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Summary of Financial Statements For Fiscal 2009

November 13, 2009

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 Responsible President and Chief Executive Officer Name: Nobumitsu Tamai
 Executive officer
 for Inquiries: Head of Finance Departments Name: Seigo Washimoto

Scheduled date of General Shareholders' Meeting: December 18, 2009

Scheduled reporting date for Fiscal 2009 Financial Results: December 21, 2009

1. Overview of the financial conditions and business results for fiscal 2009.
(October 1, 2008 – September 30, 2009)

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

	Revenue		Operating income		Ordinary profit		Net income/(loss)	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal 2009	10,385	(26.7)	(20,321)	—	(21,197)	—	(12,091)	—
Fiscal 2008	14,165	(16.3)	(8,240)	—	(9,114)	—	(7,160)	—

	Net income/(loss) per share	Net income/(loss) per share (diluted)	Return on Equity (ROE)	Return on Assets (ROA)	Return on Sales (ROS)
	Yen	Yen	%	%	%
Fiscal 2009	(10,008.05)	—	(112.7)	(44.7)	(195.9)
Fiscal 2008	(5,937.48)	—	(34.2)	(10.7)	(58.2)

(Reference) Equity in earnings of affiliated companies: -million for the fiscal 2009
-million for the fiscal 2008

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
Fiscal 2009	15,766	5,447	29.5	3,851.31
Fiscal 2008	79,021	17,426	21.3	13,911.77

(Reference) Shareholders' equity: 4,653 million yen for the fiscal 2009
16,807 million yen for the fiscal 2008

(3) Consolidated cash flows

(Unit: Millions of yen)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Fiscal 2009	8,334	7,687	(19,675)
Fiscal 2008	13,155	(12,099)	(6,743)	9,500

2. Dividends

Record date	Dividends per share					Total dividends (Annual)	Payout ratio (Consolidated)	Dividends on equity (DOE) (Consolidated)
	The end of the first period	The end of interim period	The end of the third period	The end of fiscal 2009	Total			
Fiscal 2008	Yen —	Yen 165.00	Yen —	Yen 0.00	Yen 165.00	Million Yen 199	% —	% 1.0
Fiscal 2009	—	0.00	—	0.00	0.00	—	—	—
Fiscal 2010 (Estimates)		0.00	—	0.00	0.00	—	—	

3. Performance forecasts for the full-fiscal 2010 (October 1, 2009 – September 30, 2010)

(The percentage in the table indicates YOY changes.)

	Revenue		Operating income		Ordinary profit		Net income	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Interim period of Fiscal 2010	—	—	—	—	—	—	—	—
Full-fiscal 2010	5,500	(47.0)	500	—	450	—	400	—

	Net income per share
Interim period of Fiscal 2010	Yen —
Full-fiscal 2010	331.09

4. Others

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

(2) Changes in accounting policies: Applicable
 1. Changes due to changes in accounting standard: Applicable
 2. Other changes: Applicable

(3) Number of shares issued
 1. Number of shares issued (including treasury stocks): 1,208,135 shares for the fiscal 2009
 1,208,135 shares for the fiscal 2008
 2. Number of treasury shares: — shares for the fiscal 2009
 — shares for the fiscal 2008

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

1. Non-consolidated financial conditions and business results for Fiscal 2009
(October 1, 2008 – September 30, 2009)

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

	Revenue		Operating income		Ordinary profit		Net income/(loss)	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal 2009	4,845	30.8	(20,640)	—	(20,680)	—	(12,924)	—
Fiscal 2008	3,704	(49.2)	(7,837)	—	(8,173)	—	(6,056)	—

	Net income/(loss) per share	Net income/(loss) per share (diluted)
	Yen	Yen
Fiscal 2009	(10,697.71)	—
Fiscal 2008	(5,021.98)	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
Fiscal 2009	22,242	4,927	22.1	4,061.40
Fiscal 2008	58,989	17,842	30.2	14,754.25

(Reference) Shareholders' equity: 4,906 million yen for FY2009, 17,825 million yen for FY2008

* 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 November 13, 2009 and certain assumptions which are believed to be rational. Actual results may differ from these estimates due to unforeseen factors.

I. Business Results

(1) Performance Analysis

Fiscal 2009 Business Results

During fiscal 2009, the consolidated period ended September 30, 2009, the economic environment in Japan remained challenging. Exports and production rallied, thanks to better conditions abroad, especially in newly emerging nations, as governments around the world implemented plans to stimulate growth against the backdrop of recession triggered by the global financial crisis. Despite better business conditions, the domestic economy failed to achieve the self-sustained recovery necessary to alleviate concerns over unemployment and reduced personal income.

In the finance industry, to which the FinTech Global (FGI) Group belongs, and the real estate industry, to which major clients of the Group belong, the turbulent financial circumstances that had persisted since the first half of fiscal 2009 finally showed signs of subsiding. Real estate prices appeared to have reached bottom and capital is flowing into the market again, fueled by the ability of a few individual investors to purchase revenue-generating buildings and by greater interest from institutional investors at home and abroad to contribute to new real estate fund products.

But uncertainty lingers. With the real economy still in decline, demand for office space is shrinking and vacancy rates continue to climb. In addition, financial institutions have not yet raised their limits on lending for real estate applications.

Under these business skies, FGI focused on services for existing clients, mainly real estate companies and worked to strengthen its relationships with debt and equity investors, including those overseas. The Company utilized accumulated know-how related to financial arrangements to offer financial advice and undertook financial arrangements based on agreements to support companies in tackling corporate restructuring. These efforts were rewarded as revenue turned upward in the second half of fiscal 2009.

FGI also accelerated measures to establish new sources of revenue, including entry into the realm of asset management and a full-scale push into the public finance-related business.

Unfortunately, a drop in financial arrangements and restricted principal financing activity led to lower arrangement commissions and interest income.

Given the prolonged downturn in the real estate market, FGI took steps to shrink risk assets and reinforce its financial position. These steps included selling off assets, including a building that the Company acquired by exercising its security interest, to recover outstanding credit and writing off allowances for problem loans. Consequently, under cost of revenue the Company recorded ¥6,367 million on net cost of sale of acquired assets and ¥8,938 million in valuation losses on investment in securities, trade, and losses on the disposal of acquired assets, and under selling, general and administrative expenses, the Company recorded ¥9,410 million in allowance for doubtful accounts, loss on doubtful accounts and provision for loss on guarantees.

FGI purchased and cancelled a portion of euroyen convertible bonds with stock acquisition rights due in 2012, leaving a balance of ¥7,950 million as of September 30, 2009, down ¥14,220 million from a year earlier. The Company posted the resulting ¥9,874 million gain from redemption of bonds under extraordinary profit.

Regrettably, FGI was unable to reverse the lackluster results that tarnished the Group's fiscal 2008 performance. On a consolidated basis, fiscal 2009 net revenue dropped 26.7% year-on-year, to ¥10,385 million, the operating loss widened, to ¥20,321 million from ¥8,240 million in fiscal 2008, the ordinary loss more than doubled, to ¥21,197 million, and the bottom line turned a darker shade of red, with a net loss of ¥12,091 million, compared with ¥7,160 million a year earlier.

A breakdown of results by business segment follows.

Investment Banking Business

Arrangement Operations

The damage caused by the unrelenting credit crunch prompted FGI to emphasize refinancing arrangements and financial advisory services in fiscal 2009. The Company also concluded an agreement in September 2009 to participate in a corporate restructuring project, and undertook a financial arrangement based on this agreement.

Overall, revenue from arrangement operations tumbled 72.5%, to ¥603 million, and gross profit retreated 71.7%, to ¥599 million.

Up to and including fiscal 2008, FGI reported the results of arrangement operations in two classifications: arrangements and arrangements with credit enhancement. Since no requests for arrangements with credit enhancement were addressed in fiscal 2009, the Company presents

combined revenue under the single category of arrangement operations.

Principal Finance Operations

The balance of investments and loans (investments in securities, trade plus loans receivable, trade) fell to ¥17,395 million, as of September 30, 2009, down ¥7,793 million from September 30, 2008. While the Company made progress in collecting outstanding loans receivable, trade, the lower balance reflects restraint in new investment activity.

Interest income on transactions declined because the Company set aside allowance for doubtful accounts on some of its principal financing transactions.

Meanwhile, FGI transferred a silent partnership (*tokumei kumiai*) investment in a special purpose company (SPC) and booked the amount as a loss on the sale of investments in securities, trade.

Consequently, principal finance operations generated only ¥448 million in fiscal 2009, falling 78.1% year-on-year, and the gross loss expanded considerably, from ¥1,907 million to ¥8,266 million.

Other Investment Banking Operations

Because many requests for administrative services for SPCs are connected to financial arrangements packaged by FGI, the lower number of financial arrangements had a limiting effect on requests for administrative services and trimmed related revenue, as well. FinTech Global Securities buoyed results with agency revenue on privately placed funds in overseas markets.

All told, revenue from other investment banking operations declined ¥64.1%, to ¥124 million, and gross profit slid 63.0%, to ¥123 million.

In the end, the investment banking business generated revenue of ¥1,177 million, down 74.3% year-on-year, and a gross loss of ¥7,544 million, compared with gross profit of ¥546 million in fiscal 2008. Reflecting allowance for doubtful accounts associated with principal finance operations, the operating loss grew to ¥20,870 million, significantly higher than the ¥6,458 million posted a year earlier.

Reinsurance/Financial Guarantee Business

In the reinsurance business, subsidiary Crane Reinsurance Limited maintains an alliance with Hardy Underwriting Bermuda, a reinsurer developing business with Lloyd's of London, which is a key player on the global insurance stage. In fiscal 2009, Crane Re automatically carried a portion of the reinsurance contracts underwritten by Hardy Underwriting Bermuda. This buoyed premium income.

Entrust Inc., which provides rent guarantee services, steadily attracted new contracts, boosting the number by 260% year-on-year, to 32,606.

These solid results sent revenue from the reinsurance/financial guarantee business skyrocketing 638.3%, to ¥1,556 million, while gross profit soared 356.8%, to ¥715 million. In addition, the segment achieved operating income of ¥22 million, rebounding from an operating loss of ¥651 million in fiscal 2008.

Real Estate-related Business

In the real estate-related business, FGI booked ¥1,581 million through the purchase and sale of completed condominiums and added ¥5,010 million by selling off assets, including a building used as collateral on a loan and acquired by the Company when the loan was not paid, to recover outstanding credit.

Better Life Support Co., Ltd., which came under the scope of consolidation in the first quarter of fiscal 2009, enjoyed favorable interest in its housing introduction services thanks to relatively firm demand for condominiums despite the difficult operating environment.

Revenue from this segment jumped 226.3% year-on-year, to ¥7,402 million. But when FGI disposed of the building acquired through the exercise of security interest, the Company incurred cost of revenue that eroded the benefits of higher revenue and culminated in a gross loss of ¥555 million, compared with gross profit of ¥552 million in fiscal 2008. The segment also sustained an operating loss—¥1,144 million—on the heels of a ¥3,197 million operating loss in fiscal 2008.

Other Business

Public Management Consulting Corporation, which develops and markets public accounting package software for municipal corporations and provides related consultations, maintains agreements with local governments through its alliance with NEC Corporation and its connections to tax accounting offices across Japan. However, with less tax money in municipal hands, due to the recession, application of funds earmarked for IT investment has been put on hold.

Consequently, the other business segment showed revenue of ¥249 million, gross profit of ¥58 million, and an operating loss of ¥61 million.

No year-on-year comparisons are provided because performance figures for this segment have only been included in the consolidated settlement since July 1, 2008, and the periods for comparison are incompatible.

Fiscal 2010 Forecasts

In fiscal 2010, amid lingering concerns over the direction that the economy will take, FGI is working to establish a new revenue source that will complement existing arrangement operations to facilitate debt-based financing. Toward this end, management will reinforce the Group's pipeline to investors at home and abroad and offer these potential suppliers of funds the opportunity to participate as investors and lenders in a diverse array of transactions packaged by FGI, either directly or through funds.

FGI will continue to build an extensive institutional investor network in Japan and overseas that includes private banks and pension funds. Management expects this process to elicit quick access to funds.

The Company will become active in investment plan sourcing, particularly schemes to support corporate revitalization, arrange these transactions, and then ensure a continuously stable source of revenue from them.

Finally, FGI will enhance asset management and securitization capabilities at subsidiaries that apply this kind of expertise to attract more investors and encourage them to place funds with the Company for application. When necessary, management will consider alliances with other companies and acquisitions to bolster existing competence.

In the public finance-related business, the goal is to develop stronger consulting services associated with public accounting, public/private partnerships, and financial matters, and accumulate vital know-how. A complementary objective is to integrate these services into financial arrangements and asset management activities.

In the reinsurance/financial guarantee business, Crane Re will expand underwriting operations and make a solid contribution to consolidated performance. Meanwhile, the rent guarantee services offered by Entrust are sure to draw continued interest, and efforts to capture quality clients and realize greater efficiency in operations should lift revenues higher.

Based on the objectives and expectations described above, management anticipates the following full-year consolidated results for fiscal 2010: net revenue of ¥5,500 million, operating income of ¥500 million, ordinary profit of ¥450 million, and net income of ¥400 million.

Performance forecasts for the first two quarters of fiscal 2010 are not included here because so many factors are in a state of flux during the booking of individual transactions, making the presentation of an accurate estimate rather difficult.

Cautionary Statement regarding Consolidated Forecasts

Performance forecasts and other forward-looking statements in these materials are based on reasonable assumptions and information available to management of the Company as of the date of disclosure. A number of factors could cause actual results to differ greatly from expectations.

(2) Financial Position

Assets, Liabilities and Net Assets

The status of assets, liabilities and net assets, on a consolidated basis, at September 30, 2009, is presented below.

Current Assets

Current assets stood at ¥14,463 million, on September 30, 2009, down ¥63,692 million from a year

earlier. The primary components of this change were decreases—¥3,788 million in cash and time deposits; ¥3,688 million in trading securities through disposal; ¥35,433 million in inventory, following transfer of FGI's stake in the silent partnership operating an SPC with property for development to a third party and that SPC's subsequent exclusion from the Company's scope of consolidation; ¥8,024 million in loans receivable, trade, through collection of outstanding claims; and ¥6,910 million in accrued income, paralleling transfer payments for shares in FX Online Japan, Ltd.—and a ¥4,404 million increase in allowance for doubtful accounts.

Fixed Assets

Fixed assets amounted to ¥1,303 million, up ¥437 million from September 30, 2008. The increase reflects ¥340 million more in goodwill through the inclusion of subsidiaries and ¥122 million more in investments in securities, trade.

Current Liabilities

Current liabilities were ¥1,682 million, on September 30, 2009, down ¥35,717 million from a year earlier. The decrease comes from a ¥33,438 million cut in short-term debt, largely through repayment of loans from financial institutions and exclusion of an SPC with non-recourse loans from the scope of consolidation, and a ¥1,558 million reduction in long-term debt due within one year.

Fixed Liabilities

Fixed liabilities retreated ¥15,559 million, to ¥8,635 million, as of September 30, 2009, mainly because of a ¥14,220 million decrease in bonds with stock acquisition rights through purchase and cancellation.

Net Assets

Net assets reached ¥5,447 million, as of September 30, 2009, down ¥11,978 million from a year earlier. The change reflects a drop of ¥12,092 million in retained earnings, due to the net loss posted in fiscal 2009.

As of September 30, 2009, total assets stood at ¥15,766 million, down 80.0% from a year earlier. Liabilities were ¥10,318 million, down 83.2%, and net assets amounted to ¥5,447 million, down 68.7%. The consolidated equity ratio settled at 29.5%, up from 21.3%.

Cash Flow

Cash and cash equivalents (hereafter, "cash") as of September 30, 2009, amounted to ¥5,811 million, down ¥3,688 million from a year earlier.

Net Cash from Operating Activities

In fiscal 2009, net cash provided by operating activities amounted to ¥8,333 million, down from ¥13,155 million in fiscal 2008. A breakdown of major changes reveals that while FGI suffered an ¥11,417 million consolidated loss before income taxes and minority interests and recorded a ¥9,874 million decrease in this category through gain on redemption of bonds with stock acquisitions rights, the effect was offset by the addition of ¥4,404 million under allowances for doubtful accounts, ¥8,375 million through loss on the sale of investments in securities, trade, ¥5,275 million through inventory reduction, and ¥11,024 million from recovery of loans receivable, trade.

Net Cash from Investing Activities

In fiscal 2009, net cash provided by investing activities reached ¥7,687 million, a turnaround from ¥12,099 million used in investing activities in fiscal 2008. This change is largely the result of ¥1,967 million used to bring new companies under consolidation against inflow of ¥3,252 million from the reduction of trading securities and ¥7,626 million through the disposal of subsidiaries¹ following a change in the scope of consolidation.

Net Cash from Financing Activities

In fiscal 2009, net cash used in financing activities amounted to ¥19,674 million, up from ¥6,743 million used in fiscal 2008. This change is largely explained by a ¥10,138 million reduction in short-term debt, the application of ¥5,385 million to repay long-term debt, and ¥4,575 million used to redeem bonds.

Reference: Indicators of Cash Flow Status

(Fiscal years ended September 30)

	2005	2006	2007	2008	2009
Equity ratio (%)	42.9	40.6	27.6	21.3	29.5
Equity ratio (market-value basis) (%)	968.6	195.1	46.8	6.8	21.8
Cash flow to interest-bearing debt (%)	--	--	--	450.1	103.6
Interest coverage ratio (times)	--	--	--	28.2	34.0

Notes:

1. The indicators in the table above were calculated according to the following formulas using data from the consolidated financial statements.
Equity ratio: Equity capital / Total assets
Market capitalization: Total market value of stocks / Total assets
Cash flow to interest-bearing debt: Interest-bearing debt / Operating cash flow
Interest coverage ratio: Operating cash flow / Interest payments
- Operating cash flow refers to Cash Flows from Operating Activities, as listed in the Consolidated Statements of Cash Flows. Interest-bearing debt refers to all liabilities (including zero coupon euroyen convertible bonds with stock acquisition rights issued February 2007) recorded on the consolidated balance sheets and for which interest is paid. Interest payments represent the amount of interest paid and appear on the Consolidated Statements of Cash Flows, under Cash Flows from Operating Activities as "Interest expenses".
2. Neither cash flow to interest-bearing debt ratios nor interest coverage ratios are provided for the fiscal years ended September 30, 2005, 2006 and 2007 because the Company posted negative cash flows from operating activities.

(3) Dividends and Basic Policy on Profit Distribution

While adhering to a dividend policy that emphasizes the return of profits to shareholders, management seeks to maintain sufficient internal reserves to quickly and reliably take advantage of opportunities that reinforce and further expand the Company's business foundation. In determining dividends, management must therefore take a comprehensive view that includes corporate performance and future business development.

It is therefore with sincere regret that FGI, faced with the poor consolidated performance described above, will not distribute dividends for fiscal 2009.

For the time being, management will prioritize efforts to strengthen the Company's financial position and that of the Group as a whole, which will prevent the distribution of dividends in fiscal 2010 as well.

(4) Business Risks

Major risk factors with the potential to impact the business activities of the Group are described below. Risk factors that are not necessarily applicable to the Group's activities but may be important to investors in their decision-making plans have been included to enhance investor-oriented disclosure practices. Forward-looking statements are based on assumptions formed by executives of the Group from information current as of November 13, 2009.

a) Risk Associated with Legal Restrictions

Group companies involved in packaging structured finance, including asset securitization, are, or may be, subject to various legal restrictions, the most significant of which are the Financial Instruments and Exchange Law, the Money-Lending Business Control and Regulation Law and the Building Lots and Buildings Transaction Business Law (otherwise known as the Real Estate Business Law).

Future establishment, amendment or abrogation of laws and regulations and possible reinterpretation of laws and regulations by the respective authorities are developments that could narrow the scope of activities that the Group is allowed to conduct, elevate the costs that must be borne to execute such activities, and/or prompt the appearance of new business risks. Such changes could impact Group performance and the viability of business pursuits now and yet to come.

Amended laws and ordinances, or reinterpretation of such legislation, could—when the Company or members of the Group seek to acquire or renew licenses and other legally required approvals—necessitate the hiring of additional personnel and cause higher compliance-related expenses.

In addition, any violation of law or disregard of rules or regulations could cause repercussions that extend beyond penalties, such as suspension of business and/or termination of licenses and approvals, and could find the Company or Group companies liable for serious falsification or misrepresentation of data or inaccurate advice. Even if the Company is not at fault, any call for compensation could precipitate the risk of incurring substantial litigation costs and/or a tarnished reputation for itself and the Group.

b) Risk of Dilution of Stock Price due to Exercise of Warrants

FGI grants equity warrants, including stock options and stock acquisition rights based on Article 280-19 of the old Commercial Code, to directors, auditors and employees of the Company to promote long-term involvement with the Company and to sustain a corporate atmosphere and individual willingness to improve the fiscal performance of the Company. If these equity warrants are exercised, the action could dilute the per-share value of the Company's stock.

As of September 30, 2009, the number of latent shares to be issued through stock options, including those without dilution effect, stood at 44,308, compared with 1,208,135 shares outstanding.

c) Risks Affecting Fiscal Performance and Financial Position

Five-Year Summary of Key Fiscal Results

Years ended September 30

The Group's performance over the past five years is presented below.

(Thousands of yen)

Fiscal year	2005	2006	2007	2008	2009
Item					
Consolidated					
Net revenue	2,463,575	8,231,713	16,914,147	14,165,298	10,385,341
Ordinary profit (loss)	1,571,190	5,581,091	5,951,671	(9,114,676)	(21,197,306)
Net income (loss)	908,659	3,235,755	1,767,784	(7,160,694)	(12,091,075)
Net assets	3,427,073	24,957,929	27,191,098	17,426,259	5,447,836
Total assets	8,042,288	61,229,108	90,740,474	79,021,192	15,766,064
Number of employees (Average number of temporary employees) (persons)	30 (4)	55 (6)	129 (11)	112 (7)	117 (16)
Non-consolidated					
Net revenue	2,463,575	7,544,427	7,287,612	3,704,386	4,845,502
Ordinary profit (loss)	1,603,975	5,480,380	3,731,105	(8,173,352)	(20,680,125)

Net income (loss)	930,533	3,234,627	1,806,623	(6,056,585)	(12,924,275)
Paid-in capital	1,303,735	10,624,769	10,736,448	10,764,317	10,764,317
Net assets	3,449,440	24,896,403	24,950,236	17,842,784	4,927,291
Total assets	8,015,569	58,595,137	78,362,938	58,989,028	22,242,898
Number of employees (Average number of temporary employees) (persons)	23 (4)	42 (6)	78 (8)	83 (5)	50 (5)

Notes:

1. Net revenue does not include consumption tax.
2. The average number of temporary employees is the annual average for casual staff and temporary staff.

Fiscal 2005 was characterized by brisk inquiry activity from existing clients and a major increase in revenue, thanks to relatively favorable interest from new clients. Profitability improved, paralleling the establishment of a system to support structured finance operations, and FGI listed on Mothers, a section on the Tokyo Stock Exchange for high-growth and emerging stocks.

In fiscal 2006, the Company entered the reinsurance/financial guarantee business and marked outstanding progress in its principal finance operations, within the investment banking business, through dramatic improvement in fund-procurement capacity.

In fiscal 2007, FGI posted a mixed performance. The Company acquired 45.0% equity in FX Online Japan, Ltd. (FXO), and added the foreign exchange (FX) business to its corporate résumé. But profits fell. The Company was unable to close certain property development securitization transactions for large-scale project finance arrangements as planned and incurred non-operating expenses, which in combination eroded non-consolidated revenue and profit. Revenues were up that year on a consolidated basis but down on a non-consolidated basis.

Also in fiscal 2007, the Company's consolidated financial statements were significantly affected by PITF (Practical Issues Task Force) No. 20, "Practical Solution on Application of Control Criteria and Influence Criteria to Investment Associations," issued by the Accounting Standards Board of Japan on September 8, 2006, which called for the inclusion of SPCs utilizing FGI-arranged transactions under the scope of consolidation.

In fiscal 2008, conditions in the real estate market deteriorated, as shockwaves from the U.S. subprime mortgage crisis reached financial markets around the world and caused a severe credit crunch. Against this backdrop, FGI packaged fewer arrangements and recorded valuation losses on investment in securities, trade under cost of revenue, and transfer to allowance for doubtful accounts and loss on doubtful accounts under selling, general and administrative expenses in its principal finance segment.

At the end of fiscal 2008, FGI sold its entire equity stake in FXO and booked the amount under proceeds from the sale of stock in affiliates.

But the sale of FXO meant FGI's withdrawal from the FX business, and in fiscal 2009, the absence of FX-related revenues exacerbated the effect of lower revenue from arrangement services and principal finance operations amid persistently lackluster conditions in the real estate market. The Company set aside reserves, mainly allowances for doubtful accounts to address losses on the sale of inventory and uncollected loans receivable, trade, and incurred a large operating loss.

The finance industry, of which the FGI Group is a part, must constantly devise innovative financial instruments and financing schemes, and the resulting need for related services is integral to further development of the Company and the corporate group it leads. Therefore, past results alone may not provide all the data necessary for estimating the Group's future performance potential. The Company's business model is relatively new to Japan, and there is no guarantee that FGI can sustain revenue expansion and high profitability, unless the Company can establish rock-solid competitive superiority, especially now, in this

tough financial environment made all the more challenging by lackluster real estate conditions and an intensely competitive atmosphere.

d) Market Environment Risk

The worst phase of the global financial crisis may be over, but financial institutions are still reluctant to lend to members of the real estate sector—the primary client segment of the FGI Group—and without smooth access to new fund procurement opportunities and loans for refinancing, the real estate market cannot escape the confines of the prevailing slump.

These lackluster conditions could hinder FGI’s ability to package financial arrangements that depend on investors to pick up client debt and hamper growth in the Group’s investment banking segment.

In response, FGI is focusing on businesses that the Group can build into new pillars of growth, with an emphasis on debt restructuring for clients, refinancing arrangements, access to financial advice and participation in bids on projects that support corporate revitalization, as well as asset management and public finance-related businesses. Therefore, it is unlikely that the downturn in the real estate market will cause a detrimental effect on all business pursuit, but the possibility exists that certain transactions may be impacted.

In addition, turmoil in financial markets and sluggish conditions can be triggered by more than just economic factors—events such as war, terrorism and natural disasters may also cause upheaval—and the appearance of such non-economic factors could just as easily create a performance-squeezing operating environment for the Group.

e) Client Risk

In its arrangement operations, FGI combines financial products into a package specifically designed to the asset securitization needs and capital demands of each client to facilitate fund procurement. Since there is no way of ensuring that same clients will provide repeat business, the Company must form new arrangements for new clients and elicit demand from untapped sources through constant marketing efforts. The success or failure of these activities could cause Group performance to vary.

f) Principal Finance Risk

In the Group’s principal finance operations, certain members of the Group act as suppliers of funds, investing in projects and extending loans to expedite structured finance transactions.

If issues beyond the Group’s control, such as deteriorating credit risk in investment or lending targets, changes in the value of the assets used as collateral, or earthquakes, which could damage or destroy investment or lending targets, were to arise, the Group might not secure the anticipated level of return on the funds invested or loaned or the principal could be lost through default. Even when industry trends are generally favorable, losses are possible, depending on risk inherent to the transaction or risk specific to the assets used as collateral.

The principal finance balance—that is, investments and loans—over the past three years is presented below.

Principal Finance Balance
Years ended September 30

(Millions of yen)

	2007		2008		2009	
	Q1/Q2	Q3/Q4	Q1/Q2	Q3/Q4	Q1/Q2	Q3/Q4
New transactions	26,438	45,182	24,805	4,048	3,227	1,946
Selling/refinance/arbitrage	24,558	31,882	38,757	9,931	11,113	1,854
Loans receivable, trade and investments in securities, trade	31,726	45,026	31,075	25,189	17,303	17,395

Note: Loans receivable, trade and investments in securities, trade are recorded separately on the Consolidated Balance Sheets.

g) Competition Risk

Generally speaking, people with experience in structured finance—the Group’s forte field—are few and far between in the finance industry as a whole. The Company boasts an efficient service structure that hinges on a small team of people rather than an excessively large non-marketing division to promote effective business activities. This structure makes it possible to respond cost-effectively to the need for small-scale, low-profit transactions and ensures the Company’s ability to offer services to midsized business groups as well as major corporations.

However, competition over transactions would intensify if a mega financial group, based either in Japan or abroad, were to expand into the specialized realm that the Group currently profiles, if a boutique-style investment bank providing services similar to those offered by the Group were established, or if other companies overcome entry barriers, namely the need for service efficiency, a skilled workforce and sophisticated financial technologies, and successfully cement a presence in this business. Heightened competition could hurt the Group’s performance.

h) Outdated Financial Technology Risk

The Company continually strives to keep its financial technologies innovative and cutting-edge. But financial technologies touch on law, accounting, taxation, statistics and mathematics, and daily changes to any aspect will raise overall capabilities, so any failure to master these technologies could lead to outdated and less competitive financial technologies in use. If this happened, the Company’s performance could be severely eroded.

i) Risks Pursuant to Reinsurance/Financial Guarantee Business

In the reinsurance/financial guarantee business, certain members of the Group underwrite guarantees—credit enhancement—on risk inherent in arrangements packaged by the Group as well as rent guarantees, restitution costs and coverage for household effects. The risks involved in underwriting guarantees and insurance are far greater than the risks incurred in arrangement operations. Actual losses could exceed profits in the reinsurance/financial guarantee business, so if conditions in international insurance markets were adversely affected by terrorist acts or other events with major consequences, the Group’s business results and its financial position could be seriously compromised.

j) Risks associated with Strategic Investments, Mergers and Joint Ventures, and Entry into New Businesses as well as Aspects of Uncertainty

FGI seeks to grow the Group’s businesses through internal expansion and development as well as through strategic investments, mergers and joint ventures—collectively, “mergers and acquisitions” (M&A). Various risks and uncertainties characterize M&A activities, including issues associated with administration, the consolidation and integration of relevant services and systems, the standardization and integration of accounting and data-processing systems, and relationship adjustments with clients and business partners. If such risks and uncertainties materialize, it may be difficult to achieve desired benchmarks of M&A success, especially levels of efficiency, synergy and cost reduction.

A great deal of weight is placed on systems, administration and personnel in determining the success of a joint venture, but such aspects of a business are not under the Group’s complete control. In addition, conflicts and differences of opinion between joint venture partners and participating Group members could hurt the Group’s overall business prospects. Another concern is the possible dilution of existing shares caused by the issue of new shares upon the realization of a merger or the establishment of a joint venture.

Vast resources are expended to reinforce current operations, enter new businesses and create new products, and these efforts may incur considerable but unexpected losses, costs and monetary obligations.

k) Risks inherent in redemption of euroyen convertible bonds with stock acquisition rights due in 2012

If certain events of default were to appear in regard to the February 2007 issue of euroyen convertible bonds with stock acquisition rights due in February 2012 (hereafter, “the Bonds”), which have a remaining value of ¥7,170 million, as of October 31, 2009, the trustee of equity warrants may, at its discretion, call for the immediate redemption of the Bonds and will notify the Company of this decision; and if bondholders who have more than one-quarter of the surviving face value of the Bonds when events of default appear were to request notification of a decision to seek the forfeiture of profits within the limits of the Bonds or an extraordinary resolution by bondholders indicates that such a request will occur, the trustee will notify the Company of forfeiture of profits within the limits of the Bonds.

Should such scenarios come to pass, the Company might be forced to redeem the entire amount early, which could have serious repercussions for the Group in terms of performance and financial position.

The Bonds have a five-year term, effective from the February 2007 issue date. If stock acquisition rights are not exercised by the redemption date, FGI will have to secure funds to redeem bondholders’

investments. In addition, bondholders may, at their option, request the Company to redeem bonds at 100% of the principal amount on February 8, 2010, which is the optional redemption date for bondholders.* Such a request would also require the Company to secure funds for this purpose.

Management is considering various measures to prepare for bond redemption, given that the gap between current stock price and conversion price is likely to prompt redemption requests on a significant portion of the Bonds. If the Company encounters difficulties in obtaining the required amount for redemption, the consequences could be severe, eroding the Group's fiscal results and seriously weakening its financial position.

* To make a request, a bondholder must submit an official redemption notification form along with the relevant bond certificates to the paying agent at least 30 days before the optional redemption date but no more than 60 days before.

l) Factors prompting significant doubt regarding assumption of continued business activities into the future; current status; and factors seriously affecting business

Owing to concerted efforts to shrink assets on a consolidated basis by executing massive reserve write-offs, including claimable assets arising from loans, the Company booked valuation losses, losses on the disposal of problem assets and transfer to allowance for doubtful accounts, which led to an operating loss of ¥20,321 million in fiscal 2009.

As noted above in *k) Risks inherent in redemption of euroyen convertible bonds with stock acquisition rights due in 2012*, the Company must also obtain funds for optional redemption of remaining euroyen convertible bonds with stock acquisition rights due in 2012 that will occur on February 8, 2010, for bondholders who request redemption. At the present time, management has no fixed schedule for executing methods, primarily collection of loans receivable, trade and fund procurement, to secure the necessary capital.

This situation has prompted significant doubt regarding assumption of a going concern.

Within the Group, FGI is making progress on several fronts, including management strategies designed to early establishment of the profit base, as described in **III. Management Policy**; Continued reduction in costs; Fund-procurement through loans from financial institutions and investors, Collection of loans receivable, trade; and Retirement by purchase before voluntary redemption. Continued progress should eliminate the significant doubt regarding the assumption of FGI and the FGI Group as a going concern.

However, if future efforts are insufficient to maintain progress toward the ultimate objective, the Group's fiscal results and its financial position may suffer.

(5) Factors raising significant doubt regarding assumption of a going concern

The Group has reduced its assets drastically by creating reserves against receivable loan obligations resulting in the Group recording valuation losses, loss on sales, and transfers to allowance for doubtful accounts, which has led to a consolidated operating loss for the year of ¥20,321,034 thousand.

In addition, in view of the present share price and bond conversion price, a large percentage of the outstanding Euro-Yen convertible bonds with stock acquisition rights due 2012 (outstanding balance of ¥7,950,000 thousand as of 30th Sep. 2009. hereinafter referred to as "the bonds") are expected to be redeemed for value 8th Feb. 2010 at the choice of the bond holders (hereinafter referred to as "the voluntary redemption"). As a result, necessary funds to cover this prospective voluntary redemption need to be secured. However, the schedule for collection of operating loans receivable, or procurement of funding to enable this to occur has not been confirmed at present.

The above-mentioned situation has raised certain doubts about the Group's long term viability as a going concern. The Group will seek to remove any doubt about its future viability through the measures described below.

(1) Early establishment of the profit base

The Group expects an early establishment of profit by raising funds from international and domestic investors and arranging these investments into the Company's projects as new profit-earning opportunities, in addition to conventional debt finance arrangements. As well as sourcing investment projects and more actively encouraging investor development, the Group will enhance the capability of its asset management and securities functions, and consider alliances and acquisitions where necessary. As for public goods related projects, as well as expanding its public accounting, PPP (Public Private Partnership), and financial consulting and accumulating know-how, the Group will work to provide financial arrangement and asset management services.

(2) Continued reduction in costs

Although the Group has substantially revised its expense budget during the fiscal year, it will continue to trim the excesses from its business promotion.

(3) Collection of loans receivable, trade

The Group will continue negotiations with third parties regarding the collection of operating loans receivable, deciding the schedule as early as possible, and will seek to secure the necessary funds for redemption of bonds.

(4) Fund-procurement through loans from financial institutions and investors

The Group will consider all possible financing methods for the procurement of funding, such as new loans from financial institutions and investors.

(5) Retirement by purchase before voluntary redemption

The Group will consider retirement of the bonds by purchase from the bondholders in advance of the voluntary redemption.

II. Group Status

The Group, with FinTech Global Incorporated at its core, comprises 13 consolidated subsidiaries and eight unconsolidated subsidiaries of the Company and operates collectively as a boutique investment bank. Unlike megabanks, which extend various services over a diverse financial spectrum, FGI concentrates solely on structured finance. This narrower focus facilitates the development of more sophisticated and more specialized investment banking services.

The business activities of FGI's principal consolidated subsidiaries are described below.

Investment Banking Business

FinTech Global Securities, Inc., acts as an agent for a specific group of investors. The company provides products, such as privately placed funds registered overseas, and handles private placement of domestic securitized transactions.

FINTECH GIMV FUND, L.P., is a venture fund with an investment spotlight on Japanese and non-Japanese venture companies specializing in technology sectors, particularly information and communications, new materials and life sciences.

Reinsurance/Financial Guarantee Business

Crane Reinsurance Limited, based in Bermuda, underwrites quality insurance risks, primarily policies held by major property management companies to cover the personal belongings of tenants.

Entrust Inc. offers rent guarantee services to major national and regional rental housing management companies in Japan.

Switzerland-based Stellar Capital AG underwrites the guarantees on arrangements with credit enhancement that have been packaged by FGI.

Real Estate-related Business

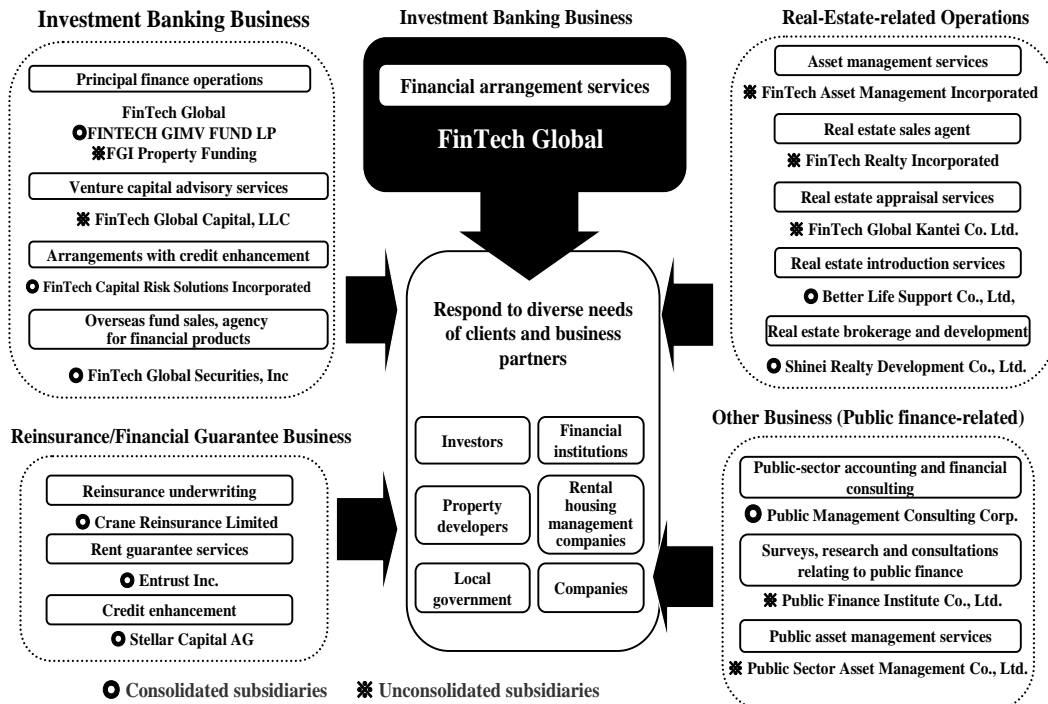
Better Life Support Co., Ltd., provides rental housing agency services, primarily to major foreign-owned companies, as well as rental and ownership information to employees of such companies.

Shinei Realty Development Co., Ltd., undertakes various real estate-related activities but emphasizes its role as a property developer agency, wherein the company handles property development and sales, rental property planning and property management/operation services on behalf of clients.

Other Business

Public Management Consulting Corporation is involved in the development and sale of public accounting-oriented software for local governments and offers advice on public-sector accounting and financial matters.

The Group's business structure is illustrated on the next page.



III. Management Policy

(1) Basic Direction

FGI's raison d'être is to make companies in all industries aware of the benefits to be gained through innovative structured finance services. As a boutique investment bank, the Company seeks to address the wide-ranging financing needs of its clients with original, leading-edge financial products and schemes geared to the changing financial environment, and also seeks to provide risk-hedging and credit enhancement services utilizing insurance and guarantee facilities. Through these activities, FGI demonstrates its core competence—maximizing financial possibilities for each client.

(2) Indicators of Business Performance

By restructuring operations through the implementation of the management strategies described below, in **(3) Medium- to Long-term Management Strategies**, management intends to return the Group to a profit position and sustain this status. Enhanced revenue will hinge on fees generated through services for institutional investors at home and abroad as well as arrangements that encourage fund suppliers to invest in real estate and property development projects. These fees will be complemented by higher revenue from two new business pursuits—asset management and public finance-related services—and steady contributions from the reinsurance/financial guarantee business.

The end result will be an improvement in return-on-equity.

(3) Medium- to Long-term Management Strategies

The global financial crisis caused financial institutions to restrict lending for real estate-related purposes, which in turn eroded FGI's ability to execute debt-based financing arrangements and also prompted voluntary restrictions on principal finance transactions, which led to a huge decrease in the Group's balance of investments and loans.

While the operating environment presented many challenges, it also precipitated derivative business opportunities, including the need for financing to support the business revitalization efforts of companies on the verge of failure. Demand for structured financing schemes that connect willing suppliers of capital to clients in need of funds is likely to continue, cementing the value of FGI as a boutique investment bank specializing in structured finance.

Meanwhile, a trend has emerged in financial markets around the world: investors, in Japan and overseas, with considerable funds available for application are increasingly keen on Japanese real estate, which is perceived as a comparatively inexpensive investment. They also seek opportunities to participate in corporate revitalization projects and to acquire equity stakes in growth companies with sophisticated know-how and high-level technologies. This trend is expected to continue.

Taking advantage of the situation, FGI will draw on its high-level financial technologies for structured finance and the capabilities of its subsidiaries, particularly those with asset management and securitization expertise, to form arrangements that utilize investor funds in equity- and debt-based financing. The Company will also strive to enhance the Group's asset management services—an essential link in the arrangement process for equity-based financing, that is, raising money by issuing stock, and debt-based financing, that is, borrowing money, typically through bank loans—and encourage more investors to participate in these arrangements. When necessary, FGI will augment existing capabilities through alliances and acquisitions.

In the Group's relatively new public finance-related business, FGI aims to create a total support structure that assists local governments improve financial status. This business segment will draw on the expertise of FGI and certain subsidiaries to suggest approaches, such as asset securitization and public/private partnerships, that strengthen financial positions, and provide information on public finance, and then build arrangements using asset securitization and draw investment through asset management services.

The reinsurance/financial guarantee business is a defining feature of the FGI Group. The goal in this segment is two-fold: to enhance the direct guarantee capabilities of Entrust, whose services guarantee rent in the event tenants are in arrears, as well as the reinsurance underwriting capacity of Crane Re on quality insurance risks, primarily policies held by major property management companies to cover the personal belongings of tenants; and to steadily expand the scope of operations.

Through the strategies outlined above, FGI will cement its position as an investment bank using structured finance as the vehicle to connect investors with real estate projects and the operating companies involved as well as local governments and other investment targets.

(4) Issues Requiring Attention

a) Establish deeper investment pool as quickly as possible

Seeking to establish a deeper investment pool as quickly as possible, FGI will emphasize a different approach to arrangements to complement existing arrangement operations that facilitate debt-based financing. Toward this end, management will reinforce the Group's pipeline to investors at home and abroad and offer these potential suppliers of funds the opportunity to participate in a diverse array of transactions packaged by FGI, either directly or through funds.

FGI will actively source transactions suitably attractive as investment targets and encourage more investors to participate in the associated transactions. The Company will also enhance the asset management and securitization capabilities at subsidiaries that possess this kind of expertise, and when necessary, will consider alliances with other companies and pursue acquisitions to bolster existing competence.

In the public finance-related business, the goal is to develop stronger consulting services associated with public accounting, public/private partnerships, and financial matters, and accumulate vital know-how. A complementary objective is to integrate these services into financial arrangements and asset management activities.

b) Develop new products

In considering new business, FGI will take a flexible approach to project structure, especially in the choice of project leader, allocate management resources, such as personnel and financial capacity, promote aggressive research and development, and accelerate the formation of new products and their availability to clients.

c) Human resource development

To address diversifying needs for structured finance, FGI will emphasize measures to enhance the talents of current employees through on-the-job training and maintain in-house structures fully consistent with the internal controls reporting system described in the Financial Instruments and Exchange Law.

d) Group companies

FGI will continue to encourage improvements in Group management, review corporate governance, reassess business plans, and strive to effectively utilize groupwide management resources. In addition, the Company will consider alliances and acquisitions that will reinforce the Group's business architecture.

e) Strengthen compliance and corporate governance structures

The importance of appropriate compliance practices has grown with enforcement of the Financial Products and Exchange Law as well as development of the Group and expansion of its investment operations. Management is therefore working to establish a compliance structure geared to prevailing legal and operational requirements.

To enhance corporate governance, management will draw on outside objectivity and consider the placement of new structures that facilitate access to high-level advice.

f) Redeem convertible bonds with acquisition rights

FGI has already purchased and cancelled a substantial portion of euroyen convertible bonds with stock acquisition rights due in 2012. But given that the gap between the Company's current stock price and the conversion price will likely prompt bondholders of the remaining portion—¥7,950 million at September 30, 2009—to request optional redemption on February 8, 2010, the Company must obtain funds for this purpose.

Recognizing this as a top financial priority, management is considering all kinds of methods to acquire the necessary funds for redemption, including disposal of assets, procurement of funds and additional purchase and cancellation, and will respond as soon as a decision is made.

IV. Consolidated Financial Statements
FinTech Global Incorporated and Consolidated Subsidiaries
As of and for the year ended September 30, 2009

(1) Consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal Year 2008	Fiscal Year 2009
	(As of September 30, 2008)	(As of September 30, 2009)
(Assets)		
Current assets		
Cash and time deposits	9,600,189	5,811,512
Accounts receivable, trade	211,058	186,152
Trading securities	4,119,244	431,098
Investments in securities, trade	5,828,400	6,059,149
Inventory	36,344,528	911,167
Deferred tax assets	823,502	1,065
Loans receivable, trade	19,361,400	11,336,718
Accrued income	7,545,342	—
Other current assets	2,151,468	1,960,718
Allowance for doubtful accounts	(7,829,785)	(12,234,548)
Total current assets	<u>78,155,349</u>	<u>14,463,033</u>
Fixed assets		
Property, plant and equipment		
Buildings	193,433	183,513
Accumulated depreciation	(40,111)	(62,254)
Buildings, net	<u>153,322</u>	<u>121,259</u>
Furniture and equipment	205,939	182,259
Accumulated depreciation	(83,264)	(106,870)
Furniture and equipment, net	<u>122,674</u>	<u>75,388</u>
Total property, plant and equipment	<u>275,997</u>	<u>196,647</u>
Intangible fixed assets		
Goodwill	133,853	474,371
Other intangible fixed assets	107,304	155,619
Total intangible fixed assets	<u>241,157</u>	<u>629,990</u>
Investments and other Assets		
Investments in securities, trade	55,882	178,747
Security deposits	227,240	241,112
Others	65,565	56,533
Total investments and other assets	<u>348,688</u>	<u>476,393</u>
Total fixed assets	<u>865,843</u>	<u>1,303,031</u>
Total assets	<u>79,021,192</u>	<u>15,766,064</u>

(Unit: Thousands of yen)

	Fiscal Year 2008 (As of September 30, 2008)	Fiscal Year 2009 (As of September 30, 2009)
(Liabilities)		
Current liabilities		
Accounts payable, trade	57,725	63,038
Short-term debt	33,613,647	175,000
Long-term debt due within one year	1,818,300	260,000
Accrued liabilities	720,769	244,418
Accrued expenses	106,226	85,008
Income taxes payable	5,445	19,068
Accrued employee bonuses	134,480	107,007
Reserve for guarantee losses	38,292	13,006
Other current liabilities	904,495	715,700
Total current liabilities	37,399,383	1,682,247
Long-term liabilities		
Bonds with stock acquisition rights	22,170,000	7,950,000
Long-term debt	1,612,600	245,000
Deferred tax liabilities	2,081	40,118
Accrued retirement benefits	37,652	78,027
Other long-term liabilities	373,216	322,833
Total long-term liabilities	24,195,549	8,635,980
Total liabilities	61,594,933	10,318,228
(Net assets)		
Shareholders' equity		
Common stock	10,764,317	10,764,317
Additional paid-in capital	10,351,900	10,351,900
Retained earnings	(4,260,972)	(16,353,913)
Total shareholders' equity	16,855,245	4,762,304
Valuation and translation adjustments		
Net unrealized gain / (loss) on other securities	(7,346)	(1,477)
Translation adjustments	(40,599)	(107,466)
Total valuation and translation adjustments	(47,945)	(108,944)
Stock acquisition rights	17,659	20,572
Minority interests	601,301	773,903
Total net assets	17,426,259	5,447,836
Total liabilities and net assets	79,021,192	15,766,064

(2) Consolidated Statements of Income

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Revenue		
Investment banking business	4,588,330	1,177,032
Reinsurance/financial guarantee business	210,767	1,556,002
FX (Foreign Exchange) business	7,018,213	—
Real estate related business	2,268,769	7,402,707
Others	79,218	249,599
Total net sales	14,165,298	10,385,341
Cost of revenue	5,850,602	17,711,538
Gross profit/(loss)	8,314,696	(7,326,196)
Selling, general and administrative expenses		
Directors' bonuses	438,494	326,604
Salaries	966,147	742,022
Transfer to allowance for doubtful accounts	7,716,669	4,431,866
Transfer to provision for accrued bonuses	656,175	101,515
Retirement benefit expenses	16,634	22,424
Depreciation	111,581	115,245
Rent	310,766	275,359
Commission paid	1,572,685	1,067,104
Amortization of goodwill	1,476,429	77,124
Bad debts expenses	—	4,965,573
Others	3,289,415	869,996
Total selling, general and administrative expenses	16,555,000	12,994,837
Operating loss	(8,240,303)	(20,321,034)
Other income		
Interest income	129,569	42,458
Refunded consumption tax	25,135	—
Amortization of negative goodwill	—	9,931
Others	41,052	8,991
Total other income	195,757	61,381
Other expenses		
Interest expense	263,741	89,928
Stock distribution costs	763	—
Loss on trading securities	530,741	665,289
Commission paid	148,585	90,612
Loss from effect of exchange rate	108,083	52,186
Others	18,214	39,636
Total other expenses	1,070,129	937,653
Ordinary loss	(9,114,676)	(21,197,306)
Extraordinary profit		
Equity fluctuation income	2,104	—
Gain on sales of shares of subsidiaries and affiliates	4,759,651	68,668
Gain on redemption of bonds	—	9,874,410
Others	—	12,484
Total extraordinary profit	4,761,756	9,955,563

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Extraordinary loss		
Loss on disposition of fixed assets	8,244	3,281
Unrealized loss on investments in securities	—	25,503
Loss on sales of stocks of subsidiaries and affiliates	—	25,259
Loss due to impairment	16,502	24,881
Loss on system change	838,717	—
Special retirement expenses	—	52,697
Others	258,556	44,093
Total extraordinary loss	1,122,020	175,718
Income before income taxes prior to distribution of loss in silent partnerships	(5,474,940)	(11,417,462)
Distribution of gains/(loss) in silent partnerships	65,426	—
Loss before income taxes	(5,540,367)	(11,417,462)
Income taxes	1,668,205	10,769
Refund of income taxes	—	(15,501)
Income tax adjustment	(998,585)	844,491
Total income taxes	669,619	839,759
Minority interests	950,707	(166,146)
Net loss	(7,160,694)	(12,091,075)

(3) Consolidated Statements of Changes in Net Assets

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Shareholders' equity		
Common stock		
Balance at the end of last period	10,736,448	10,764,317
Change during this period		
Issuance of common stock	27,869	—
Total changes during this period	27,869	—
Balance at the end of this period	10,764,317	10,764,317
Additional paid-in capital		
Balance at the end of last period	10,351,900	10,351,900
Balance at the end of this period	10,351,900	10,351,900
Retained earnings		
Balance at the end of last period	3,939,480	(4,260,972)
Change during this period		
Dividends	(1,101,237)	—
Net loss	(7,160,694)	(12,091,075)
Decrease due to increase in number of consolidated subsidiaries	—	(1,864)
Increase due to decrease in number of consolidated subsidiaries	61,478	—
Total changes during this period	(8,200,452)	(12,092,940)
Balance at the end of this period	(4,260,972)	(16,353,913)
Total shareholders' equity		
Balance at the end of last period	25,027,828	16,855,245
Change during this period		
Issuance of common stock	27,869	—
Dividends	(1,101,237)	—
Net loss	(7,160,694)	(12,091,075)
Decrease due to increase in number of consolidated subsidiaries	—	(1,864)
Increase due to decrease in number of consolidated subsidiaries	61,478	—
Total changes during this period	(8,172,583)	(12,092,940)
Balance at the end of this period	16,855,245	4,762,304
Valuation and translation adjustments		
Net unrealized gain/(loss) on other securities		
Balance at the end of last period	(17,163)	(7,346)
Change during this period		
Net changes of items other than shareholders' equity	9,817	5,868
Total changes during this period	9,817	5,868
Balance at the end of this period	(7,346)	(1,477)
Translation adjustments		
Balance at the end of last period	—	(40,599)
Change during this period		
Net changes of items other than shareholders' equity	(40,599)	(66,867)
Total changes during this period	(40,599)	(66,867)
Balance at the end of this period	(40,599)	(107,466)

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Total valuation and translation adjustments		
Balance at the end of last period	(17, 163)	(47, 945)
Change during this period		
Net changes of items other than shareholders' equity	(30, 782)	(60, 999)
Total changes during this period	(30, 782)	(60, 999)
Balance at the end of this period	(47, 945)	(108, 944)
Stock acquisition rights		
Balance at the end of last period	4, 974	17, 659
Change during this period		
Net changes of items other than shareholders' equity	12, 684	2, 913
Total changes during this period	12, 684	2, 913
Balance at the end of this period	17, 659	20, 572
Minority interests		
Balance at the end of last period	2, 175, 458	601, 301
Change during this period		
Net changes of items other than shareholders' equity	(1, 574, 157)	172, 602
Total changes during this period	(1, 574, 157)	172, 602
Balance at the end of this period	601, 301	773, 903
Total net assets		
Balance at the end of last period	27, 191, 098	17, 426, 259
Change during this period		
Issuance of common stock	27, 869	—
Dividends	(1, 101, 237)	—
Net loss	(7, 160, 694)	(12, 091, 075)
Decrease due to increase in number of consolidated subsidiaries	—	(1, 864)
Increase due to decrease in number of consolidated subsidiaries	61, 478	—
Net changes of items other than shareholders' equity	(1, 592, 255)	114, 517
Total changes during this period	(9, 764, 838)	(11, 978, 423)
Balance at the end of this period	(17, 426, 259)	5, 447, 836

(4) Consolidated Statements of Cash Flows

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
I Cash flows from operating activities		
Income/(loss) before income taxes	(5,540,367)	(11,417,462)
Depreciation and amortization	119,410	141,027
Increase in allowance for doubtful accounts	7,678,376	4,404,321
Increase in accrued employee bonuses	202,810	(33,155)
Increase in accrued retirement benefits	17,320	5,675
Interest income	(129,581)	(42,470)
Stock distribution costs	763	—
Cost of funds and interest expenses	507,234	214,610
Net loss on trading of investment securities for sale	—	8,375,280
Loss on trading securities	—	665,289
Gain on sales of shares of subsidiaries and affiliates	(4,759,651)	(43,408)
Profit on redemption of bonds with stock acquisition rights	—	(9,874,410)
(Increase)/decrease in deposits	(310,632)	1,995
(Increase)/decrease in trade receivable	(135,458)	67,399
(Increase)/decrease in investments in securities, trade	(1,256,694)	(339,325)
(Increase)/decrease in inventory	(3,592,656)	5,275,062
(Increase)/decrease in loans receivable, trade	23,033,541	11,024,681
(Increase)/decrease in accounts due	—	(778,300)
Increase/(decrease) in accounts payable, trade	(17,588)	5,001
Increase/(decrease) in accrued liabilities	177,786	(454,168)
Increase/(decrease) in accrued expenses	82,631	172,905
Increase/(decrease) in deposits from customers	(850,822)	—
Others	1,959,779	7,494
Sub-total	17,186,199	7,378,045
Interest income received	123,010	37,987
Interest expense paid	(465,967)	(244,835)
Income taxes paid	(3,688,033)	1,162,635
Net cash provided by/(used in) operating activities	13,155,209	8,333,833
II Cash flows from investing activities		
Investment in time deposits	(1,100,000)	—
(Increase)/decrease in trading securities	(3,031,436)	3,252,356
(Increase)/decrease in short-term loan receivable	—	(443,786)
Purchase of property, plant and equipment	(371,610)	(30,103)
Proceeds from sale of investments in securities	923,494	22,478
Cash paid for purchase of newly consolidated subsidiaries	(11,988,435)	※2 (1,967,915)
Proceeds from sale of subsidiaries' shares resulting change in scope of consolidation	※3 2,472,536	7,626,292
Payments for acquisition of subsidiaries' shares with the change of scope of consolidation.	—	※3 (586,252)
Payment for acquiring investment in capital	(37,000)	(27,500)
Payment of security deposits	(20,728)	(6,899)
Refund of security deposits	54,686	10,605
Others	998,574	(161,531)
Net cash used in investing activities	(12,099,920)	7,687,844

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
III Cash flows from financing activities		
Increase in short-term debt	3,292,445	(10,138,647)
Proceeds from long-term debt	1,000,000	—
Repayment of long-term debt	(10,667,570)	(5,385,900)
Proceeds from issuance of stocks	27,106	—
Proceeds from issuance of stocks to minority shareholders	667,499	428,145
Dividends paid	(1,063,195)	(3,107)
Redemption of bonds	—	(4,575,090)
Net cash provided by/(used in) financing activities	(6,743,715)	(19,674,600)
IV Effect of exchange rate changes on cash and cash equivalents	(13,485)	(33,853)
V Net decrease in cash and cash equivalents	(5,701,911)	(3,686,875)
VI Cash and cash equivalents at beginning of year	15,163,735	9,500,189
VII Cash and cash equivalents of newly consolidated subsidiaries	39,510	—
VIII Decrease in cash and cash equivalents due to deconsolidation of subsidiaries	(1,145)	(1,801)
IX Cash and cash equivalents at end of year	※1 9,500,189	※1 5,811,512

(5) Assumption of a Going Concern

<p style="text-align: center;">Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)</p>	<p style="text-align: center;">Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)</p>
<p>The finance industry, to which the FinTech Global Incorporated (hereinafter referred to as “the Company”) and its subsidiaries (hereinafter together referred to as “the Group”) belong, and the real estate industry, to which major clients of the Group belong have been hurt by the worldwide credit crunch and financial institutions, especially foreign-owned banks, have become increasingly reluctant to extend loans for real estate related purposes.</p> <p>On top of that, capital turnover has slowed largely because amendments to the Building Standards Law have delayed construction starts.</p> <p>The real estate market has been facing a major adjustment phase due to the causes described above.</p> <p>In this environment, the Company recorded valuation losses on investments in securities, trade for some special purpose companies’ exposure to certain real estate development projects under consolidated cost of revenue, as well as allowances for doubtful accounts and bad debts loss under consolidated selling, general and administrative expenses. This led to an operating loss of ¥8,240,303 thousand, which has raised doubts about the Group’s long term viability as a going concern.</p> <p>The Group will seek to erase doubt about its future viability through the business strategies, risk management practices, management efficiency measures and financial strategies described below.</p> <p>To buoy revenue, the Group will promote business expansion geared to the corporate restructuring activities and fund-procurement needs specific to this period of correction in the real estate industry. The Group will enhance earnings by utilizing accumulated know-how in structured financing, a network of investors characterized by diversity, and a direct pipeline to insurance guarantees, and by providing sophisticated financial services to client companies. Higher earnings will underpin a return to an operating income position on a consolidated basis.</p> <p>To reinforce risk management, the Group has already taken a dramatically more conservative approach to principal finance operations with the application of tougher screening standards. This move brought about a significant reduction in new investments in the fiscal year 2008 as the business emphasis shifted toward the collection of outstanding loans rather than extending loans. The Group will maintain this perspective, seeking to shrink risk assets while improving liquidity in hand.</p> <p>To enhance profitability, management will review group wide expenses, especially selling, general and administrative expenses.</p>	<p>The FinTech Global Incorporated (hereinafter referred to as “the Company”) and its subsidiaries (hereinafter together referred to as “the Group”) have been affected by the worldwide financial crisis and recession. Consequently, the Group has reduced its assets drastically by creating reserves against receivable loan obligations resulting in the Group recording valuation losses, loss on sales, and transfers to allowance for doubtful accounts, which has led to a consolidated operating loss for the year of ¥20,321,034 thousand.</p> <p>In addition, in view of the present share price and bond conversion price, a large percentage of the outstanding Euro-Yen convertible bonds with stock acquisition rights due 2012 (outstanding balance of ¥7,950,000 thousand as of 30th Sep. 2009. hereinafter referred to as “the bonds”) are expected to be redeemed for value 8th Feb. 2010 at the choice of the bond holders (hereinafter referred to as “the voluntary redemption”). As a result, necessary funds to cover this prospective voluntary redemption need to be secured. However, the schedule for collection of operating loans receivable, or procurement of funding to enable this to occur has not been confirmed at present.</p> <p>The above-mentioned situation has raised certain doubts about the Group’s long term viability as a going concern.</p> <p>The Group will seek to remove any doubt about its future viability through the measures described below.</p> <p>(1) Early establishment of the profit base</p> <p>The Group expects an early establishment of profit by raising funds from international and domestic investors and arranging these investments into the Company’s projects as new profit-earning opportunities, in addition to conventional debt finance arrangements. As well as sourcing investment projects and more actively encouraging investor development, the Group will enhance the capability of its asset management and securities functions, and consider alliances and acquisitions where necessary. As for public goods related projects, as well as expanding its public accounting, PPP (Public Private Partnership), and financial consulting and accumulating know-how, the Group will work to provide financial arrangement and asset management services.</p> <p>(2) Continued reduction in costs</p> <p>Although the Group has substantially revised its expense budget during the fiscal year, it will continue to trim the excesses from its business promotion.</p> <p>(3) Collection of loans receivable, trade</p> <p>The Group will continue negotiations with third parties regarding the collection of operating loans receivable, deciding the schedule as early as possible, and will seek to secure the necessary funds for redemption of bonds.</p>

<p style="text-align: center;">Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)</p>	<p style="text-align: center;">Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)</p>
<p>Of note, the Company completed the transfer of all shares held in FX Online Japan Co., Ltd. (hereafter, “FXO”) for a total value of about ¥12.7 billion. The Company will receive payment in several installments, and according to the initial schedule, the last installment will take place in December 2008. This should eliminate any concerns over financing.</p> <p>Part of the proceeds from the sale of equity in FXO has been used to retire loans originally acquired to purchase these shares, already reducing the weight of interest-bearing liabilities.</p> <p>Funds recovered through the sale of real estate will also be applied to interest-bearing liabilities, which will further strengthen the Company’s financial footing.</p> <p>Accordingly, the consolidated financial statements for the fiscal year 2008 have been prepared on the basis of a going concern.</p>	<p>(4) Fund-procurement through loans from financial institutions and investors The Group will consider all possible financing methods for the procurement of funding, such as new loans from financial institutions and investors.</p> <p>(5) Retirement by purchase before voluntary redemption The Group will consider retirement of the bonds by purchase from the bondholders in advance of the voluntary redemption.</p> <p>The Group will seek to restore profitability and operating income and secure the necessary funds for redemption of bonds through the above measures. The measures to increase profitability are currently being implemented, and the Company is in negotiation with each of its stakeholders in relation to securing the funds for redemption of the bonds.</p> <p>Accordingly, the consolidated financial statements have been prepared on the basis of a going concern.</p>

(6) Significant Policies in Preparation of Consolidated Financial Statements

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
1. Scope of Consolidation	<p>(1) Number of consolidated subsidiaries: 18</p> <p>Names of major consolidated subsidiaries:</p> <ul style="list-style-type: none"> ●FinTech Global Securities, Inc. ●Stellar Capital AG ●Crane Reinsurance Limited ●Entrust, Inc. ●Reliable Factors Co., Ltd. ●Yugen Kaisha NJ Steel Beta ●Godo Kaisha TSM Sixty Four Alfa ●Godo Kaisha TSM Sixty Four Beta ●SP&W Asklepius Investment Partnership No. 4 ●FINTECH GIMV FUND, L. P. (FGF) <p>Five Silent Partnerships (Tokumei-Kumiai) were counted as consolidated subsidiaries separately from those operators in the fiscal year 2007. However, operator and Silent Partnership are considered as a unit and reported as one consolidated subsidiary in the fiscal year 2008. This change was made to understand the frame of consolidated group better by recognizing the Company's consolidated subsidiaries by the form of incorporation.</p> <p>As a result, the number of consolidated subsidiaries decreased by six, compared to what would have been reported under the previous method. There is no impact on the financial conditions and the operating results due to no financial data changed on the consolidated subsidiaries.</p> <p>Public Management Consulting Corporation has been consolidated due to the acquisition of its voting rights.</p> <p>Yugen Kaisha NJ Steel Beta, Godo Kaisha TSM Sixty Four Alfa, Godo Kaisha TSM Sixty Four Beta, SP&W Asclepius Investment Partnership No.4 and FINTECH GIMV FUND, L.P. (FGF) have been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as risks associated with profits and losses of those companies.</p> <p>RF Funding One Co., Ltd. has been consolidated in the fiscal year 2008 since it has become a material subsidiary.</p> <p>FinTech Real Estate, Inc. has been excluded from the scope of consolidation due to dissolution.</p> <p>Moreover, FXO has been excluded from the scope of consolidation due to the sale of all of the shares.</p>	<p>(1) Number of consolidated subsidiaries: 13</p> <p>Names of major consolidated subsidiaries:</p> <ul style="list-style-type: none"> ●FinTech Global Securities, Inc. ●Stellar Capital AG ●Crane Reinsurance Limited ●Entrust, Inc. ●SP&W Asklepius Investment Partnership No. 4 ●FINTECH GIMV FUND, L. P. (FGF) ●Public Management Consulting, Inc. <p>Yugen Kaisha Hibiki, RF Funding One Co., Ltd. FGI Medical Finance, Inc. and FinTech Principal Investment, Inc. have been excluded from the scope of consolidation due to completion of liquidation. Yugen Kaisha NJ Steel Beta, Godo Kaisha TSM Sixty Four Alfa, and Godo Kaisha TSM Sixty Four Beta have been excluded from the scope of consolidation as a result of disposal. Reliable Factors Co., Ltd. has been excluded from the scope of consolidation as a result of the repurchase of all its own shares owned by the Company.</p> <p>BELS Co., Ltd. and Shinei Realty Development Co., Ltd. have been consolidated due to the acquisition of their voting rights. Antares asset Godo Kaisha has been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as risks associated with profits and losses of this company.</p>

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
2. Application of the Equity method	<p>FGI Investment Two Incorporated, TSM Fourteen Incorporated, FGI Investment Three Incorporated, Godo Kaisha Toranomom 1-chome Kaihatsu and FinTech Global Asset Management Inc. have been excluded from the scope of consolidation due to the fact that the Company does not assume the majority of rights and duties nor risks associated with profits and losses of those companies.</p> <p>(2) Names of major unconsolidated subsidiaries:</p> <ul style="list-style-type: none"> • FGI Property Funding Incorporated • FinTech Global Capital, LLC <p>(3) Reasons for excluding from the scope of consolidation The unconsolidated subsidiaries are small, and their total assets, revenue, net income and losses (amount proportionate to equity share), and retained earnings (amount proportionate to equity share) have no material impact on the consolidated financial statements.</p> <p>(1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 6</p> <p style="text-align: center;">———</p> <p>(Reasons for excluding from the scope of the application of the equity method) RF Funding One Co., Ltd. has been consolidated in the fiscal year 2008 since it has become a material subsidiary. TSM Fifteen Incorporated, TSM Seventeen Incorporated and two Silent Partnerships (Tokumei-Kumiai) have been excluded from the scope of consolidation due to liquidation. A Silent Partnership (Tokumei-Kumiai) has been consolidated, considering an operator and a silent partnership (Tokumei-Kumiai) to be one united subsidiary.</p> <p>(2) Names of major unconsolidated subsidiaries and affiliates which are not accounted for by the equity method:</p> <ul style="list-style-type: none"> • FGI Property Funding Incorporated • FinTech Global Capital, LLC <p>(3) Reasons for not applying the equity method) The equity method of accounting has not been applied to the company because it has immaterial impact on the net income or losses (amount proportionate to equity share), and the retained earnings (amount proportionate to equity share) of the consolidated financial statements.</p>	<p>(2) Names of major unconsolidated subsidiaries: Same as at left</p> <p>(3) Reasons for excluding from the scope of consolidation Same as at left</p> <p>(1) Number of unconsolidated subsidiaries and affiliates accounted for by the equity method: 6</p> <p style="text-align: center;">———</p> <p>(2) Names of unconsolidated subsidiaries and affiliates which are not accounted for by the equity method: Same as at left</p> <p>(3) Reasons for not applying the equity method Same as at left</p>

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)																								
<p>3. Fiscal Year Ends of Consolidated Subsidiaries</p>	<p>Fiscal year ends of consolidated subsidiaries:</p> <table border="0"> <tr><td>End of January:</td><td>1</td></tr> <tr><td>End of March:</td><td>1</td></tr> <tr><td>End of June:</td><td>3</td></tr> <tr><td>End of August:</td><td>1</td></tr> <tr><td>End of September:</td><td>9</td></tr> <tr><td>End of November:</td><td>1</td></tr> <tr><td>End of December:</td><td>2</td></tr> </table> <p>Subsidiaries with the fiscal year ends at January 31, March 31, November 30 and December 31 are consolidated based on preliminary results determined as of the consolidated balance sheet date.</p> <p>Subsidiaries with the fiscal year ends at June 30 and August 31 are consolidated based on the financial statements for their respective fiscal year ends.</p> <p>Significant transactions occurring during the intervening periods are reflected in the consolidated financial statements.</p>	End of January:	1	End of March:	1	End of June:	3	End of August:	1	End of September:	9	End of November:	1	End of December:	2	<p>Fiscal year ends of consolidated subsidiaries:</p> <table border="0"> <tr><td>End of March:</td><td>1</td></tr> <tr><td>End of June:</td><td>2</td></tr> <tr><td>End of August:</td><td>2</td></tr> <tr><td>End of September:</td><td>5</td></tr> <tr><td>End of December:</td><td>3</td></tr> </table> <p>Subsidiaries with the fiscal year ends at March 31 and December 31 are consolidated based on preliminary results determined as of the consolidated balance sheet date.</p> <p>Subsidiaries with the fiscal year ends at June 30 and August 31 are consolidated based on the financial statements for their respective fiscal year ends.</p> <p>Significant transactions occurring during the intervening periods are reflected in the consolidated financial statements.</p>	End of March:	1	End of June:	2	End of August:	2	End of September:	5	End of December:	3
End of January:	1																									
End of March:	1																									
End of June:	3																									
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End of December:	2																									
End of March:	1																									
End of June:	2																									
End of August:	2																									
End of September:	5																									
End of December:	3																									
<p>4. Summary of Significant Accounting Policies</p> <p>(1) Bases and methods of valuation of important assets</p>	<p>(i) Trading securities Trading securities are stated at fair market value. Costs are determined by the moving-average method.</p> <p>Other securities with fair market value: Other securities with fair market value are stated at fair value. Unrealized holding gains and losses, net of the related tax effect, are recorded as an accumulated comprehensive income until realized. Costs are determined by the moving-average method.</p> <p>Other securities with no fair market value: Other securities with no fair market value are stated at cost. Costs are determined by the moving-average method.</p> <p>However, investments in Silent Partnership (Tokumei-Kumiai) are determined by the specific-identification method. Details are shown in “(7) Other significant policies to prepare consolidated financial statements (ii) Investments in Silent Partnership (Tokumei-Kumiai) included in investments in securities, trade.</p> <p>(ii) Derivatives All derivatives are stated at fair value with changes in fair value being charged to net income or loss for the period in which they arise except for derivatives that are designated and qualified as hedging instruments.</p>	<p>(i) Trading securities</p> <p>Other securities with fair market value: Same as at left</p> <p>Other securities with no fair market value: Same as at left</p> <p>(ii) Derivatives Same as at left</p>																								

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
(2) Depreciation of important assets	<p>(iii) Inventory Cost on uncompleted contracts: Stated at cost determined by the specific-identification method</p> <p>Real estate for sale: Stated at cost determined by the specific identification method.</p> <p>(Additional information) The interest expenses paid for long-term and significant real estate development are included in the acquisition costs of real estate held for sale.</p> <p>(i) Property, plant and equipment Depreciation is computed, using the declining balance method.</p> <p>Useful lives for major assets are as follows:</p> <ul style="list-style-type: none"> • Buildings: 6-24 years • Furniture and equipment: 2-20 years <p>(ii) Intangible fixed assets Stated at cost determined, by using the straight-line method. Software for in-house use is accounted for with the straight-line method over useful life (three to five years).</p>	<p>(iii) Inventory —————</p> <p>Real estate for sale: Stated at cost determined by the specific identification method (reduction of book value based on declining profitability method).</p> <p>(i) Property, plant and equipment Same as at left</p> <p>Useful lives for major assets are as follows:</p> <ul style="list-style-type: none"> • Buildings: 3-24 years • Furniture and equipment: 2-20 years <p>(ii) Intangible fixed assets Same as at left</p> <p>(iii) Leased assets Stated at cost determined by using the straight-line method with useful life as the lease period and residual value as zero. Also, for finance leases were in place which before the amendment to the Accounting Standard for Leases are accounted for in the same manner as operating leases</p>
(3) Important Deferred Assets	<p>Stock distribution costs</p> <p>Recorded as expenses when incurred</p>	<p>Stock distribution costs —————</p>
(4) Important allowances	<p>(i) Allowance for doubtful accounts The Company provides allowances for doubtful accounts by the method that compares on the rates of its own historical actual bad debt loss against the balance of total receivables as well as the amount of uncollectible receivables estimated on an individual basis.</p> <p>(ii) Accrued employee bonuses Accrued employee bonuses are provided for at amount which is expected to be paid for employee bonuses.</p> <p>(iii) Reserve for guarantee losses To provide loss on guarantee liability, the amount for the allowance has been recorded by the mark-to-market method in line with the internal policies</p>	<p>(i) Allowance for doubtful accounts Same as at left</p> <p>(ii) Accrued employee bonuses Same as at left</p> <p>(iii) Reserve for guarantee losses Same as at left</p>

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
	<p>(iv) Accrued retirement benefits Accrued retirement benefits are provided at the amount that would be required to be paid if all the eligible employees voluntarily retire at the end of the consolidated fiscal year.</p> <p>The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.</p>	<p>(iv) Accrued retirement benefits Same as at left</p>
(5) Important leases	<p>Finance leases, except for those leases under which the ownership of leased assets is considered to be transferred to lessees, are accounted for in the same manner as operating leases.</p>	<p style="text-align: center;">—</p>
(6) Important hedge accounting	<p>(i) Methods of hedge accounting For interest rate swaps that meet the requirements for special treatment, special accounting treatment is adopted.</p> <p>(ii) Hedging vehicles and hedged items a) Hedging vehicles: Interest rate swaps b) Hedged items: Bank loans</p> <p>(iii) Hedging policy The Company has a policy to utilize the hedging instruments above in order to reduce their exposure to the risk of interest rate fluctuation.</p> <p>(iv) Methods of hedge efficiency assessment Efficiency assessment for interest rate swaps is omitted as they meet the requirements for special treatment.</p>	<p>(i) Methods of hedge accounting Same as at left</p> <p>(ii) Hedging vehicles and hedged items Same as at left</p> <p>(iii) Hedging policy Same as at left</p> <p>(iv) Methods of hedge efficiency assessment Same as at left</p>
(7) Other significant policies to prepare consolidated financial statements	<p>(i) Accounting for consumption taxes Consumption tax and local consumption tax are excluded from the revenue and expense accounts which are subject to such taxes.</p> <p>(ii) Investments in Silent Partnership (Tokumei-Kumiai) included in investments in securities, trade</p> <p>Investments in Silent Partnership (Tokumei-Kumiai) included in investments in securities, trade are stated at cost, adjusted for equity in earnings and losses of partnership. The adjustments are recognized as “Revenue”.</p>	<p>(i) Accounting for consumption taxes Same as at left</p> <p>(ii) Investments in Silent Partnership (Tokumei-Kumiai) included in investments in securities, trade</p> <p>Investments in Silent Partnership (Tokumei-Kumiai) included in investments in securities, trade are stated at cost, adjusted for equity in earnings and losses of partnership. The adjustments are recognized as “Operating income”.</p>

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
<p data-bbox="204 651 360 797">5. Valuation of assets and liabilities of consolidated subsidiaries</p> <p data-bbox="204 831 347 913">6. Amortization of Goodwill</p> <p data-bbox="204 947 331 1030">7. Cash and Cash Equivalents</p>	<p data-bbox="411 275 898 622">(iii) Methods for allocating financing expenses The financing expenses of the Company providing with lending services are classified into financing expenses associated with operating revenues and other financing expenses. In allocating those expenses, the total assets are allocated between assets for business transactions and other assets, and based on the balance of the allocated assets, the financing expenses for the operating assets are classified as the cost of revenue, and the financing expenses for other assets are classified as other expense.</p> <p data-bbox="411 656 863 712">Assets and liabilities of the consolidated subsidiaries are initially recorded at fair value.</p> <p data-bbox="411 831 831 887">Goodwill is amortized by the straight-line method over 5 years.</p> <p data-bbox="411 947 898 1093">For the purpose of the consolidated statement of cash flows, the Company considers all highly liquid investments with an insignificant risk of changes in value and with original maturities of three months or less to be cash equivalents.</p>	<p data-bbox="946 275 1406 331">(iii) Methods for allocating financing expenses Same as at left</p> <p data-bbox="946 656 1094 678">Same as at left</p> <p data-bbox="946 831 1094 853">Same as at left</p> <p data-bbox="946 947 1094 969">Same as at left</p>

(7) Changes in Accounting Policy

<p style="text-align: center;">Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)</p>	<p style="text-align: center;">Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)</p>
<p style="text-align: center;">—</p>	<p>(Accounting standard for valuation of inventory) Costs for inventory held for sales have been traditionally determined by the specific-identification method, however the specific identification method (reduction of book value based on declining profitability method) has been used to determine costs in the current fiscal year as a result of the application of “Accounting standard for valuation of inventory” (issued on 5th July 2006 in Corporate accounting standard No.9). There is no significant impact on income and losses in the consolidated financial statements.</p> <p>(Change in investments in Silent Partnership (Tokumei-Kumiai) included in investments in securities, trade) The group has been investing in Silent Partnerships. Investments in securities, trade had been stated at cost, adjusted for equity in earnings and losses of partnership and the adjustments had been recognized as “Revenue”. However from this fiscal year, investments in securities, trade have been stated at cost, adjusted for equity in earnings and losses of partnership and the adjustments have been recognized as “Operating income”. There is no impact on profit and losses in the consolidated financial statements.</p> <p>(Accounting standard for Leases) Finance leases under which there is no transfer of ownership had been traditionally accounted for in the same manner as operating leases, however from this fiscal year they are accounted for in accordance with “Accounting standard for Leases” (issued on 17th June 1993 in Corporate accounting standard No.13 by the first panel of the Accounting Standard Boards of Japan, and amended on 30th March 2007) and “Application guidelines for Accounting standard for Leases” (issued on 18th Jan. 1994 in Application Guidelines for Corporate accounting standard No.16 by Accounting System Committee of Japanese Institute of Certified Public Accountants, and amended on 30th March 2007). Finance leases under which there is no transfer of ownership and which had occurred before the first year of application of amendment to Accounting standard for Leases were accounted for in the same manner as operating leases. There is a minimal impact on profit and loss in the consolidated financial statements.</p>

Changes in Presentation

<p style="text-align: center;">Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)</p>	<p style="text-align: center;">Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)</p>
<p>(Note to consolidated balance sheets) Accrued income, amounting to ¥663,863 thousand, was included in "Others" under current assets on the consolidated balance sheet of the fiscal year 2007. However, other receivable was separately disclosed in the fiscal year 2008 since the amount exceeded 5% of the total assets.</p> <p>(Note to consolidated statements of income) Loss from effect of exchange rate, amounting to ¥23,193 thousand, was included in "Others" under other expenses on the consolidated statements of income of the fiscal year 2007. However, Loss from effect of exchange rate was separately disclosed in the fiscal year 2008 since the amount exceeded 10% of the total other expenses.</p>	<p>(Note to consolidated balance sheets) Accrued income (balance of ¥635,277 thousand at the fiscal year end), which had been separately disclosed in the fiscal year 2008, was included in "Others" under current assets on the consolidated balance sheet of the fiscal year 2009 since the amount was less than 5% of total assets.</p> <p>(Note to consolidated statements of income) Bad debts loss, amounting to ¥999,999 thousand, was included in "Others" under selling, general and administrative expenses on the consolidated statements of income of the fiscal year 2008. However, bad debts loss was separately disclosed in the fiscal year 2009 since the amount exceeded 10% of the total selling, general and administrative expenses.</p>

(8)Notes to Consolidated Balance Sheets

Fiscal Year 2008 (As of September 30, 2008)	Fiscal Year 2009 (As of September 30, 2009)																																																						
<p>※1. Investment in securities of non-consolidated subsidiaries and affiliates are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Investment in securities, trade (other securities)</td> <td style="text-align: right;">¥49</td> </tr> <tr> <td>Investments in capital</td> <td style="text-align: right;">¥54,595</td> </tr> </table> <p>※2. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">¥23,892,400</td> </tr> <tr> <td>Loans receivable, trade</td> <td style="text-align: right;">4,270,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥28,162,400</td> </tr> </table> <p>Of the pledged assets above, asset for non recourse loans was as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">¥23,300,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥23,300,000</td> </tr> </table> <p>Collateralized loan from banks were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Short-term debt</td> <td style="text-align: right;">¥29,072,400</td> </tr> <tr> <td>Long-term debt due within one year</td> <td style="text-align: right;">1,350,000</td> </tr> <tr> <td>Long-term debt</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥30,452,400</td> </tr> </table> <p>Of the pledged assets above, asset for non recourse loans was as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Short-term debt</td> <td style="text-align: right;">¥23,300,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥23,300,000</td> </tr> </table>		(Thousands of yen)	Investment in securities, trade (other securities)	¥49	Investments in capital	¥54,595		(Thousands of yen)	Inventory	¥23,892,400	Loans receivable, trade	4,270,000	Total	¥28,162,400		(Thousands of yen)	Inventory	¥23,300,000	Total	¥23,300,000		(Thousands of yen)	Short-term debt	¥29,072,400	Long-term debt due within one year	1,350,000	Long-term debt	30,000	Total	¥30,452,400		(Thousands of yen)	Short-term debt	¥23,300,000	Total	¥23,300,000	<p>※1. Investment in securities of non-consolidated subsidiaries and affiliates are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Investment in securities, trade (other securities)</td> <td style="text-align: right;">¥155,061</td> </tr> <tr> <td>Investments in capital</td> <td style="text-align: right;">¥54,223</td> </tr> </table> <p>※2. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Cash and time deposit</td> <td style="text-align: right;">¥100,119</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥100,119</td> </tr> </table> <p>Of the pledged assets above, asset for non recourse loans was as follows:</p> <p style="text-align: center;">—————</p> <p>Collateralized loans from banks were as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Short-term debt</td> <td style="text-align: right;">¥100,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥100,000</td> </tr> </table> <p>Of the pledged assets above, asset for non recourse loans was as follows:</p> <p style="text-align: center;">—————</p>		(Thousands of yen)	Investment in securities, trade (other securities)	¥155,061	Investments in capital	¥54,223		(Thousands of yen)	Cash and time deposit	¥100,119	Total	¥100,119		(Thousands of yen)	Short-term debt	¥100,000	Total	¥100,000
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<p>※6. The following special purpose companies have been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as the risks associated with the profits and losses of those companies.</p> <ul style="list-style-type: none"> ● Blenheim Partners One Incorporated ● Yugen Kaisya Hibiki ● Yugen Kaisha NJ Steel Beta ● Godo Kaisha TSM Sixty Four Alfa ● Godo Kaisha TSM Sixty Four Beta <p>Major assets and liabilities of the above special purpose companies, which are included in the consolidated balance sheet, are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">¥34,688,618</td> </tr> <tr> <td>Shot-term debt</td> <td style="text-align: right;">¥23,300,000</td> </tr> </table> <p>※7. Companies have executed a commitment-line contract with its banks to make appropriation for a fund for investments and loans. The credit line under this contract and the amount of the outstanding are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Total commitment</td> <td style="text-align: right;">¥7,100,000</td> </tr> <tr> <td>Executed loans</td> <td style="text-align: right;">5,300,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Unused balance</td> <td style="text-align: right; border-top: 1px solid black;">¥1,800,000</td> </tr> </table> <p style="text-align: center;">_____</p>		(Thousands of yen)	Inventory	¥34,688,618	Shot-term debt	¥23,300,000		(Thousands of yen)	Total commitment	¥7,100,000	Executed loans	5,300,000	Unused balance	¥1,800,000	<p>※6. The following special purpose companies have been consolidated due to the fact that the Company substantially assumes the majority of rights and duties as well as the risks associated with the profits and losses of those companies.</p> <ul style="list-style-type: none"> ● Blenheim Partners One Incorporated ● Antares Asset Godo Kaisha <p>Major assets and liabilities of the above special purpose companies, which are included in the consolidated balance sheet, are as follows:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td></td> <td style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td>Inventory</td> <td style="text-align: right;">¥552,000</td> </tr> </table> <p>※7. _____</p> <p>※8. Trading securities include bonds with carrying value of ¥229,500 thousand (face value of ¥270,000 thousand).</p>		(Thousands of yen)	Inventory	¥552,000
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Notes to Consolidated Statements of Income

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)																												
<p>※1. The following is the breakdown of revenue from investment banking business:</p> <p style="text-align: right;">(Thousands of yen)</p> <table> <tr> <td>Arrangement operations:</td> <td style="text-align: right;">¥2,191,237</td> </tr> <tr> <td>(Arrangement services:</td> <td style="text-align: right;">2,082,237)</td> </tr> <tr> <td>(Arrangement services with credit enhancement:</td> <td style="text-align: right;">109,000)</td> </tr> <tr> <td>Principal finance operations:</td> <td style="text-align: right;">2,048,741</td> </tr> <tr> <td>Other investment banking operations:</td> <td style="text-align: right;">348,350</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>¥4,588,330</u></td> </tr> </table>	Arrangement operations:	¥2,191,237	(Arrangement services:	2,082,237)	(Arrangement services with credit enhancement:	109,000)	Principal finance operations:	2,048,741	Other investment banking operations:	348,350	<u>Total</u>	<u>¥4,588,330</u>	<p>※1. The following is the breakdown of revenue from investment banking business:</p> <p style="text-align: right;">(Thousands of yen)</p> <table> <tr> <td>Arrangement operations:</td> <td style="text-align: right;">¥603,315</td> </tr> <tr> <td>(Arrangement services:</td> <td style="text-align: right;">603,315)</td> </tr> <tr> <td>(Arrangement services with credit enhancement:</td> <td style="text-align: right;">-)</td> </tr> <tr> <td>Principal finance operations:</td> <td style="text-align: right;">448,805</td> </tr> <tr> <td>Other investment banking operations:</td> <td style="text-align: right;">124,912</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>¥1,177,032</u></td> </tr> </table>	Arrangement operations:	¥603,315	(Arrangement services:	603,315)	(Arrangement services with credit enhancement:	-)	Principal finance operations:	448,805	Other investment banking operations:	124,912	<u>Total</u>	<u>¥1,177,032</u>				
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<p>※2. The following is the breakdown of revenue from the reinsurance/financial guarantee businesses:</p> <p>(Financial Guarantee Business)</p> <p style="text-align: right;">(Thousands of yen)</p> <table> <tr> <td>Gross guarantee fees</td> <td style="text-align: right;">¥462,602</td> </tr> <tr> <td>Decrease/(increase) in unearned guarantee fees</td> <td style="text-align: right;">(13,679)</td> </tr> <tr> <td><u>Guarantee arrangement fees</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>¥448,923</u></td> </tr> </table> <p>(Reinsurance Business)</p> <p style="text-align: right;">(Thousands of yen)</p> <table> <tr> <td>Reinsurance premiums assumed</td> <td style="text-align: right;">¥(154,655)</td> </tr> <tr> <td>Reinsurance premiums ceded</td> <td style="text-align: right;">(83,500)</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>¥(238,155)</u></td> </tr> </table>	Gross guarantee fees	¥462,602	Decrease/(increase) in unearned guarantee fees	(13,679)	<u>Guarantee arrangement fees</u>	<u>-</u>	<u>Total</u>	<u>¥448,923</u>	Reinsurance premiums assumed	¥(154,655)	Reinsurance premiums ceded	(83,500)	<u>Total</u>	<u>¥(238,155)</u>	<p>※2. The following is the breakdown of revenue from the reinsurance/financial guarantee businesses:</p> <p>(Financial Guarantee Business)</p> <p style="text-align: right;">(Thousands of yen)</p> <table> <tr> <td>Gross guarantee fees</td> <td style="text-align: right;">¥915,815</td> </tr> <tr> <td>Decrease/(increase) in unearned guarantee fees</td> <td style="text-align: right;">310,881</td> </tr> <tr> <td><u>Guarantee arrangement fees</u></td> <td style="text-align: right;"><u>-</u></td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>¥1,226,696</u></td> </tr> </table> <p>(Reinsurance Business)</p> <p style="text-align: right;">(Thousands of yen)</p> <table> <tr> <td>Reinsurance premiums assumed</td> <td style="text-align: right;">¥375,805</td> </tr> <tr> <td>Reinsurance premiums ceded</td> <td style="text-align: right;">(46,500)</td> </tr> <tr> <td><u>Total</u></td> <td style="text-align: right;"><u>¥329,305</u></td> </tr> </table>	Gross guarantee fees	¥915,815	Decrease/(increase) in unearned guarantee fees	310,881	<u>Guarantee arrangement fees</u>	<u>-</u>	<u>Total</u>	<u>¥1,226,696</u>	Reinsurance premiums assumed	¥375,805	Reinsurance premiums ceded	(46,500)	<u>Total</u>	<u>¥329,305</u>
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Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)				Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)			
※3. Loss due to impairment Loss due to impairment was recognized on the following asset groups in the fiscal year. (1) Assets on which impairment loss recognized (Thousands of yen)				※3. Loss due to impairment Loss due to impairment was recognized on the following asset groups in the fiscal year. (1) Assets on which impairment loss recognized (Thousands of yen)			
Area	Purpose	Type of asset	Loss due to impairment	Area	Purpose	Type of asset	Loss due to impairment
Minatoku, Tokyo	-	Goodwill	¥14,023	Switzerland	Assets for business	Buildings	¥7,937
Minatoku, Tokyo	-	Goodwill	¥2,479			Furniture and equipment	¥14,646
						Software	¥2,298
(2) Reasons for recognition The Company groups recognized impairment loss under extraordinary loss since expected future cash flows from the investments are not considered to be fully recoverable.				(2) Reasons for recognition Same as at left.			
(3) Grouping assets For the purpose of determining fixed assets that are impaired, the Company groups its fixed assets based on the type of business and business condition.				(3) Grouping assets Same as at left.			
(4) Method for calculating collectible amount The recoverable amount was calculated by using net sales price, which was based on reasonable estimates since market price does not exist.				(4) Method for calculating collectible amount The recoverable amount for the Group was calculated by using utility value, and expected future cash flows were discounted 6.77%.			
※4. Loss from system changes In the transfer of the shares of FXO, the expenses of system changes, which are due to the relocation of system, have been recorded in extraordinary loss.							

Notes to Consolidated Statements of Changes in Net Assets

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)

1. The type of issued stock and the number of shares

Type of stock	Number of shares as of September 30, 2007	Increases	Decreases	Number of shares as of September 30, 2008
Issued stock Common stock	1,202,560	5,575	-	1,208,135

(Reasons for changes)

The increases in number of shares were resulted from the following:

Exercise of stock acquisition rights (stock options) 5,575 shares

2. Stock acquisition rights

Name of company	Details	Type of stock to be issued	Number of shares to be issued for the stock acquisition rights			Balance as of September 30, 2008 (Thousands of yen)
			As of September 30, 2007	Increases	Decreases	
FinTech Global Incorporated	Stock acquisition rights on the Euro-yen denominated bonds issued in February 2007	Common stock	139,785	-	-	139,785
	Stock acquisition rights (stock options)	-	-	-	-	17,659
Total			139,785	-	-	139,785

Note: Number of shares to be issued for the stock acquisition rights represents the maximum number of shares derived through the exercise of stock acquisition rights.

3. Dividends

(1) Dividends paid

Resolution	Type of stock	Total dividends (Thousands of yen)	Dividend per share (Yen)	Record date	Effective date
General shareholders' meeting on December 20, 2007	Common stock	901,920	750	September 30, 2007	December 21, 2007
Board of directors' meeting on May 15, 2008	Common stock	199,317	165	March 31, 2008	June 13, 2008

(2) Dividends of which the record date falls in the current fiscal year but the effective date falls in the following fiscal year.
Not applicable

Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)

1. The type of issued stock and the number of shares

Type of stock	Number of shares as of September 30, 2008	Increases	Decreases	Number of shares as of September 30, 2009
Issued stock Common stock	1,208,135	-	-	1,208,135

2. Stock acquisition rights

Name of company	Details	Type of stock to be issued	Number of shares to be issued for the stock acquisition rights				Balance as of September 30, 2009 (Thousands of yen)
			As of September 30, 2008	Increases	Decreases	As of September 30, 2008	
FinTech Global Incorporated	Stock acquisition rights on the Euro-yen denominated bonds issued in February 2007	Common stock	139,785	- (1,702)	89,659	50,126 (1,702)	-
	Stock acquisition rights (stock options)	-	-	-	-	-	20,572
Total			139,785	- (1,702)	89,659	50,126 (1,702)	20,572

Note:

- (1) Number of shares to be issued for the stock acquisition rights represents the maximum number of shares derived through the exercise of stock actuation rights.
- (2) Equity warrants on treasury stocks are shown in parentheses.
- (3) Outline of the change in the number of shares to be issued;
The decrease in the number of Stock acquisition rights on the Euro-yen denominated bonds with stock acquisition rights issued in February 2007 is due to retirement by purchase. Also the increase in the number of equity warrants on treasury stocks is due to acquisition.
- (4) The first day of the exercise period for the part of the fifth Stock acquisition rights and the sixth Stock acquisition rights has not yet arrived.

3. Dividends

(1) Dividends paid
Not applicable

(2) Dividends of which the record date falls in the current fiscal year but the effective date falls in the following fiscal year.
Not applicable

Notes to Consolidated Statements of Cash Flows

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)																																								
※1. Cash and cash equivalents was computed as follows: (Thousands of yen)	※1. Cash and cash equivalents was computed as follows: (Thousands of yen)																																								
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Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
3. The assets and liabilities of a subsidiary which has not been subject to consolidation	※3. The assets and liabilities of a subsidiary not subject to consolidation are as follows
(Thousands of yen)	(Thousands of yen)
FX Online Japan Co., Ltd.:	Yugen Kaisha NJ Steel Beta:
Current assets	Current assets
¥15,976,592	¥29,874,677
Fixed assets	Fixed assets
388,998	529
Total assets	Current liabilities
¥16,365,590	(21,500,000)
Current liabilities	Minority interests
14,055,117	(3,000)
Total liabilities	Loss on sales of Investments in securities, trade
¥14,055,117	(8,372,206)
Sale price	Sale price
12,734,732	¥0
Accrued income	Cash and cash equivalents
(8,151,160)	(502,905)
Cash and cash equivalents	Payment for sale
(2,367,177)	¥(502,905)
Proceeds from sale	Godo Kaisha TSM Sixty Four Beta:
¥2,216,395	Current assets
	¥5,007,075
	Current liabilities
	(5,002,399)
	Long-term liabilities
	(602)
	Loss on sales of Investments in securities, trade
	(3,074)
	Valuation losses of Investments in securities, trade
	(1,000)
	Sales price
	¥0
	Cash and cash equivalents
	(59,765)
	Payment for sale
	¥(59,765)

(Omission of disclosure)

Notes in respect of leases, marketable securities, derivative transaction, retirement benefits, deferred tax, and stock options are not presented due to the fact that they are not considered necessary to be disclosed.

Segment Information

1. Segment information by business

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)

(Thousands of yen)

	Investment banking business	Reinsurance/financial guarantee business	FX (Foreign Exchange) business	Real estate related business	Other business	Total	Elimination or corporate	Consolidated total
I Revenue and operating income								
Revenue								
(1) Revenue to third party	¥4,588,330	¥210,767	¥7,018,213	¥2,268,769	¥79,218	¥14,165,298	-	¥14,165,298
(2) Inter-segment revenue	729,057	-	-	-	-	729,057	(729,057)	-
Total	5,317,387	210,767	7,018,213	2,268,769	79,218	14,894,355	(729,057)	14,165,298
Operating expenses	11,775,660	862,454	4,260,062	5,466,680	73,525	22,438,383	(32,780)	22,405,602
Operating income (loss)	(6,458,273)	(651,687)	2,758,151	(3,197,910)	5,692	(7,544,027)	(696,276)	(8,240,303)
II Assets, depreciation, loss due to impairment and capital expenditure								
Assets	40,665,940	13,572,571	-	22,675,178	393,669	77,307,359	1,713,833	79,021,192
Depreciation	57,333	23,107	28,776	1,385	250	110,851	-	110,851
Loss due to impairment	16,502	-	-	-	-	16,502	-	16,502
Capital expenditure	113,652	36,015	301,494	-	74,667	525,830	-	525,830

Notes: 1. Business segments are grouped according to the market similarities.

2. Principal business activities in each segment

(1) Investment banking business: Arrangement operations, principal finance operations, and other investment banking operations

(2) Reinsurance/financial guarantee business: Credit enhancement and reinsurance underwriting

(3) FX (Foreign Exchange) business: Foreign exchange margin trading business on internet

(4) Real estate related business: Real estate development and trade, lease and brokerage

(5) Other business: Sale and development of software for public accounting and consulting services

3. There are no non-allocable operating expenses in "elimination or corporate".

4. There are no corporate assets in "elimination or corporate".

5. FX Online Japan Co., Ltd has been excluded from the scope of consolidation due to the sale of all of the shares in the fiscal year 2008.

The profits or losses during the period are included in the consolidated statements of income and the segment information by business.

Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)

(Thousands of yen)

	Investment banking business	Reinsurance/ financial guarantee business	Real estate related business	Other business	Total	Elimination or corporate	Consolidated total
I Revenue and operating income							
Revenue							
(1) Revenue to third party	¥1,177,032	¥1,556,002	¥7,402,707	¥249,599	¥10,385,341	-	¥10,385,341
(2) Inter-segment revenue	39,258	-	-	-	39,258	(39,258)	-
Total	1,216,291	¥1,556,002	¥7,402,707	¥249,599	10,424,600	(39,258)	10,385,341
Operating expenses	22,086,782	1,533,667	8,547,601	311,543	32,479,594	(1,773,218)	30,706,376
Operating income (loss)	(20,870,491)	22,335	(1,144,894)	(61,944)	(22,054,994)	1,733,960	(20,321,034)
II Assets, depreciation, loss due to impairment and capital expenditure							
Assets	10,825,779	9,054,247	2,693,991	370,252	22,944,270	(7,178,205)	15,766,064
Depreciation	63,268	24,902	75,703	54,277	218,152	-	218,152
Loss due to impairment	-	24,881	-	-	24,881	-	24,881
Capital expenditure	9,463	25,186	489,548	37,355	561,554	-	561,554

Notes: 1. Business segments are grouped according to the market similarities.

2. Principal business activities in each segment

(1) Investment banking business: Arrangement operations, principal finance operations, and other investment banking operations

(2) Reinsurance/financial guarantee business: Credit enhancement and reinsurance underwriting

(3) FX (Foreign Exchange) business: Foreign exchange margin trading business on internet

(4) Real estate related business: Real estate development and trade, lease and brokerage

3. There are no non-allocable operating expenses in "elimination or corporate".

4. There are no corporate assets in "elimination or corporate".

2. Segment information by geographical areas

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)

(Thousands of yen)

	Japan	Europe and Americas	Total	Elimination or corporate	Consolidated total
I Revenue and operating income					
Revenue					
(1) Revenue to third party	¥14,173,009	¥(7,710)	¥14,165,298	-	¥14,165,298
(2) Inter-segment revenue	-	13,133	13,133	(13,133)	-
Total	14,173,009	5,423	14,178,432	(13,133)	14,165,298
Operating expenses	22,092,162	326,574	22,418,736	(13,133)	22,405,602
Operating income	(7,919,152)	(321,151)	(8,240,303)	-	(8,240,303)
II Assets	73,434,555	12,585,026	86,019,581	¥(6,998,388)	79,021,192

Notes: 1. National and regional segments are grouped according to the geographical proximity.

2. Countries and regions associated with the geographical segments outside of Japan

Europe and America: Switzerland and Bermuda

3. There are no non-allocable operating expenses in "elimination or corporate".

4. There are no corporate assets in "elimination or corporate".

Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)

(Thousands of yen)

	Japan	Europe and Americas	Total	Elimination or corporate	Consolidated total
I Revenue and operating income					
Revenue					
(1) Revenue to third party	9,997,367	387,974	10,385,341	-	10,385,341
(2) Inter-segment revenue	-	1,874	1,874	(1,874)	-
Total	9,997,367	389,849	10,387,216	(1,874)	10,385,341
Operating expenses	29,721,922	1,064,340	30,786,263	(79,887)	30,706,376
Operating income	△19,724,555	△674,491	(20,399,046)	78,012	(20,321,034)
II Assets	11,878,924	9,035,124	20,914,048	(5,147,983)	15,766,064

Notes: 1. National and regional segments are grouped according to the geographical proximity.

2. Countries and regions associated with the geographical segments outside of Japan

Europe and America: Switzerland and Bermuda

3. There are no non-allocable operating expenses in "elimination or corporate".

4. There are no corporate assets in "elimination or corporate".

3. Overseas Sales

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)

Because sales overseas correspond to less than 10% of total sales, the information regarding overseas sales was omitted from the fiscal year 2008.

Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)

Because sales overseas correspond to less than 10% of total sales, the information regarding overseas sales was omitted from the fiscal year 2009.

Per Share Information

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)		Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)	
	(Yen)		(Yen)
Net assets per share	¥13,911.77	Net assets per share	¥3,851.31
Net loss per share	¥5,937.48	Net loss per share	¥10,008.43
Net income (diluted) per share is not presented in the fiscal year 2008 due to the net loss per share.		Net income (diluted) per share is not presented in the fiscal year 2008 due to the net loss per share.	

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

Items	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Net income (Net loss) per share		
Net income (loss) (Thousands of yen)	¥(7,160,694)	¥(12,091,075)
Amounts not reverting to ordinary shareholders	-	453
Net income (loss) for common stock (Thousands of yen)	(7,160,694)	(12,091,529)
Average number of common stock	1,206,016	1,208,135

Items	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Detail of potential common stock excluded from the calculation of the diluted net income per share as a result of non-dilution effects	<p>FinTech Global Incorporated: Stock acquisition rights (Stock options) based on the special resolution at the shareholders' meeting held on December 25, 2001: (Common stock: 725shares)</p> <p>Stock acquisition rights (Stock options) issued on June 16, 2004 and December 14, 2004 based on the special resolution at the shareholders' meeting held on June 16, 2004: 524 units (Common stock: 39,300shares)</p> <p>Stock acquisition rights (Stock options) issued on December 2, 2005 based on the special resolution at the shareholders' meeting held on December 3, 2004: 146 units (Common stock: 10,950shares)</p> <p>Stock acquisition rights (Stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 590 units (Common stock: 2,950shares)</p> <p>Stock acquisition rights on Euro-Yen convertible bonds with attaching stock acquisition rights issued on February 8, 2007: 2,217 units (Common stock: 139,785shares)</p> <p>Stock acquisition rights (Stock options) issued on June 4, 2007 based on the special resolution at the shareholders' meeting held on December 20, 2006: 1,127 units (Common stock: 1,127shares)</p> <p>Consolidated subsidiaries: Entrust, Inc.: Stock acquisition rights (Stock option) 76 units (Common stock 76 shares)</p> <p>Stock acquisition rights (Stock option) 101 units (Common stock 101 shares)</p>	<p>FinTech Global Incorporated: Stock acquisition rights (Stock options) based on the special resolution at the shareholders' meeting held on December 25, 2001: (Common stock: 725shares)</p> <p>Stock acquisition rights (Stock options) issued on June 16, 2004 and December 14, 2004 based on the special resolution at the shareholders' meeting held on June 16, 2004: 451 units (Common stock: 33,825shares)</p> <p>Stock acquisition rights (Stock options) issued on December 2, 2005 based on the special resolution at the shareholders' meeting held on December 3, 2004: 111 units (Common stock: 8,325shares)</p> <p>Stock acquisition rights (Stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 75 units (Common stock: 375shares)</p> <p>Stock acquisition rights on Euro-Yen convertible bonds with attaching stock acquisition rights issued on February 8, 2007: 795 units (Common stock: 50,126shares)</p> <p>Stock acquisition rights (Stock options) issued on June 4, 2007 based on the special resolution at the shareholders' meeting held on December 20, 2006: 808 units (Common stock: 808shares)</p> <p>Stock acquisition rights (Stock options) issued on December 29, 2008 based on the special resolution passed at the shareholders' meeting held on December 19, 2008: 250 units (Common stock: 250shares)</p> <p>Consolidated subsidiaries: Entrust, Inc.: Stock acquisition rights (Stock option) 76 units (Common stock 76 shares)</p> <p>Stock acquisition rights (Stock option) 101 units (Common stock 101 shares)</p>

Subsequent Events

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
—	—

V. Non-consolidated Financial Statements
FinTech Global Incorporated
As of and for the year ended September 30, 2009

(1) Non-consolidated Balance Sheets

(Unit: Thousands of yen)

	Fiscal Year 2008 (As of September 30, 2008)		Fiscal Year 2009 (As of September 30, 2009)
(Assets)			
Current assets			
Cash and time deposits	6,229,715	*1	3,320,962
Accounts receivable, trade	3,324		18,094
Trading securities	—	*9	229,500
Investments in securities, trade	*3 14,701,082	*3	6,513,910
Real estate for sale	*1 1,802,615		359,167
Cost of uncompleted contracts	6,712		—
Prepaid expenses	38,854		36,912
Deferred tax assets	678,323		—
Loans receivable, trade	*1, 3, 5, 6 22,370,000	*3, 5, 6	11,347,678
Short-term loans, receivable	*3 80,000	*3	908,346
Accrued income	7,469,296		—
Suspense income tax paid	1,335,308		—
Other current assets	427,945		116,248
Allowance for doubtful accounts	(7,809,660)		(12,240,726)
Total current assets	47,333,519		10,610,094
Fixed assets			
Property, plant and equipment			
Buildings	175,553		179,543
Accumulated depreciation	(37,180)		(60,607)
Buildings, net	138,373		118,935
Furniture and equipment	153,486		156,434
Accumulated depreciation	(62,157)		(96,080)
Furniture and equipment, net	91,329		60,353
Total property, plant and equipment	229,702		179,289
Intangible fixed assets			
Software	19,142		15,916
Other intangible fixed assets	532		532
Total intangible fixed assets	19,675		16,449
Investments and other Assets			
Investments in securities, trade	55,833		23,686
Investments in shares of subsidiaries and affiliates	11,085,083		11,091,198
Other investments in subsidiaries and affiliates	49		49
Investments in capital	63,595	*3	57,223
Long-term loans receivable	—	*3	65,828
Long-term period expenses	156		204
Security deposits	198,361		198,111
Others	3,050		761
Total investments and other assets	11,406,130		11,437,063
Total fixed assets	11,655,508		11,632,803
Total assets	58,989,028		22,242,898

(Unit: Thousands of yen)

	Fiscal Year 2008		Fiscal Year 2009	
	(As of September 30, 2008)		(As of September 30, 2009)	
(Liabilities)				
Current liabilities				
Accounts payable, trade		7,876		—
Short-term debt	※1,3	14,686,400	※3	7,644,686
Long-term debt due within one year	※1	1,818,300		180,000
Accrued liabilities		333,621		32,761
Accrued expenses		75,666		27,786
Income taxes payable		383		15,770
Deposits from customers		64,890	※3	1,201,803
Advance received profit		219,392		48,108
Accrued employee bonuses		116,173		90,000
Reserve for guarantee losses		—		13,006
Accounts payable for equipment		2,850		—
Other current liabilities		436		27,301
Total current liabilities		17,325,991		9,281,224
Long-term liabilities				
Bonds with stock acquisition rights		22,170,000		7,950,000
Long-term debt	※1	1,612,600		45,000
Accrued retirement benefits		37,652		39,382
Total long-term liabilities		23,820,252		8,034,382
Total liabilities		41,146,244		17,315,607
(Net assets)				
Shareholders' equity				
Common stock		10,764,317		10,764,317
Additional paid-in capital				
Capital surplus		10,351,900		10,351,900
Total additional paid-in capital		10,351,900		10,351,900
Retained earnings				
Other retained earnings				
Retained earnings carried forward		(3,283,746)		(16,208,021)
Total retained earnings		(3,283,746)		(16,208,021)
Total shareholders' equity		17,832,471		4,908,196
Valuation and translation adjustments				
Net unrealized gain / (loss) on other securities		(7,346)		(1,477)
Total valuation and translation adjustments		(7,346)		(1,477)
Stock acquisition rights		17,659		20,572
Total net assets		17,842,784		4,927,291
Total liabilities and net assets		58,989,028		22,242,898

(2) Non-consolidated Statements of Income

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Revenue		
Arrangement operations	2,197,237	603,315
Principal finance operations	626,059	483,674
Other investment banking operations	268,226	74,490
Guarantee operations	66,819	13,168
Real estate related business	546,043	3,670,853
Total revenue	3,704,386	4,845,502
Cost of revenue		
Arrangement operations	70,637	4,059
Principal finance operations	274,961	10,522,216
Other investment banking operations	14,958	690
Guarantee operations	308	—
Real estate related business	206,142	3,601,458
Total cost of revenue	567,007	14,128,425
Gross profit/(loss)	3,137,379	(9,282,922)
Selling, general and administrative expenses		
Directors' bonuses	213,335	143,656
Salaries	557,203	462,960
Employee bonuses	7,800	—
Transfer to allowance for doubtful accounts	7,646,965	4,469,340
Transfer to provision for accrued bonuses	154,260	97,298
Retirement benefit expenses	37,259	41,086
Entertainment expenses	38,371	17,218
Advertisement expenses	2,929	27,346
Depreciation and amortization	57,333	62,951
Rent	179,462	185,900
Tax and dues	173,779	100,041
Commission paid	490,026	511,296
Bad debts loss	999,999	4,937,918
Others	416,330	301,051
Total selling, general and administrative Expenses	10,975,055	11,358,066
Operating Income/(loss)	(7,837,676)	(20,640,989)
Other income		
Interest income	※1 12,253	※1 24,893
Dividends received	—	12
Late payment	9,270	—
Others	5,306	※1 6,147
Total other income	26,830	31,053
Other expenses		
Interest expense	※1 327,676	※1 49,149
Stock distribution costs	763	—
Commission paid	33,726	16,024
Others	339	5,016
Total other expenses	362,506	70,189
Ordinary profit/(loss)	(8,173,352)	(20,680,125)

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Extraordinary profit		
Gain on sales of shares of subsidiaries and Affiliates	4,059,722	68,668
Gain on redemption of bonds	—	9,874,410
Others	—	768
Total extraordinary profit	4,059,722	9,943,847
Extraordinary loss		
Loss on disposition of fixed assets	—	36
Loss on reorganization of subsidiary	1,462,293	4,497
Valuation loss on investments in subsidiaries and affiliates	475,685	1,378,747
Others	257,239	137,255
Total extraordinary loss	2,195,218	1,520,537
Income/(loss) before income taxes	(6,308,847)	(12,256,815)
Income taxes	171,252	4,637
Tax refund of income taxes	—	(15,501)
Income taxes adjustment	(423,514)	678,323
Total income taxes	(252,262)	667,460
Net income/(loss)	(6,056,585)	(12,924,275)

(3) Statement of Changes in Net Assets

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Shareholders' equity		
Common stock		
Balance at the end of last period	10,736,448	10,764,317
Change during this period		
Issuance of common stock	27,869	—
Total changes during this period	27,869	—
Balance at the end of this period	10,764,317	10,764,317
Additional paid-in capital		
Capital surplus		
Balance at the end of last period	10,351,900	10,351,900
Balance at the end of this period	10,351,900	10,351,900
Retained earnings		
Other retained earnings		
Retained earnings carried forward		
Balance at the end of last period	3,874,076	(3,283,746)
Change during this period		
Dividends	(1,101,237)	—
Net loss	(6,056,585)	(12,924,275)
Total changes during this period	(7,157,823)	(12,924,275)
Balance at the end of this period	(3,283,746)	(16,208,021)
Total shareholders' equity		
Balance at the end of last period	24,962,424	17,832,471
Change during this period		
Issuance of common stock	27,869	—
Dividends	(1,101,237)	—
Net loss	(6,056,585)	(12,924,275)
Total changes during this period	(7,129,953)	(12,924,275)
Balance at the end of this period	17,832,471	4,908,196
Valuation and translation adjustments		
Net unrealized gain/(loss) on other securities		
Balance at the end of last period	(17,1639)	(7,346)
Change during this period		
Net changes of items other than shareholders' equity	9,817	5,868
Total changes during this period	9,817	5,868
Balance at the end of this period	(7,346)	(1,477)
Stock acquisition rights		
Balance at the end of last period	4,974	17,659
Change during this period		
Net changes of items other than shareholders' equity	12,684	2,913
Total changes during this period	12,684	2,913
Balance at the end of this period	17,659	20,572

(Unit: Thousands of yen)

	Fiscal Year 2008 (From October 1, 2007 To September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Total net assets		
Balance at the end of last period	24,950,236	17,842,784
Change during this period		
Issuance of common stock	27,869	—
Dividends	(1,101,237)	—
Net loss	(6,056,585)	(12,924,275)
Net changes of items other than shareholders' equity	22,501	8,781
Total changes during this period	(7,107,451)	(12,915,493)
Balance at the end of this period	17,842,784	4,927,291

(4) Assumption of a Going Concern

<p style="text-align: center;">Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)</p>	<p style="text-align: center;">Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)</p>
<p>The finance industry, to which the FinTech Global Incorporated (hereinafter referred to as “the Company”) belongs, and the real estate industry, to which major clients of the Company belongs, have been hurt by the worldwide credit crunch and financial institutions, especially foreign-owned banks, have become increasingly reluctant to extend loans for real estate-related purposes.</p> <p>On top of that, capital turnover has slowed largely because amendments to the Building Standards Law have delayed construction starts.</p> <p>The real estate market has been facing a major adjustment phase due to the causes described above.</p> <p>In this environment, the financial arrangement expertise of the Company attracted inquiries from a wide-range of potential clients in the fiscal year 2008. However, the search for lenders to invest in clients’ real estate development projects was made difficult by the inability or unwillingness of several financial institutions to extend loans for real estate purposes. As a result, there was a reduction in the number of financial arrangements that the Company was able to package.</p> <p>Following a revised appraisal of a property being developed by a special purpose company into which an investment had been made, based on a silent partnership (Tokumei Kumiai) agreement, an amount—¥2,120,000 thousand—equivalent to the Company’s equity stake in this silent partnership (Tokumei Kumiai) was subtracted from net revenue. Consequently, non-consolidated net revenue for the fiscal year 2008 amounted to ¥3,704,386 thousand or ¥3,583,225 thousand less than the ¥7,287,612 thousand posted for the fiscal year 2007.</p> <p>The Company also recorded a provision for additional allowances for doubtful accounts and loss on doubtful accounts under non-consolidated selling, general and administrative expenses, against loans receivable, trade for some special purpose companies involved in certain real estate development projects. This led to an operating loss of ¥7,837,676 thousand which has raised doubts about the Company’s long term viability as a going concern.</p> <p>The Company will seek to erase doubt about its future viability through the business strategies, risk management practices, management efficiency measures and financial strategies described below.</p> <p>To buoy net revenue, the Company will promote business expansion geared to the corporate restructuring activities and fund-procurement needs specific to this period of correction in the real estate industry. The Company will enhance earnings by utilizing accumulated know-how in structured financing, a network of investors characterized by diversity, and a direct pipeline to insurance guarantees, and by providing sophisticated financial services to client companies. Higher earnings will underpin a return to an operating income position on a non-consolidated basis.</p>	<p>The FinTech Global Incorporated (hereinafter referred to as “the Company”) has been affected by the worldwide financial crisis and recession. Consequently, the Company has reduced its assets drastically by creating reserves against receivable loan obligations resulting in the Company recording valuation losses, loss on sales, and transfers to allowance for doubtful accounts, which has led to an operating loss for the year of ¥20,640,989 thousand.</p> <p>In addition, in view of the present share price and bond conversion price, a large percentage of the outstanding Euro-Yen convertible bonds with stock acquisition rights due 2012 (outstanding balance of ¥7,950,000 thousand as of 30th Sep. 2009. hereinafter referred to as “the bonds”) are expected to be redeemed for value 8th Feb. 2010 at the choice of the bond holders (hereinafter referred to as “the voluntary redemption”). As a result, necessary funds to cover this prospective voluntary redemption need to be secured. However, the schedule for collection of operating loans receivable, or procurement of funding to enable this to occur has not been confirmed at present.</p> <p>The above-mentioned situation has raised certain doubts about the Company’s long term viability as a going concern.</p> <p>The Company will seek to remove any doubt about its future viability through the measures described below.</p> <p>(1) Early establishment of the profit base</p> <p>The Company expects an early establishment of profit by raising funds from international and domestic investors and arranging these investments into the Company’s projects as new profit-earning opportunities, in addition to conventional debt finance arrangements. As well as sourcing investment projects and more actively encouraging investor development, the Company will enhance the capability of its asset management and securities functions, and consider alliances and acquisitions where necessary. As for public goods related projects, as well as expanding its public accounting, PPP (Public Private Partnership), and financial consulting and accumulating know-how, the Company will work to provide financial arrangement and asset management services.</p> <p>(2) Continued reduction in costs</p> <p>Although the Company has substantially revised its expense budget during the fiscal year, it will continue to trim the excesses from its business promotion.</p> <p>(3) Collection of loans receivable, trade</p> <p>The Company will continue negotiations with third parties regarding the collection of operating loans receivable, deciding the schedule as early as possible, and will seek to secure the necessary funds for redemption of bonds.</p>

<p style="text-align: center;">Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)</p>	<p style="text-align: center;">Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)</p>
<p>To reinforce risk management, the Company has already taken a dramatically more conservative approach to principal finance operations with the application of tougher screening standards. This move brought about a significant reduction in new investments in the fiscal year 2008 as the business emphasis shifted toward the collection of outstanding loans rather than extending loans. The Company will maintain this perspective, seeking to shrink risk assets while improving liquidity in hand.</p> <p>To enhance profitability, management will review company wide expenses, especially selling, general and administrative expenses.</p> <p>Of note, the Company completed the transfer of all shares held in FX Online Japan Co., Ltd. (hereafter, "FXO") for a total value of about ¥12.7 billion. The Company will receive payment in several installments, and according to the initial schedule, the last installment will take place in December 2008. This should eliminate any concerns over financing.</p> <p>Part of the proceeds from the sale of equity in FXO has been used to retire loans originally acquired to purchase these shares, already reducing the weight of interest-bearing liabilities.</p> <p>Funds recovered through the sale of real estate will also be applied to interest-bearing liabilities, which will further strengthen the Company's financial footing.</p> <p>Accordingly, the non-consolidated financial statements for the fiscal year 2008 have been prepared on the basis of a going concern.</p>	<p>(4) Fund-procurement through loans from financial institutions and investors The Company will consider all possible financing methods for the procurement of funding, such as new loans from financial institutions and investors.</p> <p>(5) Retirement by purchase before voluntary redemption The Company will consider retirement of the bonds by purchase from the bondholders in advance of the voluntary redemption.</p> <p>The Company will seek to restore profitability and operating income and secure the necessary funds for redemption of bonds through the above measures. The measures to increase profitability are currently being implemented, and the Company is in negotiation with each of its stakeholders in relation to securing the funds for redemption of the bonds.</p> <p>Accordingly, the non-consolidated financial statements have been prepared on the basis of a going concern.</p>

(5) Significant Policies in Preparation of Non-Consolidated Financial Statements

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
1. Bases and valuation methods of securities	<p>(i) Investments in shares of subsidiaries and affiliates: Stated at cost using the moving-average method</p> <p>(ii) Other securities with fair market value: Other securities with fair market value are stated at fair value. Unrealized holding gains and losses, net of the related tax effect, are recorded as an accumulated comprehensive income until realized. Costs are determined by the moving-average method.</p> <p>Other securities with no fair market value: Other securities with no fair market value are stated at cost. Costs are determined by the moving-average method.</p> <p>However, investments in Silent Partnership (Tokumei Kumiai) are determined by the specific-identification method. Details are shown in “9. Other significant policies to prepare non-consolidated financial statements (ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade.</p>	<p>(i) Investments in shares of subsidiaries and affiliates: Same as at left</p> <p>(ii) Other securities with fair market value: Same as at left</p> <p>Other securities with no fair market value: Same as at left</p>
2. Bases and valuation methods of derivatives	<p>All derivatives are stated at fair value with changes in fair value being charged to net income or loss for the period in which they arise except for derivatives that are designated and qualified as hedging instruments.</p>	<p>Same as at left</p>
3. Bases and valuation methods of inventory	<p>Cost on uncompleted contracts: Stated at cost determined by the specific-identification method.</p> <p>Real estate for sale: Stated at cost determined by the specific identification method.</p>	<p>Cost on uncompleted contracts:</p> <p>Real estate for sale: Stated at cost determined by the specific identification method (reduction of book value based on declining profitability method).</p>
4. Depreciation of fixed assets	<p>(i) Property, plant and equipment Depreciation is computed, using the declining balance method.</p> <p>Useful lives for major assets are as follows:</p> <ul style="list-style-type: none"> • Buildings: 6-24 years • Furniture and equipment: 2-20 years <p>(ii) Intangible fixed assets Stated at cost determined, by using the straight-line method. Software for in-house use is accounted for with the straight-line method over useful life (three to five years).</p>	<p>(i) Property, plant and equipment Same as at left</p> <p>Useful lives for major assets are as follows:</p> <ul style="list-style-type: none"> • Buildings: 6-24 years • Furniture and equipment: 2-20 years <p>(ii) Intangible fixed assets(except for leased assets) Same as at left</p> <p>(iii) Leased assets Stated at cost determined by using the straight-line method with useful life as the lease</p>

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
		<p>period and residual value as zero.</p> <p>Also, for finance leases under which occurred before the first year of application of amendment to the Accounting Standard for Leases are accounted for in the same manner as operating leases</p>
5. Deferred assets	(i) Stock distribution costs Recorded as expenses when incurred	(i) Stock distribution costs Same as at left
6. Allowances	<p>(i) Allowance for doubtful accounts The Company provides allowances for doubtful accounts by the method that compares on the rates of its own historical actual bad debt loss against the balance of total receivables as well as the amount of uncollectible receivables estimated on an individual basis.</p> <p>(ii) Accrued employee bonuses Accrued employee bonuses are provided for at amount which is expected to be paid for employee bonuses.</p> <p>(iii) Accrued retirement benefits Accrued retirement benefits are provided at the amount which would be required to be paid if all the eligible employees voluntarily retire at the non-consolidated balance sheet date.</p> <p>The simplified method is adopted since the number of employees covered by the retirement benefits plan is less than 300.</p> <p>(iv) Reserve for guarantee loss _____</p>	<p>(i) Allowance for doubtful accounts Same as at left</p> <p>(ii) Accrued employee bonuses Same as at left</p> <p>(iii) Accrued retirement benefits Same as at left</p> <p>(iv) Reserve for guarantee loss In preparation for the future execution of guarantees over liabilities, a provision for the loss was recognized, calculated in line with the balance of guarantees. _____</p>
7. Accounting for leases	Finance leases, except for those leases under which the ownership of leased assets is considered to be transferred to lessees, are accounted for in the same manner as operating leases.	_____
8. Hedge accounting	<p>(i) Methods of hedge accounting For interest rate swaps that meet the requirements for special treatment, special accounting treatment is adopted.</p> <p>(ii) Hedging vehicles and hedged items a) Hedging vehicles: Interest rate swaps b) Hedged items: Bank loans</p> <p>(iii) Hedging policy The Company has a policy to utilize the hedging</p>	<p>(i) Methods of hedge accounting Same as at left</p> <p>(ii) Hedging vehicles and hedged items Same as at left</p> <p>(iii) Hedging policy Same as at left</p>

Item	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal year 2009 (From October 1, 2008 to September 30, 2009)
	<p>instruments above in order to reduce their exposure to the risk of interest rate fluctuation.</p> <p>(iv) Methods of hedge efficiency assessment Efficiency assessment for interest rate swaps is omitted as they meet the requirements for special treatment.</p>	<p>(iv) Methods of hedge efficiency assessment Same as at left</p>
9. Other significant policies to prepare financial statements	<p>(i) Accounting for consumption tax and local consumption tax Consumption taxes are excluded from the revenue and expense accounts which are subject to such taxes.</p> <p>(ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade are stated at cost, adjusted for equity in earnings and losses of partnership. The adjustments are recognized as "Revenue".</p> <p>(iii) Methods for allocating financing expenses Financing expenses are classified into financing expenses associated with operating revenues and other financing expenses. In allocating those expenses, the total assets are allocated between assets for business transactions and other assets, and based on the balance of the allocated assets, the financing expenses for the operating assets are classified as the cost of revenue, and the financing expenses for other assets are classified as other expense.</p>	<p>(i) Accounting for consumption tax and local consumption tax Same as at left</p> <p>(ii) Investments in Silent Partnership (Tokumei Kumiai) included in investments in securities, trade Investments in Silent Partnership (Tokumei-Kumiai) included in investments in securities, trade are stated at cost, adjusted for equity in earnings and losses of partnership. The adjustments are recognized as "Operating income".</p> <p>(iii) Methods for allocating financing expenses Same as at left</p>

(6) Changes in Accounting Policy

<p style="text-align: center;">Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)</p>	<p style="text-align: center;">Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)</p>
<p style="text-align: center;">———</p> <p style="text-align: center;">———</p> <p style="text-align: center;">———</p>	<p>(Accounting standard for valuation of inventory) Costs for inventory held for sales have been traditionally determined by the specific-identification method, however the specific identification method (reduction of book value based on declining profitability method) has been used to determine costs in the current fiscal year as a result of the application of “Accounting standard for valuation of inventory” (issued on 5th July 2006 in Corporate accounting standard No.9). There is no significant impact on income and losses in the non-consolidated financial statements.</p> <p>(Change in investments in Silent Partnership (Tokumei-Kumiai) included in investments in securities, trade) The Company has been investing in Silent Partnerships. Investments in securities, trade had been stated at cost, adjusted for equity in earnings and losses of partnership and the adjustments had been recognized as “Revenue”. However from this fiscal year, investments in securities, trade have been stated at cost, adjusted for equity in earnings and losses of partnership and the adjustments have been recognized as “Operating income”. There is no impact on profit and losses in the non-consolidated financial statements.</p> <p>(Accounting standard for Leases) Finance leases under which there is no transfer of ownership had been traditionally accounted for in the same manner as operating leases, however from this fiscal year they are accounted for in accordance with “Accounting standard for Leases” (issued on 17th June 1993 in Corporate accounting standard No.13 by the first panel of the Accounting Standard Boards of Japan, and amended on 30th March 2007) and “Application guidelines for Accounting standard for Leases” (issued on 18th Jan. 1994 in Application Guidelines for Corporate accounting standard No.16 by Accounting System Committee of Japanese Institute of Certified Public Accountants, and amended on 30th March 2007). Finance leases under which there is no transfer of ownership and which had occurred before the first year of application of amendment to Accounting standard for Leases were accounted for in the same manner as operating leases. There is no impact on profit and losses in the non-consolidated financial statements.</p>

Changes in Presentation

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
<p>(Note to balance sheets)</p> <p>Other receivable, amounting to ¥97,503 thousand, was included in "Others" under current assets on the non-consolidated balance sheet of the fiscal year 2007. However, other receivable was separately disclosed in the fiscal year 2008 since the amount exceeded 5% of the total assets.</p>	<p>(Note to balance sheets)</p> <p>Accrued income (balance of ¥43,366 thousand at the fiscal year end), which had been separately disclosed in the fiscal year 2008, was included in "Others" under current assets on the non-consolidated balance sheet of the fiscal year 2009 since the amount was less than 1% of total assets.</p>

(7)Notes to Non-Consolidated Balance Sheets

Fiscal Year2008 (As of September 30, 2008)	Fiscal Year2009 (As of September 30, 2009)																																																																		
<p>※1. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Loans receivable, trade</td> <td style="text-align: right;">¥7,270,000</td> </tr> <tr> <td>Real estate for sale</td> <td style="text-align: right;">248,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥7,518,000</td> </tr> </table> <p>Collateralized loans from banks were as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Short-term debt</td> <td style="text-align: right;">¥5,772,400</td> </tr> <tr> <td>Long-term debt due within one year</td> <td style="text-align: right;">1,350,000</td> </tr> <tr> <td>Long-term debt</td> <td style="text-align: right;">30,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥7,152,400</td> </tr> </table> <p>2. Loan Commitment Line Contract In the principal finance operations, the Company is committed to provide a loan to a customer. The outstanding commitment balance was as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Total commitment</td> <td style="text-align: right;">¥1,300,000</td> </tr> <tr> <td>Executed loans</td> <td style="text-align: right;">410,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Unused balance</td> <td style="text-align: right; border-top: 1px solid black;">¥890,000</td> </tr> </table> <p>Under this contract, the loan is provided after the examination of the purpose of use and credit standing of the debtor and therefore, the commitment amount may not be executed in full.</p> <p>※3. Major loans and debts due to or from affiliates are as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Loans receivable, trade</td> <td style="text-align: right;">¥5,520,000</td> </tr> <tr> <td>Short-term loans receivables</td> <td style="text-align: right;">80,000</td> </tr> <tr> <td>Investments in securities, trade</td> <td style="text-align: right;">8,680,000</td> </tr> <tr> <td>Short-term debts</td> <td style="text-align: right;">7,000,000</td> </tr> </table> <p>4. The Company has executed a commitment-line contract with its banks to make appropriation for a fund for investments and loans. The credit line under this contract and the amount of the outstanding are as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Total commitment</td> <td style="text-align: right;">¥5,800,000</td> </tr> <tr> <td>Executed loans</td> <td style="text-align: right;">5,300,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Unused balance</td> <td style="text-align: right; border-top: 1px solid black;">¥500,000</td> </tr> </table> <p>※5. The breakdown of loans receivable, trade is as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Loans on deeds</td> <td style="text-align: right;">¥22,370,000</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥22,370,000</td> </tr> </table>	Loans receivable, trade	¥7,270,000	Real estate for sale	248,000	Total	¥7,518,000	Short-term debt	¥5,772,400	Long-term debt due within one year	1,350,000	Long-term debt	30,000	Total	¥7,152,400	Total commitment	¥1,300,000	Executed loans	410,000	Unused balance	¥890,000	Loans receivable, trade	¥5,520,000	Short-term loans receivables	80,000	Investments in securities, trade	8,680,000	Short-term debts	7,000,000	Total commitment	¥5,800,000	Executed loans	5,300,000	Unused balance	¥500,000	Loans on deeds	¥22,370,000	Total	¥22,370,000	<p>※1. Pledged assets and secured debts Assets pledged as collateral for bank loans were as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Cash and time deposits</td> <td style="text-align: right;">¥100,119</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥100,119</td> </tr> </table> <p>Collateralized loans from banks were as follows: —————</p> <p>2. Loan Commitment Line Contract In the principal finance operations, the Company is committed to provide a loan to a customer. 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Major loans and debts due to or from affiliates are as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Loans receivable, trade</td> <td style="text-align: right;">¥1,797,496</td> </tr> <tr> <td>Short-term loans receivables</td> <td style="text-align: right;">905,000</td> </tr> <tr> <td>Investments in securities, trade</td> <td style="text-align: right;">1,412,210</td> </tr> <tr> <td>Investments in capital</td> <td style="text-align: right;">42,619</td> </tr> <tr> <td>Long-term loans receivables</td> <td style="text-align: right;">65,828</td> </tr> <tr> <td>Short-term debts</td> <td style="text-align: right;">7,569,686</td> </tr> <tr> <td>Deposits</td> <td style="text-align: right;">735,920</td> </tr> </table> <p>4. —————</p> <p>※5. The breakdown of loans receivable, trade is as follows: (Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Loans on deeds</td> <td style="text-align: right;">¥11,347,678</td> </tr> <tr> <td style="border-top: 1px solid black;">Total</td> <td style="text-align: right; border-top: 1px solid black;">¥11,347,678</td> </tr> </table>	Cash and time deposits	¥100,119	Total	¥100,119	Total commitment	¥1,995,000	Executed loans	995,000	Unused balance	¥1,000,000	Loans receivable, trade	¥1,797,496	Short-term loans receivables	905,000	Investments in securities, trade	1,412,210	Investments in capital	42,619	Long-term loans receivables	65,828	Short-term debts	7,569,686	Deposits	735,920	Loans on deeds	¥11,347,678	Total	¥11,347,678
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Total	¥22,370,000																																																																		
Cash and time deposits	¥100,119																																																																		
Total	¥100,119																																																																		
Total commitment	¥1,995,000																																																																		
Executed loans	995,000																																																																		
Unused balance	¥1,000,000																																																																		
Loans receivable, trade	¥1,797,496																																																																		
Short-term loans receivables	905,000																																																																		
Investments in securities, trade	1,412,210																																																																		
Investments in capital	42,619																																																																		
Long-term loans receivables	65,828																																																																		
Short-term debts	7,569,686																																																																		
Deposits	735,920																																																																		
Loans on deeds	¥11,347,678																																																																		
Total	¥11,347,678																																																																		

Fiscal Year2008 (As of September 30, 2008)	Fiscal Year2009 (As of September 30, 2009)																												
<p>※6. Bad debts included in loans receivable, trade</p> <p style="text-align: right;">(Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Loans to borrowers in legal bankruptcy</td> <td style="text-align: right;">¥11,700</td> </tr> <tr> <td>Past due loans</td> <td style="text-align: right;">9,025,000</td> </tr> </table> <p>Loans to borrowers in legal bankruptcy are loans which payment of principals and/or interests has not been received for a substantial period or, for other reasons, there are no prospects for collection of principals and/or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as nonaccrual loans) and also certain specific condition stated in the Implementation Ordinances for the Corporation Tax Law (Cabinet Order No.97, 1965), Items i through v in Article 96-1-3 or the circumstances stated in Article 96-1-4 exists.</p> <p>Past due loans are non-accrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers.</p> <p>7. Fair market values of received pledged assets with a right of disposal of its own discretion</p> <p style="text-align: right;">¥265,217 thousand</p> <p>8. Contingent Liabilities (i) Guarantee liability The Company guarantees borrowings of the following companies:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td style="width: 80%;">Entrust, Inc.</td> <td style="text-align: right;">¥60,000</td> </tr> <tr> <td>AKIMURA CIX INCOPORATED</td> <td style="text-align: right;">2,057,000</td> </tr> <tr> <td>Others</td> <td style="text-align: right;">45,000</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">¥2,162,000</td> </tr> </table> <p style="text-align: center;">_____</p>	Loans to borrowers in legal bankruptcy	¥11,700	Past due loans	9,025,000	(Thousands of yen)		Entrust, Inc.	¥60,000	AKIMURA CIX INCOPORATED	2,057,000	Others	45,000	Total	¥2,162,000	<p>※6. Bad debts included in loans receivable, trade</p> <p style="text-align: right;">(Thousands of yen)</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">Loans to borrowers in legal bankruptcy</td> <td style="text-align: right;">-</td> </tr> <tr> <td>Past due loans</td> <td style="text-align: right;">9,876,800</td> </tr> </table> <p>Loans to borrowers in legal bankruptcy are loans which payment of principals and/or interests has not been received for a substantial period or, for other reasons, there are no prospects for collection of principals and/or interests, and accordingly, no interest has been accrued (excluding balance already written off and hereinafter referred to as nonaccrual loans) and also certain specific condition stated in the Implementation Ordinances for the Corporation Tax Law (Cabinet Order No.97, 1965), Items i through v in Article 96-1-3 or the circumstances stated in Article 96-1-4 exists.</p> <p>Past due loans are non-accrual loans, other than loans to borrowers in legal bankruptcy and loans whose interest payments have been rescheduled in order to support the restructuring of the borrowers.</p> <p>7. Fair market values of received pledged assets with a right of _____</p> <p>8. Contingent Liabilities (i) Guarantee liability The Company guarantees borrowings of the following companies:</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td colspan="2" style="text-align: right;">(Thousands of yen)</td> </tr> <tr> <td style="width: 80%;">Entrust, Inc.</td> <td style="text-align: right;">¥100,000</td> </tr> <tr> <td>BELS Co., Ltd.</td> <td style="text-align: right;">260,000</td> </tr> <tr> <td>AKIMURA CIX INCOPORATED</td> <td style="text-align: right;">211,236</td> </tr> <tr> <td>Total</td> <td style="text-align: right;">¥571,236</td> </tr> </table> <p>9. Trading securities include bonds with carrying value of ¥229,500 thousand (face value of ¥270,000 thousand).</p>	Loans to borrowers in legal bankruptcy	-	Past due loans	9,876,800	(Thousands of yen)		Entrust, Inc.	¥100,000	BELS Co., Ltd.	260,000	AKIMURA CIX INCOPORATED	211,236	Total	¥571,236
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Per Share Information

Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)		Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)	
	(Yen)		(Yen)
Net assets per share	¥14,754.25	Net assets per share	¥4,061.40
Net loss per share	¥5,021.98	Net loss per share	¥10,967.71
Net income (diluted) per share is not presented in the fiscal year 2008 due to the net loss per share.		Net income (diluted) per share is not presented in the fiscal year 2009 due to the net loss per share.	

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

Items	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Net income (Net loss) per share		
Net income (loss) (Thousands of yen)	¥(6,056,585)	¥(12,924,275)
Amounts not reverting to ordinary shareholders	-	-
Net income (loss) for common stock (Thousands of yen)	(6,056,585)	¥(12,924,275)
Average number of common stock	1,206,016	1,208,135

Items	Fiscal Year 2008 (From October 1, 2007 to September 30, 2008)	Fiscal Year 2009 (From October 1, 2008 to September 30, 2009)
Detail of potential common stock excluded from the calculation of the diluted net income per share as a result of non-dilution effects	<p>FinTech Global Incorporated: Stock acquisition rights (Stock options) based on the special resolution at the shareholders' meeting held on December 25, 2001: (Common stock: 725shares)</p> <p>Stock acquisition rights (Stock options) issued on June 16, 2004 and December 14, 2004 based on the special resolution at the shareholders' meeting held on June 16, 2004: 524 units (Common stock: 39,300shares)</p> <p>Stock acquisition rights (Stock options) issued on December 2, 2005 based on the special resolution at the shareholders' meeting held on December 3, 2004: 146 units (Common stock: 10,950shares)</p> <p>Stock acquisition rights (Stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 590 units (Common stock: 2,950shares)</p> <p>Stock acquisition rights on Euro-Yen convertible bonds with attaching stock acquisition rights issued on February 8, 2007: 2,217 units (Common stock: 139,785shares)</p> <p>Stock acquisition rights (Stock options) issued on June 4, 2007 based on the special resolution at the shareholders' meeting held on December 20, 2006: 1,127 units (Common stock: 1,127shares)</p>	<p>FinTech Global Incorporated: Stock acquisition rights (Stock options) based on the special resolution at the shareholders' meeting held on December 25, 2001: (Common stock: 725shares)</p> <p>Stock acquisition rights (Stock options) issued on June 16, 2004 and December 14, 2004 based on the special resolution at the shareholders' meeting held on June 16, 2004: 451 units (Common stock: 33,825shares)</p> <p>Stock acquisition rights (Stock options) issued on December 2, 2005 based on the special resolution at the shareholders' meeting held on December 3, 2004: 111 units (Common stock: 8,325shares)</p> <p>Stock acquisition rights (Stock options) issued on April 27, 2006 based on the special resolution at the shareholders' meeting held on December 20, 2005: 75 units (Common stock: 375shares)</p> <p>Stock acquisition rights on Euro-Yen convertible bonds with attaching stock acquisition rights issued on February 8, 2007: 795 units (Common stock: 50,126shares)</p> <p>Stock acquisition rights (Stock options) issued on June 4, 2007 based on the special resolution at the shareholders' meeting held on December 20, 2006: 808 units (Common stock: 808shares)</p> <p>Stock acquisition rights (Stock options) issued on December 29, 2008 based on the special resolution passed at the shareholders' meeting held on December 19, 2008: 250 units (Common stock: 250shares)</p>

Subsequent Events

There are no subsequent events for the fiscal years 2008 and 2009.

VI. Others

- (1) Change of Board member
This will be disclosed once the details are concluded.
- (2) Others
Not applicable