

Interim Results and Full-Year Revisions for Fiscal 2008, ending September 30, 2008

May 2008

FinTech Global Incorporated

Tokyo Stock Exchange, 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 the management of FinTech Global Group. The future operating environment could, however, differ significantly from the present due to various factors, and, therefore, next-stage strategies, performance results and other events may differ from the content presented today.

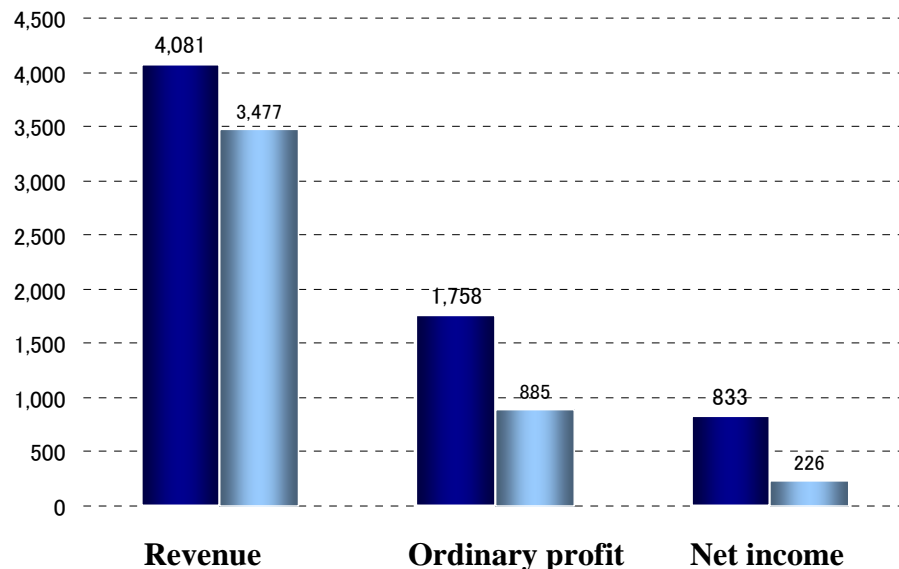
**Fiscal 2008
Interim Performance Summary and
Second-Half Strategies**

Fiscal 2008: Interim Performance (Non-Consolidated, Consolidated)

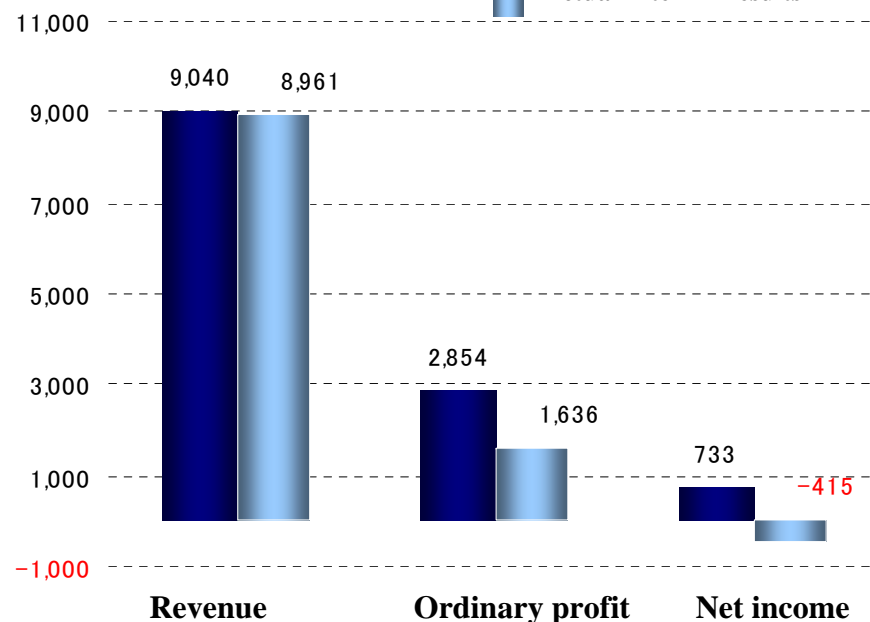
Non-Consolidated (Millions of yen)	Projected Interim Results	Actual Interim Results	Variance
Revenue	4,081	3,477	-603
Ordinary profit	1,758	885	-872
Net income	833	226	-607

Consolidated (Millions of yen)	Projected Interim Results	Actual Interim Results	Variance
Revenue	9,040	8,961	-78
Ordinary profit	2,854	1,636	-1,218
Net income (loss)	733	-415	-1,149

■ Projected Interim Results
■ Actual Interim Results



■ Projected Interim Results
■ Actual Interim Results



Fiscal 2008: Interim Performance (Non-Consolidated)

(Millions of yen)

Non-consolidated	Projected Interim Results	First-Quarter Results	Second-Quarter Results	Actual Interim Results
Revenue	4,081	2,486	991	3,477
Gross profit	-	2,378	888	3,267
SGA expenses	-	557	1,864	2,421
Operating income	1,988	1,821	(975)	845
Ordinary profit	1,758	1,811	(925)	885
Extraordinary loss	-	(182)	(300)	(482)
Net income (loss)	833	954	(728)	226

Revenues

The prolonged financial market upheavals, stemming from the US sub prime mortgage crisis, caused the operating environment to deteriorate in the second quarter, and eroded the significant revenue improvements achieved in the first quarter through the completion of financing arrangements for a number of large-scale transactions that had been pending. This, coupled with a tougher in-house screening process for transactions, limited revenue growth, and meant that initial revenue growth targets were not achieved.

Profits

Profits were also significantly lower than had been projected owing to the transfer of ¥1,268 million from allowance for doubtful accounts to selling, general and administrative expenses, to cover potential losses from an investment relating to a transaction for the purchase of medical equipment (see Page 6), as well as the booking of an extraordinary loss of ¥256 million relating to investment losses incurred by FinTech Global Securities, Inc and its subsidiary.

Fiscal 2008: Interim Performance (Consolidated)

(Millions of yen)

Consolidated	Projected Interim Results	First-Quarter Results	Second-Quarter Results	Actual Interim Results
Revenue	9,040	6,011	2,950	8,961
Gross profit	–	4,497	2,805	7,302
SGA expenses	–	1,851	3,138	4,989
Operating income	3,035	2,646	(333)	2,312
Ordinary profit	2,854	2,453	(817)	1,636
Extraordinary loss	–	(168)	(19)	(187)
Net income (loss)	733	698	(1,114)	(415)

Revenues

Interim consolidated revenue was close to the original forecast as a result of FXOnline Japan Co., Ltd (FXO) exceeding expectations, and offsetting the under-target results of other subsidiaries and FGI itself.

Net Income (loss)

The net loss of ¥415 million reflects the transfer of ¥1,268 million from allowance for doubtful accounts to consolidated selling, general and administrative expenses to cover potential losses from an investment relating to a transaction for the purchase of medical equipment (see Page 6), as well as unrealized foreign exchange and mark-to-market losses on marketable securities totaling ¥475 million. Net income from FXO is adjusted to reflect FGI's 44.9% equity interest in FXO.

Background to Financial Transaction for Purchasing Medical Equipment

In late 2007 a voluntary partnership (nin`i kumiai), and consolidated FGI subsidiary, contributed ¥2.2 billion into an entity set up to raise capital, buy medical equipment and cover the cost of consultation services directed towards medical institutions. Repayment was due on March 21, 2008, but to date the contractual borrower has not returned funds to the voluntary partnership.

As recently reported in the media, a global financial institution that similarly invested in the entity, and is still waiting for repayment, has filed a lawsuit against Marubeni. Because of the allegations of potential fraudulent activity FGI has discussed the situation with the relevant authorities and is cooperating fully with the ongoing official investigation, as well as conducting its own inquiry into the facts, and pursuing methods to recover as much of the investment as possible.

Through a series of related transactions the investment was backed by listed stock, the value of which stood at about ¥1.9 billion on March 31, 2008. Based on self assessment standards set forth in the Financial Services Agency's financial inspection manual, FGI conservatively estimates the value of the investment collateral to be about half the market value, and has chosen to address the claim by transferring ¥1,268 million from allowance for doubtful accounts to selling, general and administrative expenses, applicable to consolidated and non-consolidated interim accounts.

FGI is normally the arranger and structurer of all the financial transactions that it provides loans for, and applies its own capital towards. The above transaction was an exception to this rule in that it was arranged by a third party, and FGI entered into it in part to acquire knowledge of large scale medical equipment financing schemes for which there is ongoing demand.

Fiscal 2008: Interim Strategies and Second-Half Implementation

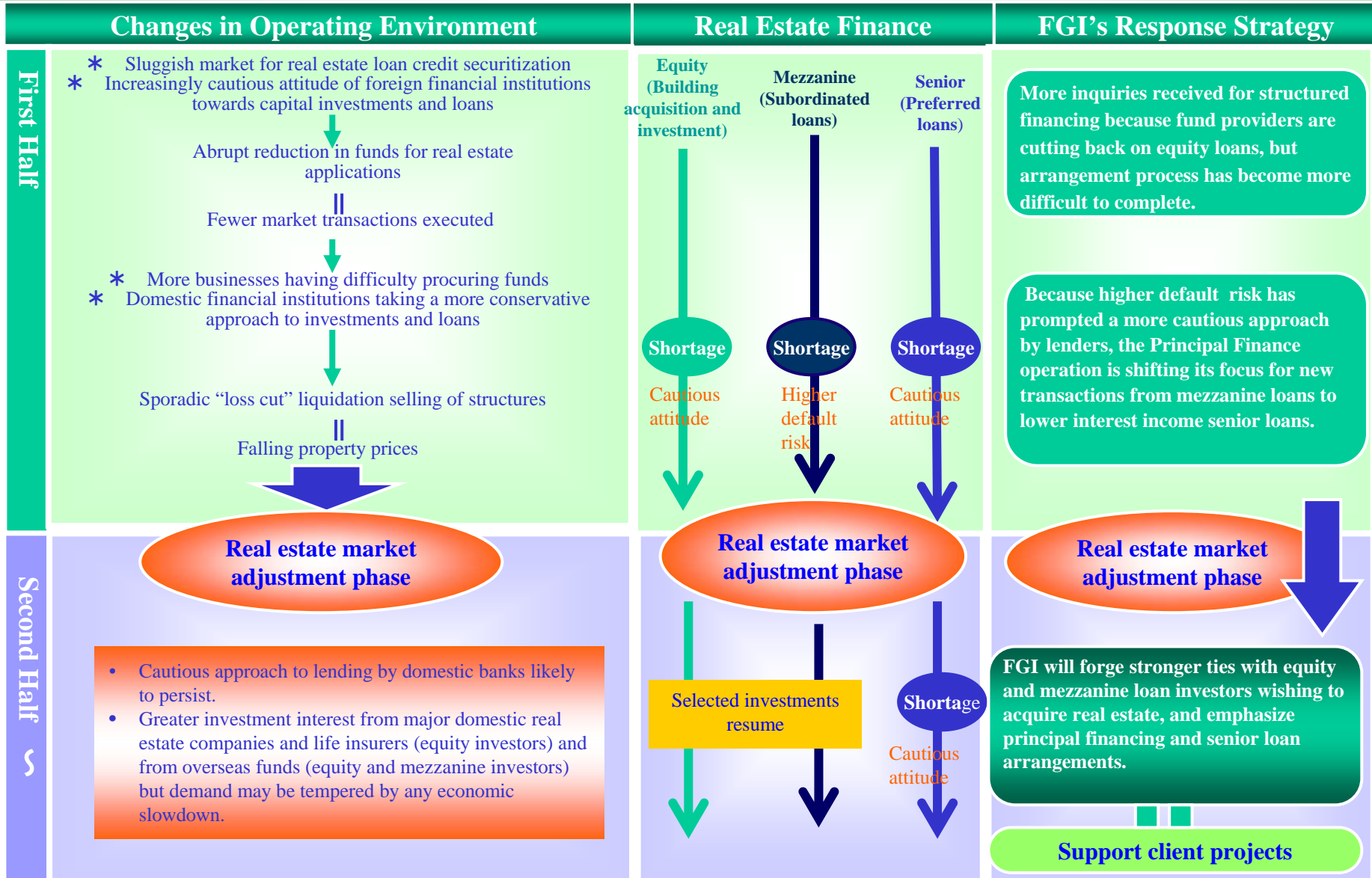
Stronger Operations

- **Focus on attracting new fund suppliers, including overseas investors, whose positions are less susceptible to changes in the financial markets.**
 - Capital Markets Department established to cultivate a richer field of fund suppliers.
 - Develop relationships with overseas real estate funds.
- **Created smaller organizational units to reinforce screening system and enhanced employee training to underpin marketing capabilities, effective April 1, 2008.**
- **Steps taken to expand knowledge of, and activities in, transactions outside real-estate-related applications.**
 - Established Structured Finance Department III on April 1, 2008, to handle non-real-estate related transactions.
 - Incubated and invested in Japanese venture capital fund that started operations in the first quarter.

More Stringent Risk Management

- **Creating the positions of credit officer and general manager of credit department.**
- **Enhanced screening system to minimize risk and support responses to transaction requests.**
- **Strengthening ability to maintain and recover claims to better deal with challenging market conditions.**

Fiscal 2008: First-Half Operating Environment and Second-Half Responses



Fiscal 2008 Second Half: Project Support Programs

1. Concept

- i) Support selective development projects by providing funds to operators.
- ii) Despite issues caused by the ongoing market adjustments, operators will still be able to promote such project because
- iii) FGI will augment its arrangement function with value-added offerings, such as senior loans and other highly secure funding as well as by providing credit enhancement.

2. Schemes and Features

- i) Capital will be provided through FGI and through overseas financial markets where fund creation (investment banking business) generates funding capacity.
- ii) Credit enhancement from such backers as major real estate companies will help to enable projects to be undertaken.
- iii) Pre-sale of buildings to such buyers as leading real estate funds will facilitate financing.

3. Effects

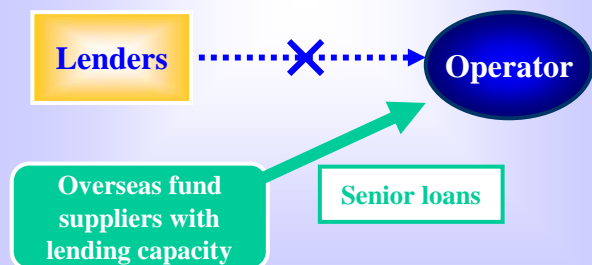
- i) Enhanced ability of operators to pursue development will increase number of transactions by FGI.
- ii) New structured financing arrangements will boost fee income.
- iii) Stronger ties will emerge through the establishment of schemes with creditworthy business partners.

Scheme 1

- When no prominent senior lender is available:

FGI's Role

Enhanced capacity to provide senior loans through transactions underpinned by overseas fund suppliers with lending capacity.

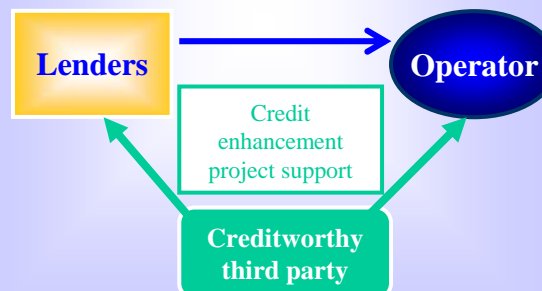


Scheme 2

- When operator has poor credit:

FGI's Role

Arrange financing on good terms using creditworthy third party credit enhancement.

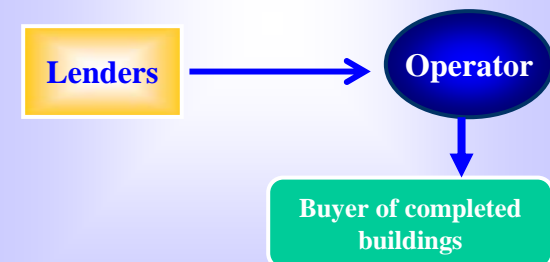


Scheme 3

- Procuring a buyer for completed building

FGI's Role

Arrange financing on good terms by procuring a buyer for the completed building.



Fiscal 2008 Second Half: Non-Real Estate Related Transactions

Organizational Aspects

On April 1, 2008, FGI created a marketing unit, staffed by arrangement experts, dedicated to non-real estate transactions. The unit is actively pursuing new business opportunities and is already attracting interest from existing group clients.

Target Clients

FGI targets listed companies that have achieved outstanding growth as well as promising companies that seek to list their stock. The Company would like companies in all industries to appreciate the advantages afforded by structured financing and therefore does not limit its services to any particular industry or sector thereof.

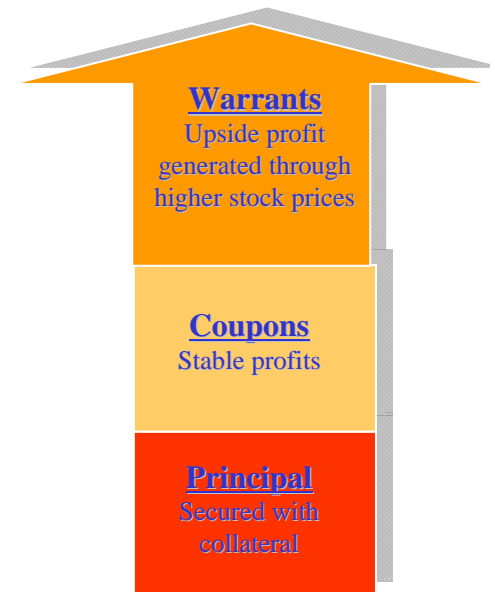
Activities

FGI works with both domestic and foreign financial institutions and venture capital firms as well as equity investors to identify and work with potential clients, emphasizing opportunities that promote growth through the provision of hands-on involvement in the management of the capital recipient. In cooperation with its venture capital affiliate, FinTech Global Capital, the Company can also provide structured financing to augment equity investments and straight debt.

Proposal Content

The Company offers a fund-procurement product based on a new product concept—**small-lot financing backed by structures with warrants**—that provides access to funds between a minimum of several million yen and a maximum of several billion yen. It is a form of **structured financing using FGI’s leading-edge financial techniques to collateralize sales credits, inventories, facilities and other assets** that banks find difficult to secure. By including warrants into the arrangement mix, low-rate coupons can be issued without weakening the strength of the growth company. Credit enhancement from Stellar Capital—a Group company—is available if risk criteria require added security.

The special feature of this product is that it enhances the security of the financing principal with collateral and ensures stable coupon income. The inclusion of warrants creates the potential for profit upside.



Fiscal 2008: Full-Year Revisions (Non-Consolidated, Consolidated)

Fiscal 2008: Revised Non-Consolidated Full-Year Performance Forecast

(Millions of yen)

	Actual Interim Results	Previous Full year Forecast	New Full year Forecast	Change (from previous forecast)	Change(%) (from previous forecast)	Fiscal 2007 Results
Revenue	3,477	8,350	5,412	-2,937	-35%	7,287
Recurring profit	885	3,793	1,119	-2,673	-71%	3,731
Net income	226	1,972	364	-1,608	-82%	1,806

Second-Half Operating Environment

In the second half of fiscal 2008, the credit crunch, caused by turbulent conditions in financial markets worldwide, is likely to persist, along with adjustments in the domestic real estate market. The lending environment will remain challenging, as financial institutions become even more reluctant to extend loans for real estate purposes. Thus, even though businesses involved in property development projects are contacting the Company for information about development-style securitization and bridging loans, it will be difficult for FGI to translate these inquiries into transactions as intended because access to the funds needed to arrange and complete such transactions has become much narrower than when performance estimates were announced in November 2007.

Results

Revenues in the interim period were down and arrangement value on development-style securitization and bridging loan transactions in the second half may also not reach target levels, dragging full-year revenue significantly below expectations. Nevertheless, FGI seeks to secure income through concerted efforts to arrange financing for projects other than those involving real estate and through new avenues of approach for real estate securitization, including arrangements involving overseas fund suppliers whose capacity is unaffected by the recent market upheaval.

Fiscal 2008: Revised Consolidated Full-Year Performance Forecast

(Millions of yen)

	Actual Interim Results	Previous Full year Forecast	New Full year Forecast	Change (from previous forecast)	Change(%) (from previous forecast)	Fiscal 2007 Results
Revenue	8,961	17,607	15,626	-1,980	-11%	16,914
Recurring profit	1,636	6,853	4,768	-2,085	-30%	5,951
Net income (loss)	(415)	1,991	614	-1,377	-69%	1,767

Revenue

The Company has revised its full-year revenue target downward: Although FXO is expected to enjoy continued revenue growth in the second half of fiscal 2008, the Company is not expected to meet its own non-consolidated revenue target. Additional factors include other subsidiaries' failure to mark major improvements in revenues, and below-target consolidated results at the interim stage.

Income

The operating income forecast has also been lowered, reflecting reduced revenue potential and the transfer of allowance for doubtful accounts in the interim period. Stellar Capital and Crane Re should recover a certain amount of the foreign exchange losses and mark-to-market losses on marketable securities that they booked in the interim period on fund management operations, based on current exchange rate trends and market conditions. Nevertheless, the impact of lower revenues and operating income is likely to lead to lower ordinary profit as well.

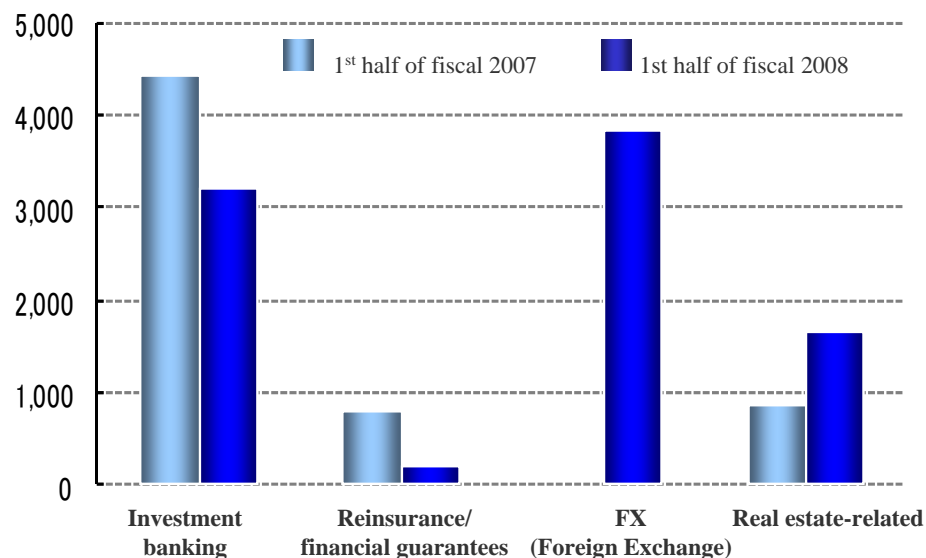
Business Briefing by Segment

Consolidated Results by Business Segment

(Millions of yen)	Revenue			Operating Income		
	Fiscal 2007	Fiscal 2008	Difference	Fiscal 2007	Fiscal 2008	Difference
	1st Half	2nd Half		1st Half	2nd Half	
Investment Banking	4,467	3,231	-1235	2,899	671	-2,228
Reinsurance/ Financial Guarantees	815	203	-611	-43	-120	-76
FX (Foreign Exchange)	-	3,847	3,847	-	1,914	1,914
Real Estate Related	869	1,678	808	-135	43	179
Elimination or corporate	-	-	-	(104)	(196)	-
Total	6,151	8,961	2,810	2,615	2,312	-302

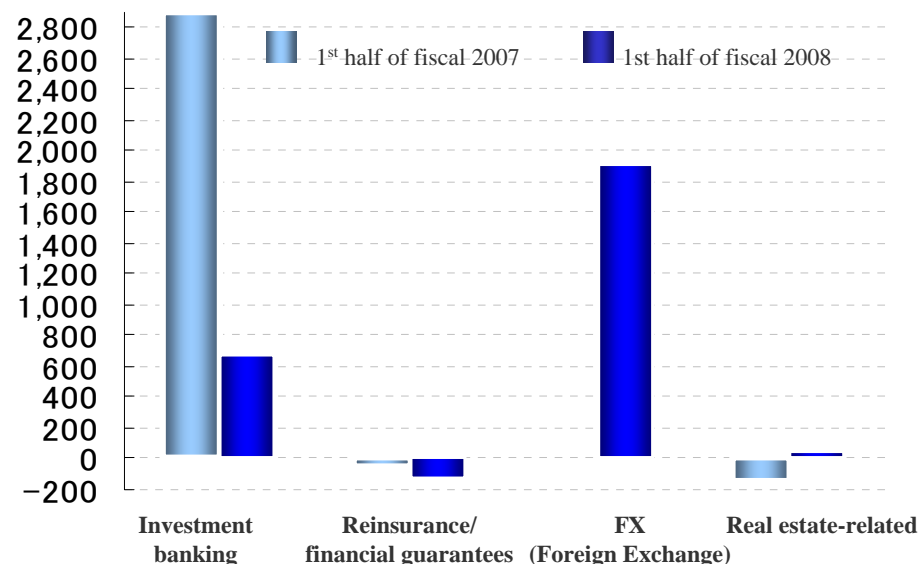
Revenue

(Millions of yen)



Operating Income

(Millions of yen)



Note: The forex business is included in consolidated results from the third quarter of fiscal 2007.

Fiscal 2008: Group Company Interim Results

(Non-consolidated results of Group companies before consolidated adjustments)

Performance forecasts for each subsidiary were revised, paralleling revision of consolidated full-year performance forecasts.

Stellar	Fiscal 2007 (Full Year)	Fiscal 2007 1st Half	Fiscal 2008 (Full Year)	% full-year forecast (A/B)	Fiscal 2008 (Full Year)	Change (C-B)
	Actual	Actual (A)	Original forecast		Revised forecast (C)	
Revenue	1,719	126	277	0	142	-135
Ordinary profit	293	-475	284	—	11	-273
Net revenue	317	-475	210	—	8	-202

FRE	Fiscal 2007 (Full Year)	Fiscal 2007 1st Half	Fiscal 2008 (Full Year)	% full-year forecast (A/B)	Fiscal 2008 (Full Year)	Change (C-B)
	Actual	Actual (A)	Original forecast		Revised forecast (C)	
Revenue	421	1,609	2,000	1	2,009	9
Ordinary profit	320	-77	350	—	207	-143
Net revenue	194	-57	203	—	110	-93

FXO	April-Sept. 2007	Fiscal 2007 1st Half	Fiscal 2008 (Full Year)	% full-year forecast (A/B)	Fiscal 2008 (Full Year)	Change (C-B)
	Six-month results	Actual (A)	Original forecast		Revised forecast (C)	
Revenue	3,139	3,847	6,471	1	7,928	1,457
Ordinary profit	2,244	2,627	4,170	1	5,408	1,238
Net revenue	1,328	1,559	2,460	1	3,200	740

FGS	Fiscal 2007 (Full Year)	Fiscal 2007 1st Half	Fiscal 2008 (Full Year)	% full-year forecast (A/B)	Fiscal 2008 (Full Year)	Change (C-B)
	Actual	Actual (A)	Original forecast		Revised forecast (C)	
Revenue	112	99	296	0	175	-121
Ordinary profit	-110	-29	7	-	-21	-28
Net revenue	-110	-31	7	-	-23	-30

Intrust	Fiscal 2007 (Full Year)	Fiscal 2007 1st Half	Fiscal 2008 (Full Year)	% full-year forecast (A/B)	Fiscal 2008 (Full Year)	Change (C-B)
	Actual	Actual (A)	Original forecast		Revised forecast (C)	
Revenue	8	59	288	0	312	24
Ordinary profit	-126	-48	3	—	2	-1
Net revenue	-127	-48	3	—	2	-1

Consolidated Business Activities at a Glance

Investment Banking

Arrangement services

FinTech Global Incorporated

Principal finance operations

FinTech Global Incorporated

- ◎ **FinTech Real Estate, Inc.**
- ◎ **FinTech Principal Investment Incorporated**
- ◎ **FGI Principal Co., Ltd.**

Other investment banking operations

FinTech Global Incorporated

- ◎ **FinTech Global Securities, Inc.**
- ◎ **FINTECH GIMV FUND, L.P.**

Reinsurance/Financial Guarantee Business

Credit enhancement

- ◎ **Stellar Capital AG**
- FinTech Global**

Reinsurance underwriting

- ◎ **Crane Reinsurance Limited**

Rent guarantee services

- ◎ **Entrust Inc.**

Sales credit guarantees

- ◎ **Reliable Factors Co., Ltd.**

Real Estate related Operations

Brokerage, purchase, sale and rental of properties

- ◎ **FinTech Real Estate, Inc.**

FX Business

Foreign exchange margin trading

- ◎ **FX Online Japan Co., Ltd.**

2-1. Investment Banking: Arrangement Services

An arrangement is a structured finance package comprising 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.

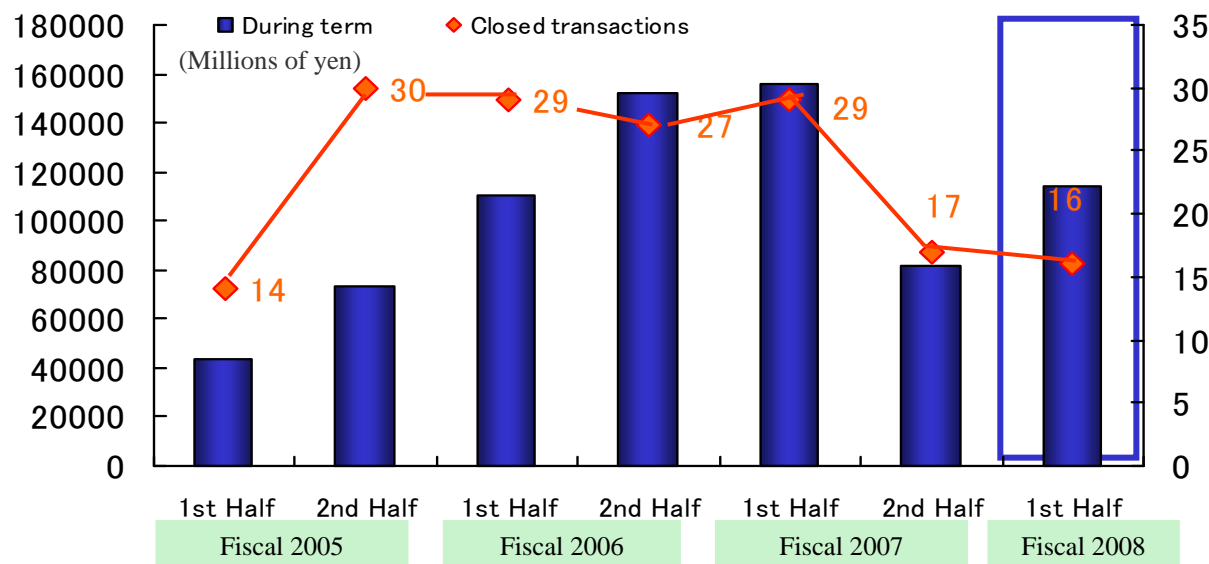
Aggregate Arrangement Results (Non-Consolidated)

(Millions of yen)

	Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Half
During the term	43,699	73,483	110,445	151,806	155,732	81,789	114,095
Revenue from arrangement operations (non-consolidated)	840	1,310	1,682	2,996	2,941	1,016	1,934
Number of arrangements closed	14	30	29	27	29	17	16*
Arrangements for new clients	14		6	1	6	6	8

• 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. • New clients are those for whom a business relationship with FGI commenced during the period indicated.

* The number of arrangement contracts closed excludes four transactions, including a joint arrangement.



Arrangement services generated ¥114,095 million in the first half, reflecting the first-quarter completion of part of a large-scale transaction that had not been closed as planned by the end of fiscal 2007.

Nevertheless, the business environment has become more challenging than anticipated, making the arrangement of transactions much more difficult.

2-2. Investment Banking: Arrangement Services with Credit Enhancement

The credit enhancement service provided by FGI is a capital risk solution through which the financial risks inherent in securitization or structured finance transactions are underwritten by insurers or securities companies in the form of guarantees to stabilize respective arrangements. The 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. Stellar Capital, a Group member based in Switzerland, provides the credit enhancement services that enable FGI to create packages more likely to catch the lending eye of financial institutions.

Results from Arrangement Services with Credit Enhancement

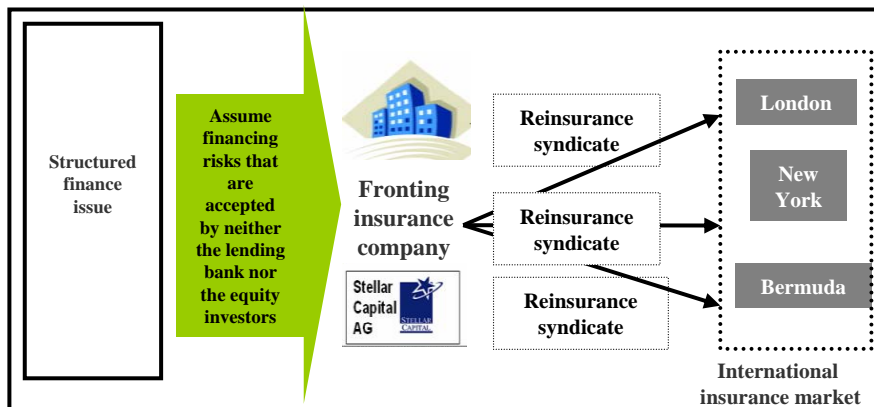
(Millions of yen)

	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008 First Half
Revenue	0	939	607	109
Cost of revenue	2	32	13	2
Gross profit (loss)	-2	906	593	106
Number of arrangements	0	8	4	1 (also credit enhancement for one jointly arranged transaction)

No transactions required credit enhancement from Stellar Capital, but FGI itself provided credit enhancement on one transaction. One jointly arranged transaction also required credit enhancement.

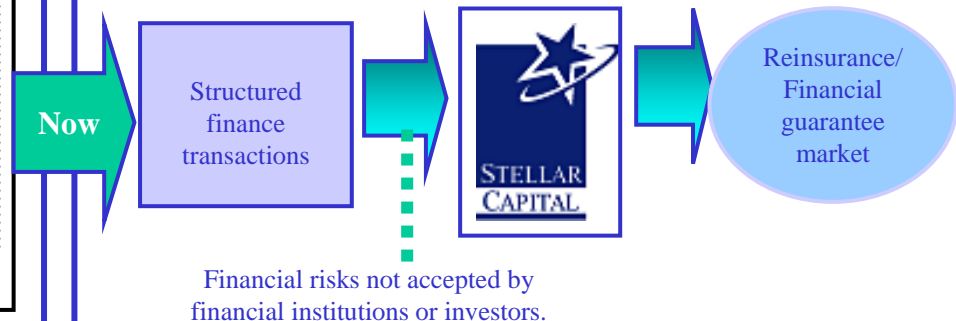
Previous Credit Enhancement Services Process

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.



Current Credit Enhancement Services Process

Approaching reinsurers for credit enhancement requires enormous effort and preparation. For general credit enhancement, targeted risk must be distributed among 20 to 50 reinsurers in the world's three largest insurance markets to achieve syndication, a process that takes a significant amount of time. In March 2006, FGI established Stellar Capital to enhance the efficiency and profitability of credit enhancement services and thus acquired the ability to underwrite credit enhancement through the subsidiary.



2-3. Investment Banking: Principal Finance Operations

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

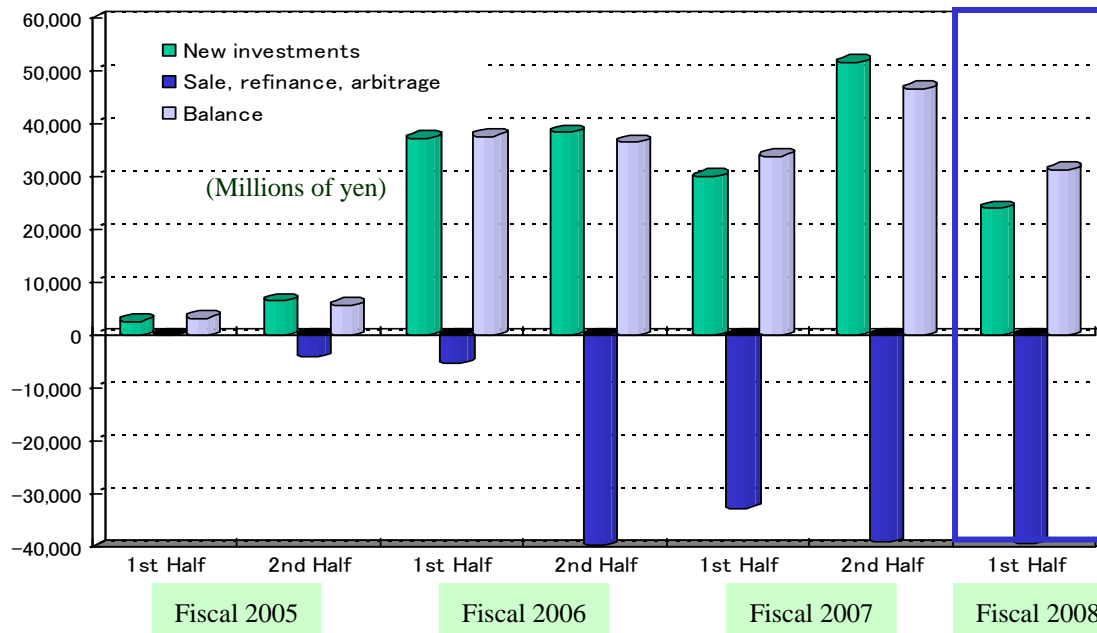
Non-Consolidated Balance of Investments and Loans

(Millions of yen)

	Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008
	First half	Second half	First half	Second half	First half	Second half	First Half
New investments	2,693	6,526	37,290	38,380	30,060	51,623	25,278
Sale, refinance, arbitrage	39	4,074	5,344	39,567	32,579	39,020	40,685
Balance	3,295	5,747	37,693	36,506	33,987	46,590	31,183
Revenue	28	228	860	1,777	1,538	1,635	1,437

Fiscal 2008
First Half

Outstanding loans to subsidiaries
¥17,515 million



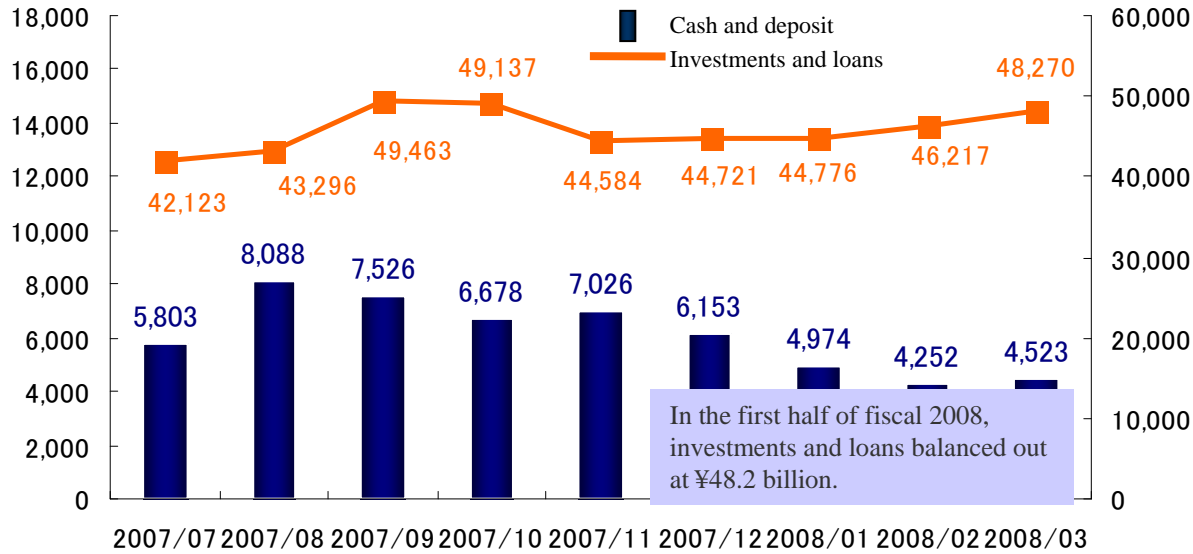
In an effort to enhance risk management, FGI is applying much stricter standards to investment and loan activities and is much more selective in its choice of transactions for arrangement services. In addition, investments and loans through subsidiary special purpose companies (SPCs) is on the rise, primarily owing to the restructuring of a large-scale transaction.

See slide 21 for details.

Cash and Deposits, Balance of Investments and Loans (Total from Group companies involved in investment and loan activities)

Cash and deposit (Millions of yen)

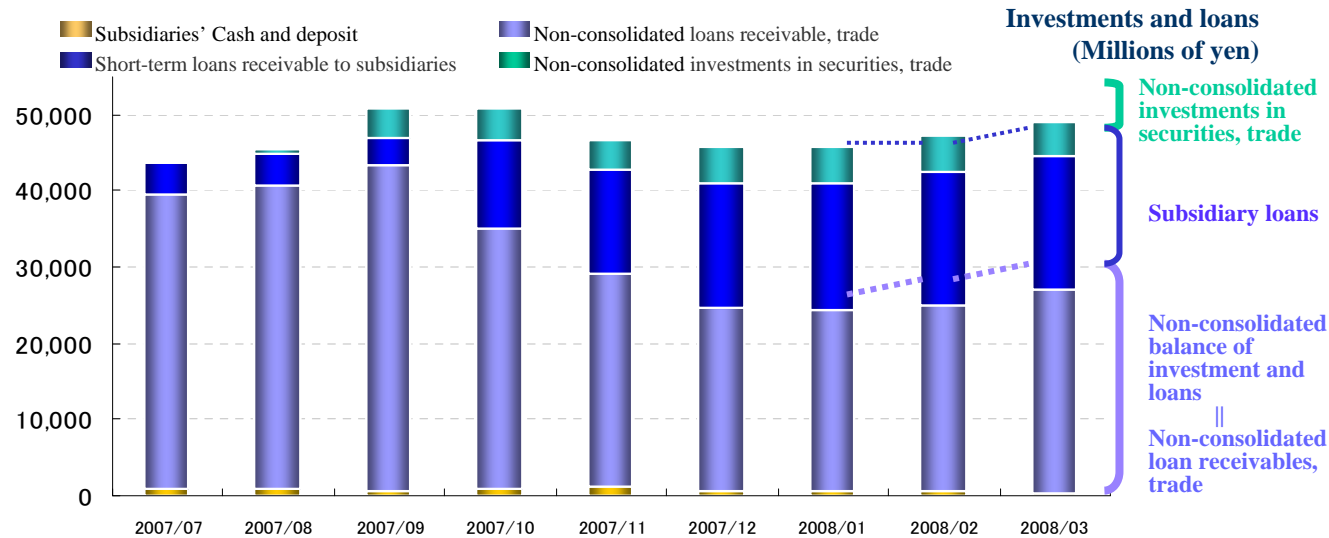
Investments and loans (Millions of yen)



Cash and deposits: Belonging to Group companies engaged in principal finance operations.

Investments and loans: Principal finance balance from Group companies - subsidiaries' cash and deposits

Note: Until March 31, 2007, that is, the second quarter of fiscal 2007—Cash and Deposits, Loan Receivables, Trade—was a non-consolidated amount. But a trend toward higher investments and loans by subsidiaries prompted the Company to disclose a consolidated amount, primarily comprising real estate-related investments by subsidiaries, effective from the third quarter of fiscal 2007.



Consolidated Balance of Investments and Loans

Although FGI's own investment and loan balance declined, the overall balance for the Group did not fall toward the anticipated ¥35 billion mark for fiscal 2008 but rose upward, to around ¥48.2 billion, owing to an increase in loan receivables, trade directed toward subsidiary SPCs by FGI.

Subject subsidiaries: FinTech Real Estate and FGI Principal

Consolidated Principal Finance Portfolio

Installation period	Within 6 months			7-12 months			13-18 months			More than 19 months			Total		
	Amount (%)	Num		Amount (%)	Num		Amount (%)	Num		Amount (%)	Num		Amount (%)	Num	
Pre-building permit bridging loan	8,865	34.2	5	3,110	12.0	4	0	0.0	0	0	0.0	0	11,975	46.2	9
Development-style mezzanine loan	1,180	4.6	1	5,680	21.9	4	410	1.6	1	0	0.0	0	7,270	28.1	6
Investment-style mezzanine loan	0	0.0	1	578	2.2	2	1,304	5.0	3	875	3.4	2	2,757	10.6	8
Other loans (non-real estate related and corporate loans)	★ 2,726	10.5	3	0	0.0	0	0	0.0	0	1,190	4.6	3	3,916	15.1	6
Total	12,771	49.3	10	9,368	36.1	10	1,714	6.6	4	2,065	8.0	5	25,918	100.0	29

85.4%

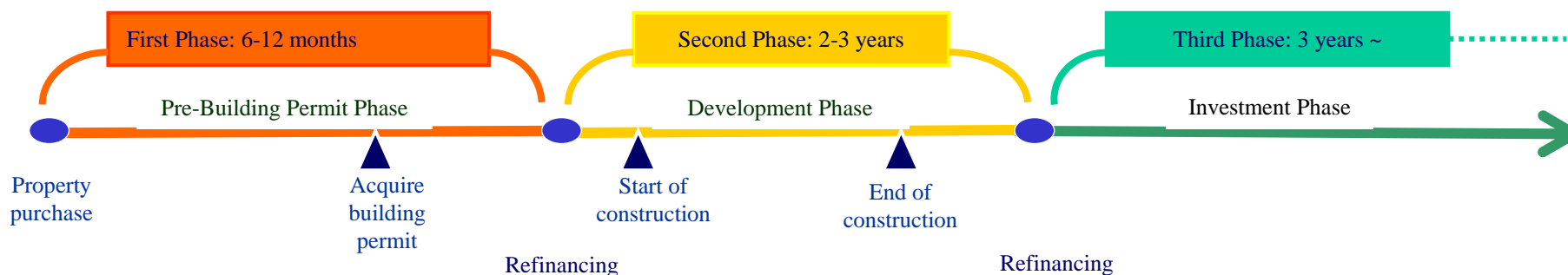
Note: The principal finance portfolio comprises loan receivables, trade only and excludes certain inventory and investments in securities, trade.

★ Includes ¥2.2 billion contribution by subsidiary SP&W Asclepius Investment Partnership No. 4.

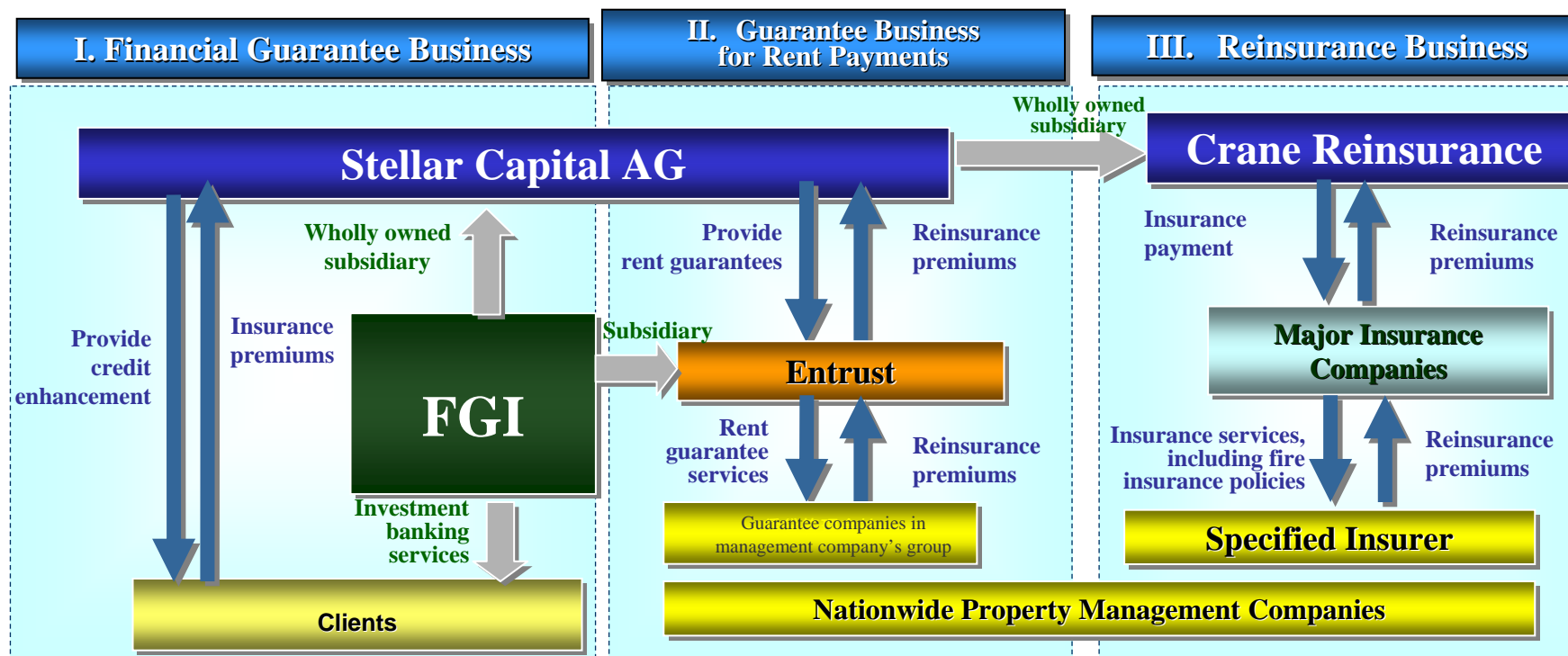
The noteworthy feature of FGI’s principal finance portfolio is that comparatively short-term loans -- that is, loans due within six months -- and loans payable within seven to 12 months comprise about 85%.

FGI will emphasize the use of principal financing for senior loans, demand for which will definitely outpace supply given the adjustment phase that the real estate market is experiencing. In addition, the Company will strive to raise the fund turnover ratio and secure new profit opportunities through the sale of loan credits related to financing for property development mezzanine loans, operating mezzanine loans and non-real estate related loans, which have lending periods in excess of one year.

Real Estate Development and Investment



3. Reinsurance/Financial Guarantee Business



Consolidated

(Millions of yen)

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Progress toward Target
	Full-Year	First Half	Initial Target	
Revenue	1,720	203	516	39%

New Fiscal 2008 Target
400

Stellar Capital's revenue reflects earnings on guarantees for previously arranged transactions only, since no new transactions requiring credit enhancement services were arranged in the first half of fiscal 2008.

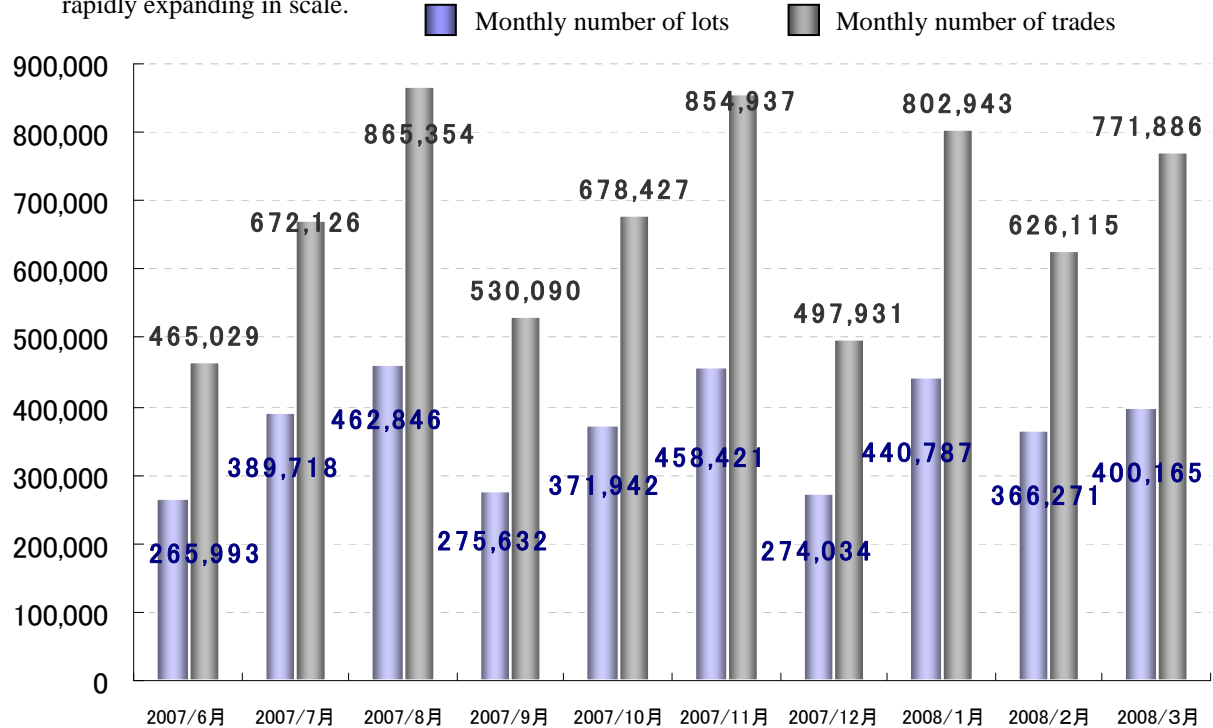
Crane Reinsurance posted revenue from earned premiums under existing policies only, because underwriting for new policies is on hold while certain reinsurance underwriting schemes undergo restructuring. The final adjustments are being worked out with relevant parties to begin underwriting new policies as soon as possible but the situation does not bode well for a resumption of underwriting in fiscal 2008. Status updates will be announced as progress is made.

Upheaval in forex and financial markets foreign exchange losses and evaluation losses for both Stellar Capital and Crane Reinsurance in their fund management operations. These losses were booked under other expenses.

Entrust turned a profit in March 2008, thanks to its business tie-up with Daiwa Living Co., Ltd.

4. FX (Foreign Exchange) Business

The FX business is undertaken by FXO, shares of which were acquired by FGI between January and March 2007. Profits from this business activity are included in consolidated results, as of fiscal 2007. The online foreign exchange margin trading business—FXO’s area of expertise—is an intensely competitive field but one that is rapidly expanding in scale.



In an intensely competitive field, FXO was able to steadily expand its client base through aggressive marketing efforts. Heightened volatility in foreign exchange markets, caused by the subprime mortgage crisis, sent the yen soaring against the U.S. dollar from October to November 2007 and again in March 2008. With a larger client base and solid demand for online forex margin trading, FXO achieved record-high transaction volume in the second quarter.

A “lot” is the trading unit used in forex margin trading. In these materials, one lot is equivalent to 100,000 pips of each currency pairs.

(Millions of yen)

	Fiscal 2007 Second Half	Fiscal 2008 First Half	Fiscal 2008 Full-Year Target	Progress toward Target
Revenue	3,139	3,847	6,471	59.4%

Fiscal 2008 Performance Target
7,928

5. Real Estate Related Operations

Real estate related operations hinge on FinTech Real Estates and SPCs under the scope of consolidation, which capitalize on profit opportunities, such as property brokerage, sales and rental income, generated through development-style securitization arrangements packaged by FGI.

Consolidated Results

(Millions of yen)

	Fiscal 2007	Fiscal 2008 First Half
Real estate related revenue	5,069	1,678
Property acquisition and sales revenue	4,436	1,607
Dividend income (loss)	6	-5
Rental income	121	66
Brokerage fees	505	9

One property transaction was executed by FinTech Real Estate during the first quarter, which brought in about ¥1.6 billion. Rental income from buildings owned by SPCs under consolidation generated additional revenue.

Financial Highlights

1. Consolidated Balance Sheets (Thousands of yen, %)

(Thousands of yen, %)

Assets	Fiscal 2007		Fiscal 2008 First Half	
Current assets	82,248,886	90.6	99,703,927	93.3
Cash and time deposits	15,263,735		12,142,758	
Deposits	10,214,673		8,425,306	
Accounts receivable, trade	5,962		5,466	
Investments in securities, trade	4,571,706		5,156,587	
Inventory	5,864,266		39,695,936	
Loans receivable, trade	40,454,941		25,918,900	
Other	6,025,010		9,818,479	
Allowance for doubtful accounts	(151,409)		(1,459,508)	
Fixed assets	8,491,587	9.4	7,203,040	6.7
Property, plant and equipment	267,825	0.3	302,907	0.3
Intangible fixed assets	6,666,727	7.4	5,938,704	5.5
Investments and other assets	1,557,035	1.7	961,428	0.9
Total assets	90,740,474	100.0	106,906,968	100.0

Liabilities	Fiscal 2007		Fiscal 2008 First Half	
Current liabilities	35,350,755	38.9	55,189,076	51.6
Short-term debt	14,351,700		32,489,000	
Deposits from customers	9,992,733		8,064,980	
Long-term debt due within one year	7,272,056		6,989,960	
Other	3,734,263		7,645,134	
Long-term liabilities	28,198,620	31.1	24,565,134	23.0
Bonds with stock acquisition rights	22,170,000		22,170,000	
Long-term debt	4,532,140		1,261,949	
Other	1,496,479		1,133,184	
Total liabilities	63,549,376	70.0	79,754,210	74.6

(Thousands of yen, %)

Net Assets	Fiscal 2007		Fiscal 2008 First Half	
Shareholders' equity	25,027,828	27.6	23,738,172	22.2
Common stock	10,736,448	11.8	10,764,217	10.1
Additional paid-in capital	10,351,900	11.4	10,351,900	9.7
Retained earnings	3,939,480	4.4	2,622,054	2.4
Valuation and translation adjustments	(17,163)	0.0	(69,471)	(0.1)
Stock acquisition rights	4,974	0.0	11,556	0.0
Minority interests	2,175,458	2.4	3,472,499	3.3
Total net assets	27,191,098	30.0	27,152,757	25.4
Total liabilities and net assets	90,740,474	100.0	106,906,968	100.0

- Deposits:** Client deposit trusts linked to FXO forex margin trading
- Inventory and loans receivable, trade:** Silent partnership investment into SPCs with real estate holdings temporarily fell under consolidation following structural changes to large-scale transactions. As a result, loans receivable, trade decreased, while inventory, including real estate for sale, and short-term debt grew considerably.
- Reserves, primarily those linked to the transaction for purchasing medical equipment.
- Intangible fixed assets:** Goodwill in FXO
- Consolidation of venture capital fund led to investments and other assets of ¥418 million and minority interests of ¥463 million
- Deposits from customers:** FXO client deposits

2. Consolidated Statement of Income

(Thousands of yen, %)

	Fiscal 2007 First Half		Fiscal 2008 First Half		Fiscal 2007	
Revenue	6,151,674	100.0	8,961,842	100.0	16,914,147	100.0
Cost of revenue	1,856,676	30.2	1,659,474	18.5	5,481,682	32.4
Gross profit	4,294,997	69.8	7,302,367	81.5	11,432,464	67.6
Selling, general and administrative expenses	1,679,644	27.3	4,989,378	55.7	5,145,487	30.4
Operating income	2,615,352	42.5	2,312,989	25.8	6,286,977	37.2
Other income	271,214	4.4	103,015	1.2	308,516	1.8
Other expenses	454,356	7.4	779,942	8.7	643,822	3.8
Ordinary profit	2,432,210	39.5	1,636,062	18.3	5,951,671	35.2
Extraordinary profit	11,720	0.2	0	0.0	11,720	0.1
Extraordinary loss	106,588	1.7	187,728	2.1	146,183	0.9
Income before income taxes	2,337,342	38.0	1,383,439	15.4	5,817,208	34.4
Income tax adjustment	1,180,458	19.2	1,043,443	11.6	2,537,111	15.0
Minority interests	65,759	1.1	(755,501)	(8.4)	(1,512,311)	(8.9)
Net income	1,222,643	19.9	(415,505)	(4.6)	1,767,784	10.5

1 Revenue: Two-quarter total was ¥8,961 million
 Although FXO's revenues exceeded expectations, other FGI subsidiaries and FGI itself were unable to achieve respective revenue goals. FXO's contribution kept consolidated revenue close to the Group's target. If the forex business were excluded from the total, revenues would be ¥5,113 million, or ¥1,037 million less than in the first half of fiscal 2007. In that period a year ago, FXO was not yet included in consolidated results.

2 SGA Expenses: Two-quarter total was ¥4,989 million
 ¥1,268 million transferred from reserves to cover a transaction to pay for medical equipment (see details on slide 6)

3 Other expenses: Two-quarter total was ¥779 million
 Unrealized losses on trading securities: ¥344 million
 Loss from effect of exchange rate: ¥130 million

4 Minority interests: Two-quarter total was a deficit of ¥755 million
 With equity of 45% in FXO, FGI excludes 55% of the company's net income as minority interests.

3. Non-Consolidated Balance Sheets

(Thousands of yen, %)

Assets	Fiscal 2007		Fiscal 2008 First Half	
Current assets	57,380,752	73.2	52,389,146	72.1
Cash and time deposits	6,836,785		4,095,012	
Accounts receivable, trade	6,195		945	
Investments in securities, trade	3,986,713		4,555,000	1
Loans receivable, trade	42,603,000		26,628,000	
Short-term loans	3,562,000		17,515,000	2
Others	548,752		1,079,746	
Allowance for doubtful accounts	(162,695)		(1,484,559)	
Fixed assets	20,982,185	26.8	20,270,680	27.9
Property, plant and equipment	183,312	0.3	180,137	0.3
Intangible fixed assets	12,425	0.0	11,920	0.0
Investments and other assets	20,786,448	26.5	20,078,622	27.6
Total assets	78,362,938	100.0	72,659,826	100.0

1 Aggregate principal financing investments and loans (see slide 20) (investments in securities, trade + loans receivable, trade) reached ¥31,183 million

2 Increase in short-term loans:
Increase in loans to subsidiaries (see pages 20 and 21)

3 Investments and other assets: Loans to subsidiaries
Stellar Capital: about ¥10 billion; FXO: about ¥8.2 billion

(Thousands of yen, %)

Liabilities	Fiscal 2007		Fiscal 2008 First Half	
Current liabilities	27,287,380	34.8	24,883,102	34.2
Short-term debt	18,779,000		12,696,000	
Long-term debt due within one year	7,272,056		6,989,960	
Advance receipts	—		3,700,000	
Others	1,236,324		1,497,142	
Long-term liabilities	26,125,321	33.4	23,456,907	32.3
Bonds with stock acquisition rights	22,170,000		22,170,000	
Long-term debt	3,932,140		1,258,400	
Others	23,181		28,507	
Total liabilities	53,412,701	68.2	48,340,010	66.5

(Thousands of yen, %)

Net Assets	Fiscal 2007		Fiscal 2008 First Half	
Shareholders' equity	24,962,424	31.9	24,314,510	33.5
Common stock	10,736,448	13.7	10,764,217	14.8
Additional paid-in capital	10,351,900	13.2	10,351,900	14.3
Retained earnings	3,874,076	5.0	3,198,392	4.4
Valuation and translation adjustments	(17,163)	(0.0)	(6,250)	0.0
Stock acquisition rights	4,974	0.0	11,556	0.0
Total net assets	24,950,236	31.8	24,319,816	33.5

Total liabilities and net assets	78,362,938	100.0	72,659,826	100.0
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4. Non-Consolidated Statement of Income

(Thousands of yen, %)

	Fiscal 2007 First Half		Fiscal 2008 First Half		Fiscal 2007	
Revenue	4,667,087	100.0	1 3,477,969	100.0	7,287,612	100.0
Cost of revenue	364,451	7.8	210,518	6.1	740,799	10.2
Gross profit	4,302,636	92.2	3,267,450	93.9	6,546,812	89.8
Selling, general and administrative expenses	1,065,854	22.8	2 2,421,867	69.6	2,316,585	31.8
Operating income	3,236,781	69.4	845,583	24.3	4,230,227	58.0
Other income	34,064	0.7	220,261	6.3	116,134	1.6
Other expenses	415,945	8.9	179,973	5.1	615,256	8.4
Ordinary profit	2,854,900	61.2	885,872	25.5	3,731,105	51.2
Extraordinary income	7,539	0.2	0	0.0	0	0.0
Extraordinary loss	412,157	8.8	3 482,404	13.9	627,125	8.6
Income before income taxes	2,450,281	52.5	403,467	11.6	3,103,979	42.6
Income tax adjustments	1,017,540	21.8	177,231	5.1	1,297,356	17.8
Net income	1,432,740	30.7	226,235	6.5	1,806,623	24.8

1 Revenue: Two-quarter total was ¥3,477 million; first quarter only, ¥2,486 million

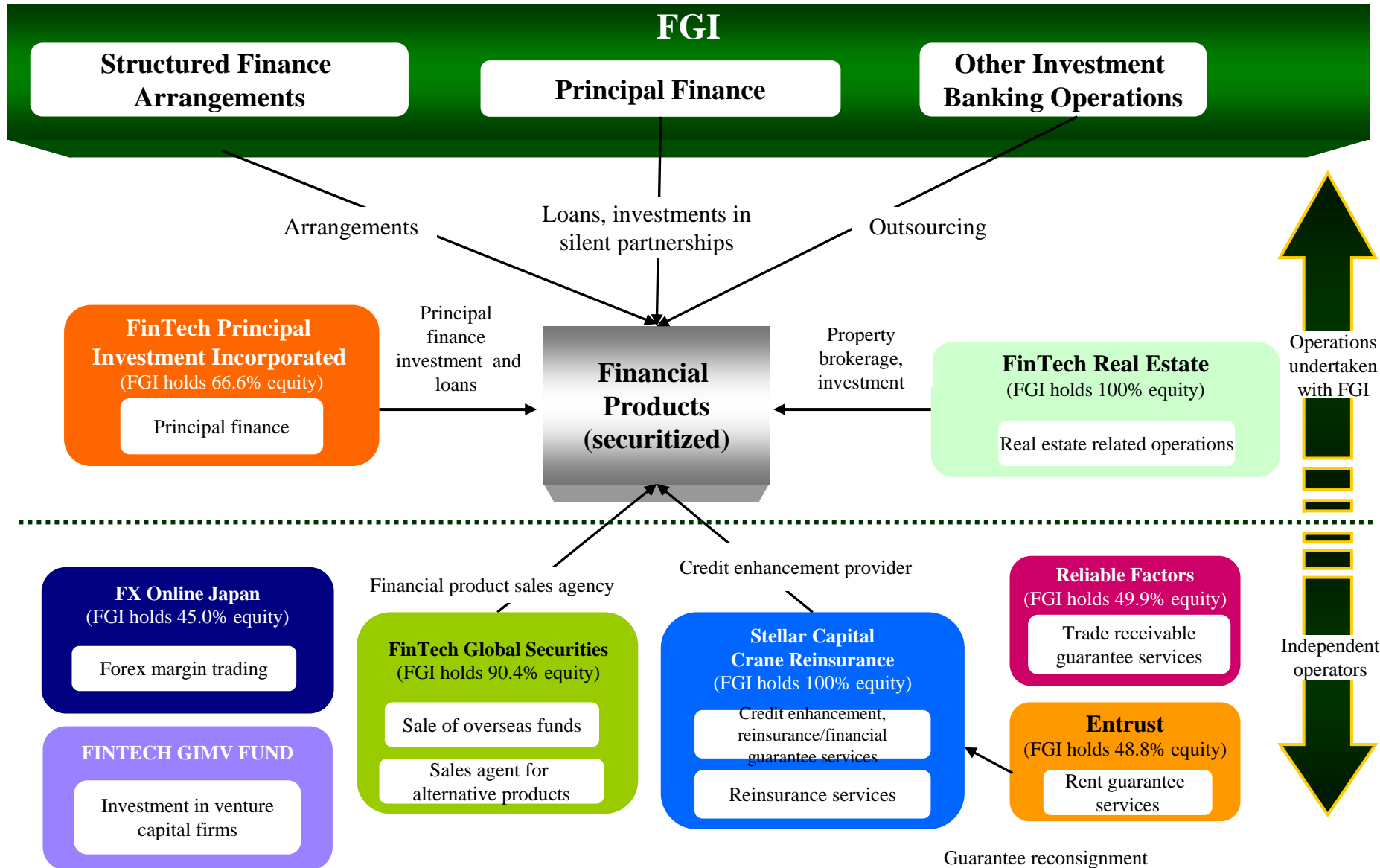
Financial institutions were less inclined to extend non-recourse loans to facilitate property-development projects, which made it more difficult for FGI to arrange structured financing. Recent trends in real estate prices prompted FGI to implement tougher screening standards, effective from October 2007, and to be more selective in its choice of project for structured financing. As a result, even though the first quarter brought in good results, supported by the closure of part of a large-scale transaction that had not been completed in fiscal 2007 as planned, the second-quarter was characterized by cancelled transaction, which generated results below the level achieved in the first quarter.

2 SGA Expenses: Two-quarter total was ¥2,421 million
FGI transferred ¥1,268 million from reserves to cover a transaction for purchase Medical Equipment (see details on slide 6)

3 Extraordinary Loss: Two-quarter total was ¥482 million
FGI booked ¥68 million in loss on sales of investment in securities, paralleling the subsidiary liquidation, and ¥256 million in transfer from reserve for investment losses.

Supplementary Materials

FGI Group Correlation Chart



Aggregate Arrangement Results: Total Investment by FGI and Major Financial Sectors

(Millions of yen)

	Fiscal 2005		Fiscal 2006		Fiscal 2007		Fiscal 2008
	First half	Second half	First half	Second half	First half	Second half	First half
Trust banks	45,134	62,974	91,206	108,701	132,036	143,836	163,736
City banks	34,180	69,554	96,381	161,143	200,253	205,653	219,018
Regional banks	2,189	5,818	11,037	14,597	14,597	14,597	15,247
FGI	3,574	10,100	45,891	61,519	83,584	105,174	113,344
Other investors (including non-banks and foreign-owned financial institutions)	5,427	15,541	29,918	80,279	151,501	194,500	266,510
Total	90,504	163,987	274,432	426,238	581,971	663,760	777,855

(Millions of yen)

