

UNOFFICIAL TRANSLATION
The formal press release document is in Japanese.



**Summary of Financial Statements
For the First quarter of Fiscal 2010**

February 10, 2010

Company Name: FinTech Global Incorporated
(URL: <http://www.fgi.co.jp/>)
Responsible: President and Chief Executive Officer
For Inquiries: Managing Director and Executive Officer
Head of Finance Departments and Business
Planning Departments

(Code Number: 8789 TSE Mothers)
TEL: +81-3-5733-2121
Name: Nobumitsu Tamai
Name: Seigo Washimoto

Scheduled reporting date for the first quarter of Fiscal 2010:

February 10, 2010

Scheduled date of payment of cash dividends:

—

1. Overview of the financial conditions and business results for the first quarter of fiscal 2010.
(October 1, 2009 – December 31, 2010)

(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	%
First quarter of fiscal 2010	1,762	109.1	(503)	-	(477)	-	(156)	-
First quarter of fiscal 2009	842	-	(1,800)	-	(2,318)	-	(2,107)	-

	Net income/(loss) per share	Net income/(loss) per share (diluted)
First quarter of fiscal 2010	Yen (129.90)	Yen -
First quarter of fiscal 2009	(1,744.31)	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
First quarter of fiscal 2010	Million Yen 13,514	Million Yen 5,207	% 33.3	Yen 3,727.13
Full-fiscal 2009	15,766	5,447	29.5	3,851.31

(Reference) Shareholders' equity: 4,502 million yen for the first quarter of fiscal 2010
4,653 million yen for the fiscal 2009

2. Dividends

	Dividends per share				
	The end of the first quarter	The end of the second quarter	The end of the third quarter	The end of the fiscal year	Total
Fiscal 2009(Actual)	Yen -	Yen 0.00	Yen -	Yen 0.00	Yen 0.00
Fiscal 2010 (Actual)	-	0.00	-	0.00	0.00
Fiscal 2010 (Estimates)	-	0.00	-	0.00	0.00

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

3. Performance forecast 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
	Yen
Interim period of Fiscal 2010	—
Full-fiscal 2010	331.09

(Note: Regarding the Performance forecast for the full-fiscal 2010, please see 3, the Pertinent data regarding consolidated performance forecasts on page 4.)

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) Adoption of simplified and special accounting policies for quarterly financial statements: Applicable

(3) Changes in accounting policies

1. Changes due to changes in accounting standard: N/A

2. Other changes: Applicable

(4) Number of shares issued

1. Number of shares issued (including treasury stocks): 1,208,135 shares for the first quarter of fiscal 2010

1,208,135 shares for the fiscal 2009

2. Number of treasury shares: - shares for the first quarter of fiscal 2010

- shares for the fiscal 2009

3. The average number of shares issued during the first quarter:

1,208,135 shares for the first quarter of fiscal 2010

1,208,135 shares for the first quarter of fiscal 2009

* 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 February 10, 2010 and certain assumptions which are believed to be rational. Actual results may differ from these estimates due to unforeseen factors. Regarding the related matters of the performance forecast, please see 3, the pertinent data regarding consolidated performance forecasts on page 4.

Pertinent Data — Financial Statements

1. Pertinent data regarding status of consolidated performance

The domestic economic environment during the first quarter of fiscal 2010—October-to-December 2009—benefited from better market conditions, supported by policies introduced by governments at home and abroad. However, capital investment in the private sector was sluggish, and concerns about unemployment and reduced personal incomes remained prominent themes.

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, some positive signs have emerged. Real estate transactions continue to recover, as a better fund-procurement environment allows a few real estate investment trusts (REITs) and private property funds to purchase buildings. But this good news is juxtaposed by the fact that office rents in the cities are dropping and vacancy rates are rising.

Against this backdrop, FGI emphasized its core business—investment banking—and endeavored to secure arrangement transactions that accurately matched investors with their investment targets. Toward this end, the Company reinforced its relationships with domestic and international investors having a keen interest to invest in Japanese real estate, while identifying real estate companies and demand for funds generated through refinancing and distressed asset transactions.

FGI recorded revenue from the condominium resale business, in which the Company purchases and then sells completed units, and from the sale of property investments owned by special purpose companies under the scope of consolidation.

In principal finance operations, interest income declined, due to a decrease in the balance of investments and loans, but FGI booked ¥172 million under extraordinary profit from the reversal of an allowance for doubtful accounts due to a partial reevaluation of loans receivable, trade. The Company also executed a down round—a second or subsequent round of capital increase with new stock issuance at a lower stock price than in the previous issuance—for one company in the FINTECH GIMV FUND, which is included in the scope of consolidation, and booked an evaluation loss on investments in securities, trade of ¥137 million under cost of revenue.

In the reinsurance/financial guarantee business, Crane Reinsurance Limited posted steady gains from reinsurance underwriting, while Entrust Inc. secured more rent guarantee contracts.

On the financial front, FGI executed a partial purchase and cancellation of euroyen convertible bonds with stock acquisition rights, reducing the outstanding face value by ¥2,300 million, to ¥5,650 million, as of December 31, 2009. As a consequence, the Company booked ¥329 million in gains from redemption of bonds under extraordinary profit.

Two key subsequent events occurred after December 31, 2009.

The first was the transfer of all shares held by FGI in Entrust Inc. as well as loan claims in this subsidiary, effective February 3, 2010. The Company will book ¥296 million on a consolidated basis as provision for loss on reorganization of affiliate under extraordinary loss.

The second was the early redemption of ¥2,560 million face value of convertible bonds with stock acquisition rights on February 8, 2010, in response to requests from bondholders. The remaining ¥3,090 million portion is held by subsidiary Stellar Capital AG, and the intention at the current time is for the subsidiary to retain this holding.

Based on these developments, FGI was able to boost consolidated first-quarter revenue 9.1% year-on-year, to ¥1,762 million. Unfortunately, the Company could not manage a return to profitability. Operating losses, at ¥503 million, were an improvement over the ¥1,800 million operating loss of a year earlier, similarly an ordinary loss of ¥477 million, and a net loss of ¥156 million exerted less of a burden than the ¥2,318 million and ¥2,107 million ordinary and net losses, respectively, of a year ago but were still negative.

2. Pertinent data regarding changes in consolidated financial position

(Total Assets)

At December 31, 2009, total assets amounted to ¥13,514 million, down 14.3% from a year earlier. This change reflects a ¥2,605 million decrease in cash and time deposits and a ¥2,611 million drop in loans receivable, trade, which were offset somewhat by a ¥2,779 increase in million in investments in securities through the purchase of convertible bonds with stock acquisition rights by a subsidiary.

(Liabilities)

Total liabilities settled at ¥8,307 million, as of December 31, 2009, down 19.5% from a year earlier. This change stems largely from a ¥2,300 million reduction caused by the purchase and cancellation of convertible bonds with stock acquisition rights and a ¥296 million increase due to the booking of an allowance for loss on reorganization of affiliates related to the transfer of equity and claims in Entrust.

(Net Assets)

Total net assets came to ¥5,207 million, as of December 31, 2009, down ¥4.4% year-on-year, mainly owing to a decrease in retained earnings precipitated primarily by the aforementioned ¥156 million first-quarter net loss.

3. Pertinent data regarding consolidated performance forecasts

No revision to the full-year outlook offered on November 13, 2009, for full-year consolidated performance will be offered at this time.

A new performance outlook must take first-quarter results into account, along with the absence of Entrust from the scope of consolidation, effective February 2010. Another factor to consider is the future development of business activities emphasizing investment banking.

Taking a bird's eye view of the situation, management believes the stage is being set for a broader spectrum of arrangement services that pinpoint demand for diverse investment opportunities amid wider availability of investment capital at home and abroad despite the difficult economic times and provide debt and equity funds to carefully sourced companies and projects in need of capital. In addition, management seeks to expand profit opportunities through enhanced asset management capabilities for invested capital. Given the status of current sourcing of and inquiries by fund suppliers and fund procurers, management has decided not to revise the previous outlook for the Group's full-year fiscal results.

Meanwhile, a review of assets and the reallocation of management resources essential for the Group to grow by leaps and bounds on limited management resources is ongoing. Progress on this front will support improved fiscal results.

No performance outlook will be offered for the first two quarters of fiscal 2010 because the many variable elements specific to the accounting period of each project makes it difficult to form a reliable estimate.

4. Other

(1) Change in the status of principle subsidiaries during the quarter

(Change in the status of specified subsidiaries following change in scope of consolidation)

Not applicable.

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

Calculating depreciation of fixed assets

Depreciation of fixed assets, using the fixed-rate method, is calculated by proportionally allocating estimated depreciation for the fiscal year to the quarter under review.

(3) Changes in accounting treatment principles and procedures, and presentation related to the preparation of consolidated quarterly financial statements

Investments in securities, which were included under investments and other assets in the previous consolidated first quarter, have been entered as a separate line item, from the consolidated first quarter under review, because the amount exceeded 10% of total assets. For reference, investments in securities represented ¥54,154 thousand of the investments and other assets total in the first quarter of fiscal 2009.

(4) Going concern

Conditions in the real estate market have worsened with the worldwide financial crisis and ensuing recession, forcing the Company to execute considerable reserve write-offs on a consolidated and non-consolidated basis, especially against loan receivables, and to streamline assets. This process has required transfers to allowance for doubtful accounts and caused valuation losses and loss on sales, culminating in steep consolidated operating losses over the past two consecutive fiscal years. The negative profit position has persisted into fiscal 2010, as well, with a first-quarter operating loss of ¥503,952 thousand. This situation combined with the Company's outstanding convertible bond liability had raised some doubts in certain quarters about the Company's future. However, FGI completed the early redemption of euroyen convertible bonds with stock acquisition rights due 2012 on February 8, 2010, following requests from bondholders.

FGI will seek to remove any remaining doubt about the future viability of the Company and the Group it leads through the measures, described below, which will allow FGI to access the funds needed to boost profits and expand operations.

Early establishment of a stronger profit base

FGI will reinforce its relationships with international and domestic investors as well as financial institutions to expand existing debt finance arrangements and thereby create new profit opportunities. The goal is to encourage more clients to take advantage of groupwide expertise and experience in executing equity finance arrangements featuring such processes as third-party allocations of new stock to increase capital.

Drawing on the strengths of the Group, FGI aims to build even stronger bonds with investors, particularly pension funds and private banks that have funds for application, and then arrange and sell products by matching these investors with clients seeking funds, providing investment and loan opportunities, and sourcing and managing funds for application.

To better address the needs of clients seeking funds, FGI is emphasizing its core investment banking business and the underlying structure to enhance arrangement packaging and execution capabilities. Fine-tuned responses will help the Company cultivate demand for both debt- and equity-oriented financing and accelerate realization of the inherent transactions. The Company will also strive to improve its ability to research investment targets and make suitable choices, while providing financial products geared to the fund-procurement requirements of client operating companies, local governments and other business entities.

In regard to the establishment of a platform to support these activities, FGI will build on its capabilities as an investment bank through acquisitions and alliances with other companies when and where appropriate and complement the Group's existing asset management and securitization know-how. The Company will also reorganize the Group to achieve better operating efficiency and results.

In the public finance-related business, FGI is extending its reach through Group companies with strengths in public-sector accounting, public-private partnerships and financial consulting services. Efforts in financial arrangements and asset management are also yielding results.

Ongoing cost reduction

FGI already implemented a significant review of costs in fiscal 2009 to see where excesses could be trimmed and will continue to promote cost-efficient operations.

Collection of loans receivable, trade

FGI is working to enhance liquidity through the recovery of loans receivable, trade and the sale of assets.

Procuring funds from investors and financial institutions

FGI will consider various methods to access funding, including new loans from investors and financial institutions.

Quarterly Consolidated Financial Statements
FinTech Global Incorporated and Consolidated Subsidiaries
As of and for the three months ended December 31, 2009

(1) Quarterly Consolidated Balance Sheets

(Unit: Thousand of yen)

	First Quarter of Fiscal 2010 (As of December 31, 2009)	Full-fiscal Year 2009 (As of September 30, 2009)
(Assets)		
Current assets		
Cash and time deposits	3,206,397	5,811,512
Accounts receivable, trade	192,162	186,152
Trading securities	212,738	431,098
Investments in securities, trade	5,873,356	6,059,149
Real estate for sale	932,578	911,167
Deferred tax assets	6,499	1,065
Loans receivable, trade	8,725,071	11,336,718
Accrued income	472,966	635,277
Other current assets	1,085,228	1,325,440
Allowance for doubtful assets	(11,255,465)	(12,234,548)
Total current assets	9,451,533	14,463,033
Fixed assets		
Property, plant and equipment	*1	*1
	186,204	196,647
Intangible fixed assets		
Goodwill	456,477	474,371
Other intangible fixed assets	145,014	155,619
Total intangible fixed assets	601,491	629,990
Investments and other assets		
Investments in securities	2,958,600	178,747
Other investments and other assets	316,259	297,645
Total investments and other assets	3,274,859	476,393
Total fixed assets	4,062,555	1,303,031
Total assets	13,514,088	15,766,064

	First Quarter of Fiscal 2010 (As of December 31, 2009)	Full-fiscal Year 2009 (As of September 30, 2009)
(Liabilities)		
Current liabilities		
Accounts payable, trade	63,916	63,038
Short-term debt	125,000	175,000
Long-term debt due within one year	260,000	260,000
Accrued liabilities	252,102	244,418
Accrued expenses	57,863	85,008
Income taxes payable	5,816	19,068
Accrued employee bonuses	52,148	107,007
Reserve for guarantee losses	—	13,006
Provision for loss on reorganization of affiliates	296,360	—
Other current liabilities	704,478	715,700
Total current liabilities	1,817,686	1,682,247
Long-term liabilities		
Bonds with stock acquisition rights	5,650,000	7,950,000
Long-term debt	180,000	245,000
Deferred tax liabilities	44,437	40,118
Accrued retirement benefits	78,353	78,027
Other long-term liabilities	536,603	322,833
Total long-term liabilities	6,489,394	8,635,980
Total liabilities	8,307,081	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	Δ16,510,854	Δ16,353,913
Total shareholders' equity	4,605,363	4,762,304
Valuation and translation adjustments		
Net unrealized gain/(loss) on other securities	Δ4,423	Δ1,477
Translation adjustments	Δ98,065	Δ107,466
Total valuation and translation adjustments	Δ102,488	Δ108,944
Stock acquisition rights	21,715	20,572
Minority interests	682,417	773,903
Total net assets	5,207,007	5,447,836
Total liabilities and net assets	13,514,088	15,766,064

(2) Quarterly Consolidated Statements of Income

(Unit: Thousand of yen)

	First Quarters of Fiscal 2009 (From October 1, 2008 to December 31, 2008)	First Quarters of Fiscal 2010 (From October 1, 2009 to December 31, 2009)
Revenue	842,661	1,762,068
Cost of revenue	519,200	1,525,636
Gross profit	323,461	236,432
Selling, general and administrative expenses	*1 2,124,287	*1 740,385
Operating income/(loss)	(1,800,825)	(503,952)
Other income		
Interest income	22,787	6,117
Foreign exchange profit	—	31,273
Interest on refund	15,501	—
Amortization of negative goodwill	10,385	—
Others	1,658	4,931
Total other income	50,332	42,323
Other expenses		
Interest expense	19,013	1,392
Loss on trading securities	433,858	6,471
Commission paid	33,134	8,305
Foreign exchange loss	33,688	—
Others	48,133	169
Total other expenses	567,828	16,338
Ordinary profit/(loss)	(2,318,321)	(477,967)
Extraordinary profit		
Reversal of allowance for doubtful assets	—	172,471
Gain on sales of shares of subsidiaries and affiliates	56,873	—
Profit from redemption of bonds	—	329,000
Others	—	14,826
Total extraordinary profit	56,873	516,298
Extraordinary loss		
Loss on liquidation of investments in capital	259	890
Loss from the prior-term adjustments	1,127	—
Provision for loss on reorganization of affiliate	—	296,360
Others	—	328
Total extraordinary loss	1,387	297,579
Income/(Loss) before income taxes	(2,262,835)	(259,248)
Income taxes	2,416	1,577

	First Quarters of Fiscal 2009 (From October 1, 2008 to December 31, 2008)	First Quarters of Fiscal 2010 (From October 1, 2009 to December 31, 2009)
Income taxes adjustment	(712)	(1,114)
Total Income taxes	1,703	462
Minority Interests/(loss)	(157,171)	(102,769)
Net income/(loss)	(2,107,367)	(156,941)

(3) Quarterly Consolidated Cash Flow Statement

(Unit: Thousand of yen)

	First Quarters of Fiscal 2009 (From October 1, 2008 to December 31, 2008)	First Quarters of Fiscal 2010 (From October 1, 2009 to December 31, 2009)
Cash flows from operating activities		
Income (loss) before income taxes	(2,262,835)	(259,248)
Depreciation and amortization	34,655	28,801
Increase (decrease) in allowance for doubtful accounts	1,191,787	(979,082)
Increase (decrease) in provision for employee bonuses	(76,905)	(54,858)
Increase (decrease) in guarantee loss allowance	—	(13,006)
Increase (decrease) in provisions for affiliate reorganization loss	—	296,360
Interest income	(22,800)	(6,117)
Cost of funds and interest expenses	25,232	20,043
(Gain) loss on investments in shares of subsidiaries and affiliates	(56,873)	—
(Profit) loss on redemption of bonds with stock acquisition rights	—	(329,000)
(Increase) decrease in trade receivables	(46,833)	(4,953)
(Profit) loss on investments in securities, trade	233,545	202,667
(Increase) decrease in inventory	(640,787)	(21,411)
(Increase) decrease in loans receivable, trade	2,765,274	2,611,647
(Increase) decrease in accrued income	(100,431)	165,080
Increase (decrease) in accrued liabilities	(378,220)	39,509
Increase (decrease) in accrued expenses	56,579	(26,114)
Others	387,512	123,721
Sub total	1,108,898	1,794,038
Interest income received	13,314	5,725
Interest expense paid	(57,393)	(21,087)
Income taxes (paid) refunded	1,208,151	(3,889)
Deposit paid	(747,809)	—
Cash flows from operating activities	1,525,162	1,774,786
Cash flows from investing activities		
(Increase) decrease in trading securities	3,281,887	(17,610)
Investment securities acquisition	—	(2,883,138)
(Increase) decrease in short-term loans receivable	(1,108,440)	319,651
Proceeds from sale of equity interests in subsidiaries resulting in change in scope of consolidation	4,687,316	—
Proceeds from acquisition of equity interests in subsidiaries resulting in change in scope of consolidation	901	—
Others	77,984	(10,214)
Cash flows from investing activities	6,939,651	(2,591,312)
Cash flows from financing activities		
Increase (decrease) in short-term debt	(8,949,502)	(50,000)

	First Quarters of Fiscal 2009 (From October 1, 2008 to December 31, 2008)	First Quarters of Fiscal 2010 (From October 1, 2009 to December 31, 2009)
Repayment of long-term debt	(2,135,380)	(65,000)
Dividends paid	(1,164)	(517)
Bond redemption	—	(1,741,500)
Cash flows from financing activities	(11,086,046)	(1,857,017)
Effect of exchange rate changes on cash and cash equivalents	(30,070)	3,696
Increase (decrease) in cash and cash equivalents	(2,651,302)	(2,669,847)
Cash and cash equivalents at beginning of period	9,500,189	5,811,512
Increase of cash and cash equivalent due to new consolidation	—	64,733
Cash and cash equivalents at end of period	*1 6,848,886	*1 3,206,397

Assumption of Going Concern, three months ended December 31, 2009

Conditions in the real estate market have worsened with the worldwide financial crisis and ensuing recession, forcing the Company to execute considerable reserve write-offs on a consolidated and non-consolidated basis, especially against loan receivables, and to streamline assets. This process has required transfers to allowance for doubtful accounts and caused valuation losses and loss on sales, culminating in steep consolidated operating losses over the past two consecutive fiscal years. The negative profit position has persisted into fiscal 2010, as well, with a first-quarter operating loss of ¥503,952 thousand. This situation had raised some doubts in certain quarters about the Company's future. Regarding the euroyen convertible bonds with stock acquisition rights due 2012 on February 8, 2010, FGI completed the early redemption, following requests from bondholders.

FGI will seek to remove any remaining doubt about the future viability of the Company and the Group it leads through the measures, described below, which will allow FGI to access the funds needed to boost profits and expand operations.

Early establishment of a stronger profit base

FGI will reinforce its relationships with international and domestic investors as well as financial institutions to expand existing debt finance arrangements and thereby create new profit opportunities. The goal is to encourage more clients to take advantage of groupwide expertise and experience in executing equity finance arrangements featuring such processes as third-party allocations of new stock to increase capital.

Drawing on the strengths of the Group, FGI aims to build even stronger bonds with investors, particularly pension funds and private banks that have funds for application, and then arrange and sell products by matching these investors with clients seeking funds, providing investment and loan opportunities, and sourcing and managing funds for application.

To better address the needs of clients seeking funds, FGI is emphasizing its core investment banking business and the underlying structure to enhance arrangement packaging and execution capabilities. Fine-tuned responses will help the Company cultivate demand for both debt- and equity-oriented financing and accelerate realization of the inherent transactions. The Company will also strive to improve its ability to research investment targets and make suitable choices, while providing financial products geared to the fund-procurement requirements of client operating companies, local governments and other business entities.

In regard to the establishment of a platform to support these activities, FGI will build on its capabilities as an investment bank through acquisitions and alliances with other companies when and where appropriate and complement the Group's existing asset management and securitization know-how. The Company will also reorganize the Group to achieve better operating efficiency and results.

In the public finance-related business, FGI is extending its reach through Group companies with strengths in public-sector accounting, public-private partnerships and financial consulting services. Efforts in financial arrangements and asset management are also yielding results.

Ongoing cost reduction

FGI already implemented a significant review of costs in fiscal 2009 to see where excesses could be trimmed and will continue to promote cost-efficient operations.

Collection of loans receivable, trade

FGI is working to enhance liquidity through the recovery of loans receivable, trade and the sale of assets.

Procuring funds from investors and financial institutions

FGI will consider various methods to access funding, including new loans from investors and financial institutions.

However, since the above measures are still in progress, at present, material uncertainty may be observed in the going-concern assumptions.

The consolidated financial statements for the first quarter of Fiscal 2010 have been prepared on the basis of a going concern but not reflecting material uncertainty in the going-concern assumptions

Material Changes Reflected upon Preparation of the Financial Statement

Three months ended December 31, 2009

Change in the scope of consolidation
Due to significance of its importance, FinTech Asset Management Incorporated is consolidated in the three months ended December 31, 2009.

Change of Description

Three months ended December 31, 2009

(Quarterly balance sheet)
The “investment securities,” included in the investment and other assets for three months ended December 31, 2008, is listed independently in the balance sheet for three months ended December 31, 2009 since the investment securities exceeds 10% of the total assets. The “investment securities” included in the investment and other assets for three months ended December 31, 2008 is 54,154 thousand yen.

Simplified Accounting

Three months ended December 31, 2009

Fixed assets depreciation method:
For fixed assets depreciated by the declining-balance method, the Company calculates quarterly depreciation expense by prorating annual depreciation expense.

Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements

Three months ended December 31, 2009

Not applicable.

Notes to Quarterly Consolidated Statements of Income

Three months ended December 31, 2008	Three months ended December 31, 2009
*1. Major selling, general and administrative expenses (thousand yen)	*1. Major selling, general and administrative expenses (thousand yen)
Directors' bonuses 106,811	Directors' bonuses 64,753
Employees' salaries 218,176	Employees' salaries 162,288
Provision for doubtful accounts 1,192,229	Provision for accrued employee bonuses 56,537
Provision for accrued employee bonuses 30,147	Retirement benefit expenses 2,773
Retirement benefit expenses 5,737	Depreciation and amortization 22,414
Depreciation and amortization 28,436	Rent from lease 63,847
Rent from lease 69,854	Commission fee 156,061
Commission fee 217,289	Amortization of goodwill 34,613
Amortization of goodwill 17,885	

Notes to Quarterly Consolidated Statements of Cash Flows

Three months ended December 31, 2008	Three months ended December 31, 2009
*1. Reconciliation of the amounts of cash and cash equivalents at December 31, 2008, with the amounts stated in the Consolidated Balance Sheets. (as of December 31, 2008) (thousand yen)	*1. Reconciliation of the amounts of cash and cash equivalents at December 31, 2009, with the amounts stated in the Consolidated Balance Sheets. (as of December 31, 2009) (thousand yen)
Cash and time deposits 6,848,886	Cash and time deposits 3,206,397
Cash and cash equivalents 6,848,886	Cash and cash equivalents 3,206,397

Shareholders' equity

As of December 31, 2009 and for three months ended December 31, 2009 (October 1, 2009 to December 31, 2009)

1. Type of issued stock

Type of stock	December 31, 2009
Common stock	1,208,135 shares

2. Treasury stock

Not applicable

3. Stock acquisition rights

Name of company	Details	Type of stock to be issued	Number of shares to be issued for the stock acquisition rights (shares)	Balance at December 31, 2009 (thousands of yen)
FinTech Global Incorporated	Stock acquisition rights on the euro-yen denominated bonds issued in February 2007	Common stock	35,624	—
	Stock acquisition rights (stock options)	—	—	21,715
Total			35,624	21,715

Note: The first day of the exercise period for the part of the fifth stock acquisition rights, the sixth stock acquisition rights and the seventh stock acquisition rights has not yet arrived.

4. Dividends

Not applicable.

Segment Information

1. Segment information by business

Three months ended December 31, 2008 (October 1, 2008 to December 31, 2008)

(Thousands of yen)

	Investment banking business	Reinsurance / financial guarantee business	Real estate related business	Other business	Total	Elimination or corporate	Consolidated total
Revenue							
(1) Revenue from third parties	309,471	316,370	157,850	58,969	842,661	—	842,661
(2) Inter-segment revenue	63,526	—	—	—	63,526	(63,526)	—
Total	372,997	316,370	157,850	58,969	906,187	(63,526)	842,661
Operating income (loss)	(1,938,979)	(39,133)	(29,706)	(8,397)	(1,937,949)	137,123	(1,800,825)

Note: 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, rent guarantees, and reinsurance underwriting

(3) Real estate related business: Real estate development and trade, leasing and brokerage

(4) Other business: Development and sales of public-sector accounting software; consulting services

Three months ended December 31, 2009 (October 1, 2009 to December 31, 2009)

(Thousands of yen)

	Investment banking business	Reinsurance / financial guarantee business	Real estate related business	Other business	Total	Elimination or corporate	Consolidated total
Revenue							
(1) Revenue from third parties	74,901	499,217	1,132,708	55,241	1,762,068	—	1,762,068
(2) Inter-segment revenue	—	—	—	—	—	—	—
Total	74,901	499,217	1,132,708	55,241	1,762,068	—	1,762,068
Operating income (loss)	(532,355)	(10,912)	(16,784)	(12,028)	(572,079)	68,126	(503,952)

Note: 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, rent guarantees, and reinsurance underwriting

(3) Real estate related business: Real estate development and trade, leasing and brokerage

(4) Other business: Development and sales of public-sector accounting software; consulting services

2. Segment information by geographical areas

Three months ended December 31, 2008 (October 1, 2008 to December 31, 2008)

Segment information by geographical area has been omitted as revenue from Japan accounts for more than 90% of total revenue from all segments.

Three months ended December 31, 2009 (October 1, 2009 to December 31, 2009)

(Thousands of yen)

	Japan	Europe and the U.S.	Total	Elimination or corporate	Consolidated
Revenue					
(1) Revenue from third parties	1,516,043	246,024	1,762,068	—	1,762,068
(2) Inter-segment revenue	—	—	—	—	—
Total	1,516,043	246,024	1,762,068	—	1,762,068
Operating income (loss)	(361,235)	(206,397)	(567,632)	63,679	(503,952)

Note: 1. Classification of the country or region is based on geographical proximity.
2. Main countries and/or regions other than Japan
Europe and the U.S.: Switzerland, Bermuda

3. Overseas Sales

Three months ended December 31, 2008 (October 1, 2008 to December 31, 2008)

Information regarding overseas sales has been omitted as sales overseas account for less than 10% of consolidated net sales.

Three months ended December 31, 2009 (October 1, 2009 to December 31, 2009)

	Europe and the U.S.	Total
Overseas sales (thousand yen)	246,024	246,024
Consolidated sales (thousand yen)	—	1,762,068
Overseas sales over consolidated sales (%)	14.0	14.0

Note: 1. Classification of the country or region is based on geographical proximity.
2. Main country and/or region other than Japan
Europe and the U.S.: Bermuda
3. Overseas sales is the sales of the Company and the Company's consolidated subsidiaries in the countries and/or regions other than Japan.

Derivative Transactions

The Group's derivative transactions are not material to its business operation.

Stock Options

Three months ended December 31, 2009 (October 1, 2009 to December 31, 2009)

- Expenses and details of the stock options during three months ended December 31, 2009

Stock compensation expenses of the selling and general administrative expenses – 1,142 thousand yen

- Stock options vested during the three months from October 1, 2009 to December 31, 2009

Company name	FinTech Global Incorporated
Eligible for stock options / Number of eligible	Company employees 59
Number of vested stock option / Type of shares	Common shares 278
* Note	
Grant date	December 28, 2009
Conditions to determine the right	Must be an officer, auditor, or employee of the Company as of the day to determine the right (on or after the first day of the period of exercising the right). Provided, this shall not apply for retirement due to maturity of the term, involuntary retirement or any other reasonable grounds.
Subject term of employment	December 28, 2009 to December 27, 2011
Period of exercising the right	December 28, 2011 to November 30, 2019
Price to exercise the right (yen)	3,220
Fair market value per share as of the grant date (yen)	2,519

Note: the number of stock option is converted to the number of shares.

Per Share Information

- Net assets per share

December 31, 2009		September 30, 2009	
Net assets per share	3,727.13 yen	Net assets per share	3,851.31 yen

- Net loss per share and net profit per share fully diluted

Three months ended December 31, 2008		Three months ended December 31, 2009	
Net loss per share	1,744.31	Net loss per share	129.90
Although outstanding residual securities exist, net profit per share fully diluted has been omitted here as the Company posted a net loss for the three months ended December 31, 2008.		Although outstanding residual securities exist, net profit per share fully diluted has been omitted here as the Company posted a net loss for the three months ended December 31, 2009.	

Note: Basis of calculation of net loss per share

	Three months ended December 31, 2008	Three months ended December 31, 2009
Net loss reported on quarterly consolidated Statements of Income (thousands of yen)	2,107,367	156,941
Net loss applicable to common stock (thousands of yen)	2,107,367	156,941
Average number of common stock during the period (shares)	1,208,135	1,208,135
Outline of changes from September 30, 2009, in residual securities that were not included in the calculation of fully diluted net income/loss per share because they have no potential dilution effect on income/loss.	<p>FinTech Global Incorporated:</p> <p>Subscription rights (stock options) approved by a special resolution at the shareholders' meeting held on December 25, 2001 Common stock: 725 shares</p> <p>Stock acquisition rights (stock options), issued on December 1, 2004 and December 14, 2004, approved by a special resolution at the shareholders' meeting held on June 16, 2004 524 units (common stock: 39,330 shares)</p> <p>Stock acquisition rights (stock options), issued on December 2, 2005, approved by a special resolution at the shareholders' meeting held on December 3, 2004 146 units (common stock: 10,950 shares)</p> <p>Stock acquisition rights (stock options), issued on April 27, 2006, approved by a special resolution at the shareholders' meeting held on December 20, 2005 590 units (common stock: 2,950 shares)</p> <p>Stock acquisition rights on the euro-yen denominated bonds issued on February 8, 2007 2,217 units (common stock: 139,785 shares)</p> <p>Stock acquisition rights (stock options), issued on June 4, 2007, approved by a special resolution at the shareholders' meeting held on December 20, 2006 1,127 units (common stock: 1,127 shares)</p> <p>Stock acquisition rights (stock options), issued on December 29, 2008, approved by a special resolution at the shareholders' meeting held on December 19, 2008 362 units (common stock: 362 shares)</p>	<p>FinTech Global Incorporated:</p> <p>Subscription rights (stock options) approved by a special resolution at the shareholders' meeting held on December 25, 2001 Common stock: 725 shares</p> <p>Stock acquisition rights (stock options), issued on December 1, 2004 and December 14, 2004, approved by a special resolution at the shareholders' meeting held on June 16, 2004 448 units (common stock: 33,600 shares)</p> <p>Stock acquisition rights (stock options), issued on December 2, 2005, approved by a special resolution at the shareholders' meeting held on December 3, 2004 79 units (common stock: 5,925 shares)</p> <p>Stock acquisition rights (stock options), issued on April 27, 2006, approved by a special resolution at the shareholders' meeting held on December 20, 2005 75 units (common stock: 375 shares)</p> <p>Stock acquisition rights on the euro-yen denominated bonds issued on February 8, 2007 565 units (common stock: 35,624 shares)</p> <p>Stock acquisition rights (stock options), issued on June 4, 2007, approved by a special resolution at the shareholders' meeting held on December 20, 2006 808 units (common stock: 808 shares)</p> <p>Stock acquisition rights (stock options), issued on December 29, 2008, approved by a special resolution at the shareholders' meeting held on December 19, 2008 240 units (common stock: 240 shares)</p>

	Three months ended December 31, 2008	Three months ended December 31, 2009
Outline of changes from September 30, 2009, in residual securities that were not included in the calculation of fully diluted net income/loss per share because they have no potential dilution effect on income/loss.	<p>Consolidated subsidiary: Entrust, Inc.</p> <p>Stock acquisition rights (stock options) 76 units (common stock: 76 shares)</p> <p>Stock acquisition rights (stock options) 101 units (common stock: 101 shares)</p>	<p>Stock acquisition rights (stock options), issued on December 28, 2009, approved by a special resolution at the shareholders' meeting held on December 18, 2009 278 units (common stock: 278 shares)</p> <p>Consolidated subsidiary: Entrust, Inc.</p> <p>Stock acquisition rights (stock options) 76 units (common stock: 76 shares)</p> <p>Stock acquisition rights (stock options) 101 units (common stock: 101 shares)</p>

Material Subsequent Events

Three months ended December 31, 2009 (October 1, 2009 to December 31, 2009)

1. Assignment of shares and receivables of a subsidiary

The board of directors resolved on February 1, 2010 that the Company assigned all shares and receivables of Entrust, Inc. (“Entrust”), one of its consolidated subsidiaries. The Company assigned all shares and receivables of Entrust on February 3, 2010.

(1) Grounds to assign shares and receivables of the subsidiary

Operating the delinquent rent guarantee business, Entrust has turned to profitability since fiscal 2008 and its performance is steadily improving. The Company’s investments and loans toward Entrust as of December 31, 2009 (850,000 thousand yen, including the deposit collateral.) have been a little under 20% of its consolidated net asset (5,207,007 thousand yen). In accordance with the rent guarantee increase, demands for the capital to advance rents will increase in future. The Company’s funding support to Entrust is expected to be inevitable.

The Company is in the process of reinforcing its core business of investment banking business in order to achieve the “recovery of earning power,” a remaining business challenge of its own. It is imperative that the Company takes measures to further enhance the earning power and asset efficiency by immediately collecting and reinvesting the fund invested and lent to Entrust to its core business. Therefore, the Company has determined to assign all of its holding shares of Entrust and the loan receivables of Entrust to Prestige International (S) Pte Ltd. (The parent company: Prestige International Inc., a listed company of the Hercules market of Osaka Securities Exchange Co., Ltd.).

(2) Summary of the subsidiary of which shares and receivables are assigned

(1) Business Name	Entrust Inc.
(2) Business Type	Delinquent rent guarantee business
(3) Address	22-16, Toranomom 1-chome, Minato-ku, Tokyo
(4) Representative	Yutaka Kuwabara, Representative Director
(5) Capital	200,000 thousand yen
(6) Business relationship with the Company	The Company made loans to Entrust, Inc.

(3) Summary of assignee and share assignment

(1) Business Name	Prestige International (S) Pte Ltd.
(2) Business Type	Business Process Outsourcing (BPO)
(3) Address	583 Orchard Road,#09-03 Forum, SINGAPORE 238884
(4) Representative	Yoshiko Akao, Representative Director
(5) Capital	3,350,000 Singapore dollars
(6) Business relationship with the Company	Not applicable.

(4) Number of assigned shares, assignment price and shareholding ratio after assignment

(1) Number of Assigned shares	1,950 shares
(2) Assignment Price	10,000 thousand yen
(3) Shareholding Ratio after Assignment	0%

(5) Assigned receivables and assignment price

- | | |
|--------------------------|--|
| (1) Assigned Receivables | Loan in the amount of 650,000 thousand yen |
| (2) Assignment Price | 390,000 thousand yen |

(6) Profit and loss in connection with assignment of shares and receivables

Provisions for affiliate reorganization loss 296,360 thousand yen

(7) Schedule

- | | |
|------------------|---|
| February 1, 2010 | Resolution of the board meeting |
| February 2, 2010 | Execution of the assignment agreement of shares and receivables |
| February 3, 2010 | Assignment of shares and receivables |

2. Early Redemption of the Convertible Bonds Called by Bondholders

On February 8, 2010, the Company redeemed the euro-yen denominated convertible bonds issued by the Company before maturity of 2012 (the "Bond") in the face amount of 2,560,000 thousand yen for the subject bonds called by bondholder with a prior notice of early redemption.

(1) Description of the Bonds Redeemed before Maturity, and Method, Amount and Timing of Early Redemption

Description: Euro-yen denominated convertible bonds matured in 2012.

Method: Early redemption upon prior notice called by bondholders.

Amount: 2,560,000 thousand yen

Timing: February 8, 2010

(2) Funding for Redemption

Early redemption with principal funds

(3) Expected Decrease in the Interest Payment due to Bond Decrease

No decrease in the interest payment as the Bond is a zero coupon bond.

(4) Impacts in the Company's Operation

No impact is expected.