

For Immediate Release

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Partial Revision to the Consolidated Financial Statements for the Term Ended December 2006

Revisions have been made to the Consolidated Financial Statements for the Term Ended December 2006 released on February 22, 2007.

Revisions have been underlined.

■ Reasons for Revision

Revisions have been made mostly due to errors in the classification of funds resulting from an increase in subsidiaries and in the distinction between Cash flow from Operating Activities and Cash flow from Investing activities.

■ Interim Consolidated Financial Statement for the Term Ended December 2006

(Prior to revision)

(3) Consolidated Cash Flow

	Cash Flow from Operating Activities	Cash flow from Investing Activities	Cash flow from Financing Activities	Cash and Equivalents Closing Balance
	¥ millions	¥ millions	¥ millions	¥ millions
Year Ended 12/2006	5,090	-7,386	8,085	33,180
Year Ended 12/2005	-158	-22,733	34,748	23,202

(After revision)

(3) Consolidated Cash Flow

	Cash Flow from Operating Activities	Cash flow from Investing Activities	Cash flow from Financing Activities	Cash and Equivalents Closing Balance
	¥ millions	¥ millions	¥ millions	¥ millions
Year Ended 12/2006	<u>4,544</u>	<u>-3,400</u>	<u>7,995</u>	33,180
Year Ended 12/2005	-158	-22,733	34,748	23,202

■ Operating Results, 2. Financial Condition, (2) Cash Flow, Item 9

(Prior to revision)

Regarding consolidated cash and cash equivalents (hereafter “the funds”), despite a corporate tax payment, cash flow from operating activities was 5,090,912,000 yen. Spending under cash flow from investing activities totaled 7,386,149,000 yen largely as a result of acquisitions including investments in securities and subsidiary stock. Despite factors including the redemption of bonds and the payment of dividends, cash flow from financing activities increased by 8,085,309,000 yen due to activities including the issuing of stock. As a result of the above factors, in the current consolidated fiscal year, funds totaled 33,180,245,000 yen, an increase of 9,997,363,000 yen over the previous consolidated fiscal year.

The state of each cash flow and the factors contributing to that state in the current consolidated accounting term is as follows.

Under cash flow from operating activities, a net profit before adjustment for taxes etc. of 8,914,384,000 yen was recorded and despite a payment of 3,118,809,000 yen in corporate taxes etc., the collection of operating loans resulted in a 5,090,912,000 yen increase (158,357,000 yen year-over-year decrease) in the closing balance.

Cash flow from investing activities decreased by 7,386,149,000 yen (22,733,175 yen year-over-year decrease). While income of 3,161,591,000 yen was received from the sale of investments in securities, the decrease was primarily due to expenditure including 2,325,588,000 yen in acquisitions of investments in securities and 1,997,012,000 yen in acquisitions of intangible fixed assets

Cash flow from financing activities increased by 8,085,309,000 yen (34,748,770,000 yen year-over-year increase). Although there was expenditure of 32,150,000,000 yen on the redemption of bonds and 62,718,015,000 yen in long and short term debt repayments, income of 89,863,604,000 yen was received from long and short term loans and 7,626,208,000 from the issuing of stock.

Cash Flow Indicators

	End of FY 2004	End of FY 2005	End of FY 2006
Shareholders' Equity Ratio (%)	47.9	18.5	7.7
Market Value of Shareholders' Equity (%)	817.3	388.8	37.8
No. of Years for Debt Redemption	0.9	—	16.5
Interest Coverage Ratio	117.7	—	25.1

(After revision)

Regarding consolidated cash and cash equivalents (hereafter “the funds”), despite a corporate tax payment, cash flow from operating activities was 4,544,773,000 yen. Spending under cash flow from investing activities totaled 3,400,688,000 yen largely as a result of acquisitions including investments in securities and subsidiary stock. Despite factors including the redemption of bonds and the payment of dividends, cash flow from financing activities increased by 7,995,309,000 yen due to activities including the issuing of stock. As a result of the above factors, in

the current consolidated fiscal year, funds totaled 33,180,245,000 yen, an increase of 9,997,363,000 yen over the previous consolidated fiscal year.

The state of each cash flow and the factors contributing to that state in the current consolidated accounting term is as follows.

Under cash flow from operating activities, a net profit before adjustment for taxes etc. of 8,914,384,000 yen was recorded and despite a payment of 3,118,809,000 yen in corporate taxes etc., the collection of operating loans resulted in a 4,544,773,000 yen increase (158,357,000 yen year-over-year decrease) in the closing balance.

Cash flow from investing activities decreased by 3,400,688,000 yen (22,733,175 yen year-over-year decrease). While income of 3,161,591,000 yen was received from the sale of investments in securities, the decrease was primarily due to expenditure including 1,767,220,000 yen in acquisitions of investments in securities and 1,997,012,000 yen in acquisitions of intangible fixed assets

Cash flow from financing activities increased by 7,995,309,000 yen (34,748,770,000 yen year-over-year increase). Although there was expenditure of 32,150,000,000 yen on the redemption of bonds and 62,808,015,000 yen in long and short term debt repayments, income of 89,863,604,000 yen was received from long and short term loans and 7,626,208,000 from the issuing of stock.

	End of FY 2004	End of FY 2005	End of FY 2006
Shareholders' Equity Ratio (%)	47.9	18.5	7.7
Market Value of Shareholders' Equity (%)	817.3	388.8	37.8
No. of Years for Debt Redemption	0.9	—	<u>18.5</u>
Interest Coverage Ratio	117.7	—	<u>21.8</u>

■ Consolidated Financial Statement, (1) Consolidated Financial Statement 5. Consolidated Cash Flow Statement

	(prior to revision)	(after revision)
I Cash Flow from Operating Activities		
Depreciation expenses	1,445,391	<u>1,402,780</u>
Amortization of consolidated adjustments account (new)	1,711,866	<u>1,754,477</u>
Foreign exchange gain or loss	-	<u>-17,866</u>
<u>Increase in business investments in securities</u>		<u>-538,368</u>
Other change in liabilities	2,144,174	<u>2,159,270</u>
Sub total	8,407,871	<u>7,866,732</u>

■ Consolidated Financial Statement, (1) Consolidated Financial Statement 5. Consolidated Cash Flow Statement Item 27

		(prior to revision)	(after revision)
Interest paid		-203,023	<u>-208,023</u>
Cash flow from operating activities		5,090,912	<u>4,544,773</u>
II Cash Flow from Investing Activities			
Expenditure on acquisition of investments in securities		-2,325,588	<u>-1,767,220</u>
Expenditure on the acquisition of subsidiary stock due to change in scope of consolidation.		-3,777,698	<u>-350,605</u>
Cash flow from investing activities		-7,386,149	<u>-3,400,688</u>

■ Consolidated Financial Statement, (1) Consolidated Financial Statement 5. Consolidated Cash Flow Statement Item 28

		(prior to revision)	(after revision)
III Cash Flow from Financing Activities			
Revenue accrued on short-term loans		69,272,068	<u>69,266,068</u>
Expenditure on repayment of short term loans		-58,541,848	<u>-46,484,166</u>
Revenue accrued on long term loans		20,591,536	<u>20,597,536</u>
Expenditure on repayment of long term loans		-4,176,166	<u>-16,323,849</u>
Cash flow from financing activities		8,085,309	<u>7,995,309</u>
V Increase in Cash and Equivalents		5,811,615	<u>9,160,937</u>
VII Increase in Cash and Equivalents Due to Increase in Consolidated Subsidiaries		4,088,108	<u>738,786</u>

The following pages show the revised Consolidated Cash Flow Statement.

Revisions have been underlined. (After revision)

5. Consolidated Cash Flow Statement

	Prior Consolidated Fiscal Year January 1, 2005 to December 31, 2005	Current Consolidated Fiscal Year January 1, 2006 to December 31, 2006
Category	Amount (¥thousands)	Amount (¥thousands)
I Cash Flow from Operating Activities		
Net profit or loss before adjustment for tax etc.	6,592,891	-8,914,384
Depreciation expenses	906,553	<u>1,402,780</u>
Shrinkage	—	4,751,331
Amortization of consolidated adjustments account	957,428	—
Amortization of consolidated adjustments account (new)	—	<u>1,754,477</u>
Change in allowance for doubtful debts	-297,663	3,494,406
Decrease in allowance for bonuses	-9,786	-34,861
Increase in reserve retirement benefits	19,627	20,072
Increase in excess interest repayment fund	—	3,063,000
Gain on sale of investments in securities	-459,788	-2,159,445
Gain on sale of stock in affiliated companies	-3,010,629	-343,987
Gain on transfer of goodwill	—	-6,185
Interest and dividends received	-25,386	-12,762
Interest paid	18,948	267,921
Foreign exchange gain or loss	-36,592	<u>-17,866</u>
Stock issue expenses	37,866	38,032
Bond issue expenses	—	10,000
Loss on sale of investments in securities	1	499,628
Loss on appraisal of investments in securities	330,800	34,530
Loss on appraisal of stock in affiliated companies	10,049	37,448
Loss on appraisal of investments	41,649	—
Amortization of goodwill	82,193	—
Loss on retirement of fixed assets	489,504	62,767
Loss on sale of fixed assets	95,673	58
Gain on sale of fixed assets	-14,287	-183
Loss from change of equity investees	246,289	315,011
Gain from change of equity investees	-1,364,951	-544,874
Amount of change in operating loans	-3,074,384	2,973,207
Increase in security deposits received	—	1,527,510
Increase in segregated trust account	—	-5,352,000
Increase in securities deposits	—	4,178,570
Increase in business investments in securities	—	<u>-538,368</u>
Change in accounts receivable	685,514	-397,305
Decrease in inventory assets	16,912	728
Other decrease in assets	1,472,880	150,296
Decrease in purchase debts	-173,401	-482,841
Other change in liabilities	-1,001,403	<u>2,159,270</u>
Directors bonuses paid	-43,025	-69,252
Sub total	2,493,484	<u>7,866,732</u>

	Prior Consolidated Fiscal Year January 1, 2005 to December 31, 2005	Current Consolidated Fiscal Year January 1, 2006 to December 31, 2006
Category	Amount (¥thousands)	Amount (¥thousands)
Interest and dividends received	25,300	4,873
Interest paid	-19,020	<u>-208,023</u>
Payment of damages	-160,110	—
Payment of corporate tax etc.	-2,498,012	-3,118,809
Cash flow from Operating Activities	-158,357	<u>4,544,773</u>
II Cash Flow from Investing Activities		
Expenditure on deposit of fixed deposit	-8	—
Revenue accrued on return of fixed deposit	697,308	1,045,207
Expenditure on acquisition of tangible fixed assets	-417,512	-446,228
Revenue accrued on sale of tangible fixed assets	629,649	343,546
Expenditure on acquisition of intangible fixed assets	-769,332	-1,997,012
Revenue accrued on sale of intangible fixed assets	79,797	1,018
Expenditure on acquisition of securities	—	-995,206
Expenditure on acquisition of investments in securities	-2,462,387	<u>-1,767,220</u>
Revenue accrued on sale of investments in securities	839,655	3,161,591
Revenue accrued on redemption of investments in securities	277,500	50,000
Expenditure on acquisition of subsidiary stock	-2,100,281	-416,421
Revenue accrued on sale of subsidiary stock	3,364,051	361,055
Expenditure on investment in silent partnership with affiliated company	—	-2,900,000
Receipt of subsidiary funds through stock swap	13,564	—
Decrease due to change in scope of consolidation after merger of subsidiaries	-57,265	—
Expenditure on the acquisition of subsidiary stock due to change in scope of consolidation.	-22,850,289	<u>-350,605</u>
Expenditure on loans	-209,053	-15,063
Revenue accrued on collection of loans	112,344	433,256
Expenditure on transfer of business	-30,207	—
Revenue from other investment activities	565,560	312,405
Expenditure on other investment activities	-416,267	-221,010
Cash flow from investing activities	-22,733,175	<u>-3,400,688</u>

	Prior Consolidated Fiscal Year January 1, 2005 to December 31, 2005	Current Consolidated Fiscal Year January 1, 2006 to 31.12.06
Category	Amount (¥thousands)	Amount (¥thousands)
III Cash Flow from Financing Activities		
Revenue accrued on short-term loans	6,800,000	<u>69,266,068</u>
Expenditure on repayment of short term loans	-9,935,800	<u>-46,484,166</u>
Revenue accrued on long term loans	12,446,300	<u>20,597,536</u>
Expenditure on repayment of long term loans	-7,778,000	<u>-16,323,849</u>
Revenue accrued on issue of stock	—	7,626,208
Revenue accrued on issue of bonds	63,128,873	1,990,000
Expenditure on redemption of bonds	-31,475,000	-32,150,000
Income from investment partnership	—	1,470,000
Revenue from issue of new stock to minority shareholders	2,279,947	2,497,858
Income and expenditure on the sale and acquisition of treasury stock	-223,427	31,685
Payment of dividends	-362,399	-365,405
Payment of dividends to minority shareholders	-131,722	-160,626
Cash flow from financing activities	34,748,770	<u>7,995,309</u>
IV Effect of exchange rate on cash and equivalents	9,630	21,542
V Increase in cash and equivalents	11,866,868	<u>9,160,937</u>
Balance of cash and equivalents at the beginning of term	11,319,354	23,202,882
VII Increase in cash and equivalents due to increase in consolidated subsidiaries	16,659	<u>738,786</u>
VIII Increase in cash and equivalents due to merger	—	77,639
VI Balance of Cash and Equivalents at the End of Term	23,202,882	33,180,245