAXES	17,273	(1,144)	5,091	737	1,465	6,149	1,381
MINORITY INTERESTS IN NET INCOME	(7,317)	275	874	1,771	986	3,906	263
NET INCOME (LOSS)	¥4,229	(¥5,908)	¥4,385	(¥10,325)	(¥6,527)	(¥18,375)	¥1,899
PER SHARE OF COMMON STOCK							
Basic net income	(Yen) ¥376.63					(Yen) ¥113.52	(Yen) ¥113.52
Diluted net income	¥344.65					-	¥77.05

Consolidated Statements of Cash Flows

(Millions of Yen)

	Year Ended 31st March, 2008	Year Ended 31st March, 2009				Year Ended 31st March, 2009	Year Ending 31st March, 2010
		1Q Apr. - Jun.	2Q Jul. - Sep.	3Q Oct. - Dec.	4Q Jan. - Mar.		
OPERATING ACTIVITIES	¥50,073					¥103,035	(¥11,486)
INVESTING ACTIVITIES	(20,610)	(¥41,554)	¥38,140	¥63,484	¥42,965	(1,104)	(5,500)
FINANCING ACTIVITIES	(9,957)	16,043	(19,473)	(32,060)	(102,025)	(137,515)	21,113
Newly consolidated subsidiaries and others	24,409	2,451	(219)	(339)	997	2,890	(128)
CASH AND CASH EQUIVALENT - End of Period	¥159,007	¥114,722	¥152,554	¥185,451	¥126,313	¥126,313	¥130,312

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