



Interim Consolidated Financial and business Results ended September 2005

Faith, Inc.
Nov 24, 2005



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Notice

This document and its supporting documents contain forecasts of our company's future performance. These are estimates by the management of Faith based on currently available information. There are potential risks and uncertainties that may affect the results. Please be advised that actual performance may differ significantly from the forecast.



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Results



Consolidated		(#million)	
	Interim Sep 03	Interim Sep 04	
Sales	13,249	10,521	
<small>(Percentages are change from same period of previous year)</small>	+25.9%	+113.9%	
Service operations	5,376	4,339	
	+23.9%	+0.5%	
Licensing	997	1,051	
	-5.2%	+92.9%	
Electronic Payment	6,854	5,128	
	+33.7%	-	
Other businesses	22	3	
	+543.5%	-94.3%	
Recurring profit	2,027	1,939	
<small>(Percentages are change from same period of previous year)</small>	+4.5%	-20.6%	
Half-year net income	889	1,014	
<small>(Percentages are change from same period of previous year)</small>	-12.3%	-21.5%	

Parent		(#million)	
	Interim Sep 03	Interim Sep 04	
Sales	4,558	4,687	
<small>(Percentages are change from same period of previous year)</small>	-2.8%	+9.6%	
Service operations	3,582	3,678	
	-2.6%	-1.9%	
Licensing	955	1,006	
	-5.1%	+116.2%	
Electronic Payment	-	-	
Other businesses	21	3	
	+543.5%	-94.3%	
Recurring profit	2,109	2,134	
<small>(Percentages are change from same period of previous year)</small>	-1.2%	-18.0%	
Half-year net income	1,233	1,224	
<small>(Percentages are change from same period of previous year)</small>	+0.7%	-15.8%	

- Interim Sep 03 consolidation adjustment account amortization was 307 million yen (266 million for TakeNET, 41 million for WebMoney)
- Interim Sep 04 consolidation adjustment account amortization was 151 million yen (110 million for Digiplug, 41 million for WebMoney)



Topics



- Domestic mobile content users growth in the 8 million range
- Rose Online entering second stage of growth
- Steady expansion of use of WebMoney, online games and music distribution
- Strategic move into a new business model directed toward music and video distribution
- Entering digital content market, including 1 SEG and 3 SEG broadcasts
- Growth and expansion of the technical licensing business (growth in CDMA, expansion into GSM)
- Penetration of mobile content market worldwide
- First-stage growth for MVNO business
- Creation of solution business targeting healthcare market
- Global contract with Warner Bros. to distribute digital content follows contract with Universal



Progress of Rose Online

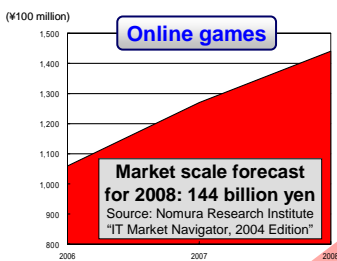


Fee-based service and creation of online community service introduced in August

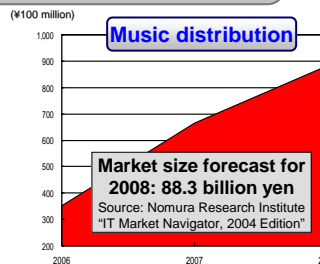
- Reached 300,000 registered members in the free open service, conducted between September, 2004 and August, 2005
- Paid membership is forecast to reach 10,000 in November, 2005. Planning to double membership by offering rare items, other features
- Affiliation with Internet cafes throughout Japan; target is 400 shops by end of Oct. 2005, 500 shops by end of March 2006
- Joint store promotions with Aro-System, with 93 retail outlets, Japan leader in self-built PC shops
- Exhibits at large events such as the Tokyo Character Show, Comic Market, and WPC Expo
- Oct.-Dec., first radio show in the world: with Nippon Broadcasting System and games, live broadcast
- Full use of Yuko Ogura, the Rose Online image character for promotions
- Tie-in new release by the noted girls' pop band Harenchi Punch as our theme song
- Planning to double paid membership this winter with the rollout of our new version, "Rose Online Evolution"



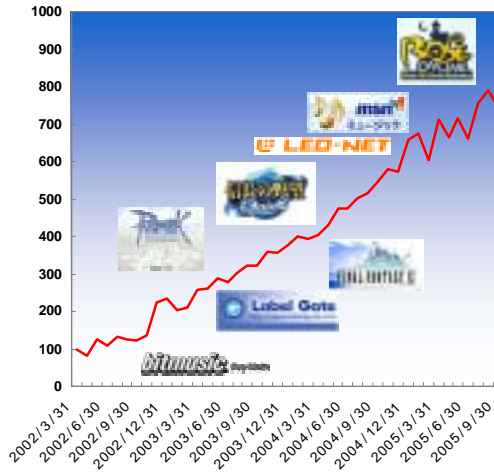
Electronic Payment - WebMoney



**Steady growth in services using WebMoney
Surge in revenue from online game settlements**



Volume of monthly settlements (index)



Note: Index based on March, 2002 = 100

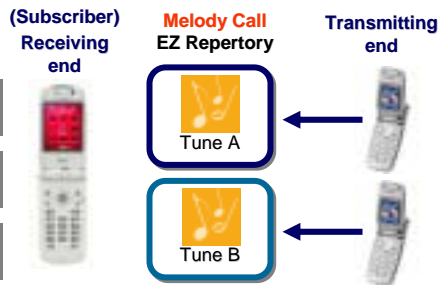


Ringback tone

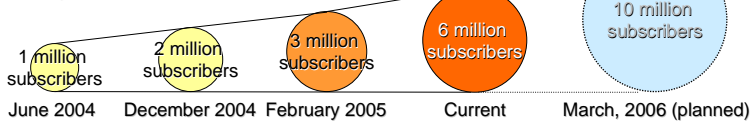


Now providing content to au as well as DoCoMo

- Entry by au (February, 2005), made possible with compatible carriers
- Used by 6 million people every month, about 40% of Korea's SK Telecom subscribers
- Number of Melody Call subscribers doubled in last 9 months



Melody Call growth in number of subscribers



“FM cell phone” solution



Faith solution capable FM cell phones

Receive FM & broadcasts & “Now ON AIR” information

Check program listings
Send messages and requests to the programs

Download ring tones of broadcasted songs



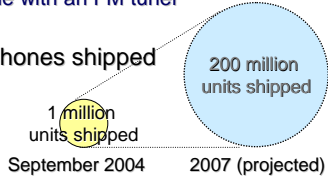
Cell phone with an FM tuner

Passed 1 million shipments of cell phones equipped with FM tuners (September, 2004)

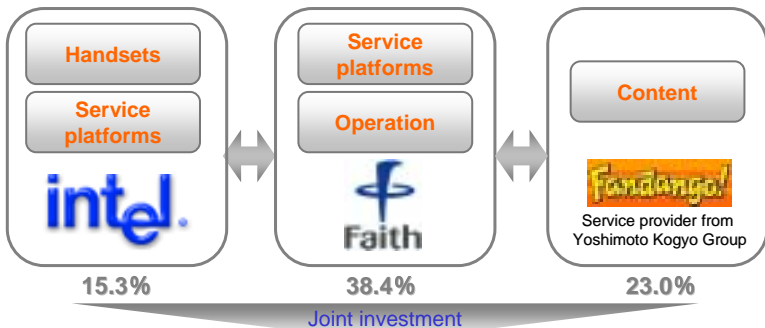
Over 40% of FM cell phone users download ring tones

Possible that 30% of the 600 million units produced worldwide will be equipped with radio tuners

Growth in number of FM cell phones shipped



Bellrock Media



Home networks



Broadcast media such as CS (communication satellite)

Delivery over the Internet
Delivery to cell phones

1 SEG/ 3 SEG-capable

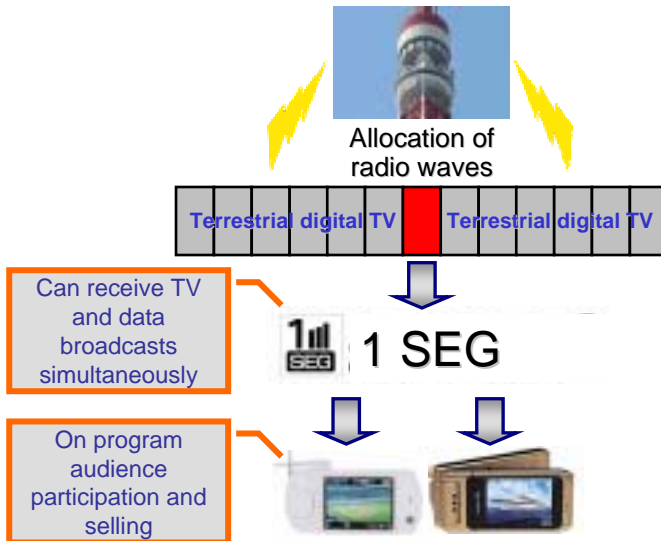
DVD·CD Sales

Strategic company that distributes content without regard to genre, such as content from Yoshimoto Kogyo or Hollywood



Domestic digital content : What is 1 SEG?

Enjoy terrestrial digital television on cell phones and PDAs



Domestic digital content : engaging in "1 SEG"

Planning programming using data broadcasts with TV stations and production companies



Services

Planning and operating programs to run in conjunction with data broadcasts

Planning and operating content delivery services and sales services to run in conjunction with programs

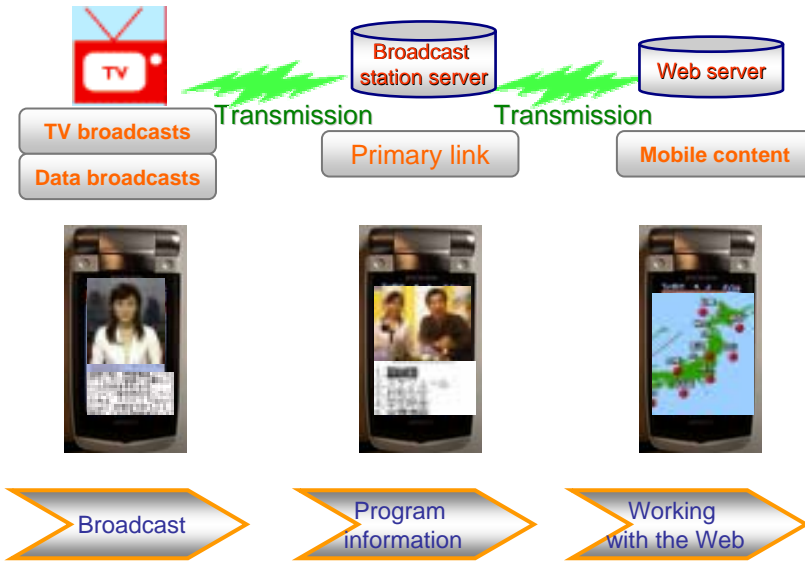
Platforms

Specifying and developing program production system using data broadcasts

Proposing program production system solutions



Service deployment : 1 SEG



Domestic digital content : 3 SEG



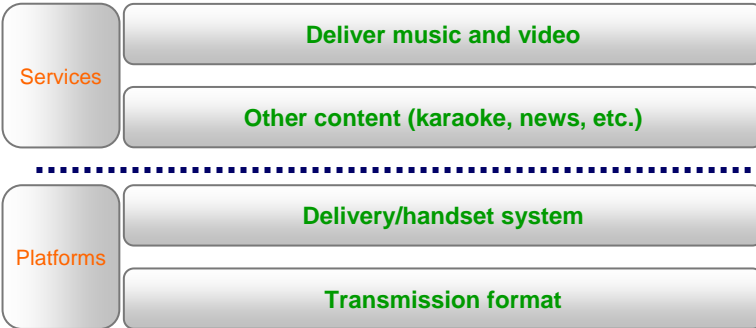
Digital radio broadcasts that allow videos with CD-quality sound



Domestic digital content : engaging in "3 SEG"



Recommend technology, programming and services related to data broadcasts

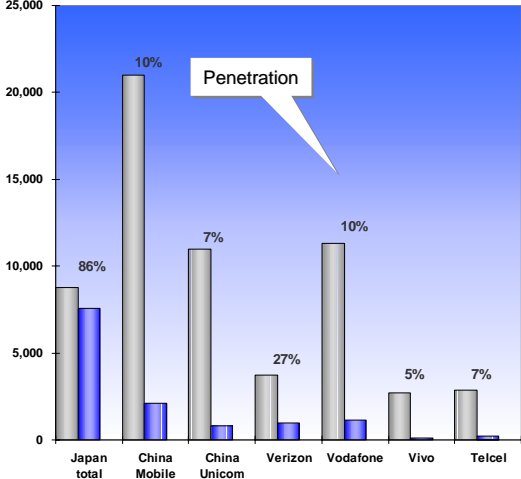


Overseas market potential



Overseas market potential

(10,000 persons) Mobile Internet connection service penetration (our own research)



Overseas potential is very strong

Plunging into a content service expansion period

Legend:
 □ Subscribers
 ■ Internet connection service

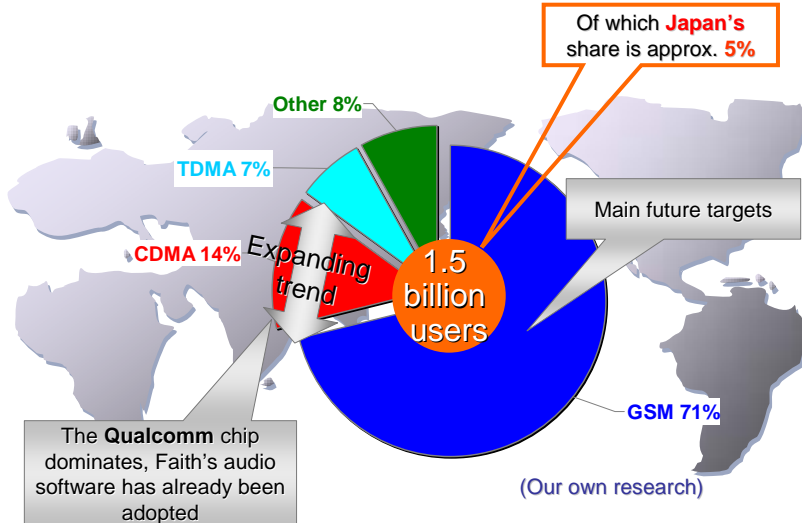
Note: For Vodafone, data is ratio of users of Vodafone live! among Vodafone subscribers outside of Japan and the US.



Overseas licensing businesses



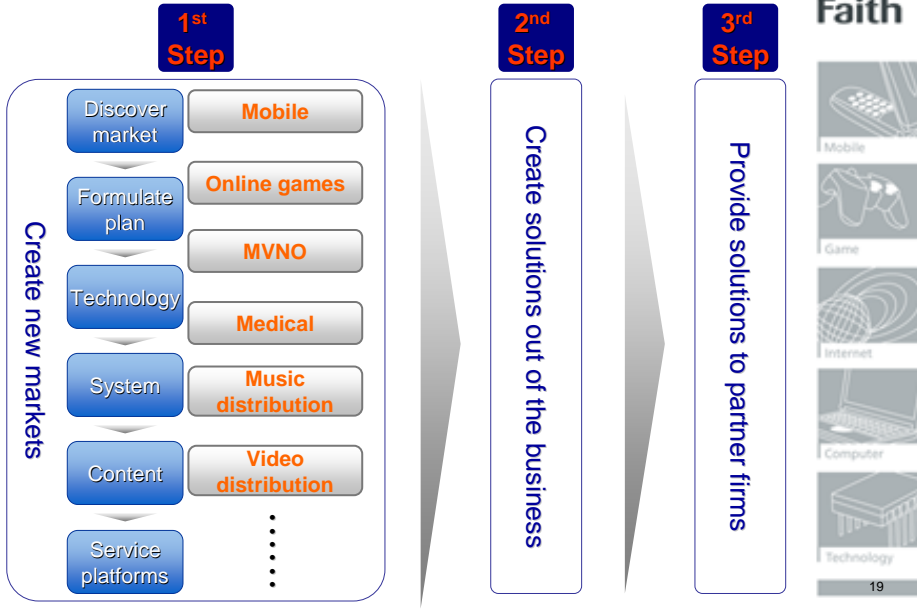
Approx. 1.5 billion cell phone users



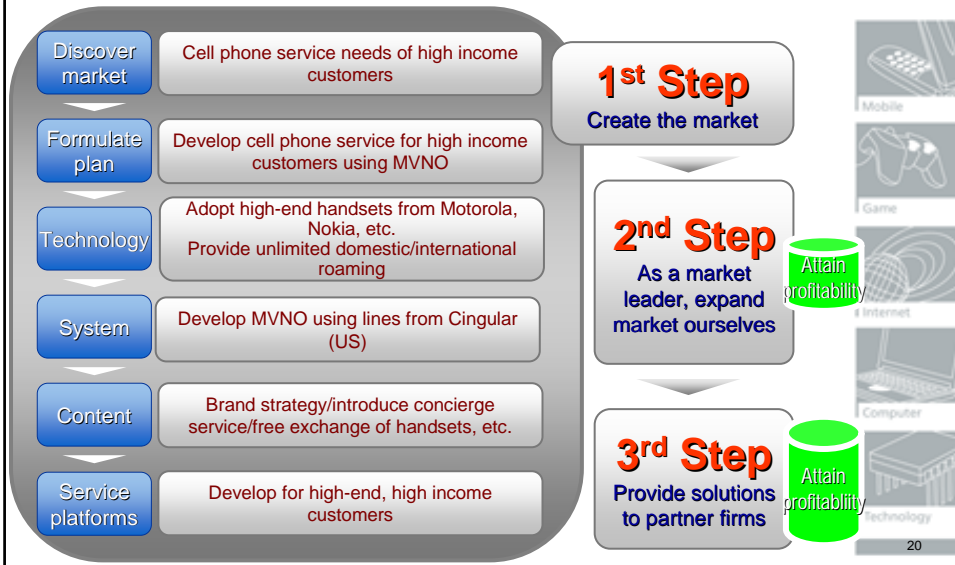
Medium-term business plan



Model for creating business solutions



Model case (A): *WVCC*



VOCE Positioning

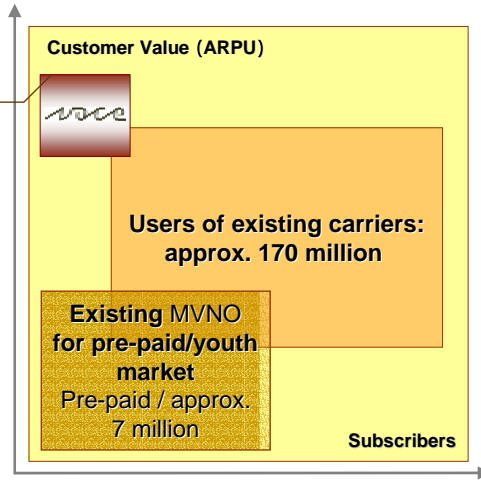


Profile of VOCE customer

- Annual income over \$200,000
- Need continuous access to a cell phone
- Feel that quality service is critical
- Desire the latest equipment
- Long time mobile users

VOCE concept

- Unique targeting not found in the market today
- Value added service
- Emphasis on brand image
- Target a smaller number of High Value customers



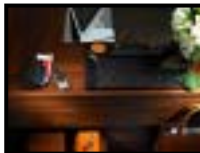
VOCE Strategy



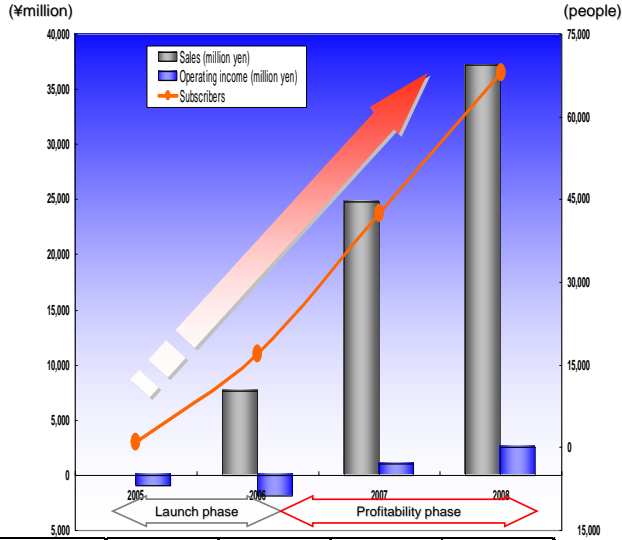
- Sophisticated consumer services tailored to high-end
- Planned fees: enrollment - \$1500, monthly - \$500
- Provide high-end equipment from Motorola, Nokia, etc., and free replacement of handsets
- Provide unlimited domestic (voice, data)/international roaming
- Concierge service, such as travel services



- Planned opening of store in high-end shopping district in Los Angeles in Q4 this year
- Main service planned to begin in Q1 2006
- Successive expansion into NY, San Francisco, Chicago, Miami, Boston, etc. planned



Faith Communications: Business growth forecast



Subscribers	0	17,025	42,509	68,015
Sales (million yen)	0	7,617	24,770	37,174
EB IT (million yen)	954	1,901	1,034	2,503



Model case (B): Healthcare communications



Provide healthcare information to cell phones



Medical information service from "I need to know now" to "I got the information instantly"



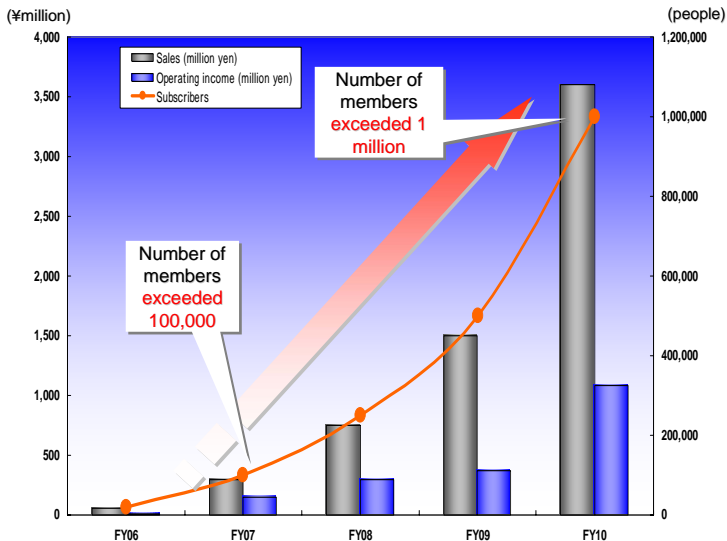
At one's fingertips – 24 hours – easily - quickly

- Find out about an ailment
- Find out about treatments
- Check up on a hospital
- Find a pharmacy
- Consult with a doctor
- ⋮

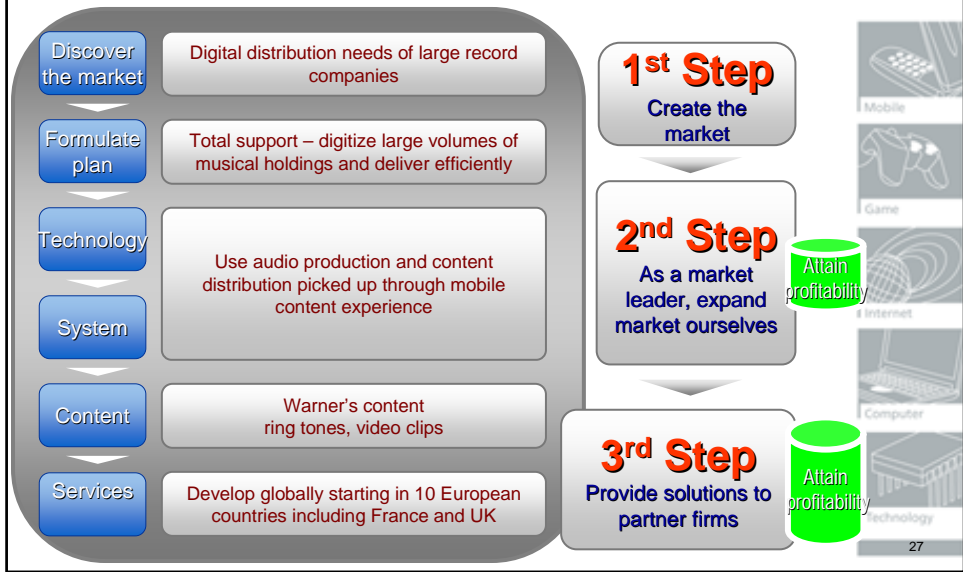
User-friendly medical information service



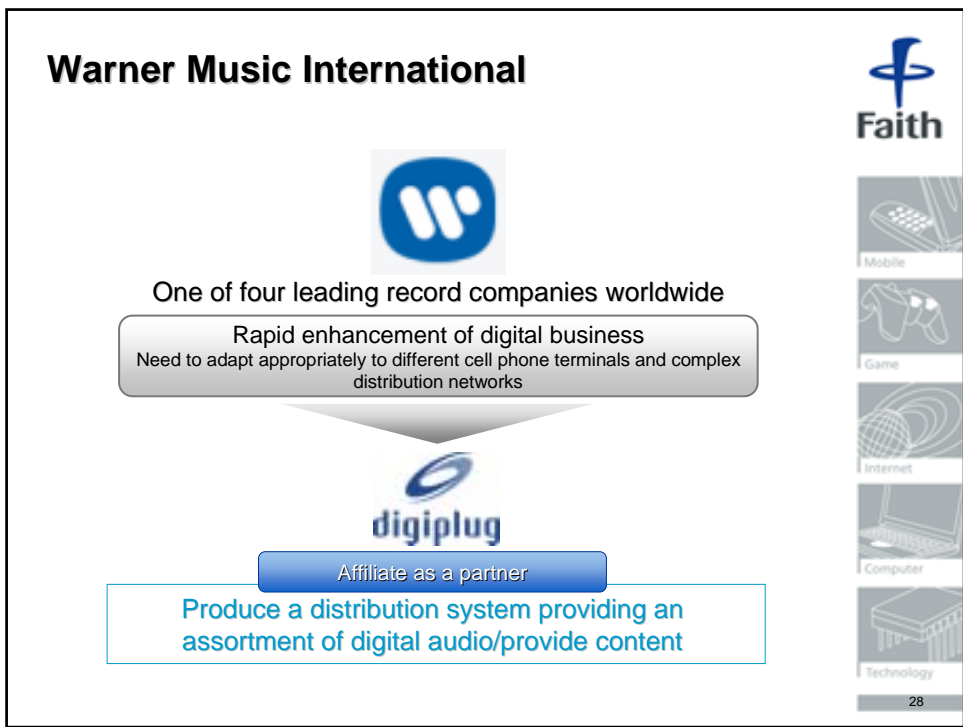
Medical Communications: Business growth forecast



Model case (C): Digiplug & Warner Music



Warner Music International

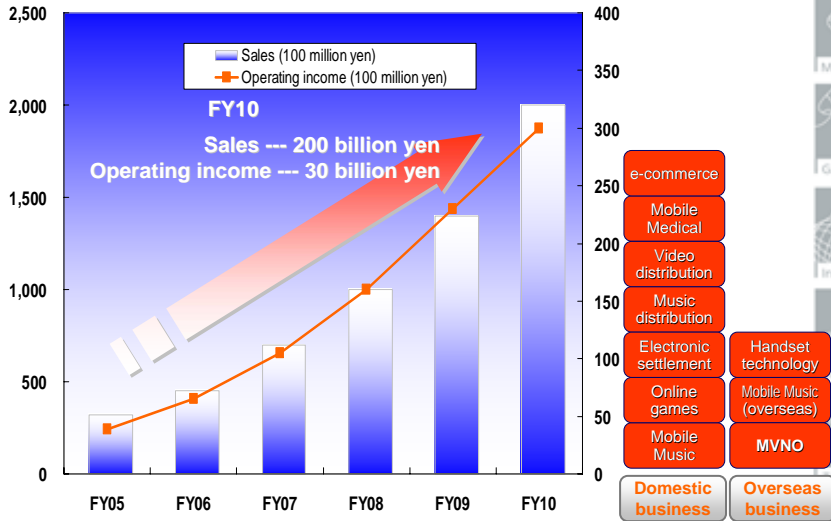


Five-year target numbers



Consolidated sales
(¥100 million)

Consolidated operating profit
(¥100 million)



Thank you very much.

