Interim Financial Results for Fiscal 2007 ending September 30, 2007

May 7, 2007

FinTech Global Incorporated
Mothers Stock Code: 8789
http://www.fgi.co.jp/

The industry trends and analyses, as well as business outlook, strategies and other forward-looking statements, described in these materials are based on information currently available to management of the FinTech Global Group. The future operating environment could, however, be significantly different than it is now due to various factors, and next-stage strategies, performance results and other events may therefore differ from the content presented today.

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Interim Financial Results (Non-Consolidated)

Interim Financial Results for Fiscal 2007

(Millions of yen)

Non-Consolidated	Net Revenue	Ordinary Profit	Net Income
Original estimates (A)	5,040	3,400	1,847
Actual results (B)	4,667	2,854	1,432
Change (B-A)	-372	-545	-414
Percentage change	-7.4	-16.1	-22.5
Fiscal 2006(results)	2,853	2,076	1,224
Change from fiscal 2006 (B-C)	1,813	778	208
Change from fiscal 2006 (%)	63.6	37.5	17.0

Summary of Change from Estimates (Non-Consolidated)

(Millions of yen)	First Half Results	Estimates	Change
Net revenue	**4,667**	**5,040**	**-372**
Cost of revenue	**364**	**299**	**65**
Gross profit	4,302	4,740	-437
Selling, general and administrative expenses	**1,065**	**973**	**92**
Operating income	3,236	3,767	-530
Other income	34	0	34
Other expenses	**415**	**366**	**49**
Ordinary profit	2,854	3,400	-545
Extraordinary profit	7	0	7
Extraordinary loss	**412**	**41**	**370**
Income before taxes and minority interests	2,450	3,359	-909
Income taxes	1,080	1,511	-494
Net income	1,432	1,847	- 414

(Compared with estimates)

Arrangement service fees	¥2,942 million (+¥151 million)
Principal finance service fees	¥236 million (-¥244 million)
Principal financing interest income	¥1,414 million (-¥185 million)
Other	¥75 million (-¥95 million)
Total	¥4,667 million (-¥372 million)

Increase in cost of revenue	¥65 million
Increase in selling, general and administrative expenses	¥92 million
Increase in other expense	¥49 million
Total	¥207 million

Reference: Interim extraordinary expense (non-consolidated) on slide 7.

Allowance for doubtful accounts (impairment accounting for ASAP)	¥307 million
Loss on revaluation of shares (impairment accounting for ASAP)	¥64 million
Disposition losses (head office relocation)	¥39 million
Anticipated losses	¥(41)million
Increase in extraordinary losses	¥370 million

Lower-than-expected results from subsidiary ASAP led to impairment loss processing on loans and equity in this company.

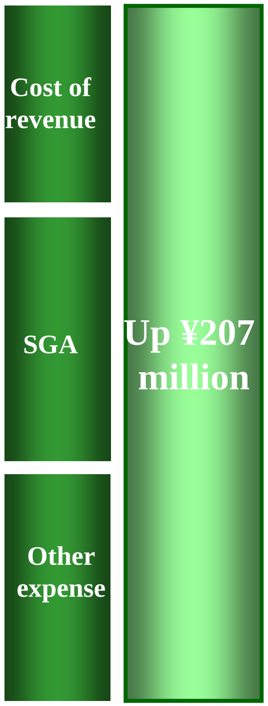
Primary reason for reduction in principal financing loans and related fees

★ Higher balance of uninvested funds (balance of cash and cash equivalents as of March 31, 2007: approximately ¥12,000 million)

- Careful selection of projects
- Lower project turnover rate eroded opportunity to obtain as much fee income as expected.

Interim Extraordinary expenses (Non-Consolidated)

(Millions of yen)



	Interim Period
Costs associated with acquisition of shares in FXO	**162**
Costs associated with issue of Euroyen convertible bonds	**108**
Costs associated with redemption of unsecured convertible bond-type bonds with stock acquisition rights	**200**
Higher costs on expanded balance of borrowings, including funds to acquire shares in FXO	**77**
Moving expenses	**10**
Sub-total	**558**
Anticipated amount	**(290)**
Amount over anticipated amount	**268**
Reduction in other business expenses	**(61)**
Net Excess of extraordinary and other business expenses	**207**

★ Financing costs, including interest expense, on lending operations in the fiscal 2007 interim period will be partially regarded as cost of revenue.

★ Extraordinary expenses were ¥268 million more than anticipated, after deducting the anticipated amount of ¥290 million. But because other business expenses, however, such as selling, general and administrative expenses, were lower, extraordinary expenses giving an overall next excess in expenses of ¥207 million.

Non-Consolidated Full-Year Projections

Full-Year Performance Forecasts for Fiscal 2007 (Non-Consolidated)

Revised Performance Forecasts

(Millions of yen)

Non-Consolidated	Net Revenue	Ordinary Profit	Net Income
Previous forecast (A)	10,800	7,685	4,204
New forecast(B)	10,800	6,975	3,699
Change (B-A)	0	-710	-505
Percentage change	0	-9.2	-12.0
Fiscal 2006 results (C)	7,544	5,480	3,234
Change from fiscal 2006 (B-C)	3,255	1,495	464
Change from fiscal 2006 (%)	43.2	27.3	14.4

Summary of Revised Full-Year Performance Forecasts for Fiscal 2007 (Non-Consolidated)

(Millions of yen)	Full-Year Forecast	Estimate	Change
Net revenue	10,800	10,800	-
Cost of revenue	789	437	352
Gross profit	10,010	10,362	-352
Selling, general and administrative expenses	2,555	2,288	267
Operating income	7,454	8,074	-619
Other income	34	0	34
Other expenses	512	388	124
Ordinary profit	6,975	7,685	-710
Extraordinary profit	7	0	7
Extraordinary loss	412	41	370
Income before taxes and minority interests	6,571	7,644	-1,073
Income taxes	2,934	3,440	-568
Net income	**3,699**	**4,204**	**-505**

No change*

Cost of revenue	¥352 million
Selling, general and administrative expenses	¥267 million
Increase in other expense	¥124 million
Total	¥ 744 million

Reference: Non-Consolidated extraordinary expenses

Allowance for doubtful accounts (impairment accounting for ASAP)	¥307 million
Loss on revaluation of shares (impairment accounting for ASAP)	¥64 million
Disposition losses (head office relocation)	¥39 million
Anticipated losses	¥(41 million)
Increase in extraordinary losses	¥370 million

Lower-than-expected results from subsidiary ASAP led to impairment loss processing on loans and equity in this company.

- Demand for structured finance arrangement services should remain brisk. In principal finance operations, we aim to boost earnings through more efficient application of funds. This should lead to non-consolidated net revenue of ¥10,800 million, on track with earlier predictions.

Full-Year extraordinary expenses (Non-Consolidated)

(Millions of yen)

Cost of revenue | SGA | Other expense — Up ¥744 million

	First Half (actual)	Second Half (estimates)	Full Year Forecast
Costs associated with acquisition of shares in FXO	162	40	202
Costs associated with issue of Euroyen convertible bonds	108	0	108
Costs associated with redemption of unsecured convertible bond-type bonds with stock acquisition rights	200	0	200
Higher costs on expanded balance of borrowings, including funds to acquire shares in FXO	77	100	178
Higher costs on IT-related investment, internal controls	0	124	124
Moving expenses	10	0	10
Sub-total	558	264	822
Anticipated amount	(290)	(26)	(316)
Amount over anticipated amount	268	238	506
Reduction in other business expenses	(61)	299	238
Final amount	**207**	**537**	**744**

Expansion of the Group, specifically the addition of FXOnline Japan, prompted higher internal control expenses and IT investment front-loading.

★ Financing costs, including interest expense, on lending operations in fiscal 2007 will be partially regarded as cost of revenue.

★ Extraordinary expenses added ¥506 million to business expenses, after deducting the anticipated amount of ¥316 million. But because other business expenses, such as selling, general and administrative expenses, were down, extraordinary expenses settled at ¥744 million in the end.

Consolidated Interim and Full-Year Data

Revised Performance Forecasts (Consolidated)

(1) Interim (October 1, 2006–March 31, 2007)

(Millions of yen)

Consolidated	Net Revenue	Ordinary Profit	Net Income
Previous forecast (A)	6,740	4,095	2,303
Actual results (B)	6,151	2,432	1,222
Change (B-A)	-588	-1,663	-1,080
Percentage change	-8.7	-40.6	-46.9
Fiscal 2006 result (C)	2,892	1,991	1,159
Change from fiscal 2006 (B-C)	3,258	441	63
Change from fiscal 2006 (%)	112.7	22.1	5.4

(2) Full-Year (October 1, 2006–September 30, 2007)

(Millions of yen)

Consolidated	Net Revenue	Ordinary Profit	Net Income
Previous forecast (A)	16,850	9,968	4,603
New forecast (B)	16,032	7,606	3,249
Change (B-A)	-818	-2,361	-1,353
Percentage change	-4.9	-23.7	-29.4
Fiscal 2006 result (C)	8,231	5,581	3,235
Change from fiscal 2006 (B-C)	7,801	2,025	13
Change from fiscal 2006 (%)	94.8	36.3	0.4

Reason for lower year-on-year ordinary profit and net income:

(1) The Group does not apply a consolidated tax payment system because amount relating to wholly owned subsidiaries are small. Therefore, losses incurred by consolidated subsidiaries are not reflected in the taxable income of FinTech Global or its profitable consolidated subsidiaries. This causes the burden of taxes, including corporate tax, on consolidated profit to increase.

(2) Acquisition of shares in FXOnline Japan will lead to ¥741 million in amortization of goodwill in the second half.

*** Please refer to Goodwill of FXOnline Japan on page 51 for more detail.**

Summary of Interim Results (Consolidated)

(Millions of yen)

	At March 31, 2007	Interim estimates	Change
Net revenue	6,151	6,740	- 588
Gross profit	4,294	5,769	- 1,474
Operating income	2,615	4,449	-1,834
Ordinary profit	2,432	4,095	- 1,663
Net income	1,222	2,303	- 1,080

- The primary downward pressures on net revenue are decreased revenues by the parent company and Group companies.
- Downward pressures will have these effects on ordinary profit :
  (1) ¥545 million less than expected from the parent
  (2) ¥494 million less than expected from FinTech Real Estate
  (3) ¥262 million less than expected from ASAP
  (4) Internal elimination of ¥230 million through consolidation of special purpose companies

Total: ¥1,531 million less than expected

* Please refer to respective **Summary of Revised Performance Forecasts by Group Company** pages 17 through 22 for more details.

Summary of Revised Full-Year Performance Forecasts (Consolidated)

(Millions of yen)

	At September 30, 2007	Full-year Forecast	Change
Net revenue	16,032	16,850	-818
Gross profit	12,823	15,016	-2,193
Operating income	7,764	10,617	-2,852
Ordinary profit	7,606	9,968	-2,361
Net income	3,249	4,603	-1,353

• The primary downward pressure on net revenue was decreased revenues by Group companies.
• Downward pressure will have these effects on ordinary profit :
(1) ¥710 million less than expected from parent
(2) ¥1,435 million less than expected from six key Group companies
(3) Internal elimination of ¥230 million through consolidation of special purpose companies.

Total: ¥2,375 million less than expected

* Please refer to respective **Summary of Revised Performance Forecasts by Group Company** pages 17 through 22 for more details.

Status of Consolidated Subsidiaries

Summary of Revised Performance Forecasts by Group Company: ASAP Payment System, Inc.

(Thousands of yen)

	At March 31, 2007	At September 30, 2007	Previously announced full-year forecast	Change
Net revenue	1,495	8,384	200,000	-191,616
Gross profit (loss)	-57,968	-112,909	200,000	-312,909
Operating loss	-252,702	-317,753	0	-317,753
Ordinary loss	-262,352	-329,610	0	-329,610
Net loss	-262,427	-329,685	0	-329,685

Corporate Profile

Entered credit card debt factoring business in June 2006

Current Status, Fiscal 2007 Prospects

Has been hampered by delays, particularly in establishing an infrastructure and launching a sales system. Primary reasons for losses are initial costs (¥180 million), including fees and huge system configuration expenses; system operating costs, because of the delayed start to business; and the inability to record sales that would cover fixed costs, such as subcontracting payments. With the delayed start to business, Company shares underwent impairment accounting and a provision was made as an allowance for bad debt on loans (impact on non-consolidated results). In second-half, ASAP implement fundamental review of the business plan for fiscal 2008.

Summary of Revised Performance Forecasts by Group Company: FinTech Global Securities, Inc.

(Thousands of yen)

	At March 31, 2007	At September 30, 2007	Previously announced full-year forecast	Change
Net revenue	55,715	94,038	124,400	-30,362
Gross profit	55,715	94,038	124,400	-30,362
Operating loss	-36,458	-139,227	-102,754	-36,473
Ordinary loss	-36,985	-139,754	-102,754	-37,000
Net loss	-35,648	-138,417	-102,754	-35,663

Corporate Profile

The company places bonds and other investment securities arising from the structured finance transactions assembled by FinTech Global with investors, and also combines and sells alternative investment products, mainly overseas investment trusts and hedge funds.

Current Status, Fiscal 2007 Prospects

Although the establishment of a structure to market financial products arranged by FinTech Global was delayed, it is now in place and the company is achieving sales results for institutional investors with such products as overseas funds investing in the stock of non-Japanese blue-chip growth companies. The company is working on a structure for marketing products developed by the FGI Group and expects better earnings, beginning in fiscal 2008.

Summary of Revised Performance Forecasts by Group Company: Stellar Capital AG/Crane Reinsurance Limited

(Thousands of yen)

	At March 31, 2007	At September 30, 2007	Previously announced full-year forecast	Change
Net revenue	815,501	1,719,876	2,132,913	-413,038
Gross profit	183,135	397,766	782,817	-385,051
Operating income (loss)	17,052	-25,995	469,598	-495,593
Ordinary profit	238,052	276,477	507,173	-230,696
Net income	229,381	301,159	375,308	-74,149

Corporate Profile

Stellar Capital and its subsidiary Crane Reinsurance were established in March 2006 to undertake the reinsurance/financial guarantee business. Operations are supported by three operating pillars: FinTech Global's credit enhancement services; reinsurance underwriting on rent guarantee services by Entrust, Inc., a Group company; and reinsurance underwriting of domestic group policies, demand for which is on rise following revision of the Insurance Business Law.

Current Status, Fiscal 2007 Prospects

Because FinTech Global's arrangements with credit enhancement services were limited, net revenue fell below an estimate in first-half period. Reinsurance underwriting on rent guarantee services by Entrust also delivered results below expectations due to delays in it's business, and full-year operating income is likely to fall short of the original target. However, interim returns on management of surplus funds greatly exceeded the anticipated level, and a steady second-half performance should narrow a projected final loss. (Forecast is to book zero second-half returns on fund management.)

Summary of Revised Performance Forecasts by Group Company: Entrust, Inc.

(Thousands of yen)

	At March 31, 2007	At September 30, 2007	Previously announced full-year forecast	Change
Net revenue	374	8,169	151,211	-143,042
Gross profit (loss)	-3,187	-6,592	84,782	-91,374
Operating loss	-60,249	-126,290	-48,156	-78,134
Ordinary loss	-60,916	-126,957	-48,156	-78,801
Net loss	-60,922	-126,963	-48,156	-78,807

Corporate Profile

Established in March 2006 to provide guarantee system for rent payments and commissioned business.

Current Status, Fiscal 2007 Prospects

On the business front, the company is currently pursuing preparations for business alliances with several major property management companies. Although slightly slower than initially predicted, progress is steady and the number of contracts is rising. Seeking to turn a profit at the earliest opportunity, the company has hired more agents and is utilizing the Group network to access new clients. At the same time, the company is aggressively planning user-friendly products, such as original guarantee system architecture for clients.

Summary of Revised Performance Forecasts by Group Company: FinTech Real Estate, Inc.

(Thousands of yen)

	At March 31, 2007	At September 30, 2007	Previously announced full-year forecast	Change
Net revenue	21,400	521,400	1,000,000	-478,600
Gross profit (loss)	21,400	521,400	1,000,000	-478,600
Operating income (loss)	-5,632	490,768	970,142	-479,374
Ordinary income (loss)	-23,445	472,955	970,142	-479,187
Net income (loss)	-23,499	248,171	533,578	-285,407

*All figures above are values for FRE alone.

Corporate Profile
Established to capitalize on real estate–related profit opportunities, such as brokerage and investment, that derive from arrangements put together by FinTech Global.

Current Status, Fiscal 2007 Prospects
Revenue was expected to hit ¥500 million in the first half but stalled at ¥21 million. In the second half, revenue should climb toward the original goal of ¥500 million, but this achievement will not make up for the first-half failure to reach performance targets.

Summary of Revised Performance Forecasts by Group Company: FXOnline Japan Co., Ltd.

(Thousands of yen)

	Apr 2006 - Mar 2007 (Actual)	Apr 2006 - Mar 2007 (Expected)	Change
Net revenue	3,971,981	3,703,000	268,981
Gross profit	3,694,681	3,161,000	533,681
Operating income	2,834,237	2,684,000	150,237
Ordinary income	2,836,522	2,684,000	152,522
Net income	1,706,140	1,475,000	231,140

Notes:
1. Actual amounts for reference (not for consolidation).
2. FXOnline Japan has a March year-end.
3. Expected amounts were announced at it's merger.

	Apr 2007 - Sept 2007 (Forecast)	Apr 2007 - Sept 2007 (Previously announced)	Change
Net revenue	2,345,995	2,464,000	-118,005
Gross profit	2,208,622	2,082,000	126,622
Operating income	1,525,716	1,798,000	-272,284
Ordinary income	1,535,636	1,798,000	-262,364
Net income	844,601	1,079,000	-234,399

Notes:
1. Anticipated amounts under consolidation in the second half.
2. Previous forecast was announced at it's merger.

Corporate Profile

Undertakes foreign exchange margin trading. On March 23, 2007, FinTech Global acquired 3,149 shares in FXOnline Japan for a 44.99% equity holding, and made the company a consolidated subsidiary. For FinTech Global's interim period, ended March 31, 2007, the Company has only included balance sheets. For the full year, ending September 30, 2007, the Company will prepare consolidated balance sheets as well as a statement of income covering FXOnline Japan's contribution to consolidated performance.

Current Status, Fiscal 2007 Prospects

For FXOnline Japan, fiscal 2007, ended March 31, 2007, marked revenue and profits more than 5%higher than projected, as the number of client accounts and overall transaction volume surpassed expectations. The foreign exchange market should continue to grow, but the operating environment could become increasingly difficult owing to the entry of new competitors into this field and expanded services from existing participants. As a result, we revised forecast for FXOnline Japan performance, factoring in higher operating costs, primarily funds for marketing activities, as well as higher business expenses, for enhancing internal systems.

II. Interim Settlement

Non-Consolidated Balance Sheets

Assets

(Thousands of yen/%)

	At March 31, 2007		At September 30, 2006	
Current Assets	49,005,693	71.4	47,538,319	81.1
Cash and time deposits	12,619,401		10,139,618	
Investment in securities, trade	433,253		439,512	
Loans receivable, trade	33,553,589		36,066,589	
Other	2,399,448		892,599	
Fixed assets	19,637,196	28.6	11,056,818	18.9
Property, plant and equipment	191,430	0.3	60,581	0.1
Intangible fixed assets	7,438	0.0	5,949	0.0
Investments and other assets	19,438,327	28.3	10,990,286	18.8
Total assets	68,642,889	100.0	58,595,137	100.0

Liabilities

(Thousands of yen/%)

	At March 31, 2007		At September 30, 2006	
Current Liabilities	10,641,026	15.5	11,456,131	19.5
Short-term debts	6,076,900		4,386,500	
Bank loans, trade	—		3,094,325	
Other	4,564,126		3,975,306	
Long-term Liabilities	32,805,969	47.8	22,242,602	38.0
Bonds with warrants	22,170,000		20,000,000	
Long-term debt	10,611,564		2,216,492	
Other	24,404		26,110	
Total liabilities	43,446,995	63.3	33,698,733	57.5

Net Assets

(Thousands of yen/%)

	At March 31, 2007		At September 30, 2006	
Shareholders' Equity	25,188,184	36.7	24,882,715	42.5
Common stock	10,680,608	15.6	10,624,769	18.1
Capital reserve	10,351,900	15.1	10,351,900	17.7
Retained earnings	4,155,676	6.0	3,906,045	6.7
Profits or Losses from appraisals and effects of exchange rate, etc.	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

1. Cash and time deposits up, owing to recovery of major transactions at March-end.
2. Acquisition of FXO shares.
3. Issuance of Euroyen bonds
4. ¥5 billion to acquire FXO

No downward revisions.
Conversion restriction clause limits easy exercise of stock acquisition rights.
Please refer to next page.

5. Bank loans, trade is recorded under short-term debt and long-term debt, from the first quarter of the consolidated fiscal year.

Flow of Financing

①

First Series of Unsecured Convertible Bonds with Warrants — Total: ¥18,500 million

Total amount issued	¥18,500 million
Date of issue	December 19, 2005
Redemption price	¥100 on ¥100 face value
Interest rate	None
Initial conversion price	¥628,000
Revised conversion price	Week following third Friday in January 2006
Upper limit	¥989,100
Lower limit	¥329,700
Underwriter	Nikko Citygroup Limited

Applications:

Invest ¥10 billion to capitalize reinsurance companies–Stellar Capital, Crane Reinsurance–established overseas.

Use remaining ¥8.4 billion as capital for principal loans.

Entire amount converted to shares

②

Second Series of Unsecured Convertible Bonds with Warrants — Total: ¥10,000 million

Total amount issued	¥10,000 million
Date of issue	April 18, 2006
Redemption price	¥100 on ¥100 face value
Interest rate	None
Initial conversion price	¥900,000
Revised conversion price	Begin coversion price reset after July 21, 2006
Underwriter	Goldman Sachs International
Advanced Redemption of Second Series of Unsecured Convertible Bonds with Warrants	
Date of resolution	July 7, 2006 (Day's closing price of ¥523,000)
Date of notification	Same day
Date of redemption	August 7, 2006
Price	¥100.5 yen on ¥100 face value

Three months later, the second issue of unsecured convertible bonds with warrants, worth ¥10 billion, was redeemed with Company's own funds.

Reasons for redemption:
- **Sluggish stock prices**
- **Possibility of diluted shareholder value**

Total value: ¥29,985

③

Third Series of Unsecured Convertible Bonds with Warrants — Total: ¥19.985 million

Total amount issued	¥20,000 million
Date of issue	April 18, 2006
Redemption price	¥100 on ¥100 face value
Interest rate	None
Initial conversion price	¥900,000
Revised conversion price	Begin conversion price reset after October 20, 2006
Underwriter	Goldman Sachs International
Advanced Redemption of Third Series of Unsecured Convertible Bonds with Warrants	
Date of resolution	October 6, 2006 (Day's closing price of ¥91,000)
Date of notification	Same day
Date of redemption	November 6, 2006

Six months later, the third issue of unsecured convertible bonds with warrants, worth ¥20 billion, was redeemed with short-term loans of ¥20 billion from Nikko Citygroup Limited.

Applications:

Allocate ¥23,000 million to repalyment of short-term debt borrowed for use as investment and lending capital in principal finance operations, and apply the remaining ¥6,985 million to lending activities in the same business activity.

Diluting restrictions
- > **Establish call option clause**
- > **Adopt zero discount format**

Repaid

④

No downward revisions

Total amount: ¥22,170 million

Issuing company	FinTech Global Incorporated
Issuing amount	¥20 billion + OA ¥2.1 billion
Subscription method	Public
Issue resolution date	January 22, 2007
Date of finalized terms	January 22, 2007
Payment date	February 8, 2007 (London time)
Maturity date	February 8, 2012 (5-year bond)
Offer price	102.50%
Redemption price	100%
Interest rate	0%
Closing price on January 22, 2007	¥122,000
Premium	30%
Conversion price	¥158,600
Conversion period	February 22, 2007 to January 25, 2012
Conditions to conversion	From immediately after issue through the fourth year (up to and including December 31, 2010), a bondholder may exercise stock acquisition rights any time between the first day of the following calendar quarter to the last day of such calendar quarter, only if the closing price of shares for any 20 trading days in a period of 30 consecutive trading days ending on the last last day of each calendar quarter exceeds 120% of the conversion price in effect
	On or after January 1, 2011, a bondholder may exercise stock acquisition rights at any time, if the closing price of shares on at least one trading day is more than 120% of the conversion price in effect on that trading day.
Exercise price	¥190,320
Put clause	February 8, 2010; 100%
Lead manager	Nikko Citygroup Limited

Applications:

Allot ¥20 billion to repay short-term loans from Nikko Citigroup.

Remaining ¥2.1 billion for lending activities in principal finance operations.

Non-Consolidated Statement of Income

	Fiscal 2006 Interim Period (From October 1, 2005 to March 31, 2006)			Fiscal 2007 Interim Period (From October 1, 2006 to March 31, 2007)		
	Thousands of yen		(%)	Thousands of yen		(%)
Ⅰ Net Revenue		2,853,219	100		4,667,087	100
Ⅱ Cost of Revenue		160,972	5.6		364,451	7.8
Gross profit		2,692,246	94.4		4,302,636	92.6
Ⅲ Selling, General and Administrative Expenses		472,332	16.6		1,065,854	22.8
Operating income		2,219,914	77.8		3,236,781	69.4
Ⅳ Other Income		1,305	0		34,064	0.7
Ⅴ Other Expenses		144,647	5		415,945	8.9
Ordinary profit		2,076,572	72.8		2,854,900	61.2
Ⅵ Extraordinary Profit		—	—		7,539	0.1
Ⅶ Extraordinary Loss		—	—		412,157	8.8
Income before taxes		2,076,572	72.8		2,450,281	52.5
Income taxes	881,214			1,080,155		
Income tax adjustment	(29,324)	851,890	29.8	(62,615)	1,017,540	21.8
Net income		1,224,682	43		1,432,740	30.7
Profit brought forward from the previous term		674,796			—	
Unappropriated profit		1,899,478			—	

1 Refer to page 6 for record of allowance for doubtful accounts and loss on revaluation of shares.

*** Please refer to Par I for more detail information regarding extraordinary expenses .**

Consolidated Balance Sheets

Assets

(Thousands of yen/%)

	At March 31, 2007		At September 30, 2006	
Current Assets	74,375,293	90.1	58,576,299	95.7
Cash and time deposits	23,501,789		18,907,675	
Money on deposits	9,504,103 [1]		—	
Accounts receivable, trade	31,907		13,525	
Investment in securities, trade	658,451		439,512	
Inventory	4,410,512		8,586,337	
Loans receivables, trade	31,068,189		29,406,589	
Other	5,292,900 [2]		1,310,878	
Allowance for doubtful accounts	-92,560		-88,219	
Fixed assets	8,125,019	9.9	2,652,808	4.3
Property, plant and equipment	236,840	0.3	68,471	0.1
Intangible fixed assets	7,379,494 [3]	8.9	103,735	0.2
Investments and other assets	508,684	0.6	2,480,602	4.1
Total assets	82,500,313	100.0	61,229,108	100.0

Liabilities

(Thousands of yen/%)

	At March 31, 2007		At September 30, 2006	
Current Liabilities	21,428,843	26.0	14,028,576	22.9
Short-term debts	6,176,900		6,330,500	
Bank loans, trade	—		3,094,325	
Deposit from customer	9,330,653 [4]		—	
Other	5,921,289		4,603,749	
Long-term Liabilities	34,230,536	41.5	22,242,602	36.3
Bonds with warrants	22,170,000 [5]		20,000,000 [5]	
Long-term debt	11,303,916		2,216,492	
Other	756,620		26,110	
Total liabilities	55,659,380	67.5	36,271,178	59.2

Net Assets

(Thousands of yen/%)

	At March 31, 2007		At September 30, 2006	
Shareholders' Equity	25,082,328	30.4	24,859,644	40.6
Common stock	10,680,608	13.0	10,624,769	17.4
Capital reserve	10,351,900	12.5	10,351,900	16.9
Retained earnings	4,049,820	4.9	3,882,974	6.3
Profits or Losses from appraisals and effects of exchange rate, etc.	7,710	0.0	28,321	0.1
Minority interests	1,750,893	2.1	69,963	0.1
Total net assets	26,840,932	32.5	24,957,929	40.8

	At March 31, 2007		At September 30, 2006	
Total liabilities and net assets	82,500,313	100.0	61,229,108	100.0

1. Client deposit trusts linked to FXO foreign exchange margin trading.
2. FXO foreign exchange margin trading, Stellar Capital AG money trust
3. FXO goodwill. See page 51
4. FXO client deposits.
5. ¥22.1 billion from first-quarter issue of Euroyen corporate bond issue used to retire ¥20 billion in short-term debt. See page 25

Consolidated Statement of Income

	Fiscal 2006 Interim Period (From October 1, 2005 to March 31, 2006)			Fiscal 2007 Interim Period (From October 1, 2006 to March 31, 2007)		
	Thousands of yen		(%)	Thousands of yen		(%)
Ⅰ Net Revenue						
1 Investment banking business	2,862,237			4,467,445		
2 Reinsurance / financial guarantee business	30,597			815,040		
3 Real estate related business	—	2,892,835	100	869,188	6,151,674	100
4 Other business	—			—		
Ⅱ Cost of Revenue		160,972	5.6		1,856,676	30.2
Gross profit		2,731,862	94.4		4,294,997	69.8
Ⅲ Selling, general and administrative expenses		602,819	20.8		1,679,644	27.3
Operating income		2,129,043	73.6		2,615,352	42.5
Ⅳ Other Income						
1 Interest income	6,756			40,937		
2 Profits from investment securities, trade	—			159,331	1	
3 Profits from money trust	—			51,722		
4 Other	182	6,939	0.2	4,679	256,672	4.2
Ⅴ Other Expenses						
1 Interest expenses	19,027			134,863		
2 Stock issue costs	87,378			—		
3 Stock distribution costs	—			3,120		
4 Bond issue costs	11,741			52,329		
5 Loss on derivatives	—			—		
6 Bond redemption loss of bonds with warrants	—			200,000	2	
7 Commission of syndicated loans	25,384			—		
8 Other	1,133	144,665	5	49,501	439,814	7.2
Ordinary profit		1,991,316	68.8		2,432,210	39.5
Ⅵ Extraordinary Profit						
Equity fluctuation income		—	—	11,720	11,720	0.2
Ⅶ Extraordinary Loss						
1 Impairment loss	—			66,817		
2 Head office relocation expenses	—	—	—	39,770	106,588	1.7
Income before taxes		1,991,316	68.8		2,337,342	38
Income taxes	881,601			1,093,978		
Income tax adjustment	(29,324)	852,277	29.5	86,479	1,180,458	19.2
Minority interests		20,477	−0.7		65,759	1.1
Net income		1,159,516	40		1,222,643	19.9

1 Stellar Capital AG investment returns

2 Costs associated with redemption of unsecured convertible bond-type bonds with stock acquisition rights

Quarterly Consolidated Results

(Millions of yen)

	For the Year ended September 30, 2005						
	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year (total sum)
Net revenue	130	755	885	456	1,121	1,577	2,463
Ordinary profit	8	520	528	233	809	1042	1,571
	For the Year ended September 30, 2006						
	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year (total sum)
Net revenue	1,036	1,856	2,892	2,128	3,211	5,339	8,231
Ordinary profit	672	1,318	1,990	1,409	2,182	3,591	5,581
	For the Year ending September 30, 2007						
	1Q	2Q	1st half	3Q	4Q	2nd half	Full Year (total sum)
Net revenue	2,512	3,639	6,151	—	—		16,032
Ordinary profit	969	1,463	2,432	—	—		7,606

(References)

	For the Year ended September 30, 2004				
	1st Q	2nd Q	3rd Q	4th Q	Full Year (total sum))
Net revenue	134	300	86	423	945
Ordinary profit	33	128	1	298	462

For FGI, revenues tend to be concentrated into the second and fourth quarters.

Sales Composition, Cost of Sales Ratio, Profit Ratio by Division (Non-Consolidated)

(Millions of yen)

	September 30, 2006 (Full year)	Composition	March 31, 2006 (Interim)	Composition	March 31, 2007 (Interim)	Composition
Net Revenue (a)	**7,544**	**100.0%**	**2,853**	**100.0%**	**4,667**	**100.0%**
Investment banking business	**4,679**	**62.0%**	**1,926**	**67.5%**	**2,941**	**63.0%**
Arrangement operations	3,739	49.6%	1,682	59.0%	2,642	56.6%
Arrangement services with credit enehancement	939	12.4%	244	8.6%	299	6.4%
Principal finance operations	2,637	35.0%	860	30.2%	1,538	33.0%
Other investment banking operations	227	3.0%	65	2.3%	187	4.0%
		(b/a)		(b/a)		(b/a)
Cost of Revenue (b)	**431**	**5.7%**	**160**	**5.6%**	**363**	**7.8%**
Investment banking business	**319**	**6.8%**	**102**	**5.3%**	**118**	**4.0%**
Arrangement operations	286	7.6%	96	5.7%	110	4.2%
Arrangement services with credit enehancement	32	3.4%	6	2.5%	8	2.7%
Principal finance operations	112	4.2%	58	6.7%	245	15.9%
Other investment banking operations	0	–	0	–	0	–
		(c/a)		(c/a)		(c/a)
Gross profit (c)	**7,113**	**94.3%**	**2,693**	**94.4%**	**4,304**	**92.2%**
Investment banking business	**4,360**	**93.2%**	**1,824**	**94.7%**	**2,823**	**96.0%**
Arrangement operations	3,453	92.4%	1,586	94.3%	2,532	95.8%
Arrangement services with credit enehancement	907	96.5%	238	97.5%	291	97.3%
Principal finance operations	2,525	95.8%	802	93.3%	1,293	84.1%
Other investment banking operations	227	100.0%	65	100.0%	187	100.0%

1

1 Higher cost of revenues for principal finance operations

Cost of revenue is up because from fiscal 2007 total assets are divided into assets pertaining to business transactions and other assets. Financing costs in proportion to assets pertaining to business assets are recorded in cost of revenue and the remaining costs are recorded under other expense.

2

2 Ratio of gross profit to net revenue remains high.

Sales Composition by Division (Consolidated)

(Millions of yen)

	September 30, 2006 (Full year)	March 31, 2006 (Interim)	Change from previous interim period	March 31, 2007 (Interim)	Change from previous interim period
Net Revenue	**8,231**	**2,892**	**226.0%**	**6,151**	**112.7%**
Investment banking business	**7,745**	**2,862**	**223.0%**	**4,467**	**56.1%**
Arrangement Business	4,673	1,927	—	2,812	45.9%
Arrangement operations	3,734	1,682	104.0%	2,512	49.3%
Arrangement services with credit enehancement	939	244	—	299	22.5%
Principal finance operations	2,796	860	1741.0%	1,415	64.5%
Other investment banking operations	274	74	—	240	224.3%
Reinsurance / financial guarantee business	**476**	**30**	**—**	**815**	**2616.7%**
Revenue from guarantee business	328	30	—	182	506.7%
Gross guarantee fee	466	310	—	75	-75.8%
Unearned guarantee fee	-354	-309	—	＊ 42	-113.6%
Guarantee arrangement fee	216	30	—	64	113.3%
Revenue from reinsurance business	147	—	—	632	–
Reinsurance premium assumed	152	—	—	676	–
Reinsurance premium ceded	-5	—	—	-43	–
Real estate related business	**9**	—	—	**869**	–

＊ Unearned guarantee fee indicate amounts incurred during current fiscal term
(Unearned guarantee fee at previous fiscal year end – Unearned guarantee fee at current fiscal year end)

- Principle finance operations include the consolidated results of FinTech Real Estate and ASAP.
- Other investment banking operations includes the consolidated results of FinTech Global Securities.
- The reinsurance/financial guarantee business includes the consolidated results of Stellar, Crane Re and Entrust.

Ordinary Profit Composition by Division (Consolidated)

(Millions of yen)

	September 30, 2006 (Full year)	March 31, 2006 (Interim)	Change from previous interim period	March 31, 2007 (Interim)	Change from previous interim period
Cost of Revenue	**2,309**	**763**	**115.0%**	**3,536**	**363.4%**
Investment banking business	1,916	704	98.9%	1,778	152.6%
Reinsurance / financial guarantee business	386	59	—	858	1354.2%
Real estate related business	6	—	—	899	-
Operating income	**5,921**	**2,129**	**300.0%**	**2,615**	**22.8%**
Investment banking business	5,828	2,157	306.0%	2,688	24.6%
Reinsurance / financial guarantee business	89	-28	—	-43	53.6%
Real estate related business	3	—	—	-30	-
Net Other Income/Expenses	**-340**	**-137**	**4250.0%**	**-183**	**33.6%**
Investment banking business	-342	-143	4445.0%	-414	189.5%
Reinsurance / financial guarantee business	13	6	—	240	3900.0%
Real estate related business	-11	—	-	-9	-
Ordinary profit	**5,581**	**1,991**	**276.0%**	**2,432**	**22.1%**
Investment banking business	5,486	2,013	281.2%	2,274	13.0%
Reinsurance / financial guarantee business	103	-22	—	196	-990.9%
Real estate related business	-8	—	—	-39	-

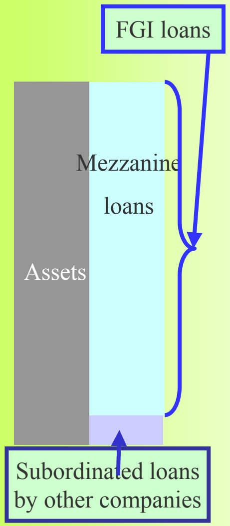
Impact of SPC Consolidation on Interim Settlement

We applied "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations," issued by the Accounting Standards Board of Japan on September 8, 2006, discussed all special purpose companies (SPCs) with our accountants in consideration of the following points, and determined which SPCs fall under consolidation and which do not.

- Extent of control or influence over each SPC
- Investment ratio or profit distribution allocation (portion of loss burden)
- Other conditions pursuant to each agreement

Consolidation of SPCs cancelled out about ¥206 million in revenues, from SPC-generated interest, arrangement fees, loan fees, operating fees and other commissions.

SPC Case I

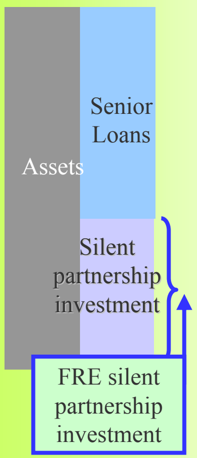


- Treated as a consolidated subsidiary because Company has contributed majority of loans and has a sizable impact on the SPC.

>>Decrease in revenues due to cancellation of internal transactions totaling ¥199 million.

* Company will recoup loans through financing and thereby remove SPC from consolidation, enabling the Company to acquire independent arrangement fees.

SPC Case II

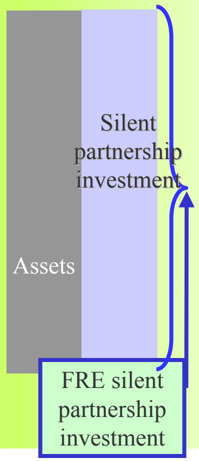


- Treated as a consolidated subsidiary of FRE*, and thus a consolidated subsidiary of the Company, because it is the sole investor in the silent partnership.

- >>Decrease in revenues due to cancellation of internal transactions totaling ¥4 million.

***FRE: FinTech Real Estate, Inc.**

SPC Case III



- Treated as a consolidated subsidiary of FRE, and thus a consolidated subsidiary of the company because, while lenders were initially to finance 80% and silent partnership investment from the Company was to cover the remaining 20%, FRE's silent partnership stake became 100% through refinancing.

>>Decrease in revenues due to cancellation of internal transactions totaling ¥3 million.

III. Business Briefing

Investment Banking—Arrangement Operations

Arrangement services

A structured finance transaction is a package of several components. We formulate a framework to execute structured financing, such as asset securitization, adjust it to accommodate investors and other participants in the arrangement, then verify the content from legal, accounting and taxation perspectives.

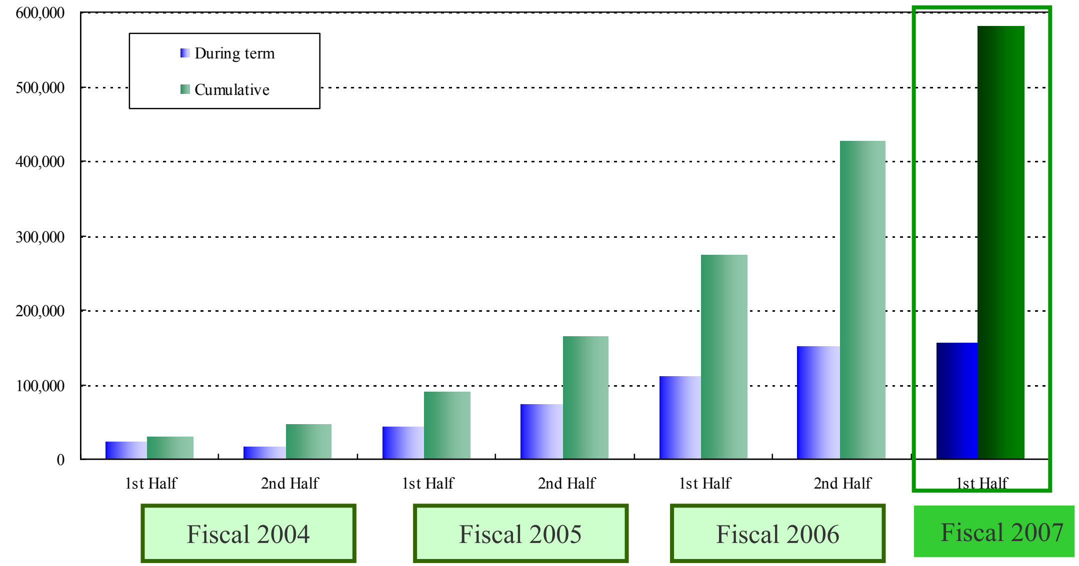
Aggregate arrangement results (non-consolidated)

(Millions of yen)

	Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half
During the term	22,804	17,284	43,699	73,483	110,445	151,806	**155,732**
Cumulative total	29,521	46,805	90,504	163,987	274,432	426,238	**581,971**
New arrangements	3		14		7		**6**

• The aggregate value of arrangement contracts represents total investment and loans, that is, overall fund procurement, acquired from investors, financial institutions and other sources to fund the financial products arranged by FGI.
• The aggregate value of arrangement contracts includes those for arrangement services with credit enhancement.

(Millions of yen)



Arrangement operations remained favorable in the first half, generating ¥155,732 million in structured finance transactions, up ¥45,287 million over the corresponding period a year earlier.

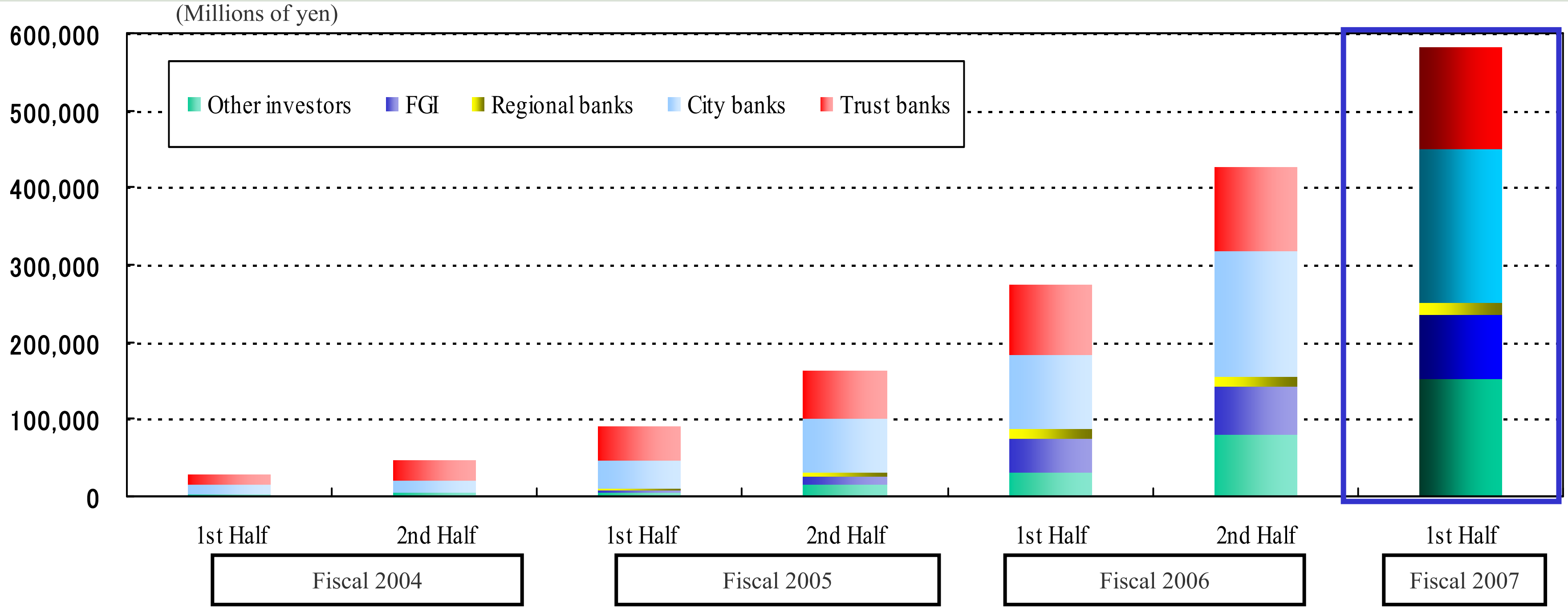
With revenues from arrangement operations at about ¥2,642 million, the ratio of net revenue to the value of arrangement contracts hit about 1.7%.

(Reference: Fiscal 2005 -->1.83%; fiscal 2006 --> 1.79%)

Arrangement Results: Total Investment by FGI and Major Financial Sectors

(Millions of yen)

	Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half
Trust banks	13,058	25,324	45,134	62,974	91,206	108,701	**132,036**
City banks	12,986	16,635	34,180	69,554	96,381	161,143	**200,253**
Regional banks	0	0	2,189	5,818	11,037	14,597	**14,597**
FGI	220	881	3,574	10,100	45,891	61,519	**83,584**
Other investors	3,257	3,965	5,427	15,541	29,918	80,279	**151,501**
Total	29,521	46,805	90,504	163,987	274,432	426,238	**581,971**



Anticipated Development-Style Securitization Financing at Project Completion

(Millions of yen)	Fiscal 2006				
	1Q	2Q	3Q	4Q	Total
Number of projects expected to be completed	**4**	**7**	**3**	**6**	**20**
Expected refinancing value	**8,974**	**18,860**	**10,778**	**12,494**	**51,106**

	Fiscal 2007				
	1Q	2Q	3Q	4Q	Total
Number of projects expected to be completed	**7**	**3**	**5**	**3**	**18**
Expected refinancing value	**14,200**	**7,851**	**32,210**	**27,203**	**81,464**

	Fiscal 2008				
	1Q	2Q	3Q	4Q	Total
Number of projects expected to be completed	**5**	**6**	**5**	**6**	**22**
Expected refinancing value	**32,898**	**29,082**	**17,050**	**26,305**	**105,335**

- The figures above represent anticipated sales value (expected refinancing amount) and completion times for condominium and office buildings and other construction projects currently under way and for which the Company has already executed property development-style securitization wherein application of sales into funds or other investments after completion is as yet undetermined.
- Development-style securitization projects are being undertaken one after another, steadily accumulating into potential financing arrangements at a later date.
- Aggregate refinancing is projected to hover at ¥100 billion in fiscal 2007 and in fiscal 2008. The fiscal 2007 estimate includes projects for which construction is expected to start soon.

Note: The anticipated refinancing amount is revised appropriately, paralleling the status of development-style securitization projects.

Arrangement Services with Credit Enhancement

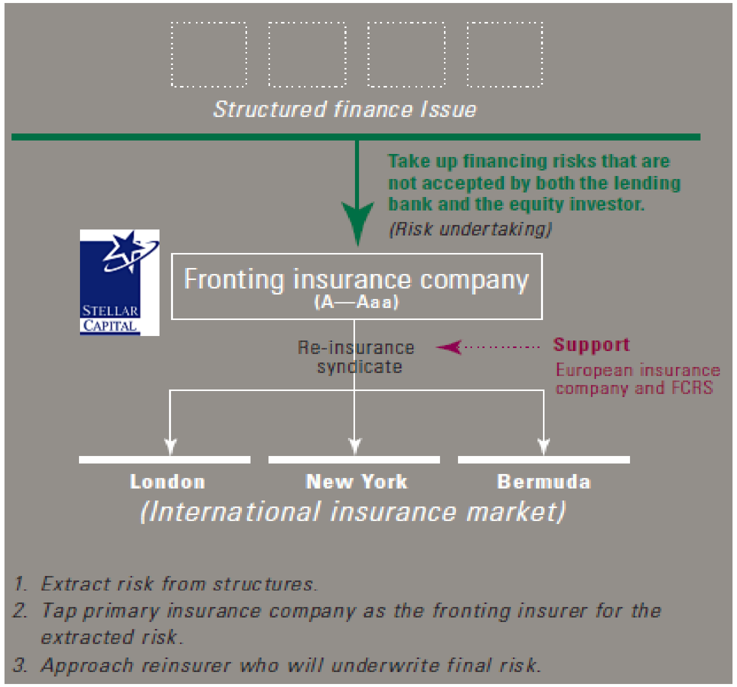
The credit enhancement service provided by FGI is a capital risk solution wherein the financial risks inherent in securitization or structured finance transactions are underwritten by insurance companies in such forms as guarantees to stabilize respective arrangements. This acquired stability has the potential to lower the total cost of securitization and may also facilitate successful arrangements with assets previously considered impractical for securitization.

Results from Arrangement Services with Credit Enhancement

(Millions of yen)

	Fiscal 2004	Fiscal 2005	Fiscal 2006
Net revenue	128	0	939
Cost of revenue	97	2	32
Gross profit	30	-2	906

	Fiscal 2007 First Half
Net revenue	299
Cost of revenue	8
Gross profit	291



Credit Enhancement Services Process
1. Extract risk from structures.
2. Tap primary insurance company as the fronting insurer for the extracted risk.
3. Approach reinsurers who will underwrite final risk, depending on need.

The market for underwriting general credit enhancement is split among 20 to 50 reinsurers in the world's three largest insurance markets and an enormous amount of time is needed to syndicate the transaction, so approaching reinsurers for credit enhancement is an enormous undertaking that entails considerable effort and preparation. FGI underwrites credit enhancement through Stellar Capital, which was established in March 2006 to enhance the efficiency and profitability of credit enhancement services.

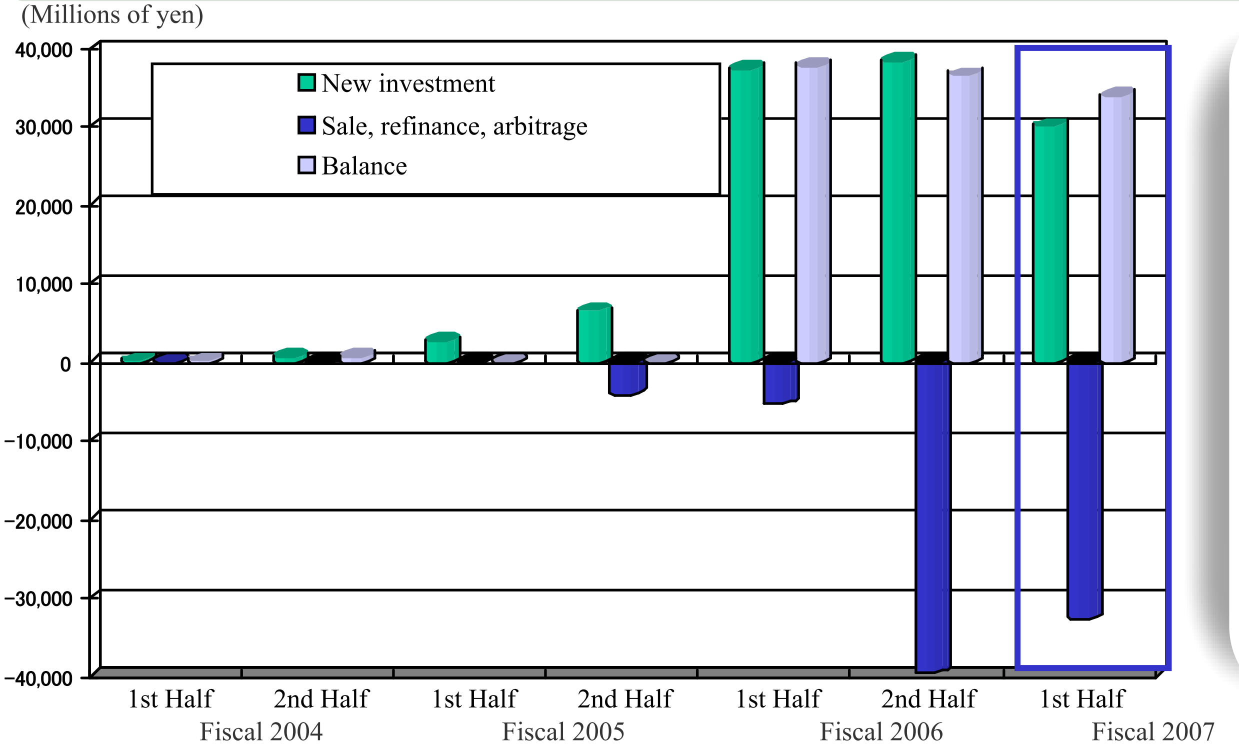
Investment Banking Business—Principal Finance

FGI itself acts as a provider of funds, in the capacity of an investor or a lender, in such structured finance transactions as silent partnerships (*tokumei kumiai*) and mezzanine loans.

Principal Finance Balance

(Millions of yen)

	Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half
New investment	220	661	2,693	6,526	37,290	38,380	**30,060**
Sale, refinance, arbitrage	0	240	39	4,074	5,344	39,567	**32,579**
Balance	220	641	3,295	5,747	37,693	36,506	**33,987**



FGI fortified its principal finance capabilities through effective utilization of funds procured through the issue of unsecured convertible bond-type bonds with stock acquisition rights in December 2006 and again in April 2006.

Of note, by responding to heightened need for bridging loans to help developers acquire funds to purpose property before development, FGI will be able to pursue arrangement opportunities more effectively later on. The Company aims to make the most out of acquired funds by increasing sales and arbitrage transactions and thereby raising the fund turnover ratio. The Company's third issue of unsecured convertible bonds with warrants, totaling ¥20 billion, was redeemed before maturity, and followed with an issue of Euroyen-denominated convertible bonds for use in principal finance operations.

Principal Finance Portfolio

(Number of projects, Millions of yen)

Installation period / Type	Within 6 months			7-12 months			13-18 months			More than 19 months			Total		
	Amount	(%)	Number	Amount	(%)	Number	Amount	(%)	Number	Amount	(%)	Number	Amount	(%)	Number
Pre-building permit bridging loan	7,690	24.8	4	1,160	3.7	1	0	0.0	0	0	0.0	0	8,850	28.5	5
Development-style mezzanine loan	275	0.9	2	1,200	3.9	1	1,180	3.8	1	1,730	5.6	2	4,385	14.1	6
Investment-style mezzanine loan	2,820	9.1	8	4,003	12.9	11	565	1.8	1	3,092	10.0	8	10,480	33.7	28
Other (non-real estate related)	5,091	16.4	3	770	2.5	1	1,278	4.1	1	214	0.7	1	7,353	23.7	6
Total	15,876	51.1	17	7,133	23.0	14	3,023	9.7	3	5,036	16.2	11	31,068	100.0	45

74%

The noteworthy feature of FGI's principal finance portfolio is that more than 70% of it comes from comparatively short-term loans, with lending periods of 12 months or less. Bridging loans, which carry through until property development securitization refinancing is achieved following receipt of a building permit, presented considerable growth through the previous term. But at the end of March 2007, the Company collected loans on large-scale transactions, which led to a first-half decrease in bridging loans with lending periods of six months or less. Nevertheless, the Company marked an increase in development-style, investment-style and other non-real estate related loans with similar lending periods. If lending periods of seven to 12 months are included, the overall percentage of such loans with lending periods of one year or less represents 74% of the principal finance portfolio.

The Company's principal finance business covers property development mezzanine loans, operating mezzanine loans and non-real estate–related loans. Most of these loans carry terms longer than one year on the assumption that loan credits can be sold to other companies. Through such sales, the Company will raise the turnover ratio of funds and secure new profit opportunities. From a perspective on fund efficiency and risk control, the Company will continue to actively invest in transactions with short lending periods, particularly bridging loans, and will strive to raise the turnover ratio of funds and secure new profit opportunities through the sale of property development mezzanine loans, operating mezzanine loans and non-real estate–related loans, most of which carry terms longer than one year.

Real Estate Development and Investment

Investment Banking Business—Other Investment Banking Services

Other investment banking services is built primarily from profits generated on administrative services and profits from FinTech Global Securities. Administration services are business outsourcing activities -- namely, amending contracts in the event of unexpected situations during the project period, providing notification in the event discussion is required, and extending cash management services -- for special purpose companies (SPCs) for which FGI has completed such arrangements as property development securitization and liquidation-for-profit transactions.

Cash management services cover three areas: 1) preparation and revision of plans, such as annual budget drafts and business financing agendas of SPCs for which FGI has arranged property development securitization and liquidation-for-profit transactions; 2) final decisions on payments and receivables; and 3) cash-flow management.

FinTech Global Securities acts as an agent for products, such as loan credits and investment securities, arranged by FGI and sells alternative funds in overseas markets.

(Millions of yen)

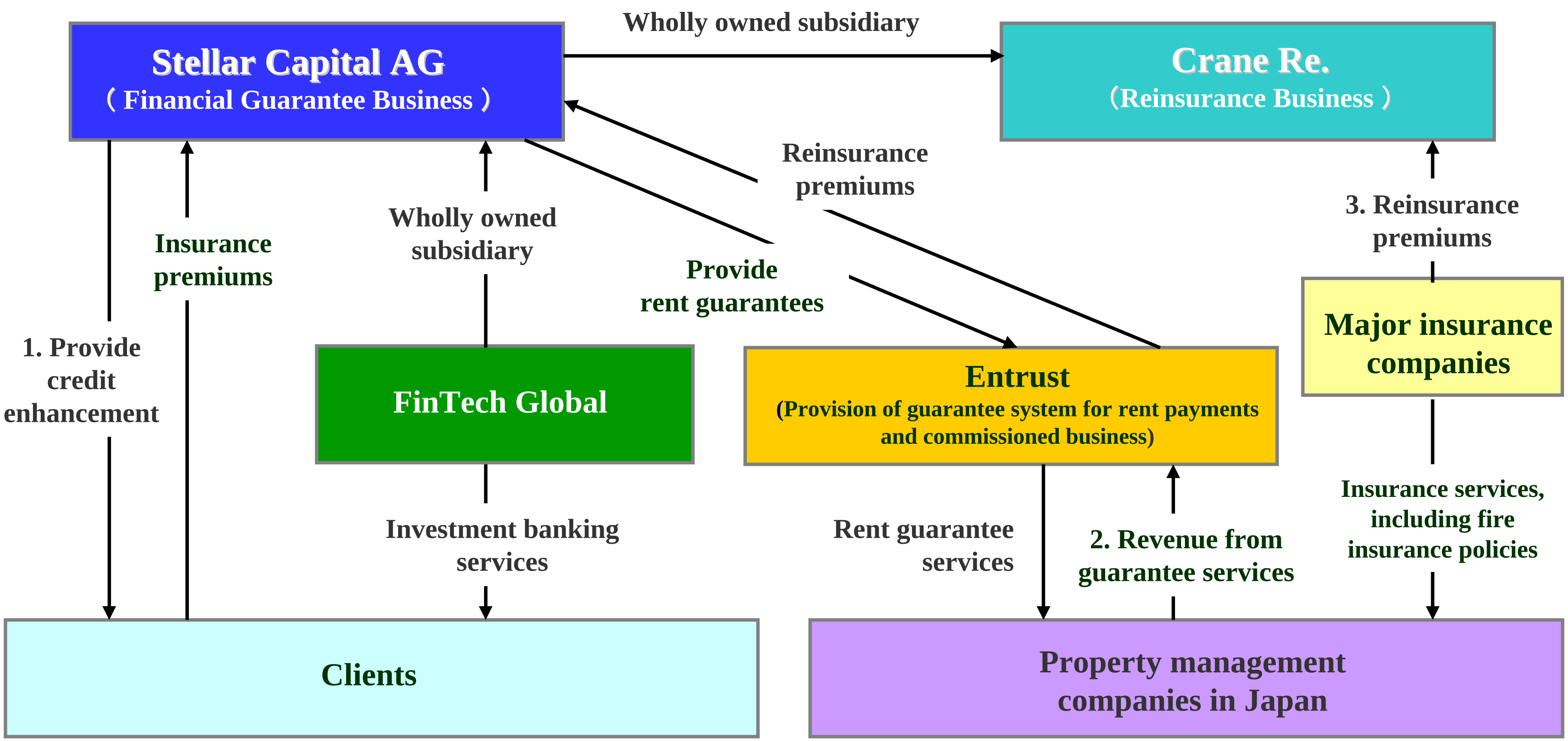
Consolidated	Fiscal 2004		Fiscal 2005		Fiscal 2006		Fiscal 2007
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half
Revenue	1	7	17	38	65	161	240
FinTech Global Securities	—	0	0	0	9	40	55

In the first half of fiscal 2007, revenue from fees on administrative services grew steadily, paralleling expanded arrangement operations. FinTech Global Securities contributed to the total with fees generated through its agent activities.

Reinsurance/Financial Guarantee Business

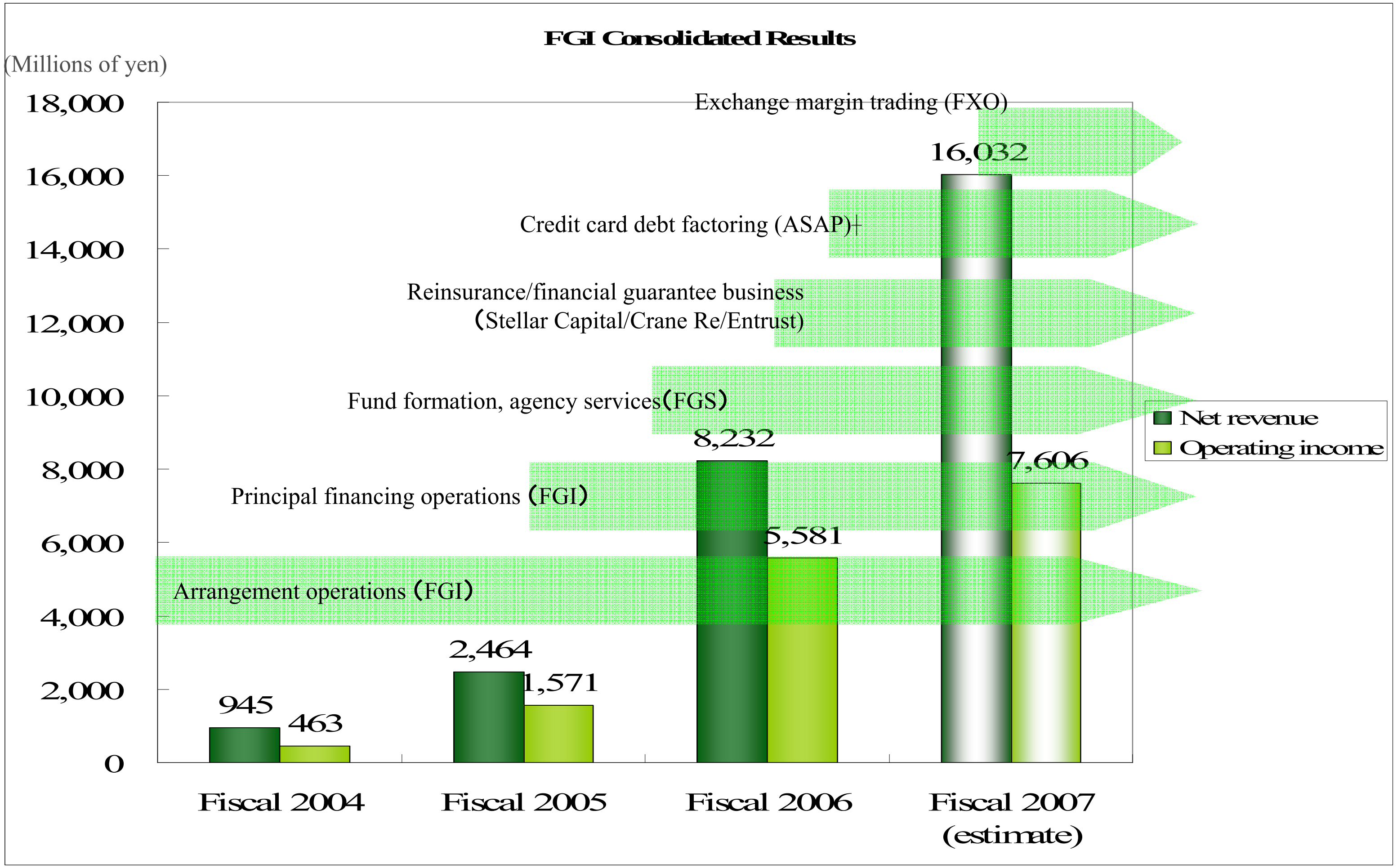
Profit Diagram

1. Net revenue of Credit enhancement arrangements on structured finance transactions packaged by FinTech Global to Stellar Capital from FinTech Global clients reached ¥182,331 thousands.
2. Property management companies presented Entrust with ¥197 thousand in revenue from rent and restitution guarantee services.
3. Net revenue of Crane Reinsurance from property management companies amounted to ¥632,528 thousand.



IV. Second-Half Activities

FinTech Global Group Developments



- Promote business models utilizing innovative, leading-edge financial techniques, primarily structured financing arrangements as well as principal finance, credit enhancement, reinsurance and debt factoring.

Strive to be Japan's representative producer of financial services.

First-Half Review, Second-Half Tasks - 1

① Arrangement Operations

First-half results favorable, as in corresponding period a year earlier, with revenues up about 1.5 times. Second-half results should be about 1.1 times higher year-on-year. (Fig. 1)

>> Logging numerous inquiries already in second half. Will focus on securing and closing transactions to meet goal.

② One-time expense increase (Cost of revenue, SGA, non-operating income)

Profits squeezed by higher miscellaneous expenses, particularly those related to the acquisition of FXO shares and to fund procurement,

>> Will carefully determine costs not budgeted for in the second half.

>> However, growth strategies are likely to increase necessary costs.

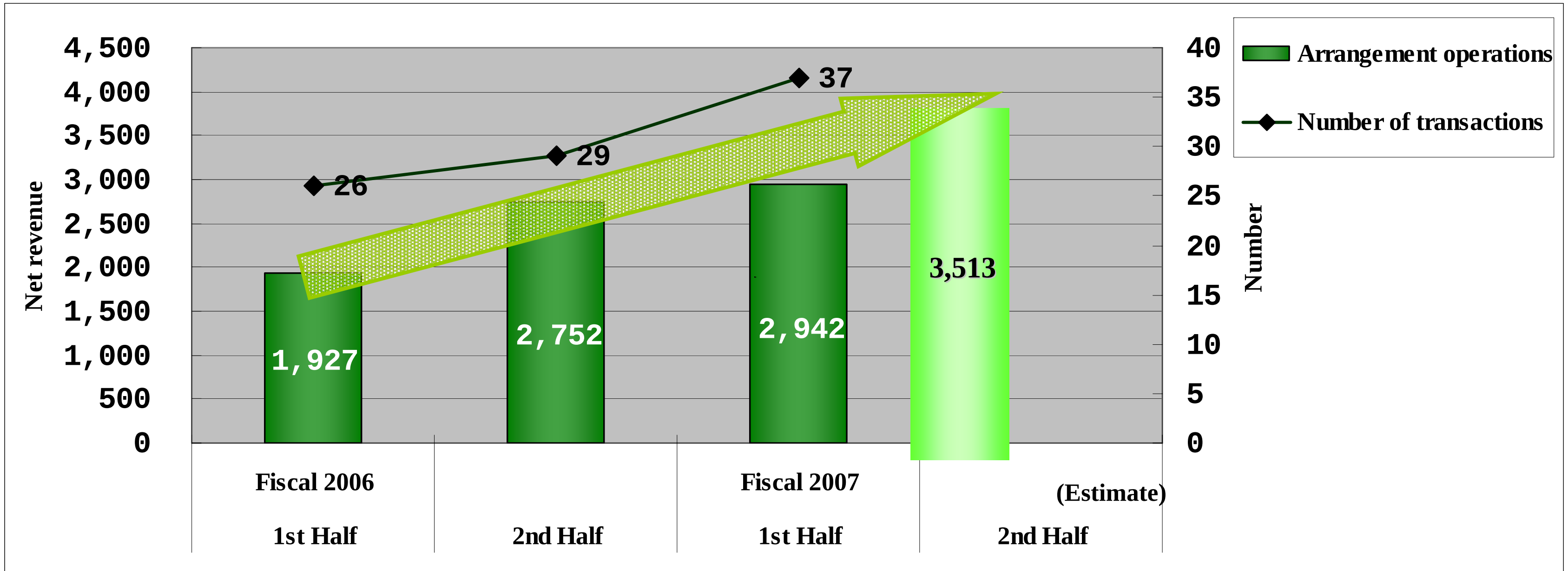
③ Group results

Consolidated profits squeezed by sluggish revenues, due to the delayed start of some operations and due to higher costs.

>> Will strengthen Group management through reorganization, reconfirm business plans for each company, and drop activities without exception that are failing to perform in favor of those that are.

Fig. 1 Arrangement Fees and Number of Transactions in Fiscal 2006 and Fiscal 2007

(Millions of yen)



First-Half Review, Second-Half Tasks - 2

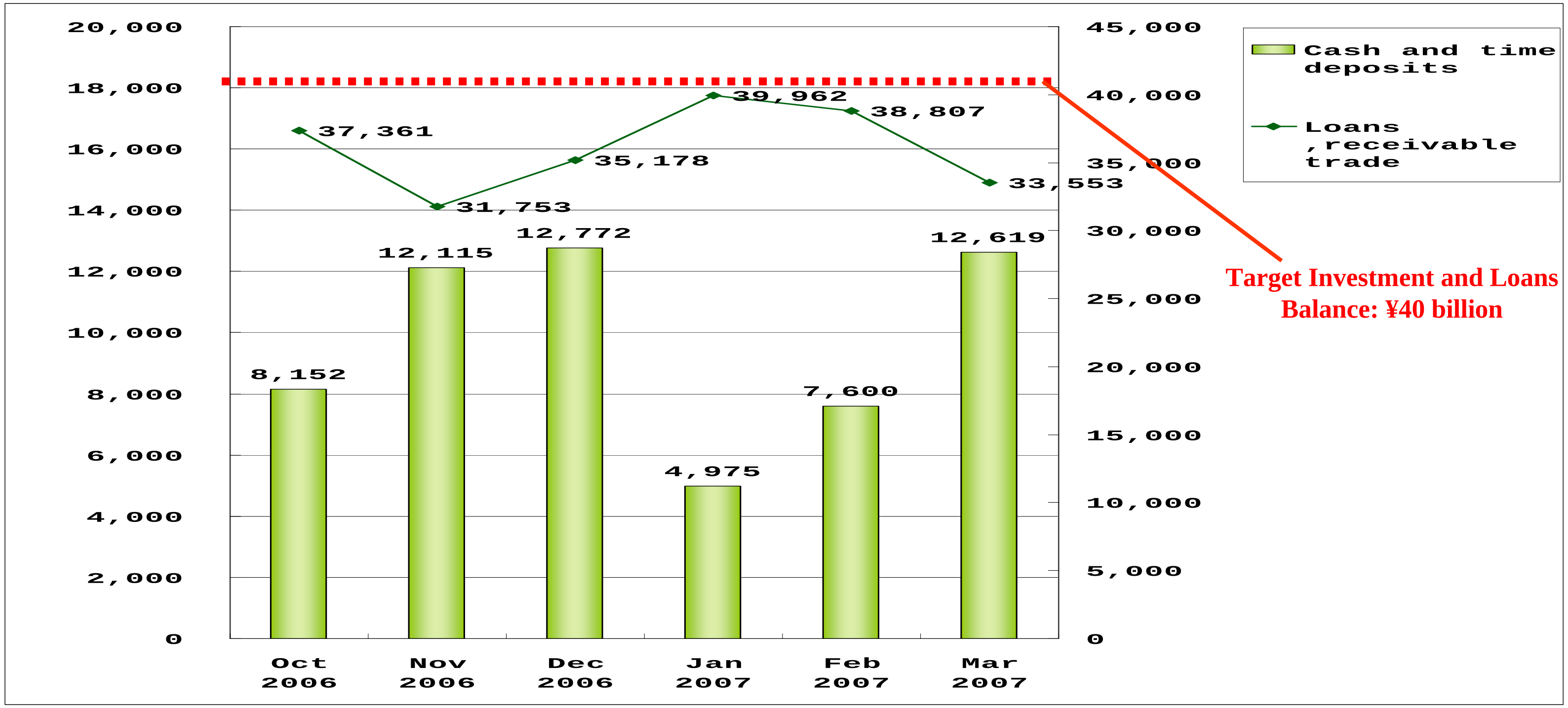
④ Principal Finance

The investment and loan balance came in below expectations (Fig. 2) in the first half of fiscal 2007, reflecting 1) a slightly cautious stance toward the real estate market; 2) heightened selectivity on investment projects, to avoid SPC consolidation as much as possible; and 3) the inability to achieve efficient fund investment on quoted transactions because of insufficient communication between the Investment Banking Division and the Finance Department on cash flow for such applications as redemption of unsecured convertible bonds with warrants and acquisition of FXO shares.

>> In the second half, FGI will actively undertake fund investment, based on detailed examination of risks for each project, and thereby expand its investment and loan balance.

Fig. 2 First-Half Cash and Time Deposits, Balance of Loans Receivable, Trade

(Millions of yen)



Activities in the Non-Real Estate Market

Composition of Revenues from Real Estate/Non-Real Estate Activities

(Millions of yen)

Fiscal 2006 Full Year		
Category	Net revenues	Ratio
Real estate	7,387	97.9%
Non-real estate	157	2.1%
Total	7,544	100.0%

Fiscal 2007 1st Half		
Category	Net revenues	Ratio
Real estate	4,457	95.5%
Non-real estate	210	4.5%
Total	4,667	100.0%

(Number of transactions)

Fiscal 2007 2nd Half		
Category	Quotes	Ratio
Real estate	103	71.5%
Non-real estate	41	28.5%
Total	144	100.0%

- In fiscal 2006, conditions in the real estate market were good, shifting the focus away from non-real estate-related operations which thus contributed only 2.1% of category revenues.
- In the first half of fiscal 2007, conditions in the real estate market remained good, prompting more repeat transactions by existing clients but limiting growth in revenues from non-real estate-related operations.
- Nevertheless, with active, persistent marketing efforts in the non-real estate market, second-half arrangements should reach a value representing about 30% of category revenues.

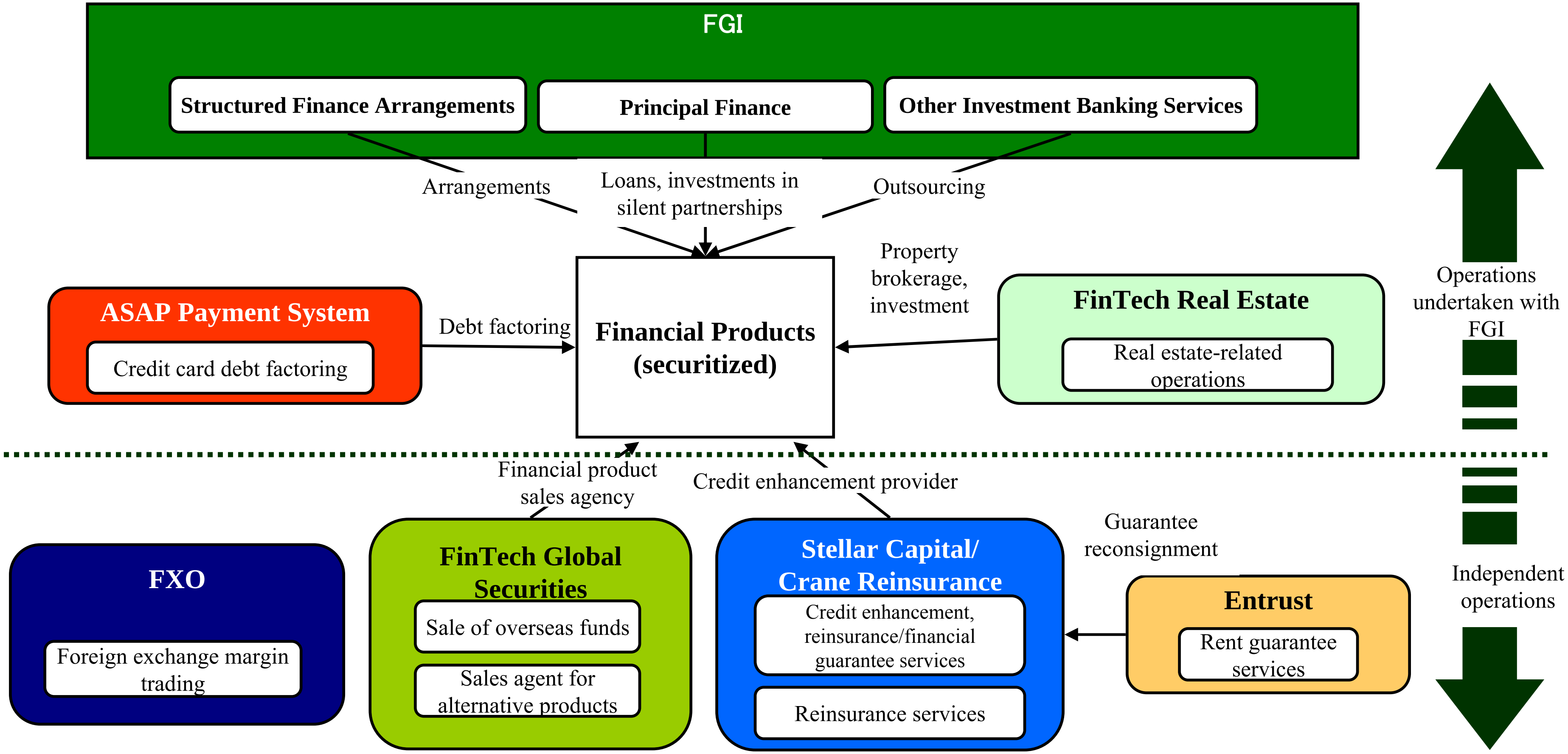
Considerable need for structured financing in the non-real estate market,

FGI will secure profits through persistent efforts in the real estate market but also maintain an aggressive approach in the non-real estate market to further augment profits.

Non-Real Estate Market: Major Transactions

- Medical fee factoring
- Financing of dental clinics in the People's Republic of China
- Sales credit factoring
- Factoring of loans to small and medium-sized companies

FinTech Global Group Correlation Chart



- On its own or through acquisition, FGI establishes subsidiaries with innovative, leading-edge financial services that highlight the corporate identity of a group that makes structured financing widely available to companies in all industries.
- Some companies have accurately identified client needs and are posting steadily higher profits, while other companies have yet to show profit, largely reflecting increased costs from prior investments, difficulty attracting clients and delayed product development.
- FGI seeks to reinforce its corporate identity and improve the corporate value of the Group, and will actively participate subsidiary administration, including business reorganization.

Strengthening Group Management System

- **Change in business structure ⇒ Strengthen business capabilities**

  The Investment Banking Division focuses on market-oriented business promotion and project development under the direct supervision of the president. The Company has established a structure to facilitate more efficient operations. This includes the new Financial Products Development Department, to strengthen the Company's presence in new fields and reinforce product development, as well as the new Product Control Department, and efforts to reinforce the planning function of the Investment Banking Division, enhance investment and lending management with the Finance Department and refine project control and receivables management.

- **Establish Corporate Strategy & Planning Division ⇒ Enhance Company Management Capabilities within the Group**

  FGI established the Corporate Strategy & Planning Division as a unit to oversee the formulation and implementation of business strategies for the Group. The director responsible for this division is also the director for Group companies, and is thus able to pinpoint business results and the status of internal management in a timely fashion for the division to provide guidance and training. The division will actively streamline, consolidated and design business activities when necessary.

- **Establish Internal Audit Office ⇒ Reinforce Double-Check Structure within the Group**

  The Internal Audit Office was established to identify the status of business strategies and progress toward targets, as well as to determine efforts to achieve goals and issues in need of attention. The office will be performing internal audits at FGI and Group companies to derive efficient and effective results.

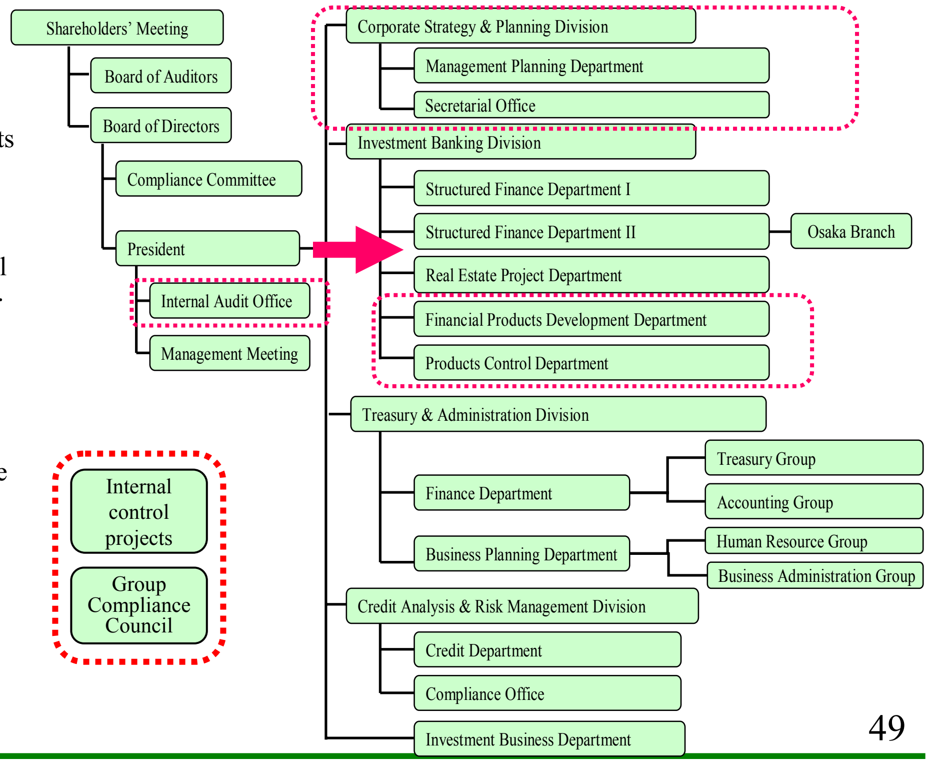
- **Group Internal Control Project ⇒ J-SOX Response**

  From fiscal 2009, companies in Japan will be obligated to submit internal control reports for audit by the authorities. FGI launched a project for this in fiscal 2007. Principal subsidiaries will also be targeted, with all companies in the Group eventually under the internal control structure.

- **Group Compliance Council ⇒ Enhance Group Risk Management**

  FGI is considering the establishment of a Group Compliance Council to better control legal risk for the whole Group and ensure legal compliance and corporate ethics, paralleling business diversification and an increase in consolidated subsidiaries.

Source: FGI Corporate Structure (as of May 15, 2007)

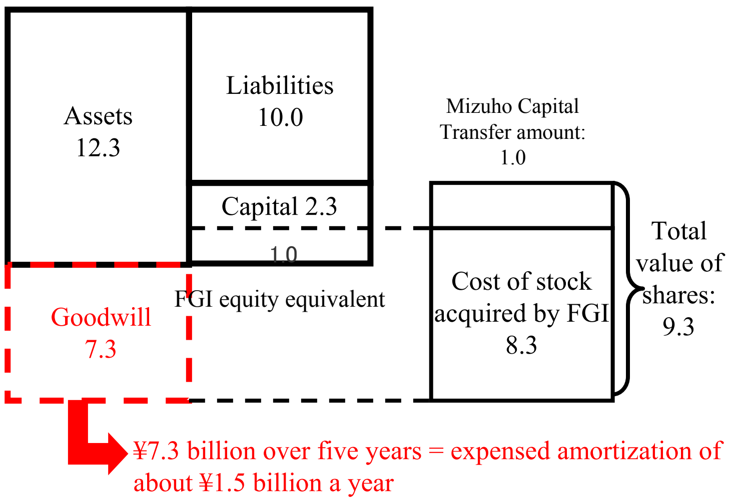


Reference Materials

Gain (Loss) on Minority Interests, Amortization of Goodwill following Acquisition of FXO

1. Amortization of Goodwill

FXO Balance Sheets (Millions of yen)



Summary

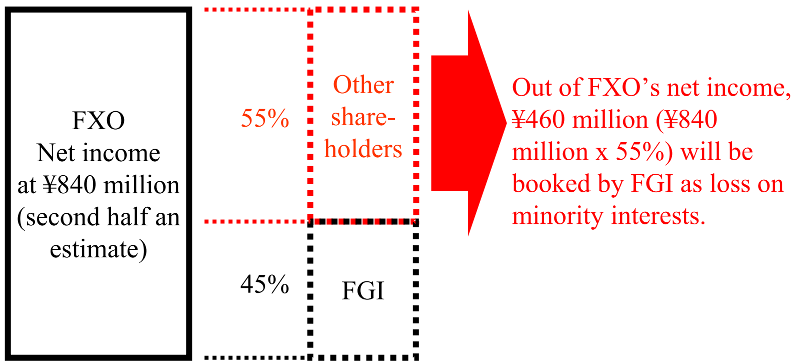
- Goodwill is the difference between the acquisition cost and the value of a unit's capital in proportion to the equity holding at the time of share acquisition.
- Goodwill represents the excess earning power of an acquired subsidiary and must be amortized within a fixed period of time, based on the actual status of the subsidiary.

Impact on FGI

- Based on a cost of ¥8.3 billion (total cost of ¥9.3 billion - transfer of ¥1.0 billion to Mizuho Capital) to acquire FXO shares and FXO's capital of ¥2.3 billion, the shareholding ratio is 45%, or roughly ¥1.0 billion, for a goodwill amount of approximately ¥7.3 billion.
- Given FXO's high earnings and high-profit structure, the amortization period was set at the minimum, 5 years. Amortization of goodwill, at ¥1.5 billion annually, or ¥740 million semiannually, will be recorded under selling, general and administrative expenses at consolidation, and the impact will be less than consolidated operating income.

2. Gain (Loss) on Minority Interests

FXO Shareholding Ratio



Summary

- The subsidiary's net income will revert to shareholders, according to respective ratios of shareholding.
- Gain (loss) on minority interests is the amount from profits, calculated according to respective shareholder ratios, that reverts to shareholders other than the company itself.

Impact on FGI

- Because 55% of FXO's stock is held by shareholders other than FGI, the gain (loss) on minority interests for FGI is about ¥460 billion out of ¥840 million in net income expected for FXO in the second half of the fiscal year. This amount will be deducted at consolidation and impact consolidated net income.

Note: The deduction will fluctuate, depending on annual profits.

Corporate Data

Company Name	**FinTech Global Incorporated**
Head Office	19th Floor, Toranomon Towers Office, 1-28, Toranomon 4-chome, Minato-ku, Tokyo
Date of Establishment	December 7, 1994
Paid-in Capital	¥10,680,608,050 (As of March 31, 2007)
Members of the Board	Nobumitsu Tamai, President and CEO Yasunobu Nose, Managing Director Mitsuro Ohashi, Director Ken Sugimoto, Director Haruyoshi Inoue, Director Robert Hirst, Managing Director Takaoki Ishiguro, Auditor (Full-time) Toru Ohyama, Auditor Yakichi Nagashima, Auditor
Number of Employees	Consolidated: 98 /Non-Consolidated: 55（As of March 31, 2007, excepting members of the Board)
Consolidated Subsidiaries	FinTech Capital Risk Solution Incorporated FinTech Global Securities, Inc. FinTech Real Estate, Inc. Entrust, Inc. ASAP Payment System, Inc. FXOnline Japan Co., Ltd. FGI Principal Co.,Ltd. **Overseas Subsidiaries** Stellar Capital/Crane Reinsurance
Main Businesses	I Investment Banking Business II Reinsurance/Financial Guarantee Business III Real Estate-Related Business

Corporate Structure (As of April 1, 2007)

- Shareholders' Meeting
  - Board of Auditors
  - Board of Directors
    - Compliance Committee
    - President
      - Internal Audit Office
      - Management Meeting
      - Corporate Strategy & Planning Division
        - Management Planning Department
        - Secretarial Office
      - Investment Banking Division
        - Structured Finance Department I
        - Structured Finance Department II
          - Osaka Branch
        - Real Estate Project Department
        - Financial Products Development Department
        - Products Control Department
      - Treasury & Administration Division
        - Finance Department
          - Treasury Group
          - Accounting Group
        - Business Planning Department
          - Human Resource Group
          - Business Administration Group
      - Credit Analysis & Risk Management Division
        - Credit Department
        - Compliance Office
      - Investment Business Department

Employees (As of March 31, 2007)
Consolidated : 93
Non-Consolidated : 55

*Excepting members of the Board

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