

# **Results for First Quarter of Fiscal 2009, ending September 30, 2009**

**February 2009**

**FinTech Global Incorporated**

**Mothers Stock Code: 8789**

**<http://www.fgi.co.jp/>**

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

## **Summary of the First Quarter of Fiscal 2009**

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## Consolidated Results of the First Quarter of Fiscal 2009

Consolidated	Fiscal 2008	Fiscal 2009	YOY Change
	First Quarter	First Quarter	
<i>Revenue</i>	6,011	842	-86%
<i>Operating income</i>	2,646	(1,800)	-
<i>Ordinary profit</i>	2,453	(2,318)	-
<i>Net income</i>	698	(2,107)	-

(Millions of yen)

### ■ Revenue:

In the first quarter of fiscal 2008, FX Online Japan Co., Ltd. (FXO), was included in the scope of consolidation and represented 30% of Revenue. As of the first quarter under review, the company is no longer under consolidation.

Non-consolidated Revenue fell reflecting a drop in financial arrangements, caused by a decrease in real estate buying and selling transactions, which was largely the result of a tougher stance taken on real estate-oriented investment and lending by financial institutions and sluggish interest in the purchase of real estate.

Entrust, Inc., a rent guarantee service provider, made a positive contribution to consolidated results.

However, the aforementioned non-consolidated performance and lackluster results by the Stellar Group led to a decline in consolidated Revenue.

■ Cost of revenue: Booked valuation loss of ¥242 million on investments in securities, trade

### ■ Selling, general and administrative expenses:

FGI booked a provision to cover the entire amount of a ¥500 million loan extended to a special purpose company undertaking a real estate development project in Tokyo.

→Booked total allowance for doubtful accounts, including the aforementioned amount, of ¥1,192 million.

■ Non-operating expenses: Loss on trading securities in fund management operations amounted to ¥433 million (Stellar Capital)

→ Cancelled investment positions

■ Extraordinary profit: Additional proceeds from the sale of FXO brought in ¥56 million for FGI.

## Performance Outlook for Second Quarter and Full Year of Fiscal 2009 (Consolidated, Non-Consolidated)

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Amid continuing turbulence in financial markets, business has decelerated. The real estate market is in the midst of an adjustment phase, offering limited property transactions, and the direction that the market might take remains unpredictable. The Company is seeking new revenue streams, in place of property development securitization—the past source of earnings—but it is extremely difficult to estimate the contribution of such activities on corporate performance at this stage.

To properly gauge the situation, the Company needs to review the performance outlook announced on November 14, 2008, based on the results at the current first quarter and expectations of future business development. The Company will therefore announce its consolidated and non-consolidated performance outlooks for the second quarter, ending March 31, 2009, and full year, ending September 30, 2009, as soon as possible after the review.

**Fiscal 2009 First Quarter Summary: New Challenge to Achieve Profit Recovery in Investment Banking Business**



***Promote High-Value-Added Businesses***



**Set up project teams for each new business area and initiate activity**

**In the Investment Banking Division, laterally positioned project teams were created for each new activity and efforts to bolster the profitability of these activities begun. Each team manages a project—a scheme put forward by that specific project team—using minimum personnel to foster speed and efficiency.**



**Acquired Better Life Support Co. Ltd. (BELS)**



**First-quarter sales results highlighted contribution from fee businesses, such as arrangements for the sale of client assets and advice on corporate revitalization**



***Summary of Key Projects***

<b>Project</b>	<b>Description</b>
<b>Related to stock of completed condominium units</b>	Utilize principal financing funds to acquire and sell stock of completed condominium units in new buildings. To support cash flow status of developers and secure capital gains, acquired completed buildings at two sites in December 2008 and will begin sales in second quarter.
<b>M&amp;A and corporate revitalization</b>	Signed a contract to provide advice on the corporate revitalization of a business overseeing a real estate project. Improved cash flow through M&A and securitization of condominium unit holdings. Proposed scheme to retain properties for sale without the cash burden by shifting possession to a fund for condominium unit inventory. Two proposals were completed in the first quarter.
<b>Fund and REIT restructuring</b>	Worked to restructure funds carrying refinancing risk and real estate investment trusts (REITs) by acquiring debt and equity from investors at home and abroad. Schemes were proposed for several funds and REITs, and negotiations with investors on conditions of purchase are in progress.
<b>Asset Management &amp; Portfolio Management activities</b>	Set the stage for asset management and project management activities complementary to FGI's business fields. Expect to gain a foothold in fund business drawing capital from investors at home and abroad for use in transactions arranged by FGI. This business should enable the Company to maintain stable profits. Currently, efforts are focused on mergers and acquisitions (M&A), including capital participation, and business tie-ups.
<b>Reinsurance/financial guarantee business</b>	Continued to develop new reinsurance/financial guarantee products for rental housing. Expect groupwide synergies to emerge through the sale of these products by FGI subsidiary Entrust and the client network of BELS.

## Fiscal 2009 Financial Strategies and Structural Reforms



### *Cash flow and redemption of ¥22.1 billion euroyen convertible bonds*



No concerns over current cash flow status. Payment for all shares in FXO has been received - a total of ¥12.8 billion. Part of the proceeds from the sale of FXO shares was applied to the repayment of interest-bearing debt. The balance of bank loans dropped from ¥11.1 billion to ¥2.0 billion.



Regarding the voluntary redemption of a euroyen convertible bond issue maturing February 2010, the Company is considering the use of cash on hand as well as all possible alternatives, including recovered loans and investments and monies from the sale of property holdings. The Company will set aside funds for redemption while ensuring sufficient funds for business development.



### *Efforts to strengthen marketing and improve the income statement*



Adjust marketing structure.



Reorganize, with an emphasis on streamlined back office operations, to enhance operating efficiency.



Promote awareness reforms and review salary levels contingent on contribution (merit system).



Utilize human resources in positions that optimize inherent talents to the Group's benefit.



Additional decreases in directors' remuneration: 50% for president, 40% for directors, 10% for corporate auditors



Execute radical review of other expenses.

# Fiscal 2009 First Quarter Summary: Marketing Activities

## BELS' Subsidiary Status

On November 12, 2008, FGI acquired 94% equity in BELS and made it a subsidiary. BELS was originally established to take over the activities of the employee welfare division at IBM Japan.

### Corporate Data

**Name:** Better Life Support Co., Ltd.  
**Major shareholders and equity holdings (common stock):**  
**FGI: 94%, IBM Japan: 6%**  
**Most recent business results (as of June 30, 2008):**  
**Net sales: ¥374 million Ordinary profits: ¥86 million**  
**Net income: ¥50 million Total Assets: ¥647 million**

### Reason for Subsidiary Status

With BELS as a subsidiary, FGI will strive to generate and capitalize on synergies between BELS and the FGI Group by directing business opportunities, such as property introduction services, alliances with real estate companies and access to financial services, to BELS client base.



### Business Outline

#### ① Rental Housing Services

- Leased corporate housing support services  
 Consulting, operating support, outsourcing
- Lease (contract) support services  
 Facilitate contract process through online leasing information site covering 170 partner companies and 1.4 million rental units/properties

#### ② Homeowner Support Services

- Access to about 100 top-notch partner real estate companies, including builders of houses and condominium units, and real estate brokers
- Advice on all residence-related issues, through top-ranking architectural firm

#### ③ Lifestyle Support Services

- Access to information on various lifestyle support services and products that are indispensable to life these days, including renovation and relocation services, interior design services, electric appliances and insurance

#### ④ Employee Welfare

- Manages BELS Yuyu Club, a corporate mutual aid association



# **Business Briefing**

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# Consolidated Business Activities at a Glance

## ■ Investment Banking Business

(Revenue: ¥309 million)

### Arrangement operations

FinTech Global (the Company)

### Principal finance operations

FinTech Global (the Company)

◎ FinTech Principal Investment Incorporated

◎ FGI Principal Co., Ltd.

◎ FINTECH GIMV FUND, L.P. (FGF)

### Other investment banking operations

FinTech Global (the Company)

◎ FinTech Global Securities, Inc

## ■ Reinsurance/Financial Guarantee Business

(Revenue: ¥316 million)

### Credit enhancement

◎ Stellar Capital AG  
FinTech Global (the Company)

### Reinsurance underwriting

◎ Crane Reinsurance Limited

### Rent guarantee services

◎ Entrust Inc.

### Sales credit guarantees

◎ Reliable Factors Co., Ltd

## ■ Real Estate related Business

(Revenue: ¥157 million)

Brokerage, purchase, sale and rental of properties

FinTech Global (the Company)

◎ Best Life Support Co., Ltd.

## ■ Other Business (Revenue: ¥58 million)

Public accounting software development, sales and consulting

◎ Public Management Consulting Corporation

◎ Consolidated subsidiary

# 1. Investment Banking Business: Non-Consolidated Revenue by Business

Type	Fiscal 2008	Fiscal 2009
	First Quarter	First Quarter
<b>Conventional securitized arrangements</b>	<b>81</b>	<b>0</b>
Property → bridging loans	0	0
Property development securitization	81	0
<b>Refinancing arrangements</b>	<b>1,526</b>	<b>5</b>
Property → Refinancing	0	0
Property → Development transfer financing	1,501	0
Completed building → Exit financing	25	5
<b>Corporate support</b>	<b>0</b>	<b>30</b>
Securitization of client-owned assets	0	25
Corporate financing	0	5
<b>Brokerage</b>	<b>30.3</b>	<b>10</b>
Real estate brokerage	0	0
Lending agency	30	0
Private handling	0.3	10
<b>Reinsurance/financial guarantee arrangements and credit enhancement</b>	<b>24</b>	<b>3</b>
<b>Corporate revitalization advisory</b>	<b>0</b>	<b>28</b>
<b>Other / Non-real estate related arrangements</b>	<b>0</b>	<b>0</b>
<b>Interest</b>	<b>768</b>	<b>275</b>
<b>Cash management administration</b>	<b>34</b>	<b>12</b>
<b>Real estate related transactions</b>	<b>9.5</b>	<b>9</b>
<b>Total</b>	<b>2,474</b>	<b>375</b>

(Millions of yen)

■ Property development securitization was a key source of revenue up until the year before last, but with the downturn in the real estate market causing a steep decline in property transactions and also prompting a drop in the number of real estate-oriented financial arrangements put together by FGI, the Company effectively ceased this business last year.

■ FGI launched new-business projects, highlighting M&As and corporate rehabilitation, REIT restructuring, advisory services, and services related to stock of completed condominium units. This effort underpins management’s determination to quickly identify and expand businesses with profit-boosting potential.

## 2. Investment Banking Business: Status of Principal Finance Operations

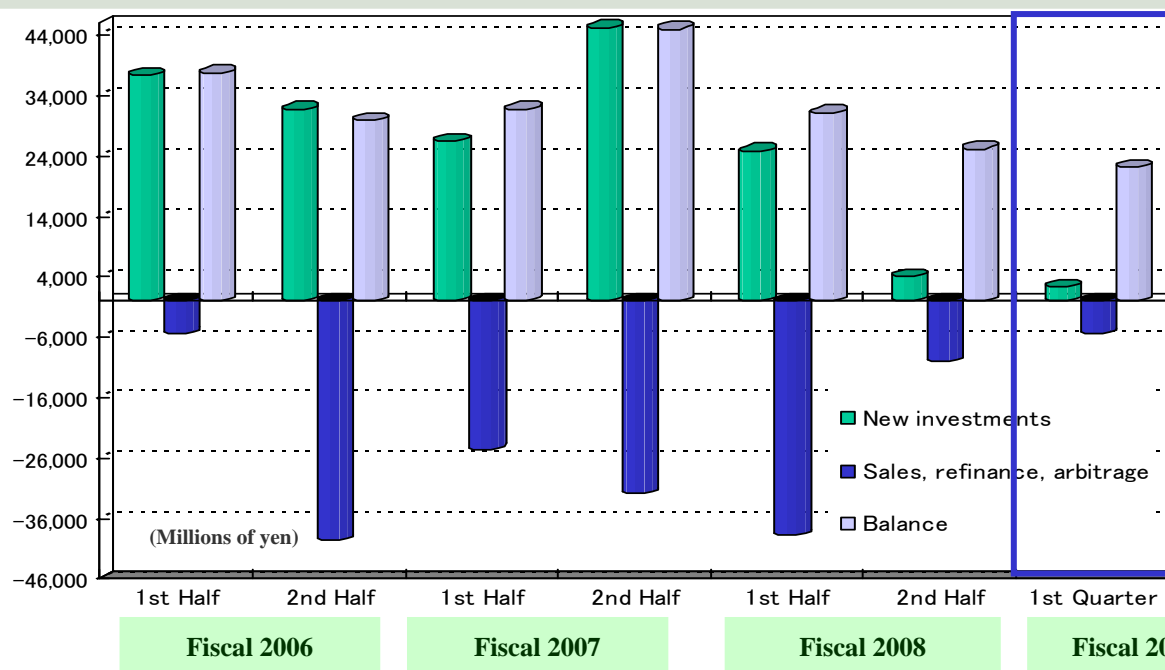
FGI itself acts as a provider of funds, in the capacity of an investor or a lender, for such applications as silent partnerships (*Tokumei-Kumiai*), senior and mezzanine loans and corporate loans.

Balance of Investments and Loans (Consolidated)

(Millions of yen)

	Fiscal 2006		Fiscal 2007		Fiscal 2008		Fiscal 2009
	1st Half	2nd Half	1st Half	2nd Half	1st Half	2nd Half	1st Quarter
New investments	37,340	31,720	26,438	45,182	24,805	4,048	2,340
Sale, refinance, arbitrage	5,344	39,617	24,558	31,882	38,760	9,931	5,424
Balance*	37,743	29,846	31,726	45,026	31,071	25,189	22,105

\*Balance of Investments and Loans = Investments in securities, trade + Loans receivable, trade, as stated on the consolidated balance sheets.



**2.1 Breakdown of Consolidated Investments and Loans: Loans receivable, trade, and investments in securities, trade**

**i) Loans receivable, trade, and investments in securities, trade**

(Millions of yen)

		Pre-building permit bridging loan	Property development senior and mezzanine loans	Investment-style senior and mezzanine loans	Non-real estate related loans	Total
Loans receivable, trade	Loans receivable, trade (A)	2,465	7,040	3,357	3,734	16,596
	Allowance for doubtful accounts (a)	1,029	858	364	2,219	4,471
	A-a (B)	1,436	6,181	2,992	1,514	12,124
Investments in securities, trade	Investments in securities, trade (C)	3,550	1,000	455	504	5,509
	Allowance for doubtful accounts (c)	3,550	1,000	0	0	4,550
	C-c (D)	0	0	455	504	959
<b>Total allowance for doubtful accounts (a+c)</b>		<b>4,579</b>	<b>1,858</b>	<b>364</b>	<b>2,219</b>	<b>9,021</b>
<b>Balance (B+D)</b>		<b>1,436</b>	<b>6,181</b>	<b>3,447</b>	<b>2,019</b>	<b>13,083</b>

**Property Development and Investment**



**2.2 Breakdown of Consolidated Investments and Loans, Property for sale, and summary**

**ii) Property for sale**

(Millions of yen)

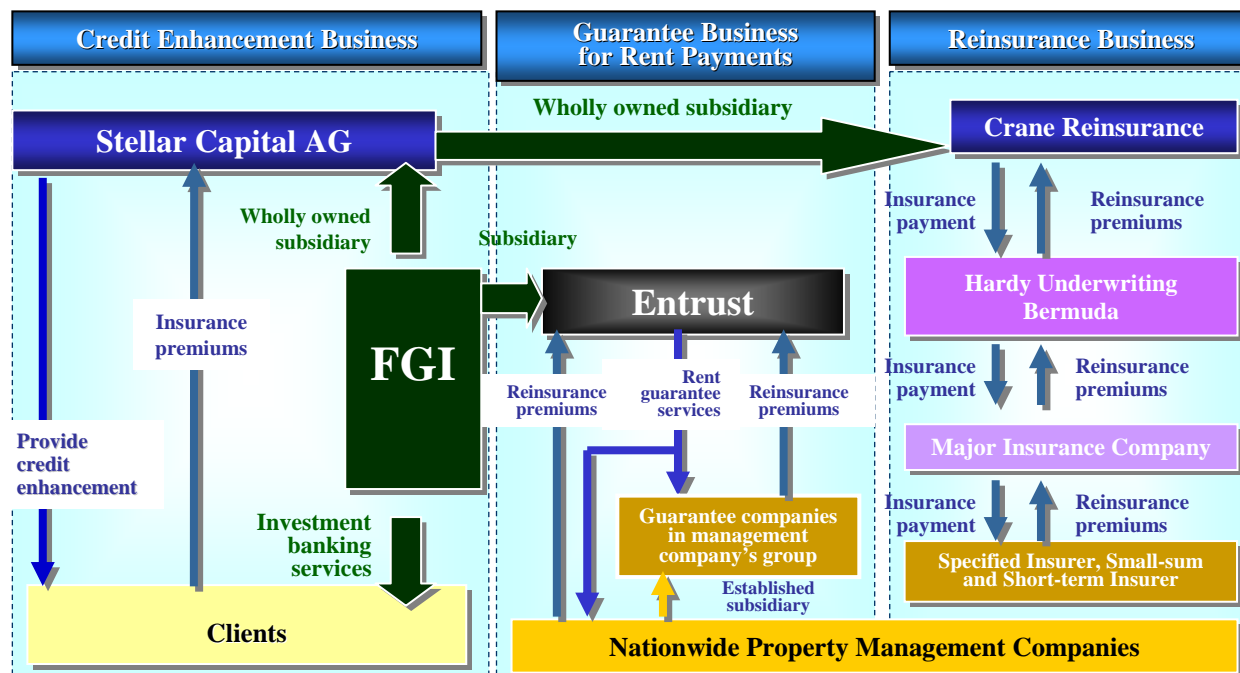
Inventory assets	Type	Property for sale (consolidated basis)	Primary fund-procurement schemes of SPCs			Booking of investments in securities, trade valuation losses on FGI investments (B)	
			Non-recourse loans from other companies	FGI loans (A)	FGI investments (B)		
SPC-held	A	Under development	29,362	18,500	3,000	10,183	1,504
	B	Under development	4,701	4,800	0	2,120	2,120
	C	In operation	784	0	0	992	149
FGI-held	D	Under development	786	0	0	786	0
	E	In operation	854	0	0	862	8
	F	Building available for sale	488	0	0	488	0
<b>Total</b>		<b>36,977</b>	<b>23,300</b>	<b>3,000</b>	<b>15,401</b>	<b>3,782</b>	

**iii) Investment and loan summary**

(Millions of yen)

	Investments and Loans		
	Loans receivable, trade	Investments in securities, trade	Investment in property for sale
Aggregate totals	16,596	5,509	15,401
Booked under allowance for doubtful accounts	4,471	4,550	—
Booked under valuation losses on investments in securities, trade	—	—	3,782
<b>Balance</b>	<b>12,125</b>	<b>959</b>	<b>11,619</b>

### 3. Reinsurance/Financial Guarantee Business



(Millions of yen)

	Fiscal 2008 First Quarter	Fiscal 2009 First Quarter
Revenue	82	316

**Stellar Capital / Crane Reinsurance:**

Stellar Capital’s first-quarter revenues came from previously arranged transactions. No new transactions requiring the company’s credit enhancement services were arranged during this period. Wild exchange rate fluctuations and lackluster stock market conditions led to valuation losses of ¥433 million on investment securities being managed externally. In response, the company is working toward liquidating all assets with high market risk.

In September 2008, Crane Reinsurance began underwriting reinsurance for Syndicate 382, a client of Hardy Underwriting Bermuda. The company has recorded a favorable increase in the number of policies being underwritten.

Stellar Capital and Crane Reinsurance are radically reviewing operations, aimed at streamlining investment assets and reducing selling, general and administrative expenses.

**Entrust:**

The Company recorded positive earnings in the first quarter. The company benefited from sustained demand for rent guarantee services, which fueled aggressive business development, as well as the failure of a major rent guarantee service provider, which became an opportunity to demonstrate excellence and attract new clients. The company marked steady improvement in guarantee income.

## 4. Real Estate Related Business and Other Business

### ■ Real Estate Related Business

Revenue from real estate related business hinges on the property brokerage, sales and rental income on real estate held by special purpose companies (SPCs) under the scope of consolidation, income generated through arrangement of property development securitization, and income from BELS.

(Millions of yen)	Fiscal 2008 First Quarter	Fiscal 2009 First Quarter
Revenue	1,631	157

In the first quarter under review, FGI acquired 94% of the equity in BELS, making it a subsidiary. BELS undertakes a wide variety of services, including total employee welfare solutions and information and agency services on real estate transactions, leasing/rental and property management, as well as rental housing services for the employees of major foreign-owned companies in Japan.

FGI has acquired stock of completed condominium units and will begin aggressive sales activities in the second quarter.

### ■ Other Business

Revenue from other business comes from Public Management Consulting (PMC), which is engaged a variety of public sector accounting services, from system implementation consulting to system configuration and operation.

(Millions of yen)	Fiscal 2008 First Quarter	Fiscal 2009 First Quarter
Revenue	—	58

In fiscal 2008, FGI acquired a 98.5% stake in PMC and turned the company into a subsidiary. Behind this investment is a greater need for improved asset efficiency in accordance with the Financial Revitalization Law, owing to new rules for public sector accounting that require market value assessment of assets held by municipal corporations, and the opportunity for FGI to capitalize on this demand by offering financial solutions underpinned by securitization and asset-liquidation techniques to the clients that PMC serves.

A noteworthy first-quarter development was the launch of a public sector solution by NEC Corporation on January 20, 2009, that features PMC-designed software appropriate to the new local government accounting system. The company now maintains a support structure that fully addresses everything from system implementation consulting to system operation.



**Fiscal 2009 First Quarter: Group Company Results**

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

Stellar Capital AG	Fiscal 2008 First Quarter	Fiscal 2009 First Quarter	Differences
	Actual	Actual	
Revenue	52,161	7,517	(44,644)
Ordinary Profit	(89,755)	(488,269)	—
Net Income	(89,755)	(488,269)	—

(Thousands of yen)

BELS	Fiscal 2008 First Quarter	Fiscal 2009 First Quarter	Differences
	Actual	Actual	
Revenue	—	129,786	—
Ordinary Profit	—	148	—
Net Income	—	(1,980)	—

Under consolidation from the first quarter of fiscal 2009

Public Management Consulting	Fiscal 2008 First Quarter	Fiscal 2009 First Quarter	Differences
	Actual	Actual	
Revenue	—	58,969	—
Ordinary Profit	—	(9,488)	—
Net Income	—	(9,488)	—

Entrust	Fiscal 2008 First Quarter	Fiscal 2009 First Quarter	Differences
	Actual	Actual	
Revenue	14,767	200,720	185,953
Ordinary Profit	(28,833)	32,185	61,018
Net Income	(28,833)	31,058	59,891

# **Financial Highlights**

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**1. Consolidated Balance Sheets**

(Thousands of yen, %)

Assets	Fiscal 2008		First Quarter of Fiscal 2009	
<b>Current assets</b>	78,155,349	98.9	63,723,371	96.8
Cash and deposits	9,600,189		6,848,886	
Accounts receivable, trade	211,058	1	300,385	
Trading securities	4,119,244		837,356	
Investments in securities, trade	5,828,400		5,509,325	
Inventory	36,344,528		36,985,315	
Loans receivable, trade	19,361,400	3	16,596,125	
Accrued income	7,545,342		2,989,486	
Other	2,974,970		2,678,503	
Allowance for doubtful accounts	(7,829,785)		(9,022,014)	
<b>Fixed assets</b>	865,843	1.1	2,078,734	3.2
Property, plant and equipment	275,997	0.3	271,238	0.4
Intangible fixed assets	241,157	0.3	700,502	1.1
Investments and other assets	348,688	0.4	1,106,992	1.7
<b>Total assets</b>	79,021,192	100.0	65,802,106	100.0

**1** Trading securities:  
Investment position of Stellar Capital and Crane Reinsurance was closed-out.

**2** Consolidated SPC portion of inventory assets: ¥34,847 million  
Consolidated SPC portion of short-term debt: ¥23,300 million

**3** Accrued income:  
Amount not paid on sales of FXO; final payment received in January 2009

**4** Aggregate interest-bearing debt, excluding consolidated SPC portion:  
¥3,019 million  
Bank borrowings of three subsidiaries: ¥948 million  
Bank borrowings of FGI: ¥2,071 million

(Thousands of yen, %)

Liabilities	Fiscal 2008		First Quarter of Fiscal 2009	
<b>Current liabilities</b>	37,399,383	47.3	26,940,295	40.9
Short-term debt	33,613,647		24,664,145	
Long-term debt due within one year	1,818,300	4	394,970	
Other	1,967,432		1,881,178	
<b>Long-term liabilities</b>	24,195,549	30.6	23,812,623	36.2
Bonds with stock acquisition rights	22,170,000		22,170,000	
Long-term debt	1,612,600		1,260,550	
Other	412,949		382,071	
<b>Total liabilities</b>	61,594,933	77.9	50,752,918	77.1

(Thousands of yen, %)

Net Assets	Fiscal 2008		First Quarter of Fiscal 2009	
<b>Shareholders' Equity</b>	16,855,245	21.3	14,748,830	22.4
Common stock	10,764,317	13.6	10,764,317	16.4
Additional paid-in capital	10,351,900	13.1	10,351,900	15.7
Retained earnings	(4,260,972)	(5.4)	(6,367,387)	(9.7)
Valuation and translation adjustments	(47,945)	(0.1)	(103,298)	(0.2)
Stock acquisition rights	17,659	0.0	20,970	0.0
Minority interests	601,301	0.8	382,685	0.6
<b>Total net Assets</b>	17,426,259	22.1	15,049,187	22.9
<b>Total liabilities and net assets</b>	79,021,192	100.0	65,802,106	100.0

**2. Consolidated Statement of Income**

(Thousands of yen/%)

	First Quarter of Fiscal 2008		First Quarter of Fiscal 2009		Fiscal 2008	
Revenue	6,011,226	100.0	842,661	100.0	14,165,298	100.0
Cost of revenue	1,513,236	25.2	519,200	61.6	5,850,602	41.3
Gross profit	4,497,989	74.8	323,461	38.4	8,314,696	58.7
Selling, general and administrative expenses	1,851,891	30.8	2,124,287	252.1	16,555,000	116.9
Operating income (loss)	2,646,098	44.0	(1,800,825)	(213.7)	(8,240,303)	(58.2)
Other income	46,403	0.8	50,332	6.0	195,757	1.4
Other expenses	238,987	4.0	567,828	67.4	1,070,129	7.6
Ordinary profit (loss)	2,453,513	40.8	(2,318,321)	(275.1)	(9,114,676)	(64.3)
Extraordinary profit	12,202	0.2	56,873	6.7	4,761,756	33.6
Extraordinary loss	168,499	2.8	1,387	0.2	1,122,020	7.9
Income (loss) before income taxes	2,297,216	38.2	(2,262,835)	(268.5)	(5,540,367)	(39.1)
Income tax adjustment	1,253,289	20.8	1,703	0.2	669,619	4.7
Minority interests	345,146	5.7	(157,171)	(18.7)	950,707	6.7
Net income (loss)	698,780	11.6	(2,107,367)	(250.1)	(7,160,694)	(50.6)

**1** Valuation loss on investments in securities, trade: ¥242 million

**2** Booking of allowance for doubtful accounts in first quarter: ¥1,192 million

**3** Other expenses: Loss of ¥433 million on investments in securities held by Stellar Capital

### 3. Non-Consolidated Balance Sheets

(Thousands of yen, %)

Assets	Fiscal 2008		First Quarter of Fiscal 2009	
<b>Current assets</b>	47,333,519	80.2	35,678,654	75.2
Cash and deposits	6,229,715		3,064,558	
Accounts receivable, trade	3,324		7,232	
Investments in securities, trade	14,701,082		14,671,082	
Loans receivable, trade	22,370,000		19,600,132	
Short-term loans	80,000		405,000	
Accrued income	7,469,296		2,927,711	
Other	4,289,757		4,214,368	
Allowance for doubtful accounts	(7,809,660)		(9,211,434)	
<b>Fixed assets</b>	11,655,508	19.8	11,752,341	24.8
Property, plant and equipment	229,702	0.4	219,350	0.5
Intangible fixed assets	19,675	0.0	20,591	0.0
Investments and other assets	11,406,130	19.3	11,512,399	24.3
<b>Total assets</b>	58,989,028	100.0	47,430,996	100.0

**1** Total interest-bearing debt: ¥7,951 million  
 Comprising --  
 Intragroup loans: ¥5,880 million  
 Bank loans: ¥2,071 million

(Thousands of yen, %)

Liabilities	Fiscal 2008		First Quarter of Fiscal 2009	
<b>Current liabilities</b>	17,325,991	29.4	8,075,151	17.0
Short-term debt	14,686,400		6,635,995	
Long-term debt due within one year	1,818,300		394,970	
Other	821,287		1,044,185	
<b>Long-term liabilities</b>	23,820,252	40.4	23,131,329	48.8
Bonds with stock acquisition rights	22,170,000		22,170,000	
Long-term debt	1,612,600		920,550	
Other	37,652		40,779	
<b>Total liabilities</b>	41,146,244	69.8	31,206,480	65.8

(Thousands of yen, %)

Net Assets	Fiscal 2008		First Quarter of Fiscal 2009	
<b>Shareholders' Equity</b>	17,832,471	30.2	16,212,619	34.2
Common stock	10,764,317	18.2	10,764,317	22.7
Additional paid-in capital	10,351,900	17.5	10,351,900	21.8
Retained earnings	(3,283,746)	(5.6)	(4,903,598)	(10.3)
Valuation and translation adjustments	(7,346)	0.0	(9,074)	0.0
Stock acquisition rights	17,659	0.0	20,970	0.0
<b>Total net Assets</b>	17,842,784	30.2	16,224,515	34.2

<b>Total liabilities and net assets</b>	58,989,028	100.0	47,430,996	100.0
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## 4. Non-Consolidated Statement of Income

(Thousands of yen, %)

	First Quarter of Fiscal 2008		First Quarter of Fiscal 2009		Fiscal 2008	
Revenue	2,486,889	100.0	375,390	100.0	3,704,386	100.0
Cost of revenue	108,364	4.4	97,968	26.1	567,007	15.3
Gross profit	2,378,524	95.6	277,421	73.9	3,137,379	84.7
Selling, general and administrative expenses	557,322	22.4	1,938,890	516.5	10,975,055	296.3
Operating income (loss)	1,821,202	73.2	(1,661,468)	(442.6)	(7,837,676)	(211.6)
Other income	85,772	3.4	18,297	4.9	26,830	0.7
Other expenses	95,578	3.8	29,092	7.7	362,506	9.8
Ordinary profit (loss)	1,811,396	72.8	(1,672,263)	(445.5)	(8,173,352)	(220.6)
Extraordinary profit	5,793	0.2	56,873	15.2	4,059,722	109.6
Extraordinary loss	182,258	7.3	2,911	0.8	2,195,218	59.3
Income (loss) before income taxes	1,634,930	65.7	(1,618,301)	(431.1)	(6,308,847)	(170.3)
Income (loss) tax adjustment	680,289	27.4	1,550	0.4	(252,262)	( 6.8)
Net income (loss)	954,640	38.4	(1,619,852)	(431.5)	(6,056,585)	(163.5)