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Summary of Consolidated Financial Statements
For the Interim Period of Fiscal 2007

May 15, 2007

Company Name: FinTech Global Incorporated (Code Number: 8789 TSE Mothers)

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Responsible	President, Representative Director	Name: Nobumitsu Tamai
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Scheduled reporting date for the Interim Period of Fiscal 2007 Financial Results: June 15, 2007

Scheduled starting date of dividend payment: June 14, 2007

1. Overview of the financial conditions and business results for the interim period of fiscal 2007.
(October 1. 2006 – March 31, 2007)

(1) Business results (The percentage in the table indicates YOY changes.)

	Net revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Interim period of fiscal 2007	6,151	(112.7)	2,615	(22.8)	2,432	(22.1)	1,222	(5.4)
Interim period of fiscal 2006	2,892	(226.6)	2,129	(300.6)	1,991	(276.9)	1,159	(292.1)
(Reference) Full-fiscal 2006	8,231		5,921		5,581		3,235	

	Net income per share	Net income per share (diluted)
	Yen	Yen
Interim period of fiscal 2007	1,030.91	955.32
Interim period of fiscal 2006	5,330.50	4,830.40
(Reference) Full-fiscal 2006	14,354.40	12,458.52

(Reference) Equity in earnings of affiliated companies: Interim period of fiscal 2007: N/A
Interim period of fiscal 2006: N/A
Full-fiscal 2006 :N/A

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
Interim period of fiscal 2007	82,500	26,840	30.4	21,052.49
Interim period of fiscal 2006	58,019	22,713	39.1	97,284.83
(Reference) Full-fiscal 2006	61,229	24,957	40.7	105,180.27

(Reference) Shareholders' equity: Interim period of fiscal 2007: ¥ 25,090 million
Interim period of fiscal 2006: ¥ 22,713 million
Full-fiscal 2006 : ¥ 24,887 million

(3) Consolidated cash flows (Unit: Millions of yen)

	Net cash used in operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at the end of first quarter
Interim period of fiscal 2007	2,694	(6,346)	8,938	23,501
Interim period of fiscal 2006	(27,596)	(6,278)	45,321	13,113
(Reference) Full-fiscal 2006	(24,266)	(2,916)	44,247	18,718

2. Dividends

	Dividends per share		
Record date	The end of interim period	The end of fiscal 2007	Total
	Yen	Yen	Yen
Fiscal 2006	—	5,000.00	5,000.00
Fiscal 2007 (Actual results)	550.00		1300.00
Fiscal 2007 (Estimates)		750.00	

Note: We conducted a 5-for-1 stock split on October 1, 2006.

3. Performance forecasts for the full-fiscal 2007. (October 1. 2006 – September 30, 2007)

(The percentage in the table indicates YOY changes.)

	Net revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Full-fiscal 2007	16,032	(94.8)	7,764	(31.1)	7,606	(36.3)	3,249	(0.4)

	Net income per share
	Yen
Full-fiscal 2007	2,726.16

4. Others

(1) Transfer of the principal consolidated subsidiary during the term. (Transfer of specified subsidiary with change of scope of consolidation.): N/A

(2) Existence or non-existence of a change in the accounting principal, procedure or disclosure method for preparing consolidated financial statements for the interim period. (Matters shown in “Change in Significant Items Regarding the Preparation of Interim Consolidated Financial Statements”)

- Change due to amendment of accounting standard: Yes
- Change other than above: Yes

(3) Number of shares outstanding（common stock）

- Number of shares outstanding at the end of period (including treasury stocks)
  - Interim period of fiscal 2007 1,191,785 shares
  - Interim period of fiscal 2006 233,480.79 shares
  - Full-fiscal 2006 236,622 shares
- Number of treasury stocks outstanding at the end of period
  - Interim period of fiscal 2007 N/A
  - Interim period of fiscal 2006 3.79 shares
  - Full-fiscal 2006 N/A

(Reference) Summary of non-consolidated financial conditions and business results

1. Non-consolidated financial conditions and business results for the interim period of fiscal 2007.
(October 1, 2006 – March 31, 2007)

(1) Non-consolidated business results (The percentage in the table indicated YOY changes.)

	Net revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Interim period of fiscal 2007	4,667	(63.6)	3,236	(45.8)	2,854	(37.5)	1,432	(17.0)
Interim period of fiscal 2006	2,853	(222.1)	2,219	(318.7)	2,076	(293.8)	1,224	(315.2)
(Reference) Full-fiscal 2006	7,544		5,815		5,480		3,234	

	Net income per share
	Yen
Interim period of fiscal 2007	1,208.06
Interim period of fiscal 2006	5,630.08
(Reference) Full-fiscal 2006	14,349.40

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Millions Yen	Millions Yen	%	Yen
Interim period of fiscal 2007	68,642	25,195	36.7	21,141.31
Interim period of fiscal2006	57,159	22,803	39.9	97,667.59
(Reference) Full-fiscal 2006	58,595	24,896	42.5	105,215.93

(Reference) Shareholders' equity: Interim period of fiscal 2007: ¥ 25,195 million
Interim period of fiscal 2006: ¥ 22,803 million
Full-fiscal 2006 : ¥ 24,896 million

2. Non-consolidated performance estimates for the full-fiscal 2007.
(October 1. 2006 – September 30, 2007)

(The percentage in the table indicates YOY changes.)

	Net revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Full-fiscal 2007	10,800	(43.2)	7,454	(28.2)	6,975	(27.3)	3,699	(14.4)

	Net income per share
	Yen
Full-fiscal 2007	3103.87

* Information concerning proper use of forward-looking statements and other special instructions
Forward-looking statements in this material are based on data available to management as of May 15, 2007 and certain assumptions which are believed to be rational. Actual results may differ from these estimates due to unforeseen factors.

(Reference) Per-share information in case retroactive adjustment is made

The Company conducted a 5-for-1 stock split on October1, 2006. Assuming that the share split was effected at the beginning of the previous year, the per-share information can be summarized as follows:

(1) Consolidated

	Interim net income per share	Interim net assets per share
	Yen	Yen
Interim period of fiscal 2007	1,030.91	21,052.49
Interim period of fiscal 2006	1,066.10	19,456.97
Full-fiscal 2006 (adjusted)	2,870.88	21,036.05

(2) Non-consolidated

	Interim net income per share	Interim net assets per share
	Yen	Yen
Interim period of fiscal 2007	1,208.06	21,141.31
Interim period of fiscal 2006	1,126.02	19,533.52
Full-fiscal 2006 (adjusted)	2,869.88	21,043.19

1. Performance Overview

(1) Analysis of Management and Performance

(Performance Results of Current Consolidated Interim Accounting Period)

The Japanese economy during the current consolidated interim accounting period has moderately expanded backed by a continued high level of corporate profits and favorable business sentiments as well as a steady growth in the number of plant investments and household income.

Under such favorable economic environment, the industry has enjoyed booming funding demands for aggressive plant investments and expansion of business which resulted in a continued growth of our structured finance business such as property development securitization in response to meet the brisk funding demands. We have pushed forward with establishment of a new finance system targeting non-property fields in order to further expand and deepen our market area under the corporate initiative of "raising awareness of benefits of innovative structured finance methods across the industries".

In the Principal Finance Operations, selection of fewer new investment and finance deals based on careful deliberations resulted in a lower profit than the initial target. Newly-launched subsidiaries have yet to start full-fledged operations.

During the term, FX Online Japan Co., Ltd. ("**FXO**"), which provides online FX margin trading services, became our consolidated subsidiary upon acquisition of 44.99% of its total outstanding shares issued. The purchase was part of our plan to launch marketing of financial products of the Group to individual investors via a securities subsidiary and the acquisition of shares of FXO will benefit the Company in terms of gaining direct access to individual investors via internet and diversifying marketing facilities which have been our major challenges. The IT-related know-how and technology held by FXO will also contribute to the reinforcement of our operating base in this field.

In terms of fund raising, we have allocated a short-term borrowing of JPY20,000 million from Nikko Citigroup Limited for early redemption in November 2006 of the entire amount of the third unsecured convertible bond-type bonds with stock acquisition rights issued in April 2006 intended for investment and finance operations in the Principal Finance Operations. Furthermore, in February 2007 we issued the ¥20,000,000,000 zero coupon convertible bonds due 2012 (hereinafter referred to as the "**Euro-yen bonds**") totaling JPY22,170 million to be redeemed in 2012 for the purpose of servicing the aforesaid short-term borrowing of JPY20,000 million from Nikko Citigroup Limited. The balance thereof was used for investment and finance operations in the Principal Finance Operations. We believe the Euro-yen bonds is the best funding tool for the Group in terms of minimizing interest costs incurred from the zero coupon structure, dilution of profit per share by setting a conversion price above the market value, as well as restraining exercise of share warrants by adding restrictive terms of 120% on conversion.

As a result, we maintained higher sales as compared to the same period last year, which stands at JPY6,151 million (up 112.7%) but fell short of the initial target by 8.7%. Affected by higher-than-expected costs than the initial estimate incurred from the purchase of FXO shares and temporary fund raising (including costs and expenses for due diligence, attorney fees, loan commissions), the operating income, ordinary profit and interim net income posted somewhat slight increase of JPY2,615 million (up 22.8%), JPY2,432 million (up 22.1%) and JPY1,222 million (up 5.4%) as compared to the same period last year respectively. Below are the results of each business sector.

I. Investment Banking Business

1. Arrangement Operations

1) Arrangement Services

We enjoyed a steady growth in the arrangement services during the term backed by brisk demands for our core product of the property development securitization scheme as well as many inquiries from the existing clients which contributed to the total arrangement value of JPY 142.3 billion. Furthermore, as a supplement to the aforesaid core business, we have proactively pushed forward with research and development activities as a potential source of profit in future while raising awareness across the industries about the benefits of structured finance.

As a result, the arrangement services during the current term posted a net revenue of JPY2,512 million (up 49.4%) and a gross sales profit of JPY2,402 million (up 51.5%) respectively.

2) Arrangement services with Credit Enhancement

The arrangement services with credit enhancement means an arrangement of a structure to facilitate participation of financial institutions as lender by providing guarantee of certain risks by Stellar Capital AG, a company incorporated by the Company in Switzerland. During the current term, we have arranged 2 schemes with credit enhancement facility.

As a result, the arrangement services with credit enhancement during the current term posted a net revenue of JPY299million (up 22.2%) and a gross profit of JPY290million (up 22.0%) respectively.

In conclusion, the overall arrangement services during the current term posted a ent revenue of JPY2,812million (up 45.9%) and a gross profit of JPY2,693million (up 45.9%) respectively.

2. Principal Finance Operations
The balance of the principal finance operations at the end of the current term stands at JPY31,726million including the loan receivable, trade and investment in Silent Partnerships (Tokumei Kumiai), showing steady growth in interest income however the number of new finance dropped mainly due to the enactment of the "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Association" (issued on 8 September, 2006 by the Accounting Standard Board of Japan) which led to a lower consolidated sales upon consolidation of the SPC of the investment and finance destination. Careful selection of investment and finance deals to cope with this situation resulted in a lower yield of deal and higher balance of uninvested fund. As continued from the previous fiscal year, FinTech Real Estate, Inc. invests in Silent Partnerships (Tokumei Kumiai) based on the Silent Partnership (Tokumei Kumiai) agreement.

In conclusion, the overall Principal Finance Operations during the current term posted a turnover of JPY1,415million (up 64.4%) and a gross sales profit of JPY1,109million (up 38.3%) respectively.

3. Other Investment Banking Operations
During the current term, we saw a steady increase in fee income generated from administrative services backed by a booming arrangement services. Furthermore, FinTech Global Securities, Inc. realized fee income generated from intermediary of overseas private funds.

In conclusion, the other investment banking operations during the current term posted a net revenu of JPY240million (up 222.8%) and a gross profit of JPY240million (up 222.8%) respectively.

Putting the above all together, the entire investment banking business during the current term posted a net revenue of JPY4,467million (up 56.1%) and a gross profit of JPY4,043million (up 49.7%) respectively.

II. Reinsurance /Financial Guarantee Business
In this field, Stellar Capital AG, a Swiss corporation provides credit enhancement for the arrangement deals with credit enhancement to be structured by the Company. And its subsidiary, Crane Reinsurance Limited in Bermuda underwrites reinsurance for home contents coverage of tenants of the rent units owned by major domestic property management companies.

In Japan, we established Entrust Inc. in March 2006, which provides guarantee for late rent payments and restoration payments for major, domestic and local property management companies in relation to tenancy agreements executed between the aforesaid companies and each tenant.

In conclusion, the reinsurance/financial guarantee business during the current term posted a net revenue of JPY815million (up 2,563.8%) and a gross profit of JPY179million (up 487.4%) respectively.

III. Real Estate related Business
Some of the transactions arranged by the Company are for consolidation accounting to warehouse all or a considerable portion of the arrangements through contributions, such as senior loans, extended to SPCs by the Company. Rental income generated during the consolidation, brokerage commissions and sales proceeds are recorded as sales of the real estate related business.

In conclusion, the overall real estate related business during the current term posted a net revenue of JPY869million and a gross profit of JPY71million respectively. There is no comparison available with the results of the same period last year as there realized no sales in this business last year.

(Overview and Outlook for Current Fiscal Year)
We considered the current term as the time of evolution into a full-grown investment bank. Our structured finance continues to realize profits backed by the core arrangement of property development securitization. On the other hand, we are committed to proactive and efficient funding in view of the lessons learned during the current term. Launch of the full-fledged operation of both the arrangement and principal finance operations since the previous term and establishment of securities marketing facilities within the Group enabled the Company to continue to uphold the growth principles as a full-grown investment bank while raising awareness of all kinds of companies across the industries about the benefits of structured finance.

We have recruited 24 personnel during the current term as part of the plan to reinforce the internal control system in response to the growth and scope of operations through scheduled recruitment of over 50 personnel mainly in the investment banking department. Amid the booming job market in which companies actively hire more people, we will continue to make utmost efforts to tide over the fierce competitions in securing excellent human resources. We have 5 fresh graduates to join the Company this spring.
For the period ending in September 2007, we expect to see JPY16,032million in consolidated net revenue, JPY7,606million in consolidated ordinary profit and JPY3,249million in consolidated net income. Below are the prospects for each business sector.

I. Investment Banking Business
The results of past arrangements stand at JPY117.1billion in fiscal 2005 and JPY261.1billion in fiscal 2006. We expect JPY340billion for the fiscal year ending in September 2007, a 30% increase from the previous year. Arrangement fee rates in the past (including fees for credit enhancement arrangements) were 1.83% in fiscal 2005 and 1.79% in fiscal 2006. The Company expects arrangement fees earned (including arrangement fees for credit enhancement) to be JPY6,134million for fiscal 2007 with a set rate at 1.8%.

At the end of March, 2007, the breakdown of the current sources of investments and loans were JPY12.6billion for cash and deposits, JPY33.5billion for loan receivables, trade, and JPY0.4billion for investment securities, trade with a total amount of JPY46.6billion. (Please see the Non-consolidated Financial Results). The Company expects the total amount of sources of loans and investment for fiscal 2007 to be about JPY50billion through bank loans and other financing measures as well as the principal finance sales of JPY4,200million.

We will conduct thorough review in the operation of ASAP Payment System Inc. in this second half which has yet to be fully launched due to delay in the organization process in expectation of achieving sales and profits which have been capped by increased founding costs.

II. Reinsurance /Financial Guarantee Business
Stellar Capital AG records income from undertaking guarantees for transactions with credit enhancement arranged by the Company as well as from guarantee for both late rent and restoration payments provided by Entrust Inc. Crane Reinsurance Limited underwrites reinsurance for home contents of tenants and other superior coverage retained by large property management companies in Japan in accordance with the tenancy agreements between the aforesaid companies and each tenant.

Both of the above services entered into full-fledged operations in the previous term but the Company expects lower revenues than the initial target from the arrangement services with credit enhancement, warranty for late rent payments and restoration payments provided by Entrust.

III. Real Estate related Business
In this field, we declare rent income from SPC which is subject to the consolidated accounting, brokerage commissions and sale proceeds. We plan small increase from the existing profit realized during the current term given the uncertainty lying in this derivative service of the arrangement of property development securitization in the investment banking business, the sale of which is heavily dependent on the number of deals as well as little importance of the rent income and brokerage commission.

IV. FX (Foreign Exchange) Business
Profits generated from the business provided by FXOnline Japan Co. Ltd. will be reflected in the account settlement from the second half under a new category of business type. Despite positive outlook for continued growth of the FX margin trading market during the current term, entry of new competitors into the market and more diversified range of services provided by existing counterparts will add to fierce competition. Although we believe this service will remain highly profitable, increased costs and expenses for marketing activities and reinforcement of internal control system will keep the profit lower than the initial target.

<Important Notes on Outlook of Current Fiscal year>
Information including outlook for business and other reference to future events contained herein have been compiled based on the information to be obtainable by the Company at present as well as those based on certain assumptions which are deemed reasonable by the Company. The actual performance may be widely different from outlook due to various factors.

(Progress of Achievement of Target Management Benchmark)
Our management benchmark is characterized by the high gross profit and ordinary profit margins mainly attributable to high percentage of fee income in the total net revenue. The fees and commissions we receive are compensation for our “financial technology” and “financial know-how,” which have a reputation of being highly value added. However, we expect a drop in the profit due to higher cost of revenues, selling, general and administrative expenses and other expenses incurred from the purchase of FXO shares and issuance of the ¥20,000,000,000 zero coupon convertible bonds due 2012.

(2) Analysis of Financial Conditions
<Assets, Liabilities, Net Assets>
Current status of the assets, liabilities and net assets at the end of the current term are summarized as follows:

1) Current Assets
Current assets of the current term totaled JPY74,375million, up JPY15,798million from the same period last year. The increase is mainly attributable to JPY4,594million rise in cash and deposits and inclusion of the accounts of FXO into the consolidated balance sheet which added a deposit of JPY9,504million to the assets.

2) Fixed Assets
Fixed assets of the current term totaled JPY8,125million, up JPY5,472million from the same period last year. The increase is mainly attributable to allocation of JPY7,318million as goodwill upon purchase of FXO shares.

3) Current Liabilities
Current liabilities of the current term totaled JPY21,428million, up JPY7,400million from the same period last year. The increase is mainly attributable to allocation of JPY9,330million as deposits from customers upon purchase of FXO shares.

4) Fixed Liabilities
Fixed liabilities of the current term totaled JPY34,230million, up JPY11,987million from the same period last year. The increase is mainly attributable to early redemption of the entire amount of the third unsecured convertible bond-type bonds with stock acquisition rights in November 2006 which cost JPY20,000million (short-term borrowing of the same amount was allocated for redemption) and issuance of the ¥20,000,000,000 zero coupon convertible bonds due 2012 in February 2007 which totaled JPY22,170million as well as long-term borrowing of JPY9,087million from the purchase of FXO shares.

5) Net Assets
Net assets of the current term totaled JPY26,840million, up JPY1,883million from the same period last year. The increase is mainly attributable to allocation of JPY1,347million from the increase in FXO minority interest.

As a result of the above, the total assets, liabilities and net assets for the current interim consolidated period totaled JPY82,500million, JPY55,659million and JPY26,840million respectively with the shareholders’ equity ratio of 30.4%.

<Cash Flow Analysis>
Cash and cash equivalents (hereinafter referred to as the "**Funds**") totaled JPY23,501million, up JPY4,783million from JPY18,718million posted at the end of the previous consolidated accounting period.

Below are the cash flows for the current consolidated interim accounting period:

(Cash flows from operating activities)
An increase of JPY2,694million was recorded for the current period whereas the cash flows from operating activities of the previous consolidated interim period suffered a drop by JPY27,596million.

This is mainly attributable to an increase as a result of offsetting JPY4,617million from increased inventory assets and JPY2,180million incurred from payment of the corporate tax with JPY2,337million from increased pre-tax interim net income and JPY7,299milion from reduced principal finance due to contribution of the loan receivables, trade and investments in securities, trade.

(Cash flows from investing activities)
A drop of JPY6,346million was recorded for the current period whereas the cash flows from investing activities of the previous consolidated interim period suffered a drop by JPY6,278million.

This is mainly attributable to an increase as a result of offsetting JPY7,452million spent on purchase of FXO shares with an increased revenue of investments in securities, trade sales of JPY2,876million.

(Cash flows from financing activities)
An increase of JPY8,938million was recorded for the current period whereas the cash flows from financing activities of the previous consolidated interim period enjoyed an increase by JPY45,321million.

This is mainly attributable to an increase as a result of offsetting JPY20,200million as expenditures to redeem the third unsecured convertible bond-type bonds with stock acquisition rights with net income of JPY22,058million from issuance of the ¥20,000,000,000 zero coupon convertible bonds due 2012 as well as an revenue of JPY12,460million from long-term debt.

<FYI - Benchmark Cash Flow Figures>

	Fiscal Year ended September 2004	Fiscal Year ended September 2005	Fiscal Year ended September 2006	Interim Fiscal Year ended March 2007
Shareholders' equity ratio (%)	44.9	42.6	40.7	30.4
Capital-to-asset ratio on a market value basis (%)	-	968.6	195.1	144.0
Cash flow to liabilities with interest ratio (%)	128.3	-	-	725.4
Interest coverage ratio (%)	173.9	-	-	10.3

(Notes)

1. The indexes are calculated with the following formulas, using financial statements on a consolidated base.
   Shareholders' equity ratio: Capital/net assets
   Shareholders' equity ratio on a market value basis: Total market value of stocks/net assets
   Cash flow to liabilities with interest: Liabilities with interest/operating cash flow
   Interest coverage ratio: Operating cash flow/interest payments

• “Operating cash flow” adopts the cash flow from operating activities listed in the consolidated cash flow statement (interim consolidated cash flow statement). Besides, “liabilities with interest” refer to all liabilities with interest listed in the consolidated balance sheet (interim consolidated balance sheet), and “interest payments” are the interest payment amounts listed in the consolidated cash flow statement (interim consolidated cash flow statement).

2. As the Company was unlisted, the capital-to-asset ratio on a market value base for the fiscal year ended September 2004 is not entered.

3. As the operating cash flow for fiscal years ended September 2005 and 2006 had a negative value, the interest coverage ratio is not entered.

4. The liabilities with interest of the cash flow to liabilities with interest of the interim period ended in March 2007 do not include the ¥20,000,000,000 zero coupon convertible bonds due 2012 totaling JPY22,170million issued in February 2007 given that the aforesaid was issued as zero-coupon bond.

(3) Basic Principle on Profit-Sharing and Current Dividend

One of our important management policies regarding profit-sharing is to benefit the shareholders by returning profits while retaining sufficient internal reserves to enable a solid management structure as well as swift and accurate processing of operations. As our basic principle, the Company aims at around 40% of the current net income to be declared as dividends twice a year (interim and term-end). The Company has started to declare interim dividend from the current fiscal year.

The Company is scheduled to declare interim dividend of JPY550, term-end dividend of JPY750, totaling JPY1,300 as annual dividend for the ongoing fiscal year (annual dividend of the previous term stands at JPY5,000, being translated into JPY1,000 in view of the share split-up (1:5) dated October 1, 2006).

(4) Operational and Business Risks

1) Small organization and securing and maintaining staff

With 93 employees (13 temporary and non-permanent staff members are included.) on 31 March, 2007, we are small in size, and so is our internal control system. To overcome this issue, we will continue hiring new staff in line with our scheduled expansion plan to strengthen our internal control systems including the relatively small-sized finance and comptroller department. However, obstacles to our recruitment activities may potentially delay the establishment of an organization suited to the scale of operations, which could affect our operation and growth of business.

Given the specific nature of our business which requires sophisticated know-how, it is imperative to secure sufficient human resources to keep pace with the growth of our business. We are committed to hiring excellent human resources as well as providing in-house training along with the forthcoming expansion of our business. However, if we lose our present staff at once or if we cannot hire new employees as planned, the expansion and future of our business is likely to be affected, including the roll-out of future business.

2) Legal restrictions

The Group may be subject to the following legal restrictions depending on structuring in asset liquidation dealt with by the investment banking headquarters. The improvement and elimination of laws and regulations or changes in their interpretation by the authorities as part of future legislation or administration may lead to changes in the scope of business the Group is allowed to conduct, the costs involved in our business, and the risks we have to take; this may in turn affect the results and continuity of our business. Additional human resources, the establishment of a firewall and other compliance costs are also expected to become necessary for future approvals and licenses required by the laws and regulations indicated below as a result of changes in their interpretation, as well as changes in structuring.

Moreover, in accordance with these laws and regulations and general principles of the Civil Code, liabilities for material misstatement or false statement and liabilities for incorrect advice may also arise. Even if we are not actually responsible, we may face a risk of substantial litigation costs or damage to our reputation by receiving complaints. We may also be subject to penalties, business suspension, or revocation of approval and license incurred from the aforesaid violation of governing laws as well as time spent on regulatory inspections.

Registered as a moneylender under Article 3-1 of the Regulations for Loan Business in Japan (Registration Number: Tokyo Governor (2) No. 28474), we conduct lending operations as part of asset liquidation activities at the Investment Banking Headquarters. The current registration is effective from April 28, 2007 to April 28, 2010.

Article 6 of the Regulation for Loan Business in Japan provides causes for registration refusal and Articles 37 and 38 of the same Law provide causes for cancellation of registration. We are not at this point aware of any causes for registration refusal or for cancellation of registration, but refusal or cancellation of registration (renewal) for any reason in the future may affect our business activities and results as well.

3) Dilution of share value by exercise of share warrant

Based on a special resolution of the general meeting of shareholders held on December 25, 2001, we have granted subscription rights provided under Article 280-19 of the former Commercial Code to our directors, employees and approved supporters. We have also granted share warrants provided under Article 280-20 and -21 of the Commercial Code revised in 2001 to our directors, employees and directors of our subsidiaries or affiliates, based on the special resolutions of the extraordinary general meeting of shareholders on June 16, 2004, the general meeting of shareholders on December 3, 2004, the general meeting of shareholders on December 20, 2005, and the resolutions of the extraordinary directors' meetings on December 1, 2004; December 14, 2004; December 2, 2005; and April 27, 2006.

In addition, based on a resolution of the general meeting of shareholders held on December 20, 2006, we have delegated the Board of Directors rights to compile particulars of the share warrants to be granted on our employees, directors and employees of our subsidiaries. As we plan to sustain this system in the future, the value per share is likely to be diluted if the existing subscription rights and share warrants are exercised. The total number of shares outstanding was 1,191,785, whereas the number of residual securities of share warrants (stock options) was 72,150 as of April 30, 2007. The terms of these share warrants such as the exercisable period and number of shares are set based on the "Share Warrants Grant Agreement" concluded between the Company and share warrant holders.

In February, 2007, we have the ¥20,000,000,000 zero coupon convertible bonds due 2012 ("Euro-yen bonds ") (with a total notional amount of JPY22,170million). The aforesaid Euro-yen bonds is aimed to minimize dilution of the profit per share caused from a conversion price which is above the market value as well as to restrain exercise of share warrants by adding restrictive terms of 120% on conversion. In case of exercise of the share warrants thereof, value per share may be diluted. As of April 30, 2007, the total number of shares outstanding was 1,191,785, whereas the number of residual securities of the share warrants of the Euro-yen bonds was 139,785.

Our consolidated subsidiaries have issued share warrants as well.

4) Business results and financial situation

Our results for the past five years are shown as follows:

Fiscal Year / Account Items	Fiscal year ended September 2002	Fiscal year ended September 2003	Fiscal year ended September 2004	Fiscal year ended September 2005	Fiscal year ended September 2006	Interim Fiscal year ended March 2007
Consolidated Management Target Figure						
Net revenue (thousand yen)	-	195,255	945,051	2,463,575	8,231,713	6,151,674
Ordinary profit or loss (-) (thousand yen)	-	-20,168	462,594	1,571,190	5,581,091	2,432,210
Net income or loss (-) (thousand yen)	-	-72,486	352,937	908,659	3,235,755	1,222,643
Net assets (thousand yen)	-	-9,773	663,164	3,427,073	24,957,929	26,840,932
Total assets (thousand yen)	-	135,931	1,478,601	8,042,288	61,229,108	82,500,313
Number of employees (average number of temporary employees) (persons)	- (-)	8 (1)	11 (2)	30 (4)	55 (6)	93 (13)
Non-consolidated Management Target Figure						
Net revenue(thousand yen)	5,000	195,255	945,051	2,463,575	7,544,427	4,667,087
Ordinary profit or loss (-) (thousand yen)	-156,926	-21,609	463,834	1,603,975	5,480,380	2,854,900
Net income or loss (-) (thousand yen)	-158,772	-73,223	354,215	930,533	3,234,627	1,432,740
Common Stock (thousand yen)	169,385	230,385	550,385	1,303,735	10,624,769	10,680,608
Net assets (thousand yen)	1,665	-10,558	663,657	3,449,440	24,896,403	25,195,894
Total assets (thousand yen)	214,375	137,501	1,480,205	8,015,569	58,595,137	68,642,889
Number of employees (average number of temporary employees) (persons)	10 (1)	8 (1)	11 (2)	23 (4)	42 (6)	55 (10)

Notes 1. Consumption tax is not included in net revenue.
2. Consolidated financial statements have been prepared since the fiscal year ended September 2003.
3. Figures in ( ) represent the average number of temporary and non-permanent staff members hired during the corresponding year.

With the aim of achieving listing, we embarked on a phase of expanding and improving our operations in the fiscal year ended September 2002. Until then, the Company was run by two people: our representative Mr. Tamai and the advisor Mr. Fujii (then chairman); it could survive with just one or two large structured annual transactions. In the fiscal year ended September 2002, despite an increase in our workforce and expanded marketing activities, we posted a substantial loss because certain securitization transactions required between six months and one year to be completed, and also because some transactions were no longer present. Now, our business is mainly managed by the members who weathered this difficult, second "early" period. They have worked to establish a system to efficiently structure many simultaneous transactions to ensure stable sales. In the fiscal year ended September 2004, sales were boosted largely by solid repeated transactions from existing customers and the relatively successful attraction of new customers. Profit margins also improved thanks to our efficient underwriting system. Consequently, past results alone may not give an accurate indication of future performance. Furthermore, given the novelty of our business model which has yet to be established in Japan, there is uncertainty lying ahead in maintaining high profitability backed by growth in sales.

5) Markets surrounding the Company
In general, most assets to be liquidated are real estate. At present, the major products in our arrangement services are also linked with real estate, such as property development securitization. Accordingly, changes to legal and tax accounting rules for real estate securitization and trends in the real estate market may affect our performance. In a broader sense, our business is subject to trends in the financial markets and economic conditions. Market downturns are caused not only by pure economic factors but also by wars, acts of terrorism, and natural disasters. Furthermore, the property development securitization may suffer a delay in completion if environmentally hazardous or poisonous substances are found or remains of historic monuments are excavated at the site of the property during construction process arranged by the Company. All of the aforesaid could affect business performance of the entire group.

6) Clients
Under our arrangement services, we receive arrangement fees from SPCs that are established for each securitization transaction. An SPC is set up to enable securitization of specified assets, and consequently SPCs from which we record sales are different for each transaction. This means that it is necessary for us to acquire transactions through continuous marketing activities, and this trend may have an effect on our performance.

7) Insurance markets
Insurance companies are essential to our credit enhancement operation. Through a joint venture company with Jardine Lloyd Thompson Limited in the UK, we aim to establish a system to provide advice on structuring to meet the needs of the many insurance companies that form the insurance markets in both Japan and abroad. However, the globally unfavorable market conditions caused by terrorism may affect our performance.

8) Principal finance
Our principal finance services involve the provision of investments and loans to structured finance transactions as a supplier of funds. Uncontrollable forces such as higher credit risks of investment destinations, changing real-estate market conditions, and earthquakes may lead to lower-than-expected returns and reduced investment and loan funds. The Group is committed to enhancing commitment amount in the principal finance services which leads to greater risk exposures pertaining to the services including credit risks. In addition, some transactions may suffer potential losses even at a booming time of the industry depending on the position of each transaction. The outstanding balance of investments and loans in the principal finance services is shown as follows:

[Outstanding balance of principal finance]

(Unit : Million yen)

	Fiscal year ended September 2005		Fiscal year ended September 2006		Interim Fiscal year ended March 2007
	First half	Second half	First half	Second half	First Half
New transactions	2,693	6,526	37,340	31,720	26,438
Selling/refinance/arbitrage	39	4,074	5,344	39,617	24,558
Loans receivable, trade	3,295	5,747	37,743	29,846	31,726

* Recorded separately in loan receivables, trade and investments in securities, trade on the consolidated balance sheets.

Liquidity and prompt funding capacities are imperative in performing the principal finance services of the Group hence an insufficient liquidity may lead to loss of business opportunities with clients and counterparties. The liquidity would further be aggravated by the fact that we have limited bank loan credit due to short years of operation in the industry combined with market turmoil, stricter monetary regulations, moves by the commercial banks to reduce sizable loans to property-related deals and other operational issues which may potentially affect our clients and third parties.

9) Competition
Generally speaking, it is difficult to find people in the broader financial sector with experience in our specialized area

of structured finance. Our analysis shows that the supply of services has not kept pace with the rapidly increasing needs for securitization. Our efficient operation system, which allows efficient promotion of business operations by a small team without setting up an excessively large non-marketing department, is also available for relatively small and less profitable transactions. This makes it possible to supply these services to not only major but also to midsize companies. Nevertheless, our business may potentially be affected by intense competitions for winning a deal caused by growing forces of domestic and foreign mega financial groups as well as their entry into the market, launch of a new boutique-style investment bank set up by our retirees or other experts to provide similar financial services as those provided by the Group, or entry into the market by other companies beyond the entry barriers of "efficient business operations", "enhanced and strengthened human resources" and "standardization of financial technology".

10) Obsolescence of financial technology

Despite our sustained efforts to keep our technologies cutting-edge and innovative, the financial technology that encompasses legal, accounting, and tax practices, statistics and mathematics evolves every day. Failure to acquire any of these technologies or to commercialize them as financial products could make our financial technology obsolete and less competitive, which may have a serious effect on our performance. In this respect, the level of technology is more important for us than it is for our peers in the financial industry because we are more like a manufacturer of financial products.

11) Risks concerning newly started Reinsurance/Financial Guarantee Business

The Group is engaged in reinsurance services to provide guarantee for risks entailed in transactions arranged by the Company (credit enhancement), late rent payments, restoration payments and home contents coverage. Risks pertaining to credit enhancement and insurance undertaking are far greater than those incurred from arrangement services. In the reinsurance/financial guarantee business, actual loss may exceed income from undertaking of reinsurance, which may adversely affect the Group's operational performance and financial conditions.

12) Risks associated with strategic investments, mergers, acquisition, or starting new business and factors of uncertainty

The Group intends to expand its core business not only by internal expansion and development but also by means of strategic investment, merger and acquisition. When strategic investment, merger, or acquisition is carried out, the Company will face various factors of uncertainty in combining and consolidating related business services and systems, unifying accounting and data processing systems, managing the Company, adjusting and coordinating relation with customers and business partners. Also, the Company may face difficulties in realizing efficiency of projects, synergy effects, and cost reduction.

Furthermore, while it is considered that success of a merger largely depends on systems, administration, and employees, the Company may lose full control of these factors, and also conflicts or disagreements between the Group and the merger partner may have an adverse effect on the business of the Group. There is also a concern over dilution in value of existing shares that may result from issuance of new shares as a consequence of merger or acquisition.

Naturally, significant resources are required to expand and grow the existing business operations, start up new businesses, and propose new products. Therefore, the Company may face a large amount of unpredicted loss, cost, and liabilities. Since the expansion of the business, mergers and acquisitions requires careful management, the management of the Company may fail to pay attention to other business operations. Those factors that could affect capital, shares, and management abilities of the Company may have a grave impact on the management of the Group.

The Group is committed to expanding our structured finance services into the non-property industries and the key to success in this plan depends on capacity to accurately identify demands of each industry for structured finance services and it failure may adversely affect the management performance and financial status of the Group.

13) Operational and financial risks arising from acquisition of shares issued by FXOnline Japan Co., Ltd.

We have purchased shares issued by FXOnline Japan Co., Ltd. (hereinafter referred to as "**FXO**") in January and March 2007. FXO is a newly-established private company launched in 2002 aimed to provide online FX margin trading services targeting retail clients. FXO joined the Company as a consolidated subsidiary through the aforesaid purchase of shares. We believe that the services provided by FXO focusing on online trading to retail clients have immense growth potential, however on the other hand, we are fully aware that the aforesaid purchase of shares and operations of FXO may severely affect our entire group operations given the relatively-large amount of money invested by the Company in FXO as compared to our size of business. Conceivable setbacks caused by the aforesaid are described as follows:

I) Despite the fact that FXO became our consolidated subsidiary, the shares we bought from FXO comprise less than half of the total outstanding shares issued with voting rights therefore we shall hold no right in the management of FXO and the founding members cum shareholders of FXO will continue to take control of the management in accordance with relevant agreements. Furthermore, despite the sizable amount of our investment in FXO, failure in achieving our initial targets in the FXO business may result in lower-than-expected investment returns.

II) In purchasing the aforesaid shares of FXO, we have rendered JPY7billion as goodwill which is equivalent to the sum derived from subtracting the net asset of FXO from the share purchase price and will be subject to depreciation in five years. We expect FXO to achieve higher profits than the depreciation value in the forthcoming five years however there is no guarantee and failure by FXO to perform the business as scheduled may force the Group to realize all or part of the undepreciated portion at that time as losses which may have a grave impact on the performance of the Group.

III) Another potential risk factor pertaining FXO is the undeveloped corporate governance structures (including internal control system) in contrast to the rapid growth of FXO pushed by innovative business model launched in 2002. Failure to strengthen this weakness may result in regulatory measures imposed by authorities as well as additional costs incurred from reinforcement of the corporate governance system and relevant human resources.

There may arise wide-ranged confidentiality risks including protection of personal information under the relevant laws of Japan as FXO provides online trading services to retail clients. Violation of the relevant laws and regulations including mishandling of personal information shall be subject to regulatory measures which would result in significant damage of corporate credibility. Furthermore, heavy dependence on third-party service providers who are in no capital alliance with FXO both in terms of hardware and software may pose a risk of suspension of providing suitable services on a continued basis which should deal a severe blow to the Company.

In terms of marketing and sales, we have seen a steady growth in the number of clients however we may lose our clients in the event of huge losses suffered by them due to foreign exchange volatility.

2. Current Status of the Group

Our Group consists of the Company, 23 consolidated subsidiaries, and 6 non-consolidated subsidiaries, allowing it to operate as a boutique-type investment bank. The Company is at the core of the Group, and it focuses on more sophisticated and specialized investment banking operations, in the sphere of structured finance only, while mega banks provide a wider and more diverse range of services.

Described below are the operations of our major subsidiaries.

FinTech Global Securities, Inc. is engaged in intermediation of products (such as loan credits and investment securities) developed by the Company and sales of overseas alternative funds.

FinTech Capital Risk Solutions Incorporated is a joint venture with Jardine Lloyd Thompson Limited in the UK, the largest insurance broker in Europe and through which the Company provides arrangements with credit enhancement in cross-boarder transactions.

FinTech Real Estate, Inc. seizes profit-earning opportunities (such as property brokerage services and investments in Silent Partnerships (Tokumei Kumiai)s) in real estate service, which derive from the Company’s operations.

Entrust Inc. provides a guarantee for late rent payments and restoration payments for major, domestic and local property management companies. Having held Stellar Capital AG in Switzerland as a final guarantor, the Group has established a position as a one-stop service provider in the aforesaid field.

ASAP Payment System Inc. is engaged in factoring services for credit cards.

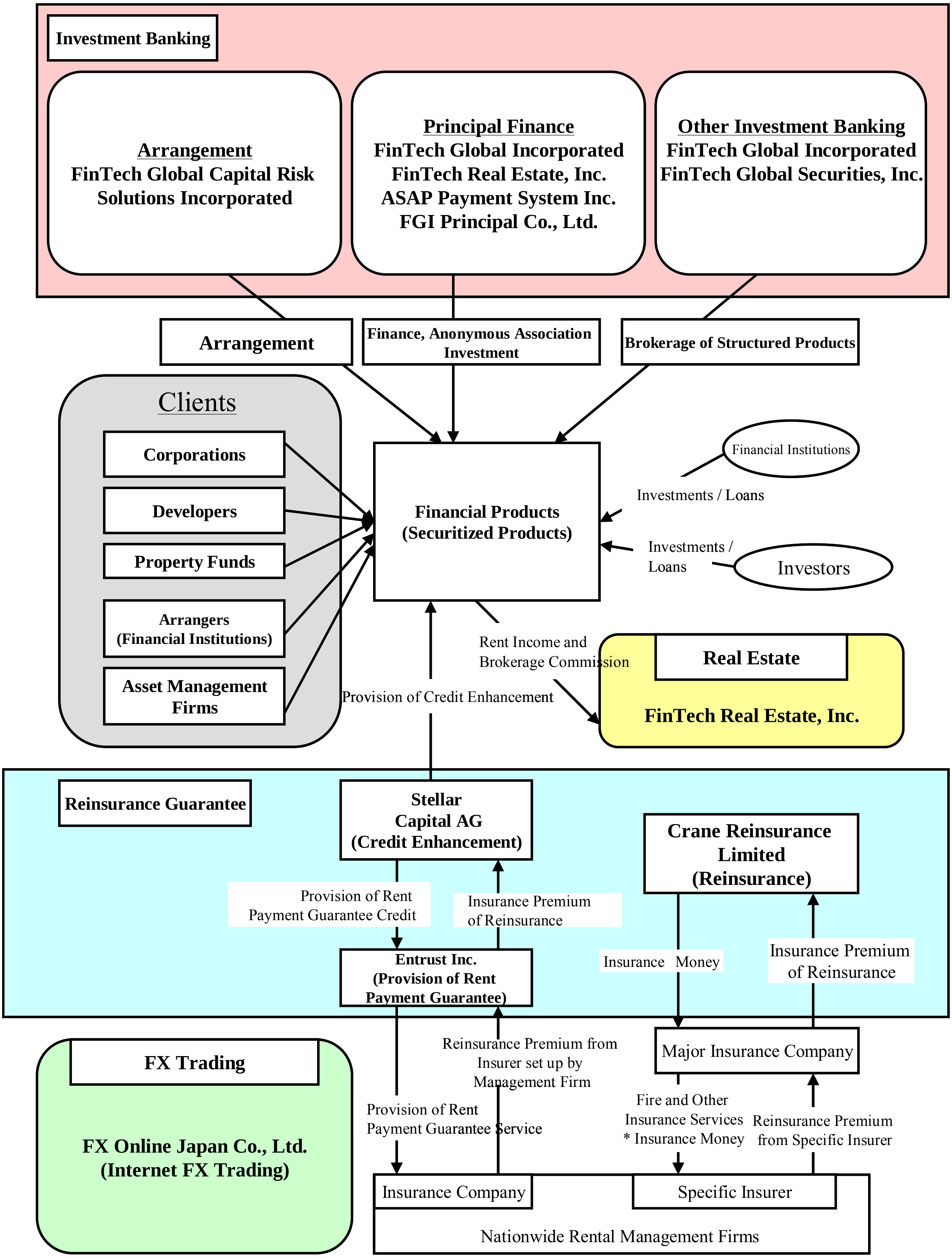
Stellar Capital AG is based in Switzerland and provides credit enhancement services for transactions arranged by the Company. This company also undertakes ultimate guarantee as mentioned above such as for late rent payments and restoration payments of properties.

Crane Reinsurance Limited, in Bermuda, is engaged in reinsurance business for home contents guarantee contracts held by major property management companies in Japan.

FXOnline Japan Co., Ltd. provides online FX margin trading services and became our consolidated subsidiary upon acquisition of 44.99% of its total outstanding shares issued in January and March 2007. As 1 April, 2007 is considered to be the date of purchase, the balance sheet of FXO has been reflected in the interim consolidated balance sheet of the Group but the profit and loss statement has been excluded.

The systematic chart of our group business is shown in the following page.

Systematic Chart of Group Business



3. Management Policy

(1) Fundamental Management Principles of the Company

The business of our Group consists of investment banking, reinsurance/financial guarantee, and property-related business operations.

The investment banking business consists of arrangement operations, which specifically structures transactions in structured finance; principal finance operations, which seize profit-earning opportunities with the Company participating in transactions arranged for itself as a lender; and other investment banking operations including administration services for transactions arranged by the Company as well as operations of FinTech Global Securities, Inc. Our main strength lies in maximizing the financial benefits for our clients using our comprehensive capabilities in these three types of operations. Given the continued strength of products related to real estate securitization and diversified needs for the securitization of money claims with the application of asset-impairment accounting and increasing needs for off-balance-sheet corporate assets in structured financing, we can identify needs in every industry and in companies of all size; we believe that the business environment surrounding our Company has improved.

In reinsurance/financial guarantee business, our Group companies Stellar Capital AG in Switzerland serves as subject entity in offering credit enhancement services to transactions arranged by the Company, which contributes to stability of schemes. Our Group companies also serve as ultimate guarantors for late rent payments and restoration payments in the business of Entrust Inc., which allows the Group to establish a one-stop system. Crane Reinsurance Limited in Bermuda underwrites reinsurance for fire and home contents coverage.

In the realm of the property-related business, we have wide-ranged services such as development, sale and purchase, rental and brokerage of properties derived from our investment banking business.

In order to ensure continued growth of the Group, we should aim at "precise identification of clients' demands" "establishment of new financial technologies" and "development of new financial products". To this end, we aim to develop financial technologies that cover legal, accounting, tax practices, statistics and mathematics while striving to learn and maintain advanced and innovative financial technologies as well as to commercialize them as financial products.

(2) Target Management Benchmark

Our management benchmark is characterized by a high gross profit and ordinary profit margins. Standardization of our financial products has bolstered sales and reduced costs, resulting in a consolidated gross profit margin of 69.8% for the interim accounting period and a ordinary profit margin of 39.5%.

These results are attributable to that our sales derive mostly from commission income. The fees and commissions we receive are compensation for our "financial technology" and "financial know-how," which have a reputation of being highly value added. Given that we may expect the strong demand for our technology to continue and our sales to rise, we will pursue efficient way of earning profits.

(3) Medium and Long-Term Management Strategy of the Company

1) Main products

Our main product is real-estate securitization, particularly property development securitization. Property development securitization using funds is simply a "green harvest," while we arrange a complete project finance type of securitization with no specific exits (buyers upon completion of a construction project) to win support from developers.

Our analysis shows that property development securitization is not susceptible to changes in the economic environment. The demand for development funds exist even in a depressed real estate markets, and it is a sign of the strength of financial institutions when they restrain supply of funds.

Improving our arrangement processing capabilities by increasing the number of our staff allows aggressive new business development to acquire core, real estate-related arrangement transactions. We will therefore continue our policy of expanding sales volume as well as raising awareness of various industries about the benefits of structured finance.

2) Derivative products

In the property development securitization transactions we have arranged, a number of projects including block-investment condominiums are scheduled to be completed. As we expect many business opportunities derive from property development securitization, such as the liquidation of real estate for profit and the structuring of private placement investment funds, we believe that our real estate-related products will remain viable as a pillar of our future businesses.

3) Development of new products
As our business foundation has improved with solid core products, we hope to create new hit products by allocating some of our management resources, such as staff, to the development of new products. We recognize the benefits of structured finance among companies of every size and in every industry and will do our best to meet the financial needs of our clients.

4) Principal finance
We make loans and investments in the structured finance transactions we have arranged (including investments in Silent Partnership (Tokumei Kumiai)s and mezzanine loans) as a supplier of funds (investor or lender).

Our advanced financial capabilities allow us to seize opportunities to implement principal finance and to continue to increase our outstanding balance. On the other hand, we will find a balance between reducing total assets (preventing a decline in ROA and limiting an increase in liabilities) and securing profits using arbitrage transactions by moving the securitization of principal loans off the balance sheet (by selling or arbitrage) every time the outstanding balance of principal finance reaches about JPY5billion.

5) Reinsurance/financial guarantee business
The Company established Stellar Capital AG in Switzerland in March 2006 to offer credit enhancement services. Stellar Capital AG provides credit enhancement facilities for transactions that the Company itself arranges, increasing the stability of such transactions and enabling the Company to arrange transactions not normally possible. This company also serves as a final guarantor for both late rent and restoration payments of Entrust Inc., allowing the Company to establish a one-stop system within the Group. The Company also established and started operations of Crane Reinsurance Limited in Bermuda in March 2006 as a subsidiary of Stellar Capital AG. Crane Reinsurance Limited proactively underwrites reinsurance for fire and home contents coverage retained by large property management companies in Japan.

(4) Operational and Organizational Challenges

1) Securitization Program of Principal Finance Loan Credits
With a view to completion of the prolonged establishment of marketing structures of loan credit securitization by FinTech Global Securities, Inc., we will launch aggressive marketing of the aforesaid from the second half of the year aimed at a solid operational infrastructure as well as a greater profit of the Group.

2) Development of New Products
It is an imminent task to develop new products to cope with the issue of obsolescence of the existing products. As a result of massive investment operations at the sacrifice of winning new clients for the property development securitization since the last period, we have achieved a considerable number of R&D deals up to the present. We will strive to identify clients' demands precisely in order to prompt product planning in future.

3) Securing of Human Resources
With this situation where the supply of our human resources has not overtaken the emergence of needs for structured financing, the Company needs to build a training system for new employees in an organized fashion. The number of employees in the mainstream of the Company including senior class ones who are central players is steadily increasing and the Company is now able to hire between 30 and 50 new employees per year in the future. The Company intends to increase the number of its employees.

4) The Group Companies
Most of the subsidiaries of the Company have been founded by the Company itself to cover the derivative and relevant fields within the scope of the operational base under the direct control of the Company. Although the Company is less susceptible to business risks compared with corporate groups built on M&A, this approach takes considerable time and a lot of effort during the starting-up period. The Company intends to keep its strenuous efforts to bring all its subsidiaries on track as soon as possible.

5) Organization
We need a stronger-than-ever governance to keep the increasing number of group companies and growing scope of operations in order. To meet this end, we have taken several measures including launch of a compliance committee consisting of the incumbent and former top management officials from major financial institutions and knowledgeable experts, compilation of specific measures in response to the enactment of the Japanese SOX Act, promotion of system integration for greater IT efficiency. The Company will strive to achieve a sophisticated organizational structure as well.

(5) Other Important Management Issues

In compliance with our policy to eliminate transactions which may arise doubts and suspicions, a subletting contract of an office space to a corporation, 60% of the voting rights thereof have been held by a director of the Company and his close relatives, was terminated on 31 March, 2007 despite precautionary measures taken by the Company to avoid possible conflict of interests by way of subletting part of the rent buildings by the Company to the aforesaid corporation in accordance with the area for use under the same terms and conditions with those applicable to the Company. We will continue to uphold this policy in future.

Interim Consolidated Financial Statements

FinTech Global Incorporated and Consolidated Subsidiaries

As of and for the six months ended March 31, 2007

I Interim Consolidated Balance Sheets

		Interim Fiscal 2006 (As of March 31, 2006)			**Interim Fiscal 2007** (As of March 31, 2007)			**Fiscal Year 2006** [Summary] (As of September 30, 2006)		
	Notes No.	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)
(Assets)										
I Current assets										
1 Cash and time deposits	*1		13,302,232			23,501,789			18,907,675	
2 Deposits	*8		-			9,504,103			-	
3 Accounts receivable, trade			13,927			31,907			13,525	
4 Investments in securities, trade			389,510			658,451			439,512	
5 Inventory	*1,6		606			4,410,512			8,586,337	
6 Loans receivable, trade	*1		37,353,589			31,068,189			29,406,589	
7 Short-term loans			4,000,000			-			-	
8 Other current assets			332,271			5,292,900			1,310,878	
Allowance for doubtful accounts			-			△92,560			△88,219	
Total current assets			55,392,137	95.5		74,375,293	90.1		58,576,299	95.7
II Fixed assets										
1 Property, plant and equipment	*2									
(1) Buildings		50,943			135,572			48,585		
(2) Furniture and equipment		15,579	66,523		101,268	236,840		19,885	68,471	
2 Intangible fixed assets										
(1) Goodwill		-			7,340,950			-		
(2) Others		25,368	25,368		38,543	7,379,494		103,735	103,735	
3 Investments and other assets			2,535,146			508,684			2,480,602	
Total fixed assets			2,627,038	4.5		8,125,019	9.9		2,652,808	4.3
Total assets			58,019,176	100.0		82,500,313	100.0		61,229,108	100.0

	Notes No.	Interim Fiscal 2006 (As of March 31, 2006) Amount (Thousands of yen)	Of Total (%)	Interim Fiscal 2007 (As of March 31, 2007) Amount (Thousands of yen)	Of Total (%)	Fiscal Year 2006 [Summary] (As of September 30, 2006) Amount (Thousands of yen)	Of Total (%)
(Liabilities)							
I Current liabilities							
1 Accounts payable, trade		29,435		44,200		51,119	
2 Short-term debt	*1,6	27,375,000		6,176,900		6,330,500	
3 Bank loans, trade	*1	4,627,175		-		3,094,325	
4 Long-term debt due within one year	*1	170,256		2,068,856		173,056	
5 Income taxes payable		915,275		1,901,700		2,304,894	
6 Accrued bonuses		25,035		85,789		80,000	
7 Reserve for directors` and corporate auditors` bonuses		-		9,525		-	
8 Deposits from customers	*9	-		9,330,653		-	
9 Other current liabilities		1,763,689		1,811,219		1,994,680	
Total current liabilities		34,905,866	60.2	21,428,843	26.0	14,028,576	22.9
II Long-term liabilities							
1 Bonds with stock acquisition rights		-		22,170,000		20,000,000	
2 Long-term debt	*1	301,620		11,303,916		2,216,492	
3 Accrued retirement benefits		3,093		10,565		4,335	
4 Other long-term liabilities		19,950		746,055		21,775	
Total long-term liabilities		324,663	0.6	34,230,536	41,5	22,242,602	36.3
Total liabilities		35,230,530	60.8	55,659,380	67.5	36,271,178	59.2
(Minority interests)							
Minority interests		74,874	0.1	-	-	-	-
(Shareholders' Equity)							
I Common stock		10,555,135	18.2	-	-	-	-
II Additional paid-in capital		10,351,900	17.8	-	-	-	-
III Retained earnings		1,810,114	3.1	-	-	-	-
IV Treasury stocks		△3,379	△0.0	-	-	-	-
Total shareholders' equity		22,713,770	39.1	-	-	-	-
Total liabilities, minority interests and shareholders' equity		58,019,176	100.0	-	-	-	-

		Interim Fiscal 2006 (As of March 31, 2006)		Interim Fiscal 2007 (As of March 31, 2007)		Fiscal Year 2006 [Summary] (As of September 30, 2006)	
	Notes No.	Amount (Thousands of yen)	Of Total (%)	Amount (Thousands of yen)	Of Total (%)	Amount (Thousands of yen)	Of Total (%)
(Net assets)							
I Shareholders` equity							
1 Common stock		-	-	10,680,608	13.0	10,624,769	17.4
2 Additional paid-in capital		-	-	10,351,900	12.5	10,351,900	16.9
3 Retained earnings		-	-	4,049,820	4.9	3,882,974	6.3
Total shareholders` equity		-	-	25,082,328	30.4	24,859,644	40.6
II Valuation and translation adjustments							
Net unrealized gain/(loss) on other securities		-	-	7,710	0.0	28,321	0.1
Total valuation and translation adjustment		-	-	7,710	0.0	28,321	0.1
III Minority interests		-	-	1,750,893	2.1	69,963	0.1
Total net assets		-	-	26,840,932	32.5	24,957,929	40.8
Total liabilities and net assets		-	-	82,500,313	100.0	61,229,108	100.0

II Interim Consolidated Statements of Income

		Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)			**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)			**Fiscal Year 2006** [Summary] (From October1, 2005 to September 30, 2006)		
	Notes No.	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)
I Net revenue										
1 Investment banking business	*1	2,862,237			4,467,445			7,745,562		
2 Reinsurance/financial guarantee business	*2	30,597			815,040			476,277		
3 Real estate related business		-			869,188			-		
4 Other business			2,892,835	100.0	-	6,151,674	100.0	9,873	8,231,713	100.0
II Cost of revenue			160,972	5.6		1,856,676	30.2		622,716	7.6
Gross profit			2,731,862	94.4		4,294,997	69.8		7,608,997	92.4
III Selling, general and administrative expenses	*3		602,819	20.8		1,679,644	27.3		1,687,114	20.5
Operating income			2,129,043	73.6		2,615,352	42.5		5,921,883	71.9
IV Other Income										
1 Interest income		6,756			40,937			53,454		
2 Profits from investments in securities, trade		-			159,331			-		
3 Profits from money trusts		-			67,419			-		
4 Other		182	6,939	0.2	3,524	271,214	4.4	5,636	59,091	0.7
V Other Expenses										
1 Interest expense		19,027			134,863			89,916		
2 Stock issuance costs		87,378			-			-		
3 Stock distribution costs		-			3,120			112,675		
4 Bond issuance costs		11,741			52,329			18,092		
5 Loss on redemption of bonds with stock acquisition rights		-			200,000			50,000		
6 Syndicate loan fee		25,384			-			86,575		
7 Others		1,133	144,665	5.0	64,043	454,356	7.4	42,622	399,883	4.9
Ordinary profit			1,991,316	68.8		2,432,210	39.5		5,581,091	67.8
VI Extraordinary profit										
1 Equity fluctuation income		-	-	-	11,720	11,720	0.2	-	-	-
VII Extraordinary loss										
1 Impairment loss on fixed assets	*4	-			66,817			-		
2 Head office relocation expenses		-			39,770	106,588	1.7	-		
Income before income taxes			1,991,316	68.8		2,337,342	38.0		5,581,091	67.8
Income taxes		881,601			1,093,978			2,581,258		
Income tax adjustment		△29,324	852,277	29.5	86,479	1,180,458	19.2	△196,714	2,384,543	29.0
Minority interests			20,477	△0.7		65,759	1.1		39,208	0.5
Net income			1,159,516	40.0		1,222,643	19.9		3,235,755	39.3

III Interim Consolidated Statement of Surplus or Interim Consolidated Statements of Changes in Net Assets

(1) Interim Consolidated Statement of Surplus

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)

		Interim Fiscal 2006 (From October 1, 2005 To March 31, 2006)	
	Notes No.	Amount (Thousands of yen)	
(Additional paid-in capital)			
I Additional paid-in capital at beginning of year			1,101,900
II Net increase in additional paid-in capital			
New shares issued for the exercise of stock acquisition rights (stock options)		9,250,000	9,250,000
III Additional paid-in capital as of March 31, 2006			10,351,900
(Retained Earnings)			
I Retained earnings at beginning of year			1,021,438
II Net increase in retained earnings			
Net income		1,159,516	1,159,516
III Net decrease in retained earnings			
1. Dividends		369,009	
2. Decrease accompanying increase in number of consolidated subsidiaries		1,831	370,840
IV Retained earnings as of March 31, 2006			1,810,114

(2) Interim Consolidated Statements of Changes in Net Assets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007) (Thousands of yen)

	Shareholders` equity			
	Common Stock	Additional paid-in capital	Retained earnings	Total shareholders` equity
Balance as of September 30, 2006	10,624,769	10,351,900	3,882,974	24,859,644
Changes during the interim fiscal year				
Issuance of Common Stock	55,838	-	-	55,838
Dividends	-	-	△1,183,110	△1,183,110
Net income	-	-	1,222,643	1,222,643
Increase due to decrease in number of consolidated subsidiaries	-	-	127,312	127,312
Net changes of items other than shareholders` equity	-	-	-	-
Total changes during the interim fiscal year	55,838	-	166,846	222,684
Balance as of March 31, 2007	10,680,608	10,351,900	4,049,820	25,082,328

	Valuation and translation adjustments		Minority interests	Total net assets
	Net unrealized gain/(loss) on other securities	Total valuation and translation		
Balance as of September 30, 2006	28,321	28,321	69,963	24,957,929
Changes during the interim fiscal year				
Issuance of Common Stock	-	-	-	55,838
Dividends	-	-	-	△1,183,110
Net income	-	-	-	1,222,643
Increase due to decrease in number of consolidated subsidiaries	-	-	-	127,312
Net changes of items other than shareholders` equity	△20,611	△20,611	1,680,930	1,660,319
Total changes during the interim fiscal year	△20,611	△20,611	1,680,930	1,883,003
Balance as of March 31, 2007	7,710	7,710	1,750,893	26,840,932

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006) (Thousands of yen)

	Shareholders` equity				
	Common Stock	Additional paid-in capital	Retained earnings	Treasury stocks	Total shareholders` equity
Balance as of September 30, 2005	1,303,735	1,101,900	1,021,438	-	3,427,073
Changes during the interim fiscal year					
Issuance of Common Stock	9,321,034	9,250,000	-	-	18,571,034
Dividends	-	-	△369,009	-	△369,009
Net income	-	-	3,235,755	-	3,235,755
Acquisition of treasury stocks	-	-	-	△3,379	△3,379
Disposition of treasury stocks	-	-	△3,379	3,379	-
Decrease due to increase in number of consolidated subsidiaries	-	-	△1,831	-	△1,831
Net changes of items other than shareholders` equity	-	-	-	-	-
Total changes during the fiscal year	9,321,034	9,250,000	2,861,536	-	21,432,570
Balance as of September 30, 2006	10,624,769	10,351,900	3,882,974	-	24,859,644

	Valuation and translation adjustments		Minority interests	Total net assets
	Net unrealized gain/(loss) on other securities	Total valuation and translation		
Balance as of September 30, 2005	-	-	49,520	3,476,593
Changes during the interim fiscal year				
Issuance of Common Stock	-	-	-	18,571,034
Dividends	-	-	-	△369,009
Net income	-	-	-	3,235,755
Acquisition of treasury stocks	-	-	-	△3,379
Disposition of treasury stocks	-	-	-	-
Decrease due to increase in number of consolidated subsidiaries	-	-	-	△1,831
Net changes of items other than shareholders` equity	28,321	28,321	20,443	48,764
Total changes during the fiscal year	28,321	28,321	20,443	21,481,335
Balance as of September 30, 2006	28,321	28,321	69,963	24,957,929

IV Interim Consolidated Statements of Cash Flows

		Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)
	Notes No.	Amount (Thousands of yen)	Amount (Thousands of yen)	Amount (Thousands of yen)
I Cash flows from operating activities				
Income before income taxes		1,991,316	2,337,342	5,581,091
Depreciation and amortization		7,189	16,942	15,172
Increase (decrease) in accrued bonus		9,478	□7,309	64,442
Increase (decrease) in accrued retirement benefits		722	6,230	1,964
Amortization of guarantee charges		83	66	149
Interest income		△6,756	△40,937	△53,454
Interest expense		19,027	-	89,916
Cost of funds and interest expense		-	276,920	-
Stock issuance costs		87,378	-	-
Stock distribution costs		-	3,120	112,675
Bonds issuance costs		11,741	111,699	18,092
(Increase) decrease in trade receivable		△13,913	△18,382	△13,511
(Increase) decrease in investments in securities, trade		△6,480	△218,938	△56,482
(Increase) decrease in inventory		△442	△4,617,941	△□6,255,562
(Increase) decrease in loans receivable, trade		△31,989,589	7,518,400	△24,572,589
Increase (decrease) in accounts payable, trade		△7,763	△6,919	13,921
Increase (decrease) in bank loans, trade		1,559,975	-	27,125
Increase (decrease) in accrued liabilities		514,212	185,845	24,385
Increase (decrease) in accrued expenses		58,323	△25,843	87,720
Others		815,346	△429,085	1,649,888
Subtotal		△26,950,148	5,091,209	△23,265,052
Interest income received		588	45,335	55,400
Interest expense paid		△11,744	△261,182	△63,229
Income taxes paid		△635,448	△2,180,431	△993,306
Net cash used in operating activities		△27,596,752	2,694,931	△24,266,188

		Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)
II Cash flows from investing activities				
Payment for purchase of property, plant and equipment		△9,465	△184,132	△28,535
Payment for purchase of investments in securities		△2,272,195	△669,957	△2,144,956
Proceeds from sale of investments in securities		-	2,876,289	-
Payment for acquiring investment in capital		△33,000	△5,000	△48,049
Payment for loan receivable		△4,000,000	-	△6,000,000
Payment of security deposits		△900	△145,453	△67,550
Refund of security deposits		1,312	104,931	4,474
Cash paid for purchase of newly consolidated subsidiaries		-	△7,452,020	△53,730
Others		35,665	△871,317	5,421,746
Net cash used for investing activities		△6,278,582	△6,346,661	△2,916,601
III Cash flows from financing activities				
Increase in short-term debt (net)		26,915,000	△53,600	3,926,500
Proceeds from long-term debt		400,000	12,460,352	2,400,000
Repayment of long-term debt		△20,172	△4,571,453	△102,500
Proceeds from issuance of bonds		18,488,258	22,058,300	48,481,857
Redemptions of bonds		-	△20,200,000	△10,050,000
Proceeds from issuance of commom stock		-	52,717	42,674
Payments for issuance of common stock		△85,978	-	△73,115
Dividends paid		△366,459	△1,174,973	△367,360
Proceeds from issuance of common stock to minority shareholders		25,000	377,537	25,000
Others		△34,464	△10,650	△35,834
Net cash provided by financing activities		45,321,184	8,938,231	44,247,222
IV Effect of exchange rate changes on cash and cash equivalents		-	△23,931	△13,139
V Net increase in cash and cash equivalents		11,445,849	5,262,570	17,051,293
VI Cash and cash equivalents at the beginning of Period		1,659,843	18,718,675	1,659,843
VII Cash and cash equivalents of newly consolidated subsidiaries		7,539	3,000	7,539
VIII Decrease in cash and cash equivalents due to deconsolidation of subsidiaries		-	△482,457	-
IX Cash and cash equivalents at the end of period	*1	13,113,232	23,501,789	18,718,675

Significant Policies to Prepare Interim Consolidated Financial Statements

Item	**Interim Fiscal 2006** (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
1. Scope of Consolidation	(1) Number of consolidated subsidiaries: 6 Names of consolidated subsidiaries: • FinTech Capital Risk Solutions Incorporated • FinTech Global Securities, Inc. • FinTech Real Estate, Inc. • Stellar Capital AG • Stellar Re. Limited • Entrust, Inc. Stellar Capital AG, Stellar Re. Limited and Entrust, Inc. were newly established and included in consolidation. FinTech Real Estate, Inc. has been consolidated because of the increased importance on the consolidation.	(1) Number of consolidated subsidiaries: 23 Names of major consolidated subsidiaries: • FinTech Capital Risk Solutions Incorporated • FinTech Global Securities, Inc. • FinTech Real Estate, Inc. • Stellar Capital AG • Crane Reinsurance Limited • Entrust, Inc. • ASAP Payment System Inc. • FGI Principal Co., Ltd. • FX Online Japan Co., Ltd. • FinTech Global Asset Management Inc. FinTech Global Asset Management Inc. was newly established and included in consolidation. FGI Medical Finance Co., Ltd. and FX Online Japan Co., Ltd. have become consolidated subsidiaries due to the acquisition of voting rights. Godo Kaisha Temp Moderate Udagawa-cho Kaihatsu, FGI Investment Three Incorporated, Yugen Kaisya Hibiki, and four Silent Partnerships (Tokumei Kumiai) have also been consolidated due to the fact that FinTech Global Incorporated (hereinafter refered referred to as “the Company”) substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. Furthermore, FGI Principal Co., Ltd. has been consolidated because it was material to medium- and long-term business strategies. TSM Fifteen Incorporated has been excluded from consolidation due to the fact that the Company does not assume the majority of rights and duties nor the risks associated with profits and losses of the company. TSM Thirty Incorporated had become a consolidated subsidiary and later excluded from consolidation during the interim fiscal 2007 depending upon whether the Company substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of the company. Profits and losses during the consolidated period are included in the interim consolidated financial statements.	(1) Number of consolidated subsidiaries: 13 Names of consolidated subsidiaries: • FinTech Capital Risk Solutions Incorporated • FinTech Global Securities, Inc. • FinTech Real Estate, Inc. • Stellar Capital AG • Crane Reinsurance Ltd • Entrust, Inc. • ASAP Payment System Inc. • TSM Fifteen Incorporated • FGI Investment Two Incorporated • TSM Fourteen Incorporated • Blenheim Partners One Incorporated • two Silent Partnerships (Tokumei Kumiai) Stellar Capital AG, Crane Reinsurance Limited and Entrust, Inc. were newly established and included in consolidation. ASAP Payment System Inc. has become a consolidated subsidiary due to the acquisition of voting rights. TSM Fifteen Incorporated, FGI Investment Two Incorporated, TSM Fourteen Incorporated, Blenheim Partners One Incorporated and two Silent Partnerships (Tokumei Kumiai) have also been consolidated due to the fact that FinTech Global Incorporated (hereinafter refered referred to as “the Company”) substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. FinTech Real Estate, Inc has been consolidated because of the increased importance on the consolidation.

Item	**Interim Fiscal 2006** (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
1. Scope of Consolidation	(2) Names of unconsolidated subsidiaries ———	(2) Names of unconsolidated subsidiaries: • RF Funding One Incorporated • one Silent Partnership (Tokumei Kumiai) • FinTech Global Capital, LLC	(2) Names of unconsolidated subsidiaries: • RF Funding One • one Silent Partnership (Tokumei Kumiai) • FGI Principal Co., Limited FGI Principal Co., Limited changed its Japanese company format from Yugen Kaisya to Kabushiki Kaisya in November 2006.
	(Reasons for excluding from the scope of consolidation) ———	(Reasons for excluding from the scope of consolidation) The unconsolidated subsidiaries are small, and their total assets, net revenue, interim net income and losses (amount proportionate to equity share), and retained earnings (amount proportionate to equity share) have no material impact on the interim consolidated financial statements.	(Reasons for excluding from the scope of consolidation) The unconsolidated subsidiaries are small, and their total assets, net revenue, net income and losses (amount proportionate to equity share), and retained earnings (amount proportionate to equity share) have no material impact on the consolidated financial statements.
2. Application of the Equity method	(1) Number of unconsolidated subsidiaries accounted for by the equity method: ———	(1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 6 Names of those companies: • RF Funding One Incorporated • TSM Fifteen Incorporated • TSM Seventeen Incorporated • three Silent Partnership (Tokumei Kumiai) TSM Fifteen Incorporated, TSM Seventeen Incorporated, and two Silent Partnership (Tokumei Kumiai) have been accounted for by the equity method due to the fact that the Company substantially assumes the certain part of rights and duties as well as the risks associated with the profits and losses of those companies.	(1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 2 Names of those companies: • RF Funding One Incorporated • one Silent Partnership (Tokumei Kumiai) RF Funding One Incorporated and one Silent Partnership (Tokumei Kumiai) have been accounted for by the equity method due to the fact that the Company retains operating executive rights over those companies. (Change in Accounting Policy) "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Association" (issued on 8 September 2006 by the Accounting Standard Board of Japan) is adopted effective as of the fiscal year 2006. Upon the adoption of Practical Issues Task Force No. 20, RF Funding One Incorporated and one Silent Partnership (Tokumei Kumiai) are newly accounted for using the equity method from the fiscal year 2006. As a result of this change, there is no impact on income and losses in this interim consolidated financial statements compared to what would have been reported under the previous accounting standard.
	(2) Names of unconsolidated subsidiaries and affiliates which are not accounted for by the equity method: • Quintet Advisor Co., Ltd. • JBFintech Capital, Inc.	(2) Names of unconsolidated subsidiaries and affiliates which are not accounted for by the equity method: • FinTech Global Capital, LLC	(2) Names of unconsolidated subsidiaries and affiliates which are not accounted for by the equity method: • JBFinTech Capital, Inc. • FinTech Global Capital, LLC • FGI Principal Co., Ltd.
	(Reasons for not applying the equity method) Those companies are excluded from consolidation because they have a minimal impact on interim net income (amount proportionate to equity share) and retained earnings (amount	(Reasons for not applying the equity method) Same as at left	(Reasons for not applying the equity method) Those companies are excluded from consolidation because they have a minimal impact on net income (amount proportionate to equity share) and retained earnings (amount

Item	**Interim Fiscal 2006** (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
	proportionate to equity share), and also little in significance as a whole.		proportionate to equity share), and also little in significance as a whole.
3. Fiscal Year Ends of Consolidated Subsidiaries	Subsidiaries; FinTech Capital Risk Solutions Incorporated and FinTech Global Securities, Inc. with interim fiscal year ends at June 30 and September 30, respectively, are consolidated based on their preliminary financial statements as of March 31. Subsidiaries: FinTech Real Estate, Inc., Stellar Capital AG, Entrust, Inc., and Stellar Re. Limited with interim fiscal year ends at March 31 are consolidated based on the financial statements as of March 31.	Interim fiscal year ends for consolidated subsidiaries: End of January: 1 End of March: 9 End of May: 2 End of June: 1 End of July: 2 End of September: 4 End of December: 4 Subsidiaries with interim fiscal year ends at May 31, June 30, July 31 and September 30 are consolidated based on their preliminary financial statements as of March 31. Subsidiaries with interim fiscal year ends at December 31 and January 31 are consolidated based on the financial statements for their respective interim fiscal year ends. Significant transactions occurring during the intervening periods are reflected in the interim consolidated financial statements.	Subsidiaries; Fin Tech Capital Risk Solutions Incorporated and TSM Fourteen Incorporated with fiscal year ends December 31 are consolidated based on their preliminary financial statements as of September 30. Subsidiaries; Fin Tech Global Securities, Inc. and TSM Fifteen Incorporated with fiscal year ends March 31 are consolidated based on their preliminary financial statements as of Setptember 30. Subsidiary; Blenheim Partners One Incorporated with fiscal year ends June 30 is consolidated based on the financial statements for the fiscal year ends. Subsidiaries; FGI Investment Two Incorporated and two Silent Partnerships (Tokumei Kumiai) with fiscal year ends at July 31 are consolidated based on the financial statements for their respective fiscal year ends. Signigicant transactions occurring during the intervening periods are reflected in the consolidated financial statements.
4. Summary of Significant Accounting Policies (1) Bases and methods of valuation of important assets	(i) Securities Other securities with fair market value: ——— Other securities with no fair market value: Stated at cost determined by the moving-average method. However, investments in Silent Partnerships (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in "(7) Other significant policies to prepare interim consolidated financial statements (consolidated financial statements) (ii) Investments in securities, trade (Investments in Silent Partnerships (Tokumei Kumiai)) (ii) Derivatives All derivatives are stated at fair value with changes in fair value being charged to income or loss for the period in which they arise except for derivatives that are designated and qualified as hedging instruments. (iii) Inventory Work in process: Stated at cost determined by the specific-identification method. Real Estate for Sale: ———	(i) Securities Other securities with fair market value: Stated at fair market value as of the balance sheet dates. Unrealized holding gains and losses, net of the related tax effect, are recorded as an accumulated comprehensive income until realized. Costs are determined by the moving-average method. Other securities with no fair market value: Same as at left (ii) Derivatives Same as at left (iii) Inventory Work in process: Same as at left Real Estate for Sale: Stated at cost determined by the specific-	(i) Securities Other securities with fair market value: Same as at left Other securities with no fair market value: Same as at left (ii) Derivatives Same as at left (iii) Inventory Work in process: Same as at left Real Estate for Sale: Same as at left

Item	**Interim Fiscal 2006** (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
		identification method.	
(2) Depreciation of important assets	(i) Property, plant and equipment Depreciation is computed using the declining balance method. Useful lives for major assets are as follows: • Buildings: 8-15 years • Furniture and equipment: 4-20 years (ii) Intangible fixed assets ―――	(i) Property, plant and equipment Depreciation is computed using the declining balance method. Useful lives for major assets are as follows: • Buildings: 6-18 years • Furniture and equipment: 3-20 years (ii) Intangible fixed assets Goodwill of the Company and its consolidated domestic subsidiaries is amortized by the straight-line method over five years.	(i) Property, plant and equipment Depreciation is computed using the declining balance method. Useful lives for major assets are as follows: • Buildings: 8-15 years • Furniture and equipment: 3-20 years (ii) Intangible fixed assets ―――
(3) Important deferred assets	(i) Stock issueance costs Charged to income as incurred (ii) Stock distribution costs ――― (iii) Bond issuance costs Charged to income as incurred	(i) Stock issuance costs ――― (ii) Stock distribution costs Charged to income as incurred (iii) Bond issuance costs Same as at left	(i) Stock issuance costs ――― (ii) Stock distribution costs Same as at left (iii) Bond issuance costs Same as at left
(4) Important allowances	(i) Allowance for doubtful accounts To provide for future losses on doubtful accounts, FinTech Global Incorporation (hereinafter referred to as "the Company") determines allowance for doubtful accounts based on historical experience, plus additional estimated amounts to cover specifically uncollectible receivables. (ii) Accrued bonus Accrued bonuse is provided for in the amount that is expected to be paid for employee bonuses. (iii) Reserve for directors' and corporate auditors' bonuses ――― (iv) Accrued retirement benefits To provide for future payment of retirement benefits to employees, the Company determines the amount necessary to be provided for the accrued retirement benefits at the end of Interim fiscal year as the projected benefits obligation. The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.	(i) Allowance for doubtful accounts Same as at left (ii) Accrued bonus Same as at left (iii) Reserve for directors' and corporate auditors' bonuses Reserve for directors's and corporate auditors's bonuses is provided for in the amount that is expected to be paid for directors' and corporate auditors' bonuses, (iv) Accrued retirement benefits Same as at left	(i) Allowance for doubtful accounts Same as at left (ii) Accrued bonus Same as at left (iii) Reserve for directors' and corporate auditors' bonuses ――― (iv) Accrued retirement benefits To provide for future payment of retirement benefits to employees, the Company determines the amount necessary to be provided for the accrued retirement benefits at the end of fiscal year as the projected benefits obligation. The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.
(5) Important leases	Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.	Same as at left	Same as at left
(6) Important hedge	(i) Methods of hedge accounting	(i) Methods of hedge	(i) Methods of hedge

Item	Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)	Fiscal Year 2006 (From October 1, 2005 to September 30, 2006)
accounting	For interest rate swaps that meet the requirements for special treatment, special accounting treatment is adopted.	Same as at left	Same as at left
(6) Important hedge accounting	(ii) Hedging vehicles and hedged items a) Hedging vehicles Interest rate swaps b) Hedged items Borrowings (iii) Hedging policy Interest rate swaps are used to avoid fluctuations of market interest rates. (iv) Methods of hedge efficiency assessment Efficiency assessment for interest rate swaps is omitted, as they meet the requirements for such special treatment.	(ii) Hedging vehicles and hedged items Same as at left (iii) Hedging policy Same as at left (iv) Methods of hedge efficiency assessment Same as at left	(ii) Hedging vehicles and hedged items Same as at left (iii) Hedging policy Same as at left (iv) Methods of hedge efficiency assessment Same as at left
(7) Other significant policies to prepare interim consolidated financial statements (consolidated financial statements)	(i) Accounting for consumption tax and local consumption tax Consumption tax and local consumption tax are accounted for using the tax exclusion method. Suspense consumption tax paid and suspense consumption tax received during the period are balanced out and shown in “other current liabilities” in the interim consolidated balance sheets. (ii) Investments in securities, trade, (Investments in Silent Partnerships (Tokumei Kumiai)) Investments in securities, trade (investments in Silent Partnerships (Tokumei Kumiai)) are stated at cost adjusted for equity in earnings and losses of the partnership. The adjustments are recognized as “Net revenue.’’ (iii) Methods for allocating financing expenses ———	(i) Accounting for consumption tax and local consumption tax Same as at left (ii) Investments in securities, trade (Investments in Silent Partnerships (Tokumei Kumiai)) Same as at left (iii) Methods for allocating financing expenses Financing expenses of the companies providing with the lending services are classified into financing expenses associated with operating revenues and other financing expenses. In allocating those expenses, the total assets are allocated between the assets for business transactions and other assets, and based on the balance of the allocated assets, the financing expenses for the operating assets are classified as the cost of revenue, and the financing expenses for other assets are classified as other expense on the interim consolidated statements of income.	(i) Accounting for consumption tax and local consumption tax Consumption tax and local consumption tax are accounted for using the tax exclusion method. (ii) Investments in securities, trade (Investments in Silent Partnerships (Tokumei Kumiai)) Same as at left (iii) Methods for allocating financing expenses ———
5. Cash and Cash Equivalents	In preparing the interim consolidated statement of cash flows, the Company considers all highly liquid investments with an insignificant risk of changes in value and with original maturities of three months or less to be cash equivalents.	Same as at left	In preparing the consolidated statement of cash flows, the Company considers all highly liquid investments with an insignificant risk of changes in value and with original maturities of three months or less to be cash equivalents.

Changes in Significant Policies to Prepare Interim Consolidated Financial Statements

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
(Impairment Loss on Fixed Assets) In interim fiscal 2006, the Company adopted the new accounting standard “Accounting for Impairment of Fixed Assets (Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets)” issued by the Business Accounting Deliberation Council on August 9, 2002 and “Implement Guidance for the Accounting Standard for Impairment of Fixed Assets” (Financial Accounting Standard Implementation Guidance No.6 issued on October 31, 2003). The application of the new standards had no impact on the Company’s results of operation.	———	(Impairment Loss on Fixed Assets) In fiscal 2006, the Company adopted the new accounting standard “Accounting for Impairment of Fixed Assets (Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets)” issued by the Business Accounting Deliberation Council on August 9, 2002 and “Implement Guidance for the Accounting Standard for Impairment of Fixed Assets” (Financial Accounting Standard Implementation Guidance No.6 issued on October 31, 2003). The application of the new standards had no impact on the Company’s results of operation.
———	———	(Presentation of Net Assets on the Balance Sheet) In fiscal 2006, the Company adopted the new accounting standard “Accounting Standard for Presentation of Net Assets on the Balance Sheet” (Accounting Standard Board Statement No.5 issued on December 9, 2005) and “Financial Accounting Implementation Guidance on Presentation of Net Assets on the Balance Sheet” (Financial Accounting Implementation Guidance No.8 issued on December 9, 2005). Total shareholders’ equity would have been ¥24,887,966 thoudand under the previous accounting standard.
———	(Methods for allocating financing expenses) Financing expenses on the loans associated with individual investments or financings had been classified as cost of revenue and financing expenses on the loans which could not be traced to individual fund requirement had been classified as other expense. However, due to the increasing the ratio of the financing expenses which could not be traced to individual fund requirement, the Company has decided to allocate financing expenses of the companies providing with the lending services to properly present cost of revenue and other expenses, since this interim fiscal year 2007. As for the allocation method, the total assets are allocated between the assets for business transactions and other assets, and based on the balance of the allocated assets, the financing expenses for the operating assets are classified as the cost of revenue, and the financing expenses for other assets are classified as other expense on the interim consolidated statements of income. Alone with the change, “bank loans, trade” is reclassified to “short-term debt” or “long-term debt” based on the term of payment. As a result of the change, the operating income have decreased by ¥122,008 thousands compared to what would have been reported under the previous presentation, but there is no impact on the ordinary profit in the interim consolidated statements of income.	———

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
———	Current liabilities have decreased by ¥705,000 thousands, and long-term liabilities have increased by the same amount. In the interim consolidated statement of cash flows, cash flows on operating activities have decreased by ¥1,315,675 thousands and cash flows on financing activities have increased by the same amount. Additionally, as for the breakdown of cash flows on operating activities, interest expenses included in the cost of revenues and in other expenses are combined and classified as to "cost of fund and interest expense". (Stock options) On December 27, 2005, the Accounting Standard Boards of Japan issued "Accounting Standard for Stock Options" and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 1, 2006. The application of the new standards had no impact on the Company's results of operation.	———

Changes in Presentation

Interim fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim fiscal 2007** (From October 1, 2006 to March 31, 2007)
———	(Note to interim consolidated statements of income) From the interim fiscal 2007, the Company discloses "Stock distribution costs," which was presented as "Stock issueance costs" in the interim fiscal 2006.

Notes to Interim Consolidated Balance Sheets

Interim Fiscal 2006 (As of March 31, 2006)	**Interim Fiscal 2007** (As of March 31, 2007)	**Fiscal Year 2006** (As of September 30, 2006)
*1. Pledged assets and secured debts (1) Pledged assets Cash and time deposits ¥189,000 thousand Corresponding secured debts Bank loans, trade ¥306,300 thousand (2) Assets for pledges were as follows: "Creation of pledges" (Thousands of yen) Class of Asset / Book Value / Corresponding Debts Loans receivable, trade / ¥1,085,000 / Bank loans, trade ¥687,000	*1. Pledged assets and secured debts (1) Pledged assets Assets for pledges were as follows: (Thousands of yen) Inventory ¥1,012,669 Loans receivable, trade ¥4,646,000 Total ¥5,658,669 Corresponding secured debts were as follows: (Thousands of yen) Long-term debt due within one year ¥185,000 Long-term debt ¥3,578,352 Total ¥3,763,352	*1. Pledged assets and secured debts (1) Pledged assets Assets for pledges were as follows: (Thousands of yen) Cash and time deposits ¥189,000 Inventory ¥2,399,660 Loans receivable, trade ¥815,000 Total ¥3,403,660 Corresponding secured debts were as follows: (Thousands of yen) Bank loans, trade ¥961,700 Short-term debt ¥1,944,000 Total ¥2,905,700
*2. Accumulated depreciation of property, plant and equipment ¥22,687 thousand	*2. Accumulated depreciation of property, plant and equipment ¥39,970 thousand	*2. Accumulated depreciation of property, plant and equipment ¥31,222 thousand
*3. Loan Commitment Line Agreement (Thousands of yen) Total commitment ¥2,000,000 Executed loans - Unused balance ¥2,000,000	*3. Loan Commitment Line Agreement In the principal finance operations, the Company is committed to provide loans to a customer. The outstanding commitment balance as of March 31, 2007 was as follows: (Thousands of yen) Total commitment ¥3,546,000 Executed loans 1,424,000 Unused balance ¥2,122,000 For ¥2,000,000 thousand out of the above committed loan agreements, full amounts are not necessarily loaned because the Company lends out funds subject to the purpose for use of funds as well as the credit of the borrowers.	*3. Loan Commitment Line Agreement In the principal finance operations, the Company is committed to provide loans to a customer. The outstanding commitment balance as of September 30, 2006 was as follows: (Thousands of yen) Total commitment ¥2,000,000 Executed loans 95,000 Unused balance ¥1,905,000 In the above committed loan agreements, full amounts are not necessarily loaned because the Company lends out funds subject to the purpose for use of funds as well as the credit of the borrowers.
*4. ———	*4. ———	*4. Investment Commitment Line Agreement In the principal finance operations, the Company is committed to provide investments. The outstanding commitment balance as of September 30, 2006 was as follows: (Thousands of yen) Total commitment ¥5,000,000 Executed investments - Unused balance ¥5,000,000 In the above committed investment agreements, full amounts are not necessarily invested because the Company invests out funds subject to the purpose for use of funds as well as the credit of the investees.
*5. Contingent Liabilities The Company gurarantees borrowings of the following companies as of March 31, 2006: (Thousands of yen) Duplex Thirty-Sixth Ltd. ¥2,000,000	*5. Contingent Liabilities The Company gurarantees borrowings of the following companies as of March 31, 2007: (Thousands of yen) Duplex Thirty-Sixth Ltd. ¥740,000 Duplex Thirty-Third Ltd. 800,000 Duplex Thirty-Fourth Ltd. 600,000 Duplex Forty-First Ltd. 400,000 Duplex Forty-Fourth Ltd. 300,000 Duplex Forty-Seventh Ltd. 450,000 Yokohama Bayside Resort Ltd. 2,000,000 Duplex Forty-Fifth Ltd. 500,000 Duplex Forty-Ninth Ltd. 300,000	*5. Contingent Liabilities The Company gurarantees borrowings of the following companies as of September 30, 2006: (Thousands of yen) Duplex Thirty-Sixth Ltd. ¥740,000 Duplex Thirty-Third Ltd. 800,000 Duplex Thirty-Fourth Ltd. 600,000 Duplex Forty-First Ltd. 400,000 Duplex Forty-Fourth Ltd. 300,000 Duplex Forty-Seventh Ltd. 450,000 Yokohama Bayside Resort Ltd. 2,000,000

Interim Fiscal 2006 (As of March 31, 2006)	**Interim Fiscal 2007** (As of March 31, 2007)	**Fiscal Year 2006** (As of September 30, 2006)
*6. ―――	*6. The following special purpose companies and the Silent Partnerships (Tokumei Kumiai) have been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. • TSM Fourteen Incorporated • FGI Investment Two Incorporated • Blenheim Partners One Incorporated • Yugen Kaisya Hibiki • Godo Kaisha Temp Moderate Udagawa-cho Kaihatsu • FGI Investment Three Incorporated • six Silent Partnerships (Tokumei Kumiai) Major assets and liabilities of the above special purpose companies and the Silent Partnerships (Tokumei Kumiai) are as follows: (Thousands of yen) Inventory ¥ 4,407,175 Short-term debt 692,352	*6. The following special purpose companies and the Silent Partnerships (Tokumei Kumiai) have been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as the risks associated with profits and losses of those companies. • TSM Fourteen Incorporated • FGI Investment Two Incorporated • TSM Fourteen Incorporated • Blenheim Partners One Incorporated • two Silent Partnerships (Tokumei Kumiai) Major assets and liabilities of the above special purpose companies and the Silent Partnerships (Tokumei Kumiai) are as follows: (Thousands of yen) Inventory ¥ 8,584,620 Short-term debt 1,944,000
*7. ―――	*7. Credit Line Agreement The Company has credit line agreements with banks to make an appropriation for funds for investments and loans in the principal finance operations. The credit line under the agreements and the outstanding balance as of March 31, 2007 were as follows: (Thousands of yen) Total commitment ¥4,000,000 Executed loans 2,000,000 Unused balance ¥2,000,000	*7. Credit Line Agreement The Company has credit line agreements with banks to make an appropriation for funds for investments and loans in the principal finance operations. The credit line under the agreements and the outstanding balance as of September 30, 2006 were as follows: (Thousands of yen) Total commitment ¥4,000,000 Executed loans - Unused balance ¥4,000,000
*8. ―――	*8. Deposits Deposits are cash held in trust under an investor protection fund for FX (Foreign Exchange) business by FX Online Japan Co., Ltd.	*8. ―――
*9. ―――	*9. Deposits from customers Deposits from customers are for FX (Foreign Exchange) business by FX Online Japan Co., Ltd.	*9. ―――

Notes to Interim Consolidated Statements of Income

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
*1. The following is the breakdown of net revenue from investment banking business: (Thousands of yen) Investment banking operations: ¥2,551,884 (Arrangement services: 1,682,218) (Principal finance operations: 860,647) (Others: 9,018) Arrangement services with credit enhancement: 244,900 Other operations: 65,453 Total ¥2,862,237	*1. The following is the breakdown of net revenue from investment banking business: (Thousands of yen) Arrangement operations: ¥2,812,065 (Arrangement services: 2,512,845) (Arrangement services with credit enhancement: 299,220) Principal finance operations: 1,415,017 Other investment banking operations: 240,362 Total ¥4,467,445	*1. The following is the breakdown of net revenue from investment banking business: (Thousands of yen) Arrangement operations: ¥4,674,212 (Arrangement services: 3,734,998 (Arrangement services with credit enhancement: 939,214 Principal finance operations: 2,796,810 Other investment banking operations: 274,540 ¥7,745,562
*2. The following is the breakdown of net revenue from the reinsurance/financial guarantee businesses: (Financial Guarantee Business) (Thousands of yen) Net guarantee fees ¥310,000 Unearned guarantee fees (309,402) Guarantee arrangement fees 30,000 Total ¥30,597 (Reinsurance Business) ———	*2. The following is the breakdown of net revenue from the reinsurance/financial guarantee businesses: (Financial Guarantee Business) (Thousands of yen) Net guarantee fees ¥75,909 Unearned guarantee fees 41,852 Guarantee arrangement fees 64,750 Total ¥182,511 (Reinsurance Business) (Thousands of yen) Reinsurance premiums assumed ¥676,028 Reinsurance premiums ceded (43,500) Total ¥632,528	*2. The following is the breakdown of net revenue from the reinsurance/financial guarantee businesses: (Financial Guarantee Business) (Thousands of yen) Net guarantee fees ¥466,583 Unearned guarantee fees (354,916) Guarantee arrangement fees 216,687 Total ¥328,354 (Reinsurance Business) (Thousands of yen) Reinsurance premiums assumed ¥152,923 Reinsurance premiums ceded (5,000) Total ¥147,923
*3. Major selling, general and administrative expenses (Thousands of yen) Directors' bonuses ¥74,033 Salaries 119,678 Provision for accrued bonuses 22,504 Retirement benefit expenses 645 Depreciation expenses 5,234 Rent 57,003 Commissions paid 120,103 Business tax and public charge 66,285	*3. Major selling, general and administrative expenses (Thousands of yen) Directors' bonuses ¥155,670 Salaries 239,285 Provision for accrued bonuses 69,526 Retirement benefit expenses 9,618 Depreciation expenses 15,985 Rent 105,728 Commissions paid 691,756 Business tax and public charge 86,432	*3. Major selling, general and administrative expenses (Thousands of yen) Directors' bonuses ¥194,644 Salaries 324,325 Provision for accrued bonuses 137,651 Retirement benefit expenses 1,749 Depreciation expenses 13,550 Rent 120,290 Commissions paid 351,968
*4. ———	*4. Impairment loss The impairment loss on the following asset group was recognized in the interim fiscal 2007. Name of company: ASAP Payment System Inc. — Type of asset: Goodwill For the purpose of identifying fixed assets that are impaired, the Company grouped its fixed assets at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets or group of assets. The Company recognized ¥66,817 thousand of impairment loss on the Goodwill related to the investments in ASAP Payment System Inc. because expected future cash flows from the asset are not considered as collectible.	*4. ———

Notes to Interim Consolidated Statements of Changes in Net Assets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

1. The type of issued stock and number of shares, the type of treasury stocks and the number of shares

Type of stock	Number of shares As of September 30, 2006	Increases	Decreases	Number of shares As of March 31, 2007
Issued stock				
Common stock	236,622	955,163	—	1,191,785

(Reasons for changes)
The increases in the number of shares were resulted from the following:
A 5-for-1 stock split on October 1, 2006 946,488 shares
Exercise of stock acquisition rights (stock options) 8,675 shares

2. Stock distribution costs

Name of company	Details	Type of stock to be issued	Number of shares to be issued for the stock acquisition rights				Balance as of March 31, 2007 (Thousands of yen)
			As of September 30, 2006	Increases	Decreases	As of March 31, 2007	
FinTech Global Incorporated	Stock acquisition rights on the third series of bonds issued in April 2006	Common stock	22,222.22	—	22,222.22	—	—
	Stock acquisition rights on the Euro-yen denominated bonds issued in Feburary 2007	Common stock	—	139,785	—	139,785	—
Total			22,222.22	139,785	22,222.22	139,785	—

Notes: 1. Number of shares to be issued for the stock acquisition rights represents the maximum number of shares derived through the exercise of stock acquisition rights.
2. Reasons for changes in number of shares
The decrease in number of shares for stock acquisition rights on the third series of bonds issued in April 2006 is resulted from the early redemption of those bonds.
The increase in number of shares for stock acquisition rights on the Euro-yen bonds issued in Febrary 2007 is resulted form issuance of Euro-yen denominated convertible bond-type bonds with stock acquisition rights due in 2012.

3. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on December 20, 2006	Common stock	¥1,183,110	¥5,000	September 30, 2006	December 21, 2006

(2) Dividends of which the record date falls in the current interim period but the effective date falls in the following interim period

Resolution	Type of stock	Source of dividends	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
Board of directors meeting on May 15, 2007	Common stock	Retained earnings	¥655,481	¥550	March 31, 2007	June 14, 2007

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006)

1. Issued stock

Type of stock	Number of shares As of September 30, 2005	Increases	Decreases	Number of shares As of September 30, 2006
Common stock	68,335	168,290.79	3.79	236,622

(Reasons for changes)
The increases in number of shares were resulted from the following:
A three-for-one stock split on December 20, 2005 136,710 shares
Exercise of stock acquisition rights (stock options) 3,525 shares
Exercise of stock acquisition rights on the first series of unsecured convertible bond-type bonds 28,055.79 shares
The decreases in number of shares were resulted from the following:
Decrease through disposition of treasury stocks 3.79 shares

2. Treasury stocks

Type of stock	Number of shares As of September 30, 2005	Increases	Decreases	Number of shares As of September 30, 2006
Common stock	—	3.79	3.79	—

(Reasons for changes)
The increases in number of shares were resulted from the following:
Acquisition of odd-lot shares (shares less than one unit) 3.79 shares
The decreases in number of shares were resulted from the following:
Decrease through disposition of treasury stocks 3.79 shares

3. Stock distributon costs

Name of company	Details	Type of stock to be issued	Number of shares to be issued for the stock acquisition rights				Balance as of September 30, 2007 (Thousands of yen)
			As of September 30, 2006	Increases	Decreases	As of September 30, 2007	
FinTech Global Incorporated	Stock acquisition rights on the first series of bonds issued in April 2005	Common stock	—	28,055.79	28,055.79	—	—
	Stock acquisition rights on the second series of bonds issued in April 2006	Common stock	—	11,111.11	11,111.11	—	—
	Stock acquisition rights on the third series of bonds issued in April 2006	Common stock	—	22,222.22	—	22,222.22	—
Total			—	61,389.12	39,166.9	22,222.22	—

Notes:
1. Number of shares to be issued for the stock acquisition rights represents the maximum number of shares derived through the exercise of stock acquisition rights.
2. Reasons for changes in number of shares
The increases in number of shares were resulted from issurances of the first series of bonds, the second series of bonds, and the third series of bonds, with stock acquisition rights, during fiscal 2006.
The decreases in number of shares for stock acquisition rights on the first series of bonds issued in December 2005 is resulted form the exercise of such rights.
The decreases in number of shares for stock acquisition rights on the second series of bonds issued in April 2006 is resulted form the early redemption of those bonds.
3. The Company executed early redemption of third series of bonds, issued in April 2006, on November 6, 2006.

4. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on December 20, 2005	Common stock	¥369,009	¥5,400	September 30, 2005	December 21, 2005

(2) Dividends of which the record date falls in the current fiscal year but the effective date falls in the following fiscal year.

Resolution	Type of stock	Source of dividends	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on December 20, 2006	Common stock	Retained earnings	¥1,183,110	¥5,000	September 30, 2006	December 21, 2006

Notes to Interim Consolidated Statements of Cash Flows

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
*1. Cash and cash equivalents as of March 31, 2006 was computed as follows: (Thousands of yen) Cash and time deposits ¥13,302,232 Less: time deposits which mature more than three months after the date of acquisition (189,000) Cash and cash equivalents ¥13,113,232	*1. Cash and cash equivalents as of March 31, 2007 was computed as follows: (Thousands of yen) Cash and time deposits ¥ 23,501,789 Cash and cash equivalents ¥ 23,501,789	*1. Cash and cash equivalents as of September 30, 2006 was computed as follows: (Thousands of yen) Cash and time deposits ¥ 18,907,675 Less: time deposits which mature more than three months after the date of acquisition (189,000) Cash and cash equivalents ¥ 18,718,675

Leases

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, were accounted for in the same manner as operating leases.

1. Pro forma information of the leased property, such as acquisition costs, accumulated depreciation, and net book value as of March 31, 2006 are as follows:

(Thousands of yen)

	Acquisition costs	Accumulated depreciation	Net book value
Buildings	¥1,938	¥484	¥1,453
Furniture and equipment	22,022	4,193	17,829
Other	556	74	482
Total	¥24,518	¥4,751	¥19,766

2. The scheduled maturities of future lease payments of such lease contracts as of March 31, 2006, were as follows:

(Thousands of yen)

Within one year	¥ 4,649
More than one year	15,568
	¥ 20,218

3. Lease expenses, pro forma depreciation expenses, and pro forma interest expenses for the period ended March 31, 2006 were as follows:

(Thousand of yen)

Lease expenses	¥ 3,138
Pro forma depreciation expenses	2,775
Pro forma interest expenses	610

4. Pro forma depreciation expenses were calculated using the straight-line method over the lease term with no residual value.

5. Differences between total lease payments and the acquisition costs of the leased assets are assumed as pro forma interest expenses. The pro forma interest expenses are allocated to each period using the interest method over the lease term.

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, were accounted for in the same manner as operating leases.

1. Pro forma information of the leased property, such as acquisition costs, accumulated depreciation, and net book value as of March 31, 2007 are as follows:

(Thousands of yen)

	Acquisition costs	Accumulated depreciation	Net book value
Buildings	¥ 1,938	¥ 872	¥ 1,066
Furniture and equipment	37,366	12,870	24,495
Other	556	185	371
Total	¥ 39,861	¥ 13,928	¥ 25,932

2. The scheduled maturities of future lease payments of such lease contracts as of March 31, 2007, were as follows:

(Thousands of yen)

Within one year	¥ 7,904
More than one year	20,315
	¥ 28,219

3. Lease expenses, pro forma depreciation expenses, and pro forma interest expenses for the period ended March 31, 2007 were as follows:

(Thousand of yen)

Lease expenses	¥ 7,518
Pro forma depreciation expenses	6,239
Pro forma interest expenses	1,222

4. Same as at left

5. Same as at left

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, were accounted for in the same manner as operating leases.

1. Pro forma information of the leased property, such as acquisition costs, accumulated depreciation, and net book value as of September 30, 2006 are as follows:

(Thousands of yen)

	Acquisition costs	Accumulated depreciation	Net book value
Buildings	¥ 1,938	¥ 678	¥ 1,260
Furniture and equipment	22,022	6,395	15,627
Other	556	129	426
Total	¥ 24,518	¥ 7,203	¥ 17,314

2. The scheduled maturities of future lease payments of such lease contracts as of September 30, 2006 were as follows:

(Thousands of yen)

Within one year	¥ 4,766
More than one year	13,155
	¥ 17,922

3. Lease expenses, pro forma depreciation expenses, and pro forma interest expenses for the year ended September 30, 2006 were as follows:

(Thousand of yen)

Lease expenses	¥ 5,088
Pro forma depreciation expenses	4,498
Pro forma interest expenses	919

4. Same as at left

5. Same as at left

Investments in Securities

Interim Fiscal 2006 (As of March 31, 2006)

1. The carrying amounts of other securities without fair market value as of March 31, 2006, are summarized as follows:

(Thousands of yen)

	Carrying amount
Other securities without fair market value:	
Investments in Silent Partnerships (Tokumei Kumiai)	¥339,510
Unlisted equity securities	76,700
Investments in partnerships	2,207,602

Interim Fiscal 2007 (As of March 31, 2007)

1. The amounts of other securities with market value as of March 31, 2007, are summarized as follows:

(Thousands of yen)

	Acquisition cost	Fair market value	Unrealized gain (loss)
(1) Equity securities	¥9,200	¥22,200	¥13,000
(2) Bonds and debentures	—	—	—
(3) Other	—	—	—
Total	¥9,200	¥22,200	¥13,000

2. The carrying amounts of other securities without fair market value as of March 31, 2007, are summarized as follows:

(Thousands of yen)

	Carrying amount
Other securities without fair market value:	
Investments in Silent Partnerships (Tokumei Kumiai)	¥658,451
Unlisted equity securities	90,500

Fiscal Year 2006 (As of September 30, 2006)

1. The amounts of other securities with market value as of September 30, 2006, are summarized as follows:

(Thousands of yen)

	Acquisition cost	Fair market value	Unrealized gain (loss)
(1) Equity securities	¥9,200	¥32,280	¥23,080
(2) Bonds and debentures	—	—	—
(3) Other	2,043,123	2,062,897	19,774
Total	¥2,052,324	¥2,095,178	¥42,854

2. The carrying amounts of other securities without fair market value as of September 30, 2006, are summarized as follows:

(Thousands of yen)

	Carrying amount
Other securities without fair market value:	
Investments in Silent Partnerships (Tokumei Kumiai)	¥439,512
Unlisted equity securities	67,500
Investments in partnerships	21,734

Derivative Transactions

Interim Fiscal 2006 (As of March 31, 2006)

Contract amount of derivative instruments, fair market value, and unrealized gain (loss)

(Thousands of yen)

Item	Type	Contract amount	Fair market value	Unrealized gain (loss)
Interest rate	Cap transactions	¥680,000	¥1,195	¥(5,984)

Notes: 1. Market value is calculated based on the prices presented by the correspondent financial institution, etc.
2. Contract amount is not actual transaction value with trading partners, and thus does not present the market risk associated with derivatives instruments.
3. Derivative instruments to which hedge accounting were applied are excluded from above table.

Interim Fiscal 2007 (As of March 31, 2007)

Contract amount of derivative instruments, fair market value, and unrealized gain (loss)

(Thousands of yen)

Item	Type	Contract amount	Fair market value	Unrealized gain (loss)
Interest rate	Cap transactions	¥200,000	¥0	¥(1)

Notes: 1. Market value is calculated based on the prices presented by the correspondent financial institution, etc.
2. Contract amount is not actual transaction value with trading partners, and thus does not present the market risk associated with derivatives instruments.
3. Derivative instruments to which hedge accounting were applied are excluded from above table.

Fiscal Year 2006 (As of September 30, 2006)

Contract amount of derivative instruments, fair market value, and unrealized gain (loss)

(Thousands of yen)

Item	Type	Contract amount	Fair market value	Unrealized gain (loss)
Interest rate	Cap transactions	¥200,000	¥1,258	¥(1,341)

Notes: 1. Market value is calculated based on the prices presented by the correspondent financial institution, etc.
2. Contract amount is not actual transaction value with trading partners, and thus does not present the market risk associated with derivatives instruments.
3. Derivative instruments to which hedge accounting were applied are excluded from above table.

Stock Options

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

1. Amount and account used to recognize expenses
Certain consolidated subsidiaries granted stock options during the interim fiscal 2007. The stock options were accounted for by the intrinsic value method, instead of the fair value method, allowed for private held companies in accordance with the “Accounting Standards for Stock Options.” No expense was recognized for the stock opitions granted by the consolidated subsidiaries because intrinsic value at the grant date was estimated at zero.

2. Details of the stock options
Detailed information of the stock options granted by the consolidated subsidiaries was omitted because the stock options do not have a significant impact on the financial position and the results of operations.

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006)

Not applicable

Segment Information

1. Segment information by business

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)
Net revenue and operating income generated by the investment banking business represent more than 90% of total net revenue and operating income, respectively, from all business segments. Therefore, segment information by business was omitted for interim fiscal 2006.

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

(Thousands of yen)

	Investment banking business	Reinsurance/ financial guarantee business	Real Estate related business	Total	Inter-regional or corporate	Consolidated total
Net revenue						
(1) Revenues to third party	¥4,467,445	¥815,040	¥869,188	¥6,151,674	—	¥6,151,674
(2) Inter-segment revenue	206,253	—	—	206,253	(206,253)	—
Total	4,673,698	815,040	869,188	6,357,927	(206,253)	6,151,674
Operating expenses	1,774,447	858,444	1,005,030	3,637,922	(101,600)	3,536,321
Operating income	2,899,251	(43,403)	(135,842)	2,720,005	(104,652)	2,615,352

Notes: 1. Business segments are grouped according to the market similarities.
2. Principal business activities in each segment
(1) Investment banking business: Arrangement operations, principal finance operations, and other investment banking operations
(2) Reinsurance/financial guarantee business: Credit enhancement and reinsurance underwriting
(3) Real estate related business: Real estate development and trade, lease and brokerage

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006)
Net revenue and operating income generated by the investment banking business represent more than 90% of total net revenue and operating income, respectively, from all business segments. Therefore, segment information by business was omitted for fiscal year 2006.

2. Segment information by geographical areas

Interim fiscal 2006 (From October 1, 2005 to March 31, 2006)
Sales generated by Company in Japan represent more than 90% of total net revenue from all geographical areas. Therefore, segment information by geographical areas was omitted for interim fiscal 2006.

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)

(Thousands of yen)

	Japan	Europe and Americas	Total	Inter-regional or corporate	Consolidated total
Net revenue					
(1) Revenues to third party	¥5,336,813	¥814,860	¥6,151,674	—	¥6,151,674
(2) Inter-segment revenues	—	109	109	(109)	—
Total	5,336,813	814,970	6,151,783	(109)	6,151,674
Operating expenses	2,738,432	797,998	3,536,431	(109)	3,536,321
Operating income	2,598,381	16,971	2,615,352	—	2,615,352

Notes: 1. National and regional segments are grouped according to the geographical proximity.
2. Countries and regions associated with the geographical segments outside of Japan
Europe and Americas: Switzerland and Bermuda

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006)
Net revenue generated by Company in Japan represent more than 90% of total net revenue from all geographical areas. Therefore, segment information by geographical areas was omitted for fiscal year 2006.

3. Overseas Net revenue

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)
Overseas net revenue represent less than 90% of consolidated net revenue. Therefore, overseas net revenue were omitted for interim fiscal 2006.

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)
Overseas net revenue represent less than 90% of consolidated net revenue. Therefore, overseas net revenue were omitted for interim fiscal 2007.

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006)
Overseas net revenue represent less than 90% of consolidated net revenue. Therefore, overseas net revenue were omitted for fiscal year 2006.

Per Share Information

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
(Yen) Net assets per share ¥97,284.83 Net income per share ¥5,330.50 Net income (diluted) per share ¥4,830.40 The Company executed a stock split at a ratio of 3-for-1 on December 20, 2005. Assuming that the stock split had been executed at the beginning of the fiscal year, the per share information for the fiscal 2005 would have been summarized as follows: Interim fiscal 2005: (Yen) Net assets per share ¥5,243.91 Net income per share ¥1,617.09 Fiscal Year 2005: (Yen) Net assets per share ¥16,717.02 Net income per share ¥4,813.25 Net income (diluted) per share ¥4,650.85	(Yen) Net assets per share ¥21,052.49 Net income per share ¥1,030.91 Net income (diluted) per share ¥955.32 The Company executed a stock split at a ratio of 5-for-1 on October 1, 2006. Assuming that the stock split had been executed at the beginning of the fiscal year, the per share information for the fiscal 2006 would have been summarized as follows: Interim fiscal 2006: (Yen) Net assets per share ¥19,456.97 Net income per share ¥1,066.10 Net income (diluted) per share ¥966.08 Fiscal Year 2006 (Yen) Net assets per share ¥21,036.05 Net income per share ¥2,870.88 Net income (diluted) per share ¥2,491.70	(Yen) Net assets per share ¥105,180.27 Net income per share ¥14,354.40 Net income (diluted) per share ¥12,458.52 On October 3, 2005, the Board of Directors of the Company approved a stock split at a ratio of 3-for-1on December 20, 2005. Assuming that the stock split had been executed at the beginning of the fiscal year, the per share information for the fiscal 2005 would have been summarized as follows: Fiscal Year 2005: (Yen) Net assets per share ¥16,717.02 Net income per share ¥4,813.25 Net income (diluted) per share ¥4,650.85

Note: Underlying information for calculation of net income per share and net income per share after adjusting for dilution effects are as follows:

Items	**Interim Fiscal 2006** (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year2006** (From October 1, 2005 to September 30, 2006)
Net income (Thousands of yen)	¥1,159,516	¥1,222,643	¥3,235,755
Net income for common stock (Thousands of yen)	¥1,159,516	¥1,222,643	¥3,235,755
Average number of common stock during the period (Shares)	217,525	1,185,985	225,419
Adjustments of net income	—	—	—
Major reasons for the increase in number of common stock: • Warrants • Stock acquisition rights • Bonds with stock acquisition rights (Shares)	 2,028 16,196 4,297	 3,898 67,360 22,589	 1,417 16,849 16,037
Increased number of common stock (Shares)	22,521	93,847	34,303
Details of the potential common stock excluded from the calculation of the net income (diluted) per share because of the insignificant dilution effect	—	(1) Stock acquisition rights (stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 650 units (Common stock: 3,250 shares) (2) Stock acquisition rights on the Euro-yen denominated convertible bond-type bonds issued on February 8, 2007: 2,217 units (Common stock: 139,785 shares) (3) Stock acquisition rights of consolidated subsidiaries: FX Online Japan Co., Ltd.: 142 units (Common stock 142 shares)	(1) Stock acquisition rights (stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 650 units (Common stock: 650 shares)

Subsequent Events

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
1. Based on the resolution at the Board of Directors held on March 31, 2006, the Company issued the second series of unsecured convertible bond-type bonds with stock acquisition rights. (with a supplementary contract on setting up of the same rank limited to and between convertible bond-type bonds with stock acquisition rights) (1) Total issuing amount: ¥10 billion (2) Issuing price: The issuing price of the second series of bonds is ¥100 per ¥100 of nominal value, and the stock acquisition rights are issued with no compensation. (3) Due date for payment: April 18, 2006 (4) Redemption price: ¥100 per ¥100 of nominal value (5) Due date for redemption: April 17, 2008 (6) Interest rate: No interest (7) The type and the number of shares to be issued by the stock acquisition rights: a. Type: Common stock of the Company b. Number of shares: Upon the exercise of the stock acquisition rights, the number of shares to be issued by the Company or the number of shares to be transferred instead of issuance (hereinafter the issuance or transfer of shares are referred to as "Delivery") shall be the maximum round number computed by dividing the total issuing price of the exercised bonds by the conversion price mentioned in (9) of this section. In the case when a fraction less than one-hundredth (1/100) occurs on the division, the fraction is discarded and no cash compensation shall be made. When a fraction which is an integral multiple of one-hundredth (1/100) occurs, the shares shall be converted to cash as fractional shares with the right-to-buy are deemed to be exercised as prescribed under the Commercial Code (8) Total number of stock acquisition rights: 100 units (9) Amount to be paid at the time of the exercise of stock acquisition rights: a. Same amount with the issuing price of the bonds. b. The conversion price is initially ¥900,000. However, the conversion price may be revised or adjusted as set out in (10) or (11) of this section.	―――	1. On September 8, 2006, the Board of Directors of the Company approved a stock split with no compensation, which became effective on October 1, 2006, to increase the liquidity of the Company's stock and to broaden the investors' base by reducing the equity price per share. (1) Number of shares to be increased: Common stock: 946,488 shares (2) Method of stock split The shares held by shareholders recorded on the shareholders' lists as of September 30, 2006 was split using a ratio of 5-for-1. Assuming that the share split was executed at the beginning of the previous fiscal year, the per-share information is summarized as follows: Fiscal 2005: (Yen) Net assets per share ¥3,343.41 Net income per share ¥962.65 Net income (diluted) per share ¥930.17 Fiscal 2006: (Yen) Net assets per share ¥21,036.05 Net income per share ¥2,870.88 Net income (diluted) per share ¥2,491.70

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
(10) Revision of conversion price: On and after July 21, 2006, conversion price is computed as the average closing price of the Company's common stock traded at the Tokyo Stock Exchange (calculated to two decimal places and then rounded off to one decimal place) for five consecutive trading days (excluding the days without a closing price) following the third Friday of every month (hereinafter referred to as "Date of determination") till the date of determination (hereinafter referred to as "the period for calculation of market price" in 1.). If the date of determination is not a trading day, the five consecutive days include a trading day prior to the date of determination. A trading day represents a day when the Company's common stock is traded at the Tokyo Stock Exchange. If the average closing price is lower than the conversion price that is effective on the date of determination or exceeds an amount equivalent to 120% of the conversion price that is effective on the date of determination, the conversion price shall be revised to an amount equivalent to the average price (hereinafter referred to as "the conversion price after revision" in 1.). If there is any reason to adjust the conversion price as set out in (11) of this section during the period for calculation of market price, the conversion price after revision shall be adjusted to a price that the Company deems appropriate in accordance with the bond prospectus applied to the bonds with stock acquisition rights. However, if, as a result of the calculation, the conversion price after revision is lower than 50% of the average price (calculated to two decimal places, and then rounded off to one decimal place) for five consecutive trading days up to July 21, 2006 (including the day and excluding the days without a closing price) (hereinafter referred to as "the standard date of determination" in 1.), the 50% of the average price (hereinafter referred to as "the minimum conversion price" in 1. below, but this shall be subject to adjustment as set out in (11) of this section) shall become conversion price. If the conversion price after revision is higher than 150% of the average price (calculated to two decimal places, and then rounded off to one decimal place) for five consecutive trading days till the standard date of determination (including the day and excluding the days without a closing price), the 150% of the average price (hereinafter referred to "the maximum conversion price" in 1. ; but, this shall be subject to adjustment as set out in (11) of this section) shall become the conversion price. If the standard date of determination is not a trading day, the five consecutive days include a trading day prior to the standard date of determination.		2. On October 6, 2006, the Board of Directors of the Company approved the redemption of all of the outstanding third series of unsecured convertible bond-type bonds with stock acquisition rights (with a supplementary contract on setting up of the same rank limited to and between convertible bond-type bonds with stock acquisition rights), of which total nominal value amounting to ¥20 billion, in accordance with the redemption clause of the bonds and the subscription agreement. (1) Reason for redemption before due date: The third series of bonds with stock acquisition rights have a clause for redemption before due date. After comprehensively considering the balance between the potential dilution of equity value and the enhancement of financial status, the Company decided to redeem all the outstanding of the third series of bonds with stock acquisition rights. (2) Bonds to be redeemed: The third series of unsecured convertible bond-type bonds with stock acquisition rights issued by FinTech Global Incorporated (3) Date of notice: October 6, 2006 Under the subscription agreement, the Company and Goldman Sachs International agreed that the Company would not accept the request for conversion on and after October 10, 2006 at noon. The conversion price before that time is ¥180,000. (4) Date of redemption: November 6, 2006 (5) Amount to be redeemed: All of the outstanding third series of bonds with stock acquisition rights as of November 6, 2006 The Company has not converted any of the bonds into shares since issuance. (6) Redemption price: ¥101 for ¥100 of nominal value (7) Funds used for the redemption: Short-term debt shall be appropriated for the funds of the redemption. (8) Expected decrease in annual interest expense due to the decrease in bonds: Not applicalbe

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
(11) Adjustment of conversion price: After the bonds with stock acquisition rights are issued, if the Company issues new common stock or disposes of common stock held by the Company at a price below the market price, the conversion price is adjusted based on the following formula. (However, this does not apply to cases related to the securities to be converted or convertible to the Company's common stocks or stock acquisition rights that may require the issue of the Company's common stocks, including those attached to bonds with stock acquisition rights.) In the following formula, the number of shares issued represents a number computed by deducting the number of treasury stocks held by the Company from total number of outstanding shares of the Company. $\text{(Adjusted convertible price)} = \text{(Conversion price before adjustment)} \times \dfrac{\text{(Number of issued shares)} + \dfrac{\text{(Number of new shares or disposed shares)} \times \text{(Issuing or disposing price per share)}}{\text{(Market price)}}}{\text{(Number of issued shares)} + \text{(Number of new shares or disposed shares)}}$ In addition, the conversion price may be adjusted accordingly if the Company's common stocks are split or combined, or securities to be converted or convertible to the Company's common stock, stock acquisition rights that may request issuance of the Company's common stocks, or the bonds with stock acquisition rights, at a price below the market price, are issued. (12) Period for exercise of stock acquisition rights: From April 19, 2007 to April 16, 2008 (13) Use of funds The funds will be appropriated for the repayment of short-term debt incurred for investment and loan in the principal finance operations.		3. On October 6, 2006, the Board of Directors of the Company approved borrowing funds for the early redemption of the third series of unsecured convertible bond-type bonds with stock acquisition rights issued on April 18, 2006. Important terms of the borrowings are as follows: Lender: Nikko Citigroup Limited Amount: ¥20 billion Date of loan: November 2, 2006 Date of repayment: February 28, 2007 Interest rate: 1.17438% (fixed rate) Method: Loan agreement Security: No security Guarantee: No guarantee Other important covenant: Nothing 4. On December 20, 2006, the general shareholders' meeting of the Company approved a stock option plan as prescribed on article 238 and 239 of the Company Law. (1) The type and the number of shares to be issued by the stock options: a. Type: Common stock of the Company b. Number of shares: Up to 5,000 shares In case of stock split, the number of shares to be issued for unexercised stock options shall be calculated by the following formula. Fractions less than one share shall be rounded off. $\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of stock split (or combination)}$ (2) Total number of stock options: Up to 5,000 units (One share will be granted per stock option, subject to the adjustment if necessary as prescribed in (1)) (3) Issuing value of stock options: No compensation (4) Amount to be paid at the time of the exercise of stockacquisition rights: The amount to be paid at the time of the exercise of stock acquisition rights (''Exercise value'') shall be computed by the following method. The Exercise value shall be the higher of the average of the closing prices of the Company's common stock traded in the regular way at the Tokyo Stock Exchange of a month (excluding the days without transactions) before the month of the allotment day, or the closing price of the business day before the allotment day (if there is not such closing price, that of the nearest preceding day shall apply), multiplied by 1.05. Fractions less than 1 yen shall be rounded up. If the Company issues new shares or disposes of treasury stocks at a price below the market price (except in the case of issuance of new shares due to the exercise of the rights), the Exercise value shall be adjusted by the following formula. Fractions less than 1 yen shall be rounded up.

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
2. Based on the resolution at the Board of Directors held on March 31, 2006, the Company issued the third series of unsecured convertible bond-type bonds with stock acquisition rights. (with a supplementary contract on setting up of the same rank limited to and between convertible bond-type bonds with stock acquisition rights) (1) Total issuing amount: ¥20 billion (2) Issuing price: The issuing price of the third series of bonds is ¥100 per ¥100 of nominal value, and the stock acquisition rights are issued with no compensation. (3) Due date for payment: April 18, 2006 (4) Redemption price: ¥100 per ¥100 of nominal value (5) Due date for redemption: April 17, 2008 (6) Interest rate: No interest (7) Type and number of shares to be issued by the stock acquisition rights: a. Type: Common stock of the Company b. Number of shares: Upon the exercise of the stock acquisition rights, the number of shares to be issued by the Company or the number of shares to be transferred instead of issuance (hereinafter the issuance or transfer of shares are referred to as “Delivery”) shall be the maximum round number computed by dividing the total issuing price of the exercised bonds by the conversion price mentioned in (9) of this section. In the case when a fraction less than one-hundredth (1/100) occurs on the division, the fraction is discarded and no cash compensation shall be made. When a fraction which is an integral multiple of one-hundredth (1/100) occurs, the shares shall be converted to cash as fractional shares with the right-to-buy are deemed to be exercised as prescribed under the Commercial Code (8) Total number of stock acquisition rights: 200 units (9) Amount to be paid at the time of the exercise of stock acquisition rights: a. Same amount with the issuing price of the bonds. b. The conversion price is initially ¥900,000. However, the conversion price may be revised or adjusted as set out in (10) or (11) of this section.		$\text{(Adjusted Exercise value)} = \text{(Exercise Value before adjustment)} \times \frac{\text{(Number of issued shares)} + \frac{\text{(Number of new shares to be issued)} \times \text{(Exercise value per share)}}{\text{(Stock price before issuance of new shares)}}}{\text{(Number of issued shares)} + \text{(Number of new shares to be issued)}}$ (5) Period for exercise of stockacquisition rights: From January 1, 2009 to November 30, 2016 (6) Conditions for exercise of stockacquisition rights: (i) Those who are entitled to exercise the stock acquisition rights shall be any of the directors, corporate auditors or employees of the Company or its subsidiaries at the time of the exercise unless there are any appropriate reasons such as a resignation due to the expiry of the term of duty and a mandatory retirement. (ii) The exercise of the stock options by an heir, assignee, pledgor or anyone who succeeded to the stock acquisition rights is not allowed according to the contract for allotment of the stock acquisition. (iii) The contract for allotment of the stock acquisition rights may fix the maximum number of exercisable acquisition rights or the maximum amount of the total issuing value of the new shares for each year (from January 1 to December 31) during the period for the exercise. (7) Amounts of common stock and additional paid-in capital reserve to be increased with issuance of new shares upon the exercise of stock acquisition rights: (i) The capital stock amount to be increased upon the exercise of stock acquisition rights shall be half of the the maximum increasing capital stock amount calculated in accordance with Article 40.1 of the Company Account Rules. Fractions less than 1 yen shall be rounded up. (ii) The capital surplus reserve amount to be increased with issuance of new shares upon the exercise of stock acquisition rights shall be the maximum increasing capital amount mentioned in (i) above minus the capital amount calculated as mentioned in (i).

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
(10) Revision of conversion price: On and after October 20, 2006, conversion price is computed as the average closing price of the Company's common stock traded at the Tokyo Stock Exchange (calculated to two decimal places and then rounded off to one decimal place) for five consecutive trading days (excluding the days without a closing price) following the third Friday of every month (hereinafter referred to as "Date of determination") till the date of determination (hereinafter referred to as "the period for calculation of market price" in 2. below). If the date of determination is not a trading day, the five consecutive days include a trading day prior to the date of determination. A trading day represents a day when the Company's common stock is traded at the Tokyo Stock Exchange. If the average closing price is lower than the conversion price that is effective on the date of determination or exceeds an amount equivalent to 120% of the conversion price that is effective on the date of determination, the conversion price shall be revised to an amount equivalent to the average price (hereinafter referred to as "the conversion price after revision" in 2. below). If there is any reason to adjust the conversion price as set out in (11) of this section during the period for calculation of market price, the conversion price after revision shall be adjusted to a price that the Company deems appropriate in accordance with the bond prospectus applied to the bonds with stock acquisition rights. However, if, as a result of the calculation, the conversion price after revision is lower than 50% of the average price (calculated to two decimal places, and then rounded off to one decimal place) for five consecutive trading days up to October 20, 2006 (including the day and excluding the days without a closing price) (hereinafter referred to as "the standard date of determination" in 2. below), the 50% of the average price (hereinafter referred to as "the minimum conversion price" in 2. below, but this shall be subject to adjustment as set out in (11) of this section) shall become conversion price. If the conversion price after revision is higher than 150% of the average price (calculated to two decimal places, and then rounded off to one decimal place) for five consecutive trading days till the standard date of determination (including the day and excluding the days without a closing price), the 150% of the average price (hereinafter referred to "the maximum conversion price" in 2. below; but, this shall be subject to adjustment as set out in (11) of this section) shall become the conversion price. If the standard date of determination is not a trading day, the five consecutive days include a trading day prior to the standard date of determination.		

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
(11) Adjustment of conversion price: After the bonds with stock acquisition rights were issued, if the Company issues new common stock or disposes of common stock held by the Company at a price below the market price, the conversion price is adjusted based on the following formula. (However, this does not apply to cases related to the securities to be converted or convertible to the Company's common stocks or stock acquisition rights that may require the issue of the Company's common stocks, including those attached to bonds with stock acquisition rights.) In the following formula, the number of shares issued represents a number computed by deducting the number of treasury stocks held by the Company from the total number of outstanding shares of the Company. $\text{(Adjusted convertible price)} = \text{(Conversion price before adjustment)} \times \dfrac{\text{(Number of issued shares)} + \dfrac{\text{(Number of new shares or disposed shares)} \times \text{(Issuing or disposing price per share)}}{\text{(Market price)}}}{\text{(Number of issued shares)} + \text{(Number of new shares or disposed shares)}}$ In addition, the conversion price may be adjusted accordingly if the Company's common stocks are split or combined, or securities to be converted or convertible to the Company's common stock, stock acquisition rights that may request issuance of the Company's common stocks, or the bonds with stock acquisition rights, at a price below the market price, are issued. (12) Period for exercise of stock acquisition rights: From April 19, 2006 to April 16, 2008 (13) Use of funds The funds will be appropriated for the repayment of short-term debt incurred for investment and loan in the principal finance operations. Remaining funds will be appropriated for investment and loan in the principal finance operations. 3. The Company issued stock acquisition rights based on a resolution at the meeting of the Board of Directors held on April 27, 2006, in accordance with the provisions of articles 280-20 and 280-21 of the Commercial Code, and a resolution at the ordinary general meeting of shareholders held on December 20, 2005. (1) The type and the number of shares to be issued by the stock acquisition rights: a. Type: Common stock of the Company b. Number of shares: 650 shares In case of stock split, the number of shares to be issued for unexercised stock acquisition rights shall be calculated by the following formula. Fractions less than one share shall be rounded off.		

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of stock split (or combination)}$ (2) Total number of stock options: 650 units (One share will be granted per stock acquisition right) (3) Issuing value of stock options: No compensation (4) Amount to be paid at the time of the exercise of stock acquisition rights: ¥729,894 per share If the Company issues new shares or disposes of treasury stocks at a price below the market price, the amount to be paid for the exercise shall be adjusted by the following formula on the respective effective date. Fractions less than 1 yen shall be rounded up. $\text{(Adjusted issuing price)} = \text{(Issuing price before adjustment)} \times \dfrac{\text{(Number of issued shares)} + \dfrac{\text{(Number of new shares)} \times \text{(Issuing price per share)}}{\text{(Market price per share)}}}{\text{(Number of issued shares)} + \text{(Number of new shares)}}$ (5) Period for exercise of stock acquisition rights: From January 1, 2008 to November 30, 2015 (6) Conditions for exercise of stock acquisition rights: Those who are entitled to exercise the stock acquisition rightsshall be any of the directors, corporate auditors or employees of the Company or its subsidiaries or a similar position at the time of the exercise unless there are any appropriate reasons such as a resignation due to the expiry of the term of duty and a mandatory retirement. 4. Entering into Credit Card Claim Factoring Business The Company decided to enter into the credit factoring business in alliance with Lehman Brothers Japan Incorporated and acquired 100% voting rights of ASAP Payment System Inc. on June 6, 2006. Company Name: ASAP Payment System Inc. Business: Credit and claim factoring, and solicitation of member merchants Capital Stock: ¥10,000,000		

Interim Non-Consolidated Financial Statements
FinTech Global Incorporated
As of and for the six months ended March 31, 2007

I Interim Non-Consolidated Balance Sheets

		Interim Fiscal 2006 (As of March 31, 2006)			Interim Fiscal 2007 (As of March 31, 2007)			Fiscal Year 2006 [Summary] (As of September 30, 2006)		
	Notes No.	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)
(Assets)										
I Current assets										
1 Cash and deposits	*1	8,148,283			12,619,401			10,139,618		
2 Accounts receivable, trade		4,908			18,154			7,120		
3 Investments in securities, trade		339,510			433,253			439,512		
4 Inventory		606			3,336			1,717		
5 Loans receivable, trade	*1,6,7	37,353,589			33,553,589			36,066,589		
6 Others		376,985			2,791,915			991,961		
Allowance for doubtful accounts		-			△413,957			△108,199		
Total current assets			46,223,883	80.9		49,005,693	71.4		47,538,319	81.1
II Fixed assets										
1 Property, plant and equipment	*4									
(1) Buildings		50,943			124,927			45,923		
(2) Furniture and equipment		13,559	64,502		66,502	191,430		14,658	60,581	
2 Intangible fixed assets			1,095			7,438			5,949	
3 Investments and other assets										
(1) Investment in subsidiaries and affiliates		10,569,316			19,015,286			10,620,816		
(2) Others		300,886	10,870,202		423,040	19,438,327		369,470	10,990,286	
Total fixed assets			10,935,800	19.1		19,637,196	28.6		11,056,818	18.9
Total assets			57,159,684	100.0		68,642,889	100.0		58,595,137	100.0

	Notes No.	Interim Fiscal 2006 (As of March 31, 2006) Amount (Thousands of yen)		Of Total (%)	Interim Fiscal 2007 (As of March 31, 2007) Amount (Thousands of yen)		Of Total (%)	Fiscal Year 2006 [Summary] (As of September 30, 2006) Amount (Thousands of yen)		Of Total (%)
(Liabilities)										
I Current liabilities										
1 Accounts payable, trade		29,435			29,474			39,489		
2 Short-term debt		27,375,000			6,076,900			4,386,500		
3 Bank loans, trade	*1	4,627,175			-			3,094,325		
4 Long-term debt due within one year	*1	170,256			2,068,856			173,056		
5 Income taxes payable		914,456			1,113,423			2,167,434		
6 Accrued bonuses		25,035			70,000			80,000		
7 Other current liabilities		890,526			1,282,372			1,515,326		
Total current liabilities			34,031,885	59.5		10,641,026	15.5		11,456,131	19.5
II Long-term liabilities										
1 Long-term debt	*1,6	301,620			10,611,564			2,216,492		
2 Accrued retirement benefits		3,093			10,565			4,335		
3 Bonds with stock acquisition rights		-			22,170,000			20,000,000		
4 Other current long-term liabilities		19,950			13,839			21,775		
Total long-term liabilities			324,663	0.6		32,805,969	47.8		22,242,602	38.0
Total liabilities			34,356,549	60.1		43,446,995	63.3		33,698,733	57.5
(Shareholders' Equity)										
I Common stock			10,555,135	18.5		-	-		-	-
II Additional paid-in capital										
1 Capital reserve		10,351,900			-			-		
Total additional paid-in capital			10,351,900	18.1		-	-		-	-
III Retained earnings										
1 Unappropriated profit		1,899,478			-			-		
Total retained earnings			1,899,478	3.3		-	-		-	-
IV Treasury stocks			△3,379	△0.0		-	-		-	-
Total shareholders' equity			22,803,135	39.9		-	-		-	-
Total liabilities and shareholders' equity			57,159,684	100.0		-	-		-	-

		Interim Fiscal 2006 (As of March 31, 2006)			Interim Fiscal 2007 (As of March 31, 2007)			Fiscal Year 2006 [Summary] (As of September 30, 2006)		
	Notes No.	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)
(Net assets)										
I Shareholders` equity										
1 Common Stock			-	-		10,680,608	15.6		10,624,769	18.1
2 Additional paid-in capital										
Capital reserve		-			10,351,900			10,351,900		
Total additional paid-in capital			-	-		10,351,900	15.1		10,351,900	17.7
3 Retained earnings										
Other retained earnings										
Retained earnings carried forward		-			4,155,676			3,906,045		
Total retained earnings			-	-		4,155,676	6.0		3,906,045	6.7
Total shareholders` equity			-	-		25,188,184	36.7		24,882,715	42.5
II Valuation and translation adjustments										
Net unrealized gain/(loss) on other securities			-	-		7,710	0.0		13,688	0.0
Total valuation and translation adjustment			-	-		7,710	0.0		13,688	0.0
Total net assets			-	-		25,195,894	36.7		24,896,403	42.5
Total liabilities and net assets			-	-		68,642,889	100.0		58,595,137	100.0

II Interim Non-Consolidated Statements of Income

		Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)			**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)			**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)		
	Notes No.	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)	Amount (Thousands of yen)		Of Total (%)
I Net revenue			2,853,219	100.0		4,667,087	100		7,544,427	100
II Cost of revenue			160,972	5.6		364,451	7.8		431,256	5.7
Gross profit			2,692,246	94.4		4,302,636	92.2		7,113,171	94.3
III Selling, general and administrative expenses			472,332	16.6		1,065,854	22.8		1,297,778	17.2
Operating income			2,219,914	77.8		3,236,781	69.4		5,815,392	77.1
IV Other income	*1		1,305	0.0		34,064	0.7		14,566	0.2
V Other expenses	*2		144,647	5.0		415,945	8.9		349,578	4.7
Ordinary profit			2,076,572	72.8		2,854,900	61.2		5,480,380	72.6
VI Extraordinary gain						7,539	0.1		-	-
VII Extraordinary loss	*3		-	-		412,157	8.8		-	-
Income before income taxes			2,076,572	72.8		2,450,281	52.5		5,480,380	72.6
Income taxes		881,214			1,080,155			2,450,597		
Income taxes adjustment		△29,324	851,890	29.8	△62,615	1,017,540	21.8	△204,844	2,245,752	29.8
Net income			1,224,682	43.0		1,432,740	30.7		3,234,627	42.8
Retained earnings brought forward			674,796			-			-	
Unappropriated retained earnings			1,899,478			-			-	

III Interim Non-Consolidated Statements of Changes in Net Assets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007) (Thousands of yen)

	Shareholders' equity				Valuation and translation adjustments	Total net assets
	Common Stock	Additional paid-in capital	Retained earnings	Total shareholders' equity	Net unrealized gain/(loss) on other securities	
		Capital reserve	Other retained earnings Retained earnings carried forward			
Balance as of September 30, 2006	10,624,769	10,351,900	3,906,045	24,882,715	13,688	24,896,403
Changes during the interim fiscal year						
Issuance of common stock	55,838	—	—	55,838	—	55,838
Dividends	—	—	△1,183,110	△1,183,110	—	△1,183,110
Net income	—	—	1,432,740	1,432,740	—	1,432,740
Net changes of items other than shareholders` equity	—	—	—	—	△5,978	△5,978
Total changes during the interim fiscal year	55,838	—	249,630	305,468	△5,978	299,490
Balance as of March 31, 2007	10,680,608	10,351,900	4,155,676	25,188,184	7,710	25,195,894

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006) (Thousands of yen)

	Shareholders' equity					Valuation and translation adjustments	Total net assets
	Common Stock	Additional paid-in capital	Retained earnings	Treasury stocks	Total shareholders' equity	Net unrealized gain/(loss) on other securities	
		Capital reserve	Other retained earnings Retained earnings carried forward				
Balance as of September 30, 2005	1,303,735	1,101,900	1,043,805	—	3,449,440	—	3,449,440
Changes during the interim fiscal year							
Issuance of common stock	9,321,034	9,250,000	—	—	18,571,034	—	18,571,034
Dividends	—	—	△369,009	—	△369,009	—	△369,009
Net income	—	—	3,234,627	—	3,234,627	—	3,234,627
Acquisition of treasury stocks	—	—	—	△3,379	△3,379	—	△3,379
Disposition of treasury stocks	—	—	△3,379	3,379	—	—	—
Net changes of items other than shareholders` equity	—	—	—	—	—	13,688	13,688
Total changes during the interim fiscal year)	9,321,034	9,250,000	2,862,239	—	21,433,274	13,688	21,446,963
Balance as of September 30, 2006	10,624,769	10,351,900	3,906,045	—	24,882,715	13,688	24,896,403

Significant Policies to Prepare Interim Non-Consolidated Financial Statements

Item	**Interim Fiscal 2006** (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)
1 Bases and methods of valuation of assets	(1) Securities (i) Investment of subsidiaries and affiliates Stated at cost using the moving-average cost method. (ii) Other securities Other securities with fair market value: ——— Other securities with no fair market value: Stated at cost determined by the moving-average method. However, investments in Silent Partnership (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in "(6) Other significant policies to prepare interim financial statements (financial statements) (2) Investments in securities, trade (Investments in Silent Partnership (Tokumei Kumiai)) (2) Derivatives All derivatives are stated at fair value with changes in fair value being charged to income or loss for the period in which they arise except for derivatives that are designated and qualified as hedging instruments. (3) Inventory Work in process Stated at cost determined by the specific-identification method.	(1) Securities (i) Investment of subsidiaries and affiliates Same as at left (ii) Other securities Other securities with fair market value: Stated at fair market value as of the balance sheet dates. Unrealized holding gains and losses, net of the related tax effect, are recorded as an accumulated comprehensive income until realized. Costs are determined by the moving-average method. Other securities with no fair market value: Same as at left (2) Derivatives Same as at left (3) Inventory Work in progress Same as at left	(1) Securities (i) Investment of subsidiaries and affiliates Same as at left (ii) Other securities Other securities with fair market value: Same as at left Other securities with no fair market value: Same as at left (2) Derivatives Same as at left (3) Inventory Work in progress Same as at left
2 Depreciation of fixed assets	(1) Property, plant and equipment Depreciation is computed using the declining balance method. Useful lives for major assets are as follows: • Buildings: 8-15 years • Furniture and equipment: 4-20 years (2) Intangible fixed assets Stated using the straight-line method. Software for in-house use is accounted for with the straight line method over usable life (three to five years). (3) Long-term prepaid expenses Amortized on a straight line basis.	(1) Property, plant and equipment Same as at left Useful lives for major assets are as follows: • Buildings: 6-18 years • Furniture and equipment: 3-20 years (2) Intangible fixed assets Same as at left (3) Long-term prepaid expenses Same as at left	(1) Property, plant and equipment Same as at left Useful lives for major assets are as follows: • Buildings: 8-15 years • Furniture and equipment: 3-20 years (2) Intangible fixed assets Same as at left (3) Long-term prepaid expenses Same as at left

Item	**Interim Fiscal 2006** (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)
3 Allowances	(1) Allowance for doubtful accounts To provide for future losses on doubtful accounts, FinTech Global Incorporated (hereinafter referred to as "the Company") determines allowance for doubtful accounts based on historical experience, plus additional estimated amounts to cover specifically uncollectible receivables. (2) Accrued bonuses Accrued bonus is provided for in the amount that is expected to be paid for employee bonuses. (3) Accrued retirement benefits To provide for future payment of retirement benefits to employees, the Company determines the amount necessary to be provided for the accrued retirement benefits at the end of Interim fiscal year as the projected benefits obligation. The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.	(1) Allowance for doubtful accounts Same as at left (2) Accrued bonuses Same as at left. (3) Accrued retirement benefits Same as at left	(1) Allowance for doubtful accounts Same as at left (2) Accrued bonuses Same as at left. (3) Accrued retirement benefits To provide for future payment of retirement benefits to employees, the Company determines the amount necessary to be provided for the accrued retirement benefits at the end of fiscal year as the projected benefits obligation. The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.
4 Accounting for leases	Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, are accounted for in the same manner as operating leases.	Same as at left	Same as at left
5 Hedge accounting	(1) Methods of hedge accounting For interest rate swaps that meet the requirements for special treatment, special accounting treatment is adopted. (2) Hedging vehicles and hedged items a Hedging vehicles Interest rate swaps b Hedged items Borrowings	(1) Methods of hedge accounting Same as at left (2) Hedging vehicles and hedged items Same as at left	(1) Methods of hedge accounting Same as at left (2) Hedging vehicles and hedged items Same as at left

Item	**Interim Fiscal 2006** (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)
	(3) Hedging policy Interest rate swaps are used to avoid fluctuations of market interest rates. (4) Methods of hedge efficacy assessment The efficacy assessment for interest rate swaps is omitted, as they meet the requirements for special treatment.	(3) Hedging policy Same as at left (4) Methods of hedge efficacy assessment Same as at left	(3) Hedging policy Same as at left (4) Methods of hedge efficacy assessment Same as at left
6 Other significant policies to prepare interim financial statements (financial statements)	(1) Accounting for consumption tax and local consumption tax Consumption tax and local consumption tax are accounted for using the tax exclusion method. Suspense consumption tax paid and suspense consumption tax received during the period are balanced out and shown in “other current liabilities” in the interim non-consolidated balance sheets. (2) Investments in securities, trade, (Investments in Silent Partnership (Tokumei Kumiai)) Investments in securities, trade (investments in Silent Partnership (Tokumei Kumiai)) are stated at cost adjusted for equity in earnings and losses of the partnership. The adjustments are recognized as “Net revenue.’’ (3) Methods for allocating financing expenses ———	(1) Accounting for consumption tax and local consumption tax Same as at left (2) Investments in securities, trade, (Investments in Silent Partnership (Tokumei Kumiai)) Same as at left (3) Methods for allocating financing expenses Financing expenses the companies providing with the lending services are classified into financing expenses associated with operating revenue and other financing expenses. In allocating those expenses, the total assets are allocated between the assets for business transactions and other assets, and based on the balance of the allocated assets, the financing expenses for the operating assets are classified as the cost of revenue, and the financing expenses for other assets are classified as other expense on the interim statements of income.	(1) Accounting for consumption tax and local consumption tax Consumption tax and local consumption tax are accounted for using the tax exclusion method. (2) Investments in securities, trade, (Investments in Silent Partnership (Tokumei Kumiai)) Same as at left (3) Methods for allocating financing expenses ———

Changes in Significant policies to Prepare Interim Non-Consolidated FinancialStatements

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)
(Impairment Loss on Fixed Assets) In interim fiscal 2006, the Company adopted the new accounting standard "Accounting for Impairment of Fixed Assets (Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets)" issued by the Business Accounting Deliberation Council on August 9, 2002 and "Implement Guidance for the Accounting Standard for Impairment of Fixed Assets" (Financial Accounting Standard Implementation Guidance No.6 issued on October 31, 2003). The application of the new standards had no impact on the Company's results of operation.	―――	(Impairment Loss on Fixed Assets) In fiscal 2006, the Company adopted the new accounting standard "Accounting for Impairment of Fixed Assets (Opinion Concerning Establishment of Accounting Standard for Impairment of Fixed Assets)" issued by the Business Accounting Deliberation Council on August 9, 2002 and "Implement Guidance for the Accounting Standard for Impairment of Fixed Assets" (Financial Accounting Standard Implementation Guidance No.6 issued on October 31, 2003). The application of the new standards had no impact on the Company's results of operation.
―――	―――	(Presentation of Net Assets on the Balance Sheet) In fiscal 2006, the Company adopted the new accounting standard "Accounting Standard for Presentation of Net Assets on the Balance Sheet" (Accounting Standard Board Statement No.5 issued on December 9, 2005) and "Financial Accounting Implementation Guidance on Presentation of Net Assets on the Balance Sheet" (Financial Accounting Implementation Guidance No.8 issued on December 9, 2005). Total shareholders' equity would have been ¥24,896,403 thousand under the previous accounting standard.

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)
―――	(Methods for allocating financing expenses) Financing expenses on the loans associated with individual investments or financings had been classified as cost of revenue and financing expenses on the loans which could not be traced to individual fund requirement had been classified as other expense. However, due to the increasing the ratio of the financing expenses which could not be traced to individual fund requirement, the Company has decided to allocate financing expenses of the companies providing with the lending services to properly present cost of revenue and other expenses, since this interim fiscal year 2007. As for the allocation method, the total assets are allocated between the assets for business transactions and other assets, and based on the balance of the allocated assets, the financing expenses for the operating assets are classified as the cost of revenue, and the financing expenses for other assets are classified as other expense on the interim consolidated statements of income. Alone with the change, “bank loans, trade” is reclassified to “short-term debt” or “long-term debt” based on the term of payment. As a result of the change, the operating income have decreased by ¥122,008 thousands compared to what would have been reported under the previous presentation, but there is no impact on the ordinary profit in the interim consolidated statements of income. Current liabilities have decreased by ¥705,000 thousands, and long-term liabilities have increased by the same amount.	―――

Notes to Interim Non-Consolidated Balance Sheets

<table>
<tr>
<th>Interim Fiscal 2006
(As of March 31, 2006)</th>
<th>Interim Fiscal 2007
(As of March 31, 2007)</th>
<th>Fiscal Year 2006
[Summary]
(As of September 30, 2006)</th>
</tr>
<tr>
<td>*1 Pledged assets and secured debts
(Thousands of yen)
(1) Pledged assets
Cash and deposits ¥189,000
Corresponding secured debts
Bank loans, trade ¥306,300</td>
<td>*1 Pledged assets and secured debts
(Thousands of yen)
(1) Pledged assets
Assets for pledges were as follows:
Loans receivable, trade ¥525,000

Corresponding secured debts were as follows:
Long-term debt due within one year ¥185,000
Long-term debt ¥120,000
Total ¥305,000</td>
<td>*1 Pledged assets and secured debts
(Thousands of yen)
(1) Pledged assets
Assets for pledges were as follows:
Cash and deposits ¥189,000
Loans receivable, trade ¥815,000
Total ¥1,004,000

Corresponding secured debts were as follows:
Bank loans, trade ¥961,700</td>
</tr>
<tr>
<td>(2) Assets for pledges were as follows:
“Creation of pledges”
(Thousands of yen)
<table>
<tr><th>Class of Asset</th><th>Book Value</th><th>Correspondin g Debts</th></tr>
<tr><td>Loans receivable, trade</td><td>¥1,085,000</td><td>Bank loans, trade ¥687,000</td></tr>
</table>
</td>
<td>(2) ――――</td>
<td>(2) ――――</td>
</tr>
<tr>
<td>2 Loan Commitment Line Agreement
(Thousands of yen)
Total commitment ¥2,000,000
Executed loans -
Unused balance ¥2,000,000</td>
<td>2 Loan Commitment Line Agreement
(Thousands of yen)
Total commitment ¥12,546,000
Executed loans ¥490,000
Unused balance ¥12,056,000

For ¥11,000,000 thousand out of the above committed loan agreements, full amounts are not necessarily loaned because the Company lends out funds subject to the purpose for use of funds as well as the credit of the borrowers.</td>
<td>2 Loan Commitment Line Agreement

In the principal finance operations, the Company is committed to provide loans to a customer. The outstanding commitment balance as of September 30, 2006 was as follows:
(Thousands of yen)
Total commitment ¥7,000,000
Executed loans 195,000
Unused balance ¥6,805,000

In the above committed loan agreements, full amounts are not necessarily loaned because the Company lends out funds subject to the purpose for use of funds as well as the credit of the borrowers.</td>
</tr>
<tr>
<td>3 ――――</td>
<td>3 ――――</td>
<td>3 Investment Commitment Line Agreement
In the principal finance operations, the Company is committed to provide investments. The outstanding commitment balance as of September 30, 2006 was as follows:
(Thousands of yen)
Total commitment ¥4,800,000
Executed investments -
Unused balance ¥4,800,000

In the above committed investment agreements, full amounts are not necessarily invested because the Company invests out funds subject to the purpose for use of funds as well as the credit of the investees.</td>
</tr>
<tr>
<td>*4Accumulated depreciation for property, plant and equipment
(Thousands of yen)
Buildings ¥11,649
Furniture and equipment ¥10,379</td>
<td>*4Accumulated depreciation for property, plant and equipment
(Thousands of yen)
Buildings ¥12,075
Furniture and equipment ¥17,769</td>
<td>*4 Accumulated depreciation for property, plant and equipment
(Thousands of yen)
Buildings ¥16,950
Furniture and equipment ¥12,530</td>
</tr>
</table>

Interim Fiscal 2006 (As of March 31, 2006)	**Interim Fiscal 2007** (As of March 31, 2007)	**Fiscal Year 2006** [Summary] (As of September 30, 2006)
5 ――――	5 Credit Line Agreement The Company has credit line agreements with banks to make an appropriation for funds for investments and loans in the principal finance operations. The credit line under the agreements and the outstanding balance as of March 31, 2007 were as follows: (Thousands of yen) Total commitment ¥4,000,000 Executed loans 2,000,000 Unused balance ¥2,000,000	5 Credit Line Agreement The Company has credit line agreements with banks to make an appropriation for funds for investments and loans in the principal finance operations. The credit line under the agreements and the outstanding balance as of September 30, 2006 were as follows: (Thousands of yen) Total commitment ¥4,000,000 Executed loans - Unused balance ¥4,000,000
*6 ――――	*6 Principal assets and liabilities at the end of the interim fiscal 2007 that have been treated as financial transactions on the books are presented below. (Thousands of yen) Loans receivable, trade ¥4,121,000 Long-term debt ¥2,766,000	*6 ――――
*7 ――――	*7 There are no bad debts included in loans receivable, trade.	*7 There are no bad debts included in loans receivable, trade.

Notes to Interim Statements of Non-Consolidated Income

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** [Summary] (From October 1, 2005 to September 30, 2006)
*1 Major other income: (Thousand yen) Interest income ¥864	*1 Major other income: (Thousand yen) Interest income ¥30,416	*1 Major other income : (Thousand yen) Interest income ¥6,726
*2 Major other expenses: (Thousand yen) Interest expenses ¥19,027 Stock issuance costs ¥87,378 Syndicated loan fees ¥25,384 Bond issuance costs ¥11,741	*2 Major other expenses: (Thousand yen) Interest expenses ¥105,922 Stock distribution costs ¥2,420 Commissions paid ¥43,902 Bond issuance costs ¥52,329 Loss on redemption of bonds with stock acquisition rights ¥200,000	*2 Major other expenses: (Thousand yen) Interest expenses ¥78,432 Unrealized loss on derivative instruments ¥1,341 Stock distribution costs ¥112,675 Bond issuance costs ¥18,092 Syndicated loan fees ¥86,575 Loss on redemption of bonds with stock acquisition rights ¥50,000
*3 Major extraordinary losses: ———	*3 Major extraordinary losses: (Thousand yen) Valuation loss on investment in subsidiaries and affiliates ¥64,999 Amount of allowance for doubtful account ¥307,387	*3 Major extraordinary losses: ———
4 Depreciation and amortization: (Thousand yen) Property, plant and equipment: ¥6,340 Intangible fixed assets: ¥187	4 Depreciation and amortization : (Thousand yen) Property, plant and equipment: ¥12,722 Intangible fixed assets: ¥951	4 Depreciation and amortization : (Thousand yen) Property, plant and equipment: ¥13,792 Intangible fixed assets: ¥833

Notes to Interim Non-Consolidated Statements of Changes in Net Assets

Interim Fiscal 2007 (From October 1, 2006 to March 31, 2007)
No treasury stocks existed during the interim fiscal 2007.

Fiscal Year 2006 (From October 1, 2005 to September 30, 2006)
Treasury stocks :

Type of stock	Number of shares As of September 30, 2005	Increases	Decreases	Number of shares As of September 30, 2006
Common stock	—	3.79	3.79	—

(Reasons for changes)
The increase in the number of shares were resulted from the following:
Acquisition of odd-lot shares 3.79 shares
The decrease in the number of shares were resulted from the following:
Decrease through disposition of treasury stock 3.79 shares

Leases

Interim Fiscal 2006
(From October 1, 2005
to March 31, 2006)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, were accounted for in the same manner as operating leases.

1 Pro forma information of the leased property, such as acquisition costs, accumulated depreciation, and net book value as of March 31, 2006 are as follows:

(Thousands of yen)

	Acquisition costs	Accumulated depreciation	Net book value
Buildings	1,938	484	1,453
Furniture and equipment	11,235	2,808	8,426
Total	13,174	3,293	9,880

2 The scheduled maturities of future lease payments of such lease contracts as of March 31, 2006, were as follows:

(Thousand yen)

Within one year	¥ 2,531
Over one year	¥ 7,651
Total	¥10,182

3 Lease expenses, pro forma depreciation expenses, and pro forma interest expenses for the period ended March 31, 2006 were as follows:

(Thousand of yen)

Lease expenses	¥ 1,492
Pro forma depreciation expenses	1,317
Pro forma interest expenses	273

4 Pro forma depreciation expenses were calculated using the straight-line method over the lease term with no residual value.

5 Differences between total lease payments and the acquisition costs of the leased assets are assumed as pro forma interest expenses. The pro forma interest expenses are allocated to each period using the interest method over the lease term.

Interim Fiscal 2007
(From October 1, 2006
to March 31, 2007)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, were accounted for in the same manner as operating leases.

1 Pro forma information of the leased property, such as acquisition costs, accumulated depreciation, and net book value as of March 31, 2007 are as follows:

(Thousands of yen)

	Acquisition costs	Accumulated Depreciation	Net book value
Buildings	1,938	872	1,066
Furniture and equipment	11,235	5,055	6,179
Total	13,174	5,928	7,245

2 The scheduled maturities of future lease payments of such lease contracts as of March 31, 2007, were as follows:

(Thousand yen)

Within one year	¥ 2,661
Over one year	¥ 4,990
Total	¥7,651

3 Lease expenses, pro forma depreciation expenses, and pro forma interest expenses for the period ended March 31, 2007 were as follows:

(Thousand of yen)

Lease expenses	¥ 1,492
Pro forma depreciation expenses	1,317
Pro forma interest expenses	210

4 Same as at left

5 Same as at left

Fiscal Year 2006
[Summary]
(From October 1, 2005
to September 30, 2006)

Finance leases, except for those leases under which the ownership of the leased assets is considered to be transferred to the lessee, were accounted for in the same manner as operating leases.

1 Pro forma information of the leased property, such as acquisition costs, accumulated depreciation, and net book value as of September 30, 2006 are as follows:

(Thousands of yen)

	Acquisition Costs	Accumulated depreciation	Net book value
Buildings	1,938	678	1,260
Furniture and equipment	11,235	3,932	7,303
Total	13,174	4,610	8,563

2 The scheduled maturities of future lease payments of such lease contracts as of September 30, 2006 were as follows:

(Thousand yen)

Within one year	¥ 2,595
Over one year	¥ 6,337
Total	¥8,932

3 Lease expenses, pro forma depreciation expenses, and pro forma interest expenses for the year ended September 30, 2006 were as follows:

(Thousand of yen)

Lease expenses	¥ 2,984
Pro forma depreciation expenses	2,634
Pro forma interest expenses	515

4 Same as at left

5 Same as at left

Securities

Interim Fiscal 2006 (From October 1, 2005 To March 31, 2006)

There were no shares of subsidiaries and affiliates with fair market value.

Interim Fiscal 2007 (From October 1, 2006 To March 31, 2007)

There were no shares of subsidiaries and affiliates with fair market value.

Fiscal Year 2006 (From October 1, 2005 To September 30, 2006)

There were no shares of subsidiaries and affiliates with fair market value.

Per Share Information

The statement of per share information is omitted because interim consolidated financial statements are prepared.

Subsequent Events

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
1. Based on the resolution at the Board of Directors held on March 31, 2006, the Company issued the second series of unsecured convertible bond-type bonds with stock acquisition rights. (with a supplementary contract on setting up of the same rank limited to and between convertible bond-type bonds with stock acquisition rights) (1) Total issuing amount: ¥10 billion (2) Issuing price: The issuing price of the second series of bonds is ¥100 per ¥100 of nominal value, and the stock acquisition rights are issued with no compensation. (3) Due date for payment: April 18, 2006 (4) Redemption price: ¥100 per ¥100 of nominal value (5) Due date for redemption: April 17, 2008 (6) Interest rate: No interest (7) The type and the number of shares to be issued by the stock acquisition rights: a. Type: Common stock of the Company b. Number of shares: Upon the exercise of the stock acquisition rights, the number of shares to be issued by the Company or the number of shares to be transferred instead of issuance (hereinafter the issuance or transfer of shares are referred to as "Delivery") shall be the maximum round number computed by dividing the total issuing price of the exercised bonds by the conversion price mentioned in (9) of this section. In the case when a fraction less than one-hundredth (1/100) occurs on the division, the fraction is discarded and no cash compensation shall be made. When a fraction which is an integral multiple of one-hundredth (1/100) occurs, the shares shall be converted to cash as fractional shares with the right-to-buy are deemed to be exercised as prescribed under the Commercial Code (8) Total number of stock acquisition rights: 100 units (9) Amount to be paid at the time of the exercise of stock acquisition rights: a. Same amount with the issuing price of the bonds. b. The conversion price is initially ¥900,000. However, the conversion price may be revised or adjusted as set out in (10) or (11) of this section. (10) Revision of conversion price: On and after July 21, 2006, conversion price is computed as the average closing price of the Company's common stock traded at the Tokyo Stock Exchange (calculated to two decimal places and then rounded off to one decimal place) for five consecutive trading days (excluding the days without a closing price) following the third Friday of every month (hereinafter referred to as "Date of determination") till the date of determination (hereinafter referred to as "the period for calculation of market price" in 1.). If the date of determination is not a trading day, the five consecutive days include a trading day prior to the date of determination. A trading day represents a day when the Company's common stock is traded at the Tokyo Stock Exchange.	―――	1. On September 8, 2006, the Board of Directors of the Company approved a stock split with no compensation, which became effective on October 1, 2006, to increase the liquidity of the Company's stock and to broaden the investors' base by reducing the equity price per share. (1) Number of shares to be increased: Common stock: 946,488 shares (2) Method of stock split The shares held by shareholders recorded on the shareholders' lists as of September 30, 2006 was split using a ratio of 5-for-1. Assuming that the share split was executed at the beginning of the previous fiscal year, the per-share information is summarized as follows: Fiscal 2005: (Yen) Net assets per share ¥3,365.23 Net income per share ¥985.82 Net income (diluted) per share ¥952.56 Fiscal 2006: (Yen) Net assets per share ¥21,043.19 Net income per share ¥2,869.88 Net income (diluted) per share ¥2,484.37 2. On October 6, 2006, the Board of Directors of the Company approved the redemption of all of the outstanding third series of unsecured convertible bond-type bonds with stock acquisition rights (with a supplementary contract on setting up of the same rank limited to and between convertible bond-type bonds with stock acquisition rights), of which total nominal value amounting to ¥20 billion, in accordance with the redemption clause of the bonds and the subscription agreement. (1) Reason for redemption before due date: The third series of bonds with stock acquisition rights have a clause for redemption before due date. After comprehensively considering the balance between the potential dilution of equity value and the enhancement of financial status, the Company decided to redeem all the outstanding of the third series of bonds with stock acquisition rights. (2) Bonds to be redeemed: The third series of unsecured convertible bond-type bonds with stock acquisition rights issued by FinTech Global Incorporated (3) Date of notice: October 6, 2006 Under the subscription agreement, the Company and Goldman Sachs International agreed that the Company would not accept the request for conversion on and after October 10, 2006 at noon. The conversion price before that time is ¥180,000. (4) Date of redemption: November 6, 2006 (5) Amount to be redeemed: All of the outstanding third series of bonds with stock acquisition rights as of November 6, 2006 The Company has not converted any of the bonds into shares since issuance.

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
If the average closing price is lower than the conversion price that is effective on the date of determination or exceeds an amount equivalent to 120% of the conversion price that is effective on the date of determination, the conversion price shall be revised to an amount equivalent to the average price (hereinafter referred to as “the conversion price after revision” in 1.). If there is any reason to adjust the conversion price as set out in (11) of this section during the period for calculation of market price, the conversion price after revision shall be adjusted to a price that the Company deems appropriate in accordance with the bond prospectus applied to the bonds with stock acquisition rights. However, if, as a result of the calculation, the conversion price after revision is lower than 50% of the average price (calculated to two decimal places, and then rounded off to one decimal place) for five consecutive trading days up to July 21, 2006 (including the day and excluding the days without a closing price) (hereinafter referred to as “the standard date of determination” in 1.), the 50% of the average price (hereinafter referred to as “the minimum conversion price” in 1. below, but this shall be subject to adjustment as set out in (11) of this section) shall become conversion price. If the conversion price after revision is higher than 150% of the average price (calculated to two decimal places, and then rounded off to one decimal place) for five consecutive trading days till the standard date of determination (including the day and excluding the days without a closing price), the 150% of the average price (hereinafter referred to “the maximum conversion price” in 1. ; but, this shall be subject to adjustment as set out in (11) of this section) shall become the conversion price. If the standard date of determination is not a trading day, the five consecutive days include a trading day prior to the standard date of determination. (11) Adjustment of conversion price: After the bonds with stock acquisition rights are issued, if the Company issues new common stock or disposes of common stock held by the Company at a price below the market price, the conversion price is adjusted based on the following formula. (However, this does not apply to cases related to the securities to be converted or convertible to the Company’s common stocks or stock acquisition rights that may require the issue of the Company’s common stocks, including those attached to bonds with stock acquisition rights.) In the following formula, the number of shares issued represents a number computed by deducting the number of treasury stocks held by the Company from total number of outstanding shares of the Company. $\text{(Adjusted convertible price)} = \text{(Conversion price before adjustment)} \times \dfrac{\text{(Number of issued shares)} + \dfrac{\text{(Number of new shares or disposed shares) x (Issuing or disposing price per share)}}{\text{(Market price)}}}{\text{(Number of issued shares) + (Number of new shares or disposed shares)}}$		(6) Redemption price: ¥101 for ¥100 of nominal value (7) Funds used for the redemption: Short-term debt shall be appropriated for the funds of the redemption. (8) Expected decrease in annual interest expense due to the decrease in bonds: Not applicalbe 3. On October 6, 2006, the Board of Directors of the Company approved borrowing funds for the early redemption of the third series of unsecured convertible bond-type bonds with stock acquisition rights issued on April 18, 2006. Important terms of the borrowings are as follows: Lender: Nikko Citigroup Limited Amount: ¥20 billion Date of loan: November 2, 2006 Date of repayment: February 28, 2007 Interest rate: 1.17438% (fixed rate) Method: Loan agreement Security: No security Guarantee: No guarantee Other important covenant: Nothing 4. On December 20, 2006, the general shareholders’ meeting of the Company approved a stock option plan as prescribed on article 238 and 239 of the Company Law. (1) The type and the number of shares to be issued by the stock options: a. Type: Common stock of the Company b. Number of shares: Up to 5,000 shares In case of stock split, the number of shares to be issued for unexercised stock options shall be calculated by the following formula. Fractions less than one share shall be rounded off. $\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of stock split (or combination)}$ (2) Total number of stock options: Up to 5,000 units (One share will be granted per stock option, subject to the adjustment if necessary as prescribed in (1)) (3) Issuing value of stock options: No compensation (4) Amount to be paid at the time of the exercise of stockacquisition rights: The amount to be paid at the time of the exercise of stock acquisition rights (‘‘Exercise value’’) shall be computed by the following method. The Exercise value shall be the higher of the average of the closing prices of the Company’s common stock traded in the regular way at the Tokyo Stock Exchange of a month (excluding the days without transactions) before the month of the allotment day, or the closing price of the business day before the allotment day (if there is not such closing price, that of the nearest preceding day shall apply), multiplied by 1.05. Fractions less than 1 yen shall be rounded up.

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
In addition, the conversion price may be adjusted accordingly if the Company's common stocks are split or combined, or securities to be converted or convertible to the Company's common stock, stock acquisition rights that may request issuance of the Company's common stocks, or the bonds with stock acquisition rights, at a price below the market price, are issued. (12) Period for exercise of stock acquisition rights: From April 19, 2007 to April 16, 2008 (13) Use of funds The funds will be appropriated for the repayment of short-term debt incurred for investment and loan in the principal finance operations. 2. Based on the resolution at the Board of Directors held on March 31, 2006, the Company issued the third series of unsecured convertible bond-type bonds with stock acquisition rights. (with a supplementary contract on setting up of the same rank limited to and between convertible bond-type bonds with stock acquisition rights) (1) Total issuing amount: ¥20 billion (2) Issuing price: The issuing price of the third series of bonds is ¥100 per ¥100 of nominal value, and the stock acquisition rights are issued with no compensation. (3) Due date for payment: April 18, 2006 (4) Redemption price: ¥100 per ¥100 of nominal value (5) Due date for redemption: April 17, 2008 (6) Interest rate: No interest (7) Type and number of shares to be issued by the stock acquisition rights: a. Type: Common stock of the Company b. Number of shares: Upon the exercise of the stock acquisition rights, the number of shares to be issued by the Company or the number of shares to be transferred instead of issuance (hereinafter the issuance or transfer of shares are referred to as "Delivery") shall be the maximum round number computed by dividing the total issuing price of the exercised bonds by the conversion price mentioned in (9) of this section. In the case when a fraction less than one-hundredth (1/100) occurs on the division, the fraction is discarded and no cash compensation shall be made. When a fraction which is an integral multiple of one-hundredth (1/100) occurs, the shares shall be converted to cash as fractional shares with the right-to-buy are deemed to be exercised as prescribed under the Commercial Code (8) Total number of stock acquisition rights: 200 units (9) Amount to be paid at the time of the exercise of stock acquisition rights: a. Same amount with the issuing price of the bonds. b. The conversion price is initially ¥900,000. However, the conversion price may be revised or adjusted as set out in (10) or (11) of this section.		If the Company issues new shares or disposes of treasury stocks at a price below the market price (except in the case of issuance of new shares due to the exercise of the rights), the Exercise value shall be adjusted by the following formula. Fractions less than 1 yen shall be rounded up. $\text{(Adjusted Exercise value)} = \text{(Exercise Value before adjustment)} \times \dfrac{\text{(Number of issued shares)} + \dfrac{\text{(Number of new shares to be issued) x (Exercise value per share)}}{\text{(Stock price before issuance of new shares)}}}{\text{(Number of issued shares)} + \text{(Number of new shares to be issued)}}$ (5) Period for exercise of stock acquisition rights: From January 1, 2009 to November 30, 2016 (6) Conditions for exercise of stock acquisition rights: (i) Those who are entitled to exercise the stock acquisition rights shall be any of the directors, corporate auditors or employees of the Company or its subsidiaries at the time of the exercise unless there are any appropriate reasons such as a resignation due to the expiry of the term of duty and a mandatory retirement. (ii) The exercise of the stock options by an heir, assignee, pledgor or anyone who succeeded to the stock acquisition rights is not allowed according to the contract for allotment of the stock acquisition. (iii) The contract for allotment of the stock acquisition rights may fix the maximum number of exercisable acquisition rights or the maximum amount of the total issuing value of the new shares for each year (from January 1 to December 31) during the period for the exercise. (7) Amounts of common stock and additional paid-in capital reserve to be increased with issuance of new shares upon the exercise of stock acquisition rights: (i) The capital stock amount to be increased upon the exercise of stock acquisition rights shall be half of the the maximum increasing capital stock amount calculated in accordance with Article 40.1 of the Company Account Rules. Fractions less than 1 yen shall be rounded up. (ii) The capital surplus reserve amount to be increased with issuance of new shares upon the exercise of stock acquisition rights shall be the maximum increasing capital amount mentioned in (i) above minus the capital amount calculated as mentioned in (i).

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
(10) Revision of conversion price: On and after October 20, 2006, conversion price is computed as the average closing price of the Company's common stock traded at the Tokyo Stock Exchange (calculated to two decimal places and then rounded off to one decimal place) for five consecutive trading days (excluding the days without a closing price) following the third Friday of every month (hereinafter referred to as "Date of determination") till the date of determination (hereinafter referred to as "the period for calculation of market price" in 2. below). If the date of determination is not a trading day, the five consecutive days include a trading day prior to the date of determination. A trading day represents a day when the Company's common stock is traded at the Tokyo Stock Exchange. If the average closing price is lower than the conversion price that is effective on the date of determination or exceeds an amount equivalent to 120% of the conversion price that is effective on the date of determination, the conversion price shall be revised to an amount equivalent to the average price (hereinafter referred to as "the conversion price after revision" in 2. below). If there is any reason to adjust the conversion price as set out in (11) of this section during the period for calculation of market price, the conversion price after revision shall be adjusted to a price that the Company deems appropriate in accordance with the bond prospectus applied to the bonds with stock acquisition rights. However, if, as a result of the calculation, the conversion price after revision is lower than 50% of the average price (calculated to two decimal places, and then rounded off to one decimal place) for five consecutive trading days up to October 20, 2006 (including the day and excluding the days without a closing price) (hereinafter referred to as "the standard date of determination" in 2. below), the 50% of the average price (hereinafter referred to as "the minimum conversion price" in 2. below, but this shall be subject to adjustment as set out in (11) of this section) shall become conversion price. If the conversion price after revision is higher than 150% of the average price (calculated to two decimal places, and then rounded off to one decimal place) for five consecutive trading days till the standard date of determination (including the day and excluding the days without a closing price), the 150% of the average price (hereinafter referred to "the maximum conversion price" in 2. below; but, this shall be subject to adjustment as set out in (11) of this section) shall become the conversion price. If the standard date of determination is not a trading day, the five consecutive days include a trading day prior to the standard date of determination.		

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)

(11) Adjustment of conversion price:
After the bonds with stock acquisition rights were issued, if the Company issues new common stock or disposes of common stock held by the Company at a price below the market price, the conversion price is adjusted based on the following formula. (However, this does not apply to cases related to the securities to be converted or convertible to the Company's common stocks or stock acquisition rights that may require the issue of the Company's common stocks, including those attached to bonds with stock acquisition rights.)
In the following formula, the number of shares issued represents a number computed by deducting the number of treasury stocks held by the Company from the total number of outstanding shares of the Company.

$$\text{(Adjusted convertible price)} = \text{(Conversion price before adjustment)} \times \frac{\text{(Number of issued shares)} + \dfrac{\text{(Number of new shares or disposed shares) x (Issuing or disposing price per share)}}{\text{(Market price)}}}{\text{(Number of issued shares)} + \text{(Number of new shares or disposed shares)}}$$

In addition, the conversion price may be adjusted accordingly if the Company's common stocks are split or combined, or securities to be converted or convertible to the Company's common stock, stock acquisition rights that may request issuance of the Company's common stocks, or the bonds with stock acquisition rights, at a price below the market price, are issued.

(12) Period for exercise of stock acquisition rights:
From April 19, 2006 to April 16, 2008

(13) Use of funds
The funds will be appropriated for the repayment of short-term debt incurred for investment and loan in the principal finance operations. Remaining funds will be appropriated for investment and loan in the principal finance operations.

3. The Company issued stock acquisition rights based on a resolution at the meeting of the Board of Directors held on April 27, 2006, in accordance with the provisions of articles 280-20 and 280-21 of the Commercial Code, and a resolution at the ordinary general meeting of shareholders held on December 20, 2005.

(1) The type and the number of shares to be issued by the stock acquisition rights:
a. Type: Common stock of the Company
b. Number of shares: 650 shares

In case of stock split, the number of shares to be issued for unexercised stock acquisition rights shall be calculated by the following formula. Fractions less than one share shall be rounded off.

$$\text{Number of shares after adjustment} = \text{Number of shares before adjustment} \times \text{Ratio of stock split (or combination)}$$

Interim Fiscal 2006 (From October 1, 2005 to March 31, 2006)	**Interim Fiscal 2007** (From October 1, 2006 to March 31, 2007)	**Fiscal Year 2006** (From October 1, 2005 to September 30, 2006)
(One share will be granted per stock acquisition right) (3) Issuing value of stock options: No compensation (4) Amount to be paid at the time of the exercise of stock acquisition rights: ¥729,894 per share If the Company issues new shares or disposes of treasury stocks at a price below the market price, the amount to be paid for the exercise shall be adjusted by the following formula on the respective effective date. Fractions less than 1 yen shall be rounded up. $\text{(Adjusted issuing price)} = \text{(Issuing price before adjustment)} \times \dfrac{\text{(Number of issued shares)} + \dfrac{\text{(Number of new shares)} \times \text{(Issuing price per share)}}{\text{(Market price per share)}}}{\text{(Number of issued shares)} + \text{(Number of new shares)}}$ (5) Period for exercise of stock acquisition rights: From January 1, 2008 to November 30, 2015 (6) Conditions for exercise of stock acquisition rights: Those who are entitled to exercise the stock acquisition rights shall be any of the directors, corporate auditors or employees of the Company or its subsidiaries or a similar position at the time of the exercise unless there are any appropriate reasons such as a resignation due to the expiry of the term of duty and a mandatory retirement. 4. Entering into Credit Card Claim Factoring Business The Company decided to enter into the credit factoring business in alliance with Lehman Brothers Japan Incorporated and acquired 100% voting rights of ASAP Payment System Inc. on June 6, 2006. The Company entered into loan commitment agreement with ASAP Payment System Inc. to provide funds for the factoring business on June 7, 2006. (1) Company Name: ASAP Payment System Inc. Business: Credit and claim factoring, and solicitation of member merchants Capital Stock: ¥10,000 thousand (2) Credit line provided: ¥5,000,000 thousand		