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Summary of Financial Statements For the Third Quarter of Fiscal 2012

August 8, 2012

Company Name: FinTech Global Incorporated (Code Number: 8789 TSE Mothers)
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Responsible: President and Chief Executive Officer Name: Nobumitsu Tamai
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Head of Business Management Department

Scheduled date for filing of securities report: August 10, 2012
Scheduled date of commencement of dividend payment: －
Preparation of explanatory materials for quarterly financial results: Yes
Information meetings arranged related to quarterly financial results: None

(Rounded down to the nearest million)

1. Overview of the financial conditions and business results for the third quarter of fiscal 2012.
(October 1, 2011 – June 30, 2012)

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

	Revenues		Operating income		Ordinary profit		Net income/(loss)	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Third quarter of fiscal 2012	1,734	(69.7)	(380)	−	(314)	−	(685)	-
Third quarter of fiscal 2011	5,720	98.6	1,573	−	1,531	−	1,657	—

(Note) Comprehensive income:(458) million (-)% for the third quarter of fiscal 2012
1,581million (-)% for the third quarter of fiscal 2011

	Net income/(loss) per share	Net income/(loss) per share (diluted)
	Yen	Yen
Third quarter of fiscal 2012	(575.14)	−
Third quarter of fiscal 2011	1,376.37	1,375.45

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million Yen	Million Yen	%
Third quarter of fiscal 2012	6,478	4,108	46.4
Full-fiscal 2011	7,682	4,870	48.9

(Reference) Shareholders' equity: 3,005 million yen for the third quarter of fiscal 2012
3,756 million yen for the fiscal 2011

2. Dividends

Record date	Dividends per share				
	The end of the first quarter	The end of the second quarter	The end of the third quarter	The end of the fiscal year	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2011(Actual)	−	0.00	−	100.00	100.00
Fiscal 2012 (Actual)	−	0.00	−		
Fiscal 2012(Estimates)				100.00	100.00

(Note) Revision of the dividends forecast for this quarter: None

3. Performance forecasts for the full-fiscal 2012 (October 1, 2011– September 30, 2012)

(The percentage in the table indicates YOY changes.)

	Revenues		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Full-fiscal 2012	3,560	(49.1)	80	(93.7)	150	(87.7)	280	(80.1)

	Net income per share
	Yen
Full-fiscal 2012	234.56

(Note) Revision of Performance forecasts for the full-fiscal 2012 on this quarter: None

4. Others

(1) Transfer of the principal consolidated subsidiary during the term
(Transfer of specified subsidiary with change of scope of consolidation.): Applicable
Excluded −2 companies (Godo Kaisha Sunduell Nakayama and Stellar Capital AG in Liquidation)

(2) Adoption of simplified and special accounting policies for quarterly financial statements: N/A

(3) Changes in accounting policies:
1. Changes due to changes in accounting standard: Applicable
2. Other changes in accounting policy: N/A
3. Changes in accounting estimates: N/A
4. Restatement of corrections: N/A

(4) Number of shares issued(common stock)
1. Number of shares issued (including treasury stocks): 1,209,243 shares for the third quarter of fiscal 2012
1,209,043 shares for the fiscal 2011
2. Number of treasury shares: − shares for the third quarter of fiscal 2012
− shares for the fiscal 2011
3. The average number of shares issued during the third quarter (accumulated):
1,191,785 shares for the third quarter of fiscal 2012
1,204,143 shares for the third quarter of fiscal 2011

*Implementation status of quarterly review processes

This summary of financial statements is not subject to quarterly review procedures based upon the Financial Instruments and Exchange Act. Thus, at the time of disclosure of the financial statements, the quarterly financial statement review procedures based upon the Financial Instruments and Exchange Act, have not been completed.

* Information concerning proper use of forward-looking statements and other special instructions

Forward-looking statements in this material are based on data available to management as of August 8, 2012 and certain assumptions which are believed to be rational. Actual results may differ from these estimates due to unforeseen factors.

1. Qualitative Information on Quarterly Consolidated Performance

(1) Consolidated business results

The economic environment in Japan during the first three quarters (October 1, 2011 - June 30, 2012) of fiscal 2012—the consolidated accounting period for the FinTech Global (FGI) Group ending September 30, 2012, remained mixed. Consumer spending and public investment in Japan charted an upward path, mainly due to the positive impact of reconstruction-related demand and national policies to stimulate the economy, but business conditions in the United States and China slowed amid high uncertainty surrounding the sovereign debt crisis in Europe and subsequent yen appreciation, creating downward pressure on corporate results. The outlook, too, remains unclear.

Against this economic backdrop, FGI, as a boutique investment bank for all companies in all industries, emphasized participation in business rehabilitation projects and investment in growth companies at home and abroad and also promoted financial advisory services as well as asset management services, which are mutually complementary to investment and financial advisory activities. Continuing from the previous quarter, inquires were steady, fueled by keen interest in the Group's accumulated expertise in financial arrangements that support business rehabilitation and facilitate procurement of funds for construction and development. The Group was also actively involved in financial arrangements for renewable energy–related projects and support for the overseas development of client companies.

FinTech Asset Management Incorporated (FAM) kicked off a fund arrangement and operation business that sources investment for businesses and projects, provided management and financial solutions drawing on FGI expertise to companies with growth potential, and supported companies from both financial and project management perspectives. In addition, FAM presented unique investment opportunities to investors.

Meanwhile, at FGI Capital Partners, Inc. (FGICP), lackluster global macro fund performance prevented the company from posting performance fee revenue, and with no sign of an improvement in assets under management on this fund, the company cancelled associated discretionary investment contracts, which caused a considerable decrease in the balance of assets under management. But assets under management began to grow again through the company's new investment strategy—its event-driven strategy. Nevertheless, the scandal surrounding AIJ Investment Advisors fostered a strong aversion among investors to entrust independent fund managers with new funds for investment, thereby limiting the scope of improvement.

Public Management Consulting Corporation—our window to local governments—has become an inquiry portal to renewable energy–related financial arrangements. But the company's public accounting business failed to turn a profit.

Despite the progress described above, no large deals in the mainstay business of financial arrangements were closed in the third quarter, and without this kind of boost to results, aggregate consolidated three-quarter net revenues retreated 69.7% from the corresponding period a year ago, to ¥1,734 million. On the profit front, the Group fell into the red. The recovery of loans already written off led to negative allowance for doubtful accounts, and lower commissions paid helped to reduce cost of revenues and selling, general and administrative expenses. Nevertheless, FGI posted an operating loss of ¥380 million, compared with operating income of ¥1,573 million a year ago. The Company also showed a consolidated ordinary loss of ¥314 million, compared with ordinary profit of ¥1,531 million a year ago, even with ¥52 million in gain from collection of written-off claims. In the end, instead of net income—at ¥1,657 million for the first three quarters of fiscal 2011—FGI recorded a net loss of ¥685 million.

A breakdown of performance by business segment is presented below. Note that up to and including fiscal 2011, revenue represented amounts received from external customers, but from the first quarter of fiscal 2012, revenues include intersegment and transfer amounts. Also, the names of two reporting segments have changed, effective from the first quarter of fiscal 2012. The asset management and advisory business is now the asset management business, and the principal finance business is now the principal investment business.

Investment Banking Business

FinTech Global Securities, Inc. (FGS), sources its revenue from the financial advisory business, which deals with business rehabilitation projects, and development-style financial arrangements for midsized property developers. In the third quarter, seeking to be entrusted repeatedly with large-scale arrangements, the company concentrated its business resources into financial arrangements for property development as well as financial arrangements for renewable energy projects. But the arrangements were not closed by the end of the third quarter, causing revenue to fall below the level recorded a year ago.

Consequently, aggregate three-quarter revenue from the investment banking business fell 60.8% year-on-year, to ¥146 million, and instead of operating income —¥118 million for the first three quarters of fiscal 2011—the segment suffered an operating loss of ¥80 million.

Asset Management Business

In the third quarter, FAM kicked off a business to establish and operate funds that invite participation from outside investors to invest in promising businesses and projects. The company formed a fund to invest in a holding company that oversees the restaurant operations of a well-known Japanese chef and began operating the fund. In addition, FAM is supporting this holding company and its subsidiaries, mainly through project planning and business administration services.

FGI Capital Partners, Inc. (FGICP) cancelled discretionary investment contracts for its global macro fund, which caused a considerable decrease in the global macro fund balance. The company's event-driven strategy gradually buoyed assets under management in this category, but the balance was certainly impacted by lingering concerns associated with the AIJ Investment Advisors scandal, which prompted investors, particularly pension funds, to take a very cautious approach to new investments.

Consequently, aggregate three-quarter revenues from the asset management business fell 52.2% from the corresponding period a year ago, to ¥172 million, and an operating loss—of ¥146 million—replaced operating income—of ¥22 million.

Principal Investment Business

In the third quarter, FGI invested in a FAM-arranged fund, and in investment exit efforts, the Company successfully recovered loans that had already been written off and collected invested funds that been uncollectible for a long time. The Company also worked to enhance the corporate value of portfolio companies through management support.

Unfortunately, aggregate three-quarter revenue from the principal investment business tumbled 80.5% from the corresponding period a year ago, to ¥743 million, and operating income plummeted 90.9%, to ¥172 million.

Portfolio Business

At Better Life Support Co., Ltd. (BELS), the homeowner services division delivered better-than-expected results, giving overall performance a boost. The tenant services division, capitalizing on a brisk season, also contributed nicely to revenues. As a result, revenues grew 5.1%, to ¥413 million. Operating income soared 63.0%, to ¥67 million.

Crane Reinsurance Limited did not recognize premiums or receipts on new accounts in the third quarter, posting only unearned premiums, claims paid and costs on accounts issued up to the previous term. Consequently, the company booked no revenues, whereas revenues amounted to ¥666 million over the first three quarters of fiscal 2011, and showed an operating loss of ¥27 million, compared with operating income of ¥63 million a year ago.

FinTech GIMV Fund, L.P. (FGF) booked revenue of ¥322 million and operating income of ¥227 million, mainly from the sale of stock in a pioneer drug venture in the second quarter.

The results of these key subsidiaries, along with contributions from other subsidiaries in the portfolio business, culminated in revenues of ¥738 million for the first three quarters of fiscal 2012, down 30.5% from the corresponding period a year ago, and operating income of ¥215 million, a solid turnaround from the ¥4 million operating loss incurred in the corresponding period a year ago.

Public Finance-related Business

Many local governments follow the lead of the Ministry of Internal Affairs and Communications' study group on the promotion of new regional public accounting, and the wait for associated reports hindered the number of contracts concluded. But contracts with clients other than local governments grew briskly, thanks to market development using government accounting, and this helped boost revenue.

As a result, revenues from the public finance-related business increased 7.2%, to ¥168 million, but the operating loss deepened, settling at ¥76 million, compared with ¥24 million for the first three quarters of fiscal 2011.

Moving forward, PMC will maintain its emphasis on this market—clients other than local governments which use government accounting—and strive to secure more contracts. The company will also look for new clients in the local government sector by discovering latent needs through new regional accounting seminars and other events to pique interest and boost revenues. In addition, the company will reinforce sales of Kaikaku, a segment-specific administrative cost and automated accounting software, through an alliance with other system providers, and will promote greater efficiency through outsourcing of some system engineering services.

(2) Consolidated financial position

(Total assets)

Total assets stood at ¥6,478 million on June 30, 2012, down 15.7% from September 30, 2011. The main components of this change were decreases of ¥420 million in real estate for sale through investment exits, ¥1,488 million in accrued income, and ¥195 million in goodwill on intangible fixed assets, which overshadowed increases of ¥792 million in cash and time deposits and ¥314 million in investments in securities, trade.

(Liabilities)

Liabilities stood at ¥2,369 million on June 30, 2012, down 15.7% from September 30, 2011, primarily owing to decreases of ¥239 million in accounts payable, trade and ¥129 million in reserve for insurance policy, which overshadowed a ¥224 increase in deposits received.

(Net assets)

Net assets stood at ¥4,108 million on June 30, 2012, down 15.6% from September 30, 2011, largely due to a decrease of ¥804 million in retained earnings, which reflected quarterly net loss and distribution of profits.

(3) Consolidated performance forecasts

As of the announcement of business results for the first three quarters of fiscal 2012, management does not intend to revise the full-year performance forecasts disclosed on November 14, 2011.

In the fourth quarter, we will concurrently pursue several large deals, beginning with exits on existing investments in our portfolio and including arrangements for business rehabilitation projects as well as arrangements for Group-forte, development-style projects. A downward revision may be necessary if progress on these deals falls behind schedule, but an upward revision is equally possible if progress is brisk. Management is carefully tracking progress and at the present time, given the difficulty of establishing accurate forecasts, no adjustments to the consolidated performance outlook are deemed necessary.

Also, we are working to reinforce the Group's business platform to ensure stable results from next year onward. Already, we have secured large deals that indicate the potential for consecutive inquiries on an ongoing basis, like development-style financial arrangements geared to vigorous capital demand from midsized developers and financial arrangements for renewable energy projects. In addition, we will endeavor to enhance sales of financial products and promote wider interest in consulting services, such as business succession and M&A support for small and midsize companies. Furthermore, we will initiate an approach to accounting companies, which know the needs of small and midsized companies, and local governments, with which we already maintain close ties through public accounting services.

Through these efforts, we expect to book corporate ordinary profit on mainstay financial arrangements while building a profit structure that complements the results delivered principal activities with proceeds from several investment exits a year.

2. Summary Information (Others)

(1) Change in the status of principle subsidiaries during the first three quarters

Godo Kaisha Sunduell Nakayama has completed its liquidation at 31 Jan. 2012 and been out of scope of consolidation since the second quarter of fiscal 2012.

Stellar Capital AG in Liquidation has completed its liquidation at 6 Jun. 2012 and been out of scope of consolidation since the third quarter of fiscal 2012.

(2) Application of simplified accounting treatment and accounting treatment specific to the preparation of consolidated quarterly financial statements

Not applicable.

(3) Changes in accounting policies, accounting estimates and restatement of corrections.

(Changes in accounting policies resulting from the revision of accounting standards and other regulations)

From the first quarter of the year ending September 30, 2012, we have applied the "Accounting Standard for Earning Per Share"(Accounting Standards Board of Japan [ASBJ] Statement No.2 of June 30, 2010), and the "Guidance on Accounting Standard for Earning Per Share" (ASBJ Guidance No.4 of June 30, 2010).

To calculate diluted net income per share of the quarter, we have changed the method to include potential services offered by the employees in the fair valuation of stock options of payment when exercising the right regarding stock options whose rights are secured after certain period of employment.

The Group doesn't disclose fully diluted quarterly earnings per share of the first two quarter of fiscal 2012 because it reports quarterly net loss per share.

(Additional Information)

For the accounting changes and error corrections made in after the beginning of the year ending September 30, 2012, we have applied the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statements No.24 of December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections"(ASBJ Guidance No.24 of December 4, 2009).

From the first quarter of the year ending September 30, 2012, we have applied a consolidated taxation system.

Quarterly Consolidated Financial Statements

FinTech Global Incorporated and Consolidated Subsidiaries

As of and for the nine months ended June 30, 2012

(1) Quarterly Consolidated Balance Sheets

(Unit:Thousands of yen)

	Full-fiscal Year 2011 (As of September 30, 2011)	Third Quarter of Fiscal 2012 (As of June 30, 2012)
(Assets)		
Current assets		
Cash and time deposits	1,804,161	2,596,279
Accounts receivable, trade	125,682	146,879
Investments in securities, trade	2,002,744	2,317,686
Real estate for sale	420,531	—
Deferred tax assets	1,049	5,059
Loans receivable, trade	2,707,235	2,536,752
Other current assets	1,686,260	182,230
Allowance for doubtful assets	(2,091,453)	(2,028,545)
Total current assets	6,656,212	5,756,342
Fixed assets		
Property, plant and equipment	169,408	155,901
Intangible fixed assets		
Goodwill	473,509	277,536
Other intangible fixed assets	29,335	20,923
Total intangible fixed assets	502,844	298,460
Investments and other assets		
Investments in securities	84,033	52,819
Others	269,995	214,675
Total investments and other assets	354,029	267,494
Total fixed assets	1,026,282	721,856
Total assets	7,682,494	6,478,198

	Full-fiscal Year 2011 (As of September 30, 2011)	Third Quarter of Fiscal 2012 (As of June 30, 2012)
(Liabilities)		
Current liabilities		
Accounts payable, trade	24,356	14,389
Short-term debt	55,000	40,000
Long-term debt due within one year	81,837	2,004
Current portion of bonds	—	16,000
Income taxes payable	15,812	20,483
Deposits received	490,755	715,574
Accrued employee bonuses	26,251	27,201
Other current liabilities	482,528	124,498
Total current liabilities	1,176,541	960,151
Long-term liabilities		
Bond payable	—	64,000
Long-term debt	45,157	3,654
Deferred tax liabilities	74,123	79,300
Accrued retirement benefits	86,097	95,471
Reserve for insurance policy	1,286,699	1,157,180
Other long-term liabilities	142,985	9,468
Total long-term liabilities	1,635,063	1,409,075
Total liabilities	2,811,604	2,369,227
(Net assets)		
Shareholders' equity		
Common stock	2,312,384	2,312,517
Additional paid-in capital	5,183	5,183
Retained earnings	1,671,501	866,892
Treasury Stock	(52,412)	(52,412)
Total shareholders' equity	3,936,656	3,132,180
Total other comprehensive income		
Valuation difference on available-for-sale securities	(629)	31,803
Foreign currency translation adjustments	(179,243)	(158,122)
Total other comprehensive income	(179,872)	(126,318)
Stock acquisition rights	18,091	17,837
Minority interests	1,096,015	1,085,272
Total net assets	4,870,890	4,108,971
Total liabilities and net assets	7,682,494	6,478,198

(2) Quarterly Consolidated Statements of Income and Quarterly Statements of Comprehensive Income

Quarterly Consolidated Statements of Income(Accumulated)

(Unit: Thousands of yen)

	First three Quarters of Fiscal 2011 (From October 1, 2010 To June 30, 2011)	First three Quarters of Fiscal 2012 (From October 1, 2011 To June 30, 2012）
Revenues	5,720,461	1,734,834
Cost of revenues	2,556,213	683,850
Gross profit	3,164,248	1,050,983
Selling, general and administrative expenses	1,591,155	1,431,280
Operating income/(loss)	1,573,092	(380,296)
Other income		
Interest income	3,767	3,353
Gain on bad debts recovered	―	52,751
Others	6,353	16,656
Total other income	10,120	72,761
Other expenses		
Interest expense	38,482	2,841
Loss on trading securities	1,134	―
Commission paid	1,975	3,982
Others	10,057	370
Total other expenses	51,649	7,194
Ordinary profit/(loss)	1,531,563	(314,729)
Extraordinary profit		
Profit from redemption of bonds	298,800	―
Gain on reversal of subscription rights to shares	3,874	866
Others	119,071	188
Total extraordinary profit	421,746	1,055
Extraordinary loss		
Loss on valuation of stocks of subsidiaries and affiliates	15,266	56,212
Loss on sales of investment securities	226,874	―
Amortization of goodwill	―	126,767
Others	49,587	26,364
Total extraordinary loss	291,727	209,344
Income/(Loss) before income taxes	1,661,581	(523,019)
Income taxes	35,123	22,312
Income taxes adjustment	8,821	1,167
Total income taxes	43,945	23,479
Income/(loss) before minority interests	1,617,636	(546,498)
Minority interests/(loss)	(39,711)	138,946
Net income/(loss)	1,657,347	(685,444)

Quarterly Statements of Comprehensive Income

(Unit:Thousands of yen)

	First three Quarters of Fiscal 2011 (From October 1, 2010 To June 30, 2011)	First three Quarters of Fiscal 2012 (From October 1, 2011 To June 30, 2012）
Income/(loss) before minority interests	1,617,636	(546,498)
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,925)	29,551
Foreign currency translation adjustment	(48,790)	58,289
Total other comprehensive income	(35,864)	87,841
Comprehensive income	1,581,771	(458,657)
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,640,523	(631,891)
Comprehensive income attributable to minority interests	(58,751)	173,233

(3) Assumption of Going Concern

Not applicable.

(4) Segment Information

Ⅰ. First three Quarters of Fiscal 2011 (From October 1, 2010 to June 30, 2011)

1. Revenues and profit/loss per reportable segment

(Thousands of yen)

	Reportable Segment					Total	Adjusted (Note *1)	Amount in the quarterly consolidated statement of income (Note *2)
	Investment banking business	Asset management business	Principal investment business	Portfolio business	Public finance related business			
Revenues								
Revenues from external customers	358,499	355,101	3,796,817	1,059,462	150,579	5,720,461	—	5,720,461
Inter-segment revenues and transfers	13,923	5,715	9,085	2,700	6,214	37,637	(37,637)	—
Total	372,422	360,816	3,805,902	1,062,162	156,794	5,758,098	(37,637)	5,720,461
Segment profit (loss)	18,539	22,199	1,885,708	(4,859)	(24,886)	1,996,700	(423,608)	1,573,092

Note 1 Adjusted segment profit(loss)of ¥(423,608,000) includes the deleted inter-segment transactions of ¥283,077,000 and all-companies expenses of ¥(706,685,000) that cannot be allocated to individual reportable segment. All-companies expenses are primarily the administrative general expenses which do not belong to any reportable segment.

2 Segment profit (loss)is adjusted with operating income of the quarterly consolidated statements of income. The management advisory fee of FinTech Global Incorporated is taken into account in the amount of ¥135,000,000 for the investment banking business, ¥136,200,000 for the asset management business, and ¥13,500,000 for the public finance related business.

2. Information concerning loss on impairment of fixed assets or goodwill and other assets by reporting segment

Not applicable.

Ⅱ. First three Quarters of Fiscal 2012 (From October 1, 2011 to June 30, 2012)

1. Revenues and profit/loss per reportable segment

(Thousands of yen)

	Reportable Segment					Total	Adjusted (Note *1)	Amount in the quarterly consolidated statement of income (Note *2)
	Investment banking business	Asset management business	Principal investment business	Portfolio business	Public finance related business			
Revenues								
Revenues from external customers	111,737	153,610	565,716	735,754	168,015	1,734,834	—	1,734,834
Inter-segment revenues and transfers	34,400	18,790	177,487	2,700	—	233,378	(233,378)	—
Total	146,137	172,401	743,203	738,454	168,015	1,968,212	(233,378)	1,734,834
Segment profit (loss)	(80,727)	(146,691)	172,436	215,401	(76,665)	83,754	(464,050)	(380,296)

Note 1 Adjusted segment profit (loss) of ¥(464,050,000) includes the deleted inter-segment transactions of ¥95,310,000 and all-companies

expenses of ¥(559,361,000) that cannot be allocated to individual reportable segment. All-companies expenses are primarily the administrative general expenses which do not belong to any reportable segment.

2 Segment profit (loss) is adjusted with operating loss of the quarterly consolidated statements of income. The management advisory fee of FinTech Global Incorporated is taken into account in the amount of ¥113,000,000 for the investment banking business, ¥100,000,000 for the asset management business, ¥10,500,000 for the portfolio business, and ¥45,000,000 for the public finance related business.

3. Change in Names of Reporting Segments

To more accurately reflect business content, the names of two reporting segments have been changed, effective from the first quarter of fiscal 2012. The asset management and advisory business is now the asset management business, and the principal finance business is now the principal investment business. Reporting segment names referenced in the first three quarter s of the previous fiscal year are presented under the new names.

4. Change in Presentation Order of Reporting Segments

Previously, reporting segments were listed in this order: investment banking business, asset management business, public finance related business, principal investment business and portfolio business. The order of reporting segments underwent a review, paralleling a separate review of company-strengthening businesses within the Group, and from the first quarter of fiscal 2012, the order has been changed as follows: investment banking business, asset management business, principal investment business, portfolio business and public finance related business. Note that the new order of reporting segments has been applied to the first three quarters in fiscal 2011 as well.

2. Information concerning loss on impairment of fixed assets or goodwill and other assets by reporting segment

(Change in significance of goodwill amounts)

Following impairment write-offs on stock in FGI Capital Partners, a consolidated subsidiary, on the non-consolidated financial statements, the Company executed lump-sum amortization of the unamortized balance of goodwill associated with this subsidiary upon consolidation and booked the amount under extraordinary loss. Consequently, the amount of goodwill for the asset management business decreased.

Note that the decrease in goodwill through the associated lump-sum amortization of the unamortized balance of goodwill came to ¥126,767 thousand.

(5) Material Change in Shareholders' Equity

Not applicable.