

BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST HALF OF THE FISCAL YEAR ENDING MARCH 2008

November 14, 2007

Faith, Inc. (Stock code 4295, Listed on TSE 1st section)

(URL <http://www.faith.co.jp/>)

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Date of Submission of Securities Report: December 26, 2007

Starting Date of the Dividend Payment: December 10, 2007

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the first half of the fiscal year ending March 2008

(April 1, 2007 through September 30, 2007)

(1) Consolidated financial results

Those figures in “%” show increased/decreased ratio compared with the previous 1st half of fiscal term

	Net sales		Operating profit		Recurring Profit		Net profit	
	Million of yen	%	Million of yen	%	Million of yen	%	Million of yen	%
Interim of the year ending March 2008	23,452	16.1	1,066	65.6	884	57.0	960	-
Interim of the year ended March 2007	20,193	52.4	644	△ 66.8	563	△ 72.2	△ 653	-
(Ref): Year ended March 2007	44,152	-	1,060	-	853	-	△ 1,883	-

	Net Profit per Share	Diluted Net Profit per share
	Yen	Yen
Interim of the year ending March 2008	807.23	-
Interim of the year ended March 2007	△ 548.56	-
(Ref): Year ended March 2007	△ 1,581.81	-

Reference: Equity in earnings of affiliates: Interim of the year ending March 2008 △285 million yen; Interim of the year ending March 2007 △71 million yen, Year ended March 2007 △136 million yen.

(2) Consolidated financial position

	Total assets	Net Assets	Ratio of Equity Capital	Net Assets per Share
	Million of yen	Million of yen	%	Yen
Interim of the year ending March 2008	38,498	16,833	41.4	13,376.74
Interim of the year ended March 2007	41,295	17,491	41.3	14,327.67
(Ref): Year ended March 2007	39,442	15,914	38.6	12,797.62

Reference: Equity Capital: Interim of the year ending March 2008 15,923 million yen; Interim of the year ending March 2007 17,055 million yen, Year ended March 2007 15,234 million yen.

(3) Cash flow results

	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents, End of the year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Interim of the year ending March 2008	4,778	1,096	△ 3,055	10,959
Interim of the year ended March 2007	737	△ 14,349	13,374	7,601
(Ref): Year ended March 2007	1,371	△ 13,978	12,739	8,065

2. Dividends

(Record dates)	Dividends per Share		
	Interim	Year-end	Total(Annual)
	yen	yen	yen
Year ended March 2007	50	50	100
Year ending March 2008	50	-	
Year ending March 2008 (Forecast)	-	50	100

3. Forecasts for the business results for the year ending March 2008

(April 1, 2007 through March 31, 2008)

The figures in “%” show increased/decreased ratio compared with the previous fiscal year.

	Net sales		Operating Profit		Recurring Profit		Net profit		Net profit per share
	Million of yen	%	Million of yen	%	Million of yen	%	Million of yen	%	Yen
Year ending 2008	50,000	13.2	2,100	98	1,700	99.1	1,300	-	1,092.05

4. Others

(1) Changes in the significant subsidiaries

(Accompanying changes in scope of the consolidation): None

(2) Changes in accounting policy, procedure, and presentation in preparation of the consolidated interim financial reports: (Described in the “Basis of consolidated interim financial statements and summary of significant accounting polices”)

(2)-1. Changes accompanying revisions of accounting standards, etc.: Applicable

(2)-2. Changes other than the above: None

(3) Outstanding shares (common shares)

(3)-1. Outstanding shares at the end of the fiscal years (including treasury shares):

Interim of the year ending March 2008: 1,196,000 shares, Interim of the year ended March 2007: 1,196,000shares, Year ended March 2007: 1,196,000shares.

(3)-2. Treasury shares at the end of the fiscal years:

Interim of the year ending March 2008: 5,580 shares, Interim of the year ended March 2007: 5,580shares, Year ended March 2007: 5,580shares.

1. Operating Results

(1) Analysis on Operating Results

The domestic ringtone distribution services industry remained in a retrenching trend during this interim consolidated fiscal period, due to the maturing of the market and intensifying competition. At the same time, developments such as the spread of broadband Internet access and the shift of the mobile phone market toward third-generation (3G) mobile communications system are advancing. The continued growth in the Japanese digital contents distribution market is driven by the growth of the distribution of highly entertaining music- and video-distribution sites and online game services, and of content such as lifestyle-related information on subjects such as medical services, beauty, and health, and the expansion of highly convenient information services accessible via mobile phones.

In anticipation of these trends in the growing Japanese digital content distribution market, Faith Group has actively taken part in the “creation of new mechanisms to distribute digital contents,” through various efforts including acquisitions and the establishment of tie-ups with leading companies. As part of these efforts, the Group started new commercial content-distribution services using Near Field Rights Management TM (NFRM), a digital rights management technology developed in-house.

As for overseas, with the global advancement of the CDMA platform promoted by the U.S. company QUALCOMM, Incorporated and the semiconductor industry, demand for Faith Group's ringtone playback (audio source) technologies has remained strong.

Furthermore, in the electronic money field, which is seeing increasing demand, the amount of payments settled using WebMoney, with its strengths including high market shares in areas such as online games and music-distribution services, continued to grow substantially.

As a result, consolidated net sales for this interim consolidated fiscal period totaled ¥23,452 million, reflecting an increase of 16.1% compared to the same period of the previous year. This increase was aided by continued strong growth in the electronic money business and steady expansion of the content-distribution business in Japan through aggressive efforts including acquisitions and tie-ups. Operating profit was ¥1,066 million, up 65.6% year on year, due to factors such as restructuring of overseas businesses. Recurring profit was ¥884 million, for an increase of 57.0% compared to the same period of the previous year. Net income was ¥960 million (compared to an interim net loss of ¥653 million in the same period of the previous year), due to the increase in recurring profit in addition to factors such as gain from sale of the Group's U.S. content-distribution business.

Information on each business segment is as follows:

As described under "Note 3 to a. Business Segment Information for This Interim Consolidated Fiscal Period" under "4. Notes to the Consolidated Financial Statements (Segmental Information)," the categorization method for business segments has changed. As a result, year-on-year comparisons of sales and operating profit in this section are based on figures for the previous interim consolidated fiscal period adjusted retroactively.

<Content Distribution Business>

In Japan, the Group made efforts to expand and strengthen its business foundation through efforts including acquisitions and tie-ups with leading companies. 1) In partnership with Intel Corporation and Yoshimoto Kogyo Co., Ltd. as well as the rights holders to leading content, the Group successfully completed verification tests in March through June 2007 of a new NFRM-based content-distribution platform linking mobile phones to PCs. In June 2007, GIGA Networks, Inc., a subsidiary, began offering the first commercial NFRM service. 2) In May 2007, GIGA Networks, Inc., which has handled the mobile-phone content-distribution business until now, acquired MVP, Inc., a producer of cross-media content for platforms including personal computers and mobile phones, and Media Complex Co., Ltd., which develops content-distribution services targeting senior audiences. In partnership with these two companies, which have both expertise in production of video-on-demand (VOD) content for platforms including mobile phones and personal computers, and rights to distribute a wide range of content including comedy and variety programming, GIGA Networks plans to accelerate its development of businesses in the video content distribution field. In addition to services centered on ringtones, plans call for promoting sale of content with relatively higher levels of unit price through differentiation achieved using NFRM and other means. 3) In May 2007, Faith.biz, Inc. was established to consolidate business resources related to areas such as software development and network system establishment and operation in the Faith Group, with the goal of expanding the Group's businesses through developing new distribution platforms. Faith.biz handles development of platforms such as NFRM and e-commerce platforms, mobile-phone mega-sites, and video-distribution software for mobile-phone and PC use, while Group member companies cooperate with each other to develop new content distribution businesses. 4) In August 2007, Desperado, Inc., a subsidiary, began distribution of works it has produced and financed, via GIGA Networks' services targeted at mobile-phone users. In the future as well, Desperado will actively deploy works it has financed and ordered via the new distribution platforms of the Faith Group. 5) Beginning September 2007, an NFRM video-playback application for personal-computer use has been featured standard on the autumn 2007 models of Sony Corp.'s Vaio line of personal computers. This has accelerated improvement of the user environment for NFRM-compatible services.

In addition, demand for the Faith Group's ringtone playback (audio source) technologies, which, through a number of semiconductor manufacturers, are used in mobile phones of various manufacturers, has remained strong.

In terms of overseas businesses, following the restructuring of overseas businesses conducted in

February 2007 to integrate and distribute optimally business resources, the Faith Group has focused its efforts on development of distribution platform technologies and on licensing in Europe and North America. While the CDMA platform promoted by the U.S. company QUALCOMM, Incorporated and the semiconductor industry have been advancing around the world, demand for Faith Group's ringtone playback (audio source) technologies has remained strong, centered on markets such as North America, China, India, and South America. Cumulative total shipments worldwide reached more than 500 million units.

As a result, sales in the content business totaled ¥8,345 million, down 1.8% from the same period of the previous year. This figure resulted from a decline in revenues from overseas content distribution businesses due to restructuring of overseas businesses, despite steady growth in the content distribution business in Japan due to acquisitions and other developments. Operating income fell by 38.9% year on year, to ¥785 million, as a result of increases in royalties on distribution of audio and video content and investment in creation of new markets for the future, as well as declining sales.

<Electronic Money Business>

According to the Information and Communications Statistics Database of Japan's Ministry of Internal Affairs and Communications, subscriptions to broadband services in Japan exceeded 27 million at the end of June 2007. Demand for online game services — main users of the electronic money business — as well as demand for digital contents such as music and video distribution continued to increase. Under these circumstances, the volume of payments made using WebMoney increased drastically, thanks to its ability to enable safe and convenient payment over the Internet. In addition, the Group increased the level of user's convenience ,by implementing compatibility with QR Codes, and providing, free of charge, the WebMoney Wallet service, which makes payment over the Internet even more convenient.

As a result, sales in the electronic money business totaled ¥14,300 million, up 44.6% from the same period of the previous year, and operating profit was ¥236 million, for an increase of 12.4% from the same period of the previous year.

<Other Businesses>

Factors such as revenues from the point-card system business led sales in other businesses to decrease by 55.2% year on year, to ¥805 million, while other businesses recorded an operating profit of ¥53 million (compared with an operating loss of ¥26 million a year earlier).

Projections for full-year business performance are summarized below.

While royalties paid for content distribution increase as it enriches the lineup of content provided and intensification of competition leads to a trend toward declining revenues in the ringtone-distribution service market in Japan, the Faith Group will continue to actively take part in the “creation of new mechanisms to distribute digital contents.”

While the market for content such as music- and video-distribution services, online games, and lifestyle-related information on subjects such as medical services, beauty, and health is projected to see considerable future growth, the Faith Group will expand income opportunities by developing new demand, through producing attractive digital content and expanding its ability to reach users as well as providing cross-functional services and technologies not affected by diversifying user environments in areas such as networks and devices used. It also will aggressively advance development of e-money services, in which it already boasts a large market share, as a means of making payment over the Internet.

At the same time, the Group will continue to aggressively develop demand for licensing its distribution platform technologies overseas, together with partners including overseas subsidiaries, mobile-phone carriers, handset manufacturers, and content owners.

As a result, Faith Group sales for the full fiscal year are projected to rise 13.2% over the previous fiscal year, to ¥50,000 million. Despite decreasing revenues from the ringtone-distribution solutions business (non-consolidated) in Japan, factors such as improved profitability due to restructuring of overseas businesses and business expansion are projected to lead to year-on-year increases of 98.0% in operating profit (to ¥2,100 million) and of 99.1% in recurring profit (to ¥1,700 million), while net income is projected to total ¥1,300 million (A net loss of ¥1,883 million in the previous fiscal year).

(2) Financial Analysis

1) Assets, Liabilities and Net Assets Position

Total assets at the end of this interim consolidated fiscal period were ¥38,498 million, reflecting a decrease of ¥944 million compared to the end of the previous consolidated fiscal year. This decrease resulted primarily from a decline in the book value of goodwill.

Liabilities in this interim consolidated fiscal period were ¥21,664 million, for a decrease of ¥1,862 million compared to the end of the previous consolidated fiscal year. This decrease resulted primarily from repayment of debts.

Net assets in this interim consolidated fiscal period were ¥16,833 million, for an increase of ¥918 million compared to the end of the previous consolidated fiscal year. This increase resulted primarily from an increase in midyear net income.

2) Cash Flow Results

Cash and cash equivalents at the end of this interim consolidated fiscal period were ¥10,959 million, reflecting an increase of ¥3,357 million compared to the end of the previous interim consolidated fiscal period (or an increase of 44.2% year on year). This increase resulted from factors such as receipt of gains from sale of businesses of overseas subsidiaries as well as interest and dividends and refund of corporation tax and other taxes, despite expenditures on debt repayment.

Cash flow from operating activities shows revenues exceeding expenditures by ¥4,778 million (for an increase of 547.8% over the same period of the previous fiscal year), due to factors such as net income before taxes and other adjustments of ¥1,977 million, amortization of goodwill in the amount of ¥1,222 million, and receipt of ¥1,262 million in interest and dividends.

Cash flow from investing activities shows revenues exceeding expenditures by ¥1,096 million (expenditures exceeding by ¥14,349 million in the same period of the previous fiscal year). This resulted from factors such as expenditure of ¥1,521 million on deposits to time deposit accounts, expenditure of ¥527 million on acquisition of investment securities, and revenues of ¥1,235 million on business transfers, ¥586 million on sale of tangible fixed assets, ¥570 million on withdrawal of time deposits, and ¥945 million from other sources such as return of security deposits.

Cash flow from financing activities shows expenditures exceeding revenues by ¥3,055 million (excess revenues of ¥13,374 million in the same period of the previous fiscal year). This resulted from factors such as a net decrease of ¥2,220 million in short-term debts and expenditure of ¥1,012 million on repayment of long-term debts.

Please see below for the trend of Cash Flow index of the group.

	September 30, 2006	March 31, 2007	September 30, 2007
Ratio of equity capital (%)	41.3	38.6	41.4
Ratio of equity capital (based on market value) (%)	73.3	74.3	38
Debt repayment period (year)	8.94	8.26	0.88
Interest coverage ratio(Times)	10.9	7.9	54.7

Ratio of equity capital (based on market value): Total market value of shares/ Total assets

Debt repayment period: Interest-bearing debt/ cash flow from operating

Interest coverage ratio: cash flow from operating/ Interest payment

*Each index is calculated based on consolidated financial figures.

*Interest-bearing debt means the total of all debt on which interest is paid on the consolidated (interim consolidated) Balance Sheets.

* In calculating the debt repayment period for interim settlement of accounts, the amount of cash flow from operating activities is doubled to convert it to an annualized amount.

*For operating Cash Flow, figure of “Cash flow from operating activities” and “amount of interest payment” in the Consolidated (Interim Consolidated) Statement of Cash Flows is used.

3) Basic Policy on Appropriation of Profit and Dividend Payment

The Company will continue its policy of giving priority to securing the funds necessary for strengthening its business structure and making aggressive business investments, but it also recognizes return of profit to shareholders to be an important management issue. For this reason, the Company will consider payment of dividends, taking into account its operating results and financial positions. Based on its fundamental policy of paying continued stable dividends, the Company plans to pay dividends of ¥100 per share (including midyear dividends of ¥50) in this fiscal year.

4) Risk Factors Relating to Faith Group's Business

Major risk factors relating to our business which may affect investors' decision of investment are shown below. However, the Company perceived the possibility of these risks as at the end of the mid-year consolidated fiscal term, and in consequence, these items do not necessarily cover all risk factors related to investment in the Company's shares.

i) Effects of Business Transfers

In May 2006, GIGA Networks, Inc., a subsidiary, acquired the mobile-phone content-distribution business of SANAI Co.,Ltd.

The transfer price was ¥12,036 million. Whether this acquisition will generate results the Company initially expected is not certain. Giga Networks' performances may make it difficult for the Company to collect invested money, and may affect on Faith Group's operating results, financial positions and business planning.

ii) Risk Factors Relating to Each Business Field

1) Content distribution business

Faith Group is developing new markets through creation of services demanded by users and deploying content services and various corporate consultation services through alliance with influential companies in various fields including content providers, based on proposals of our original solutions. In the content distribution business where Faith Group's alliance companies are developing their businesses, there are many competitors, and numbers of new entrants are anticipated in the future. Even if the number of companies having business tie-up with Faith Group increases, consolidated sales may not expand in the event where each unit price of contents drops due to price competitions, or content services by the business tied-up content providers are unable to satisfy users' needs and number of users increases or falls.

In addition, Faith Group if needed offers service concerning construction and operation of servers, according to our clients content providers' needs. Faith Group is making efforts to prevent outbreak of accidents with a carefully planned system for operation and maintenance of servers, and has established the system that enables quick restoration through a remote control. However, if any

trouble, which makes restorations or repair difficult, such as natural disasters, occurs and providing services is suspended for long hours, such trouble may affect Faith Group's performances.

In addition, the Faith Group earns licensing income corresponding to numbers of products shipped, through licensing its technologies to information-device manufacturers and manufacturers of the semiconductors used in such devices. Since the market requires information terminal devices to be cheaper and more powerful, unit prices of our licensing may fall. Faith Group is carrying out business operations widely without focusing on specific markets or specific devices in this field to avoid risk factors for decline of prices. However, sales in this field may not increase in parallel with increases in shipment due to decline of unit prices.

(a) Quality control

Faith Group is carrying out quality control in technical development with an extensive quality assurance system. However, if any bug, fault or defect is found in our technologies even after customers' receiving inspection, or any damage is caused to users from using product or service embedded with our technologies, Faith Group may be liable for damages, which may affect the current or future performances of the Group.

(b) Legal regulations

Since damage from illicit obtainment or alteration of data on the Internet, or leakage of personal data via the Internet is increasing, establishment of legal regulations has been promoted in Japan. Faith Group is engaged in distribution business of contents via the Internet. If any legal regulations or voluntary regulations are set up or applied in this business field, business deployment of Faith Group may be restricted or the Group may be obliged to incur additional costs required for taking necessary countermeasures.

2) Electronic money business

This business issues and sells WebMoney e-money, which can be used to make electronic payments, to consumers and other users through means such as via convenience stores and over the Internet. Faith Group is striving to expand number of base stores to sell and accept WebMoney cards and to increase number of member shops using WebMoney for electronic payment. However, recently various electronic payment methods have been developed. If use of WebMoney by consumers or users is expected bleak, or number of users of WebMoney drops, Faith Group's operating results may be affected.

3) Other business

Faith Group sell points to affiliated store and include the allowance reserve in the budget which is calculated at the past points recovery rate so that the group can prepare prospective expenditure for points which have already issued but not yet exchanged. In case points were exchanged over the

estimation, Faith Group's operating results may be affected.

iii) Intellectual Property Rights

Faith Group is aggressively promoting application for a patent and registration of a trademark concerning the Group's technologies, and will continue to do so in the future.

Faith Group has not now nor has it ever received any allegation or petition of appeal (including compensation for damages or cessation of use) concerning intellectual property rights such as patents, trademarks, and copyright in connection with its business activities (hereinafter referred to as "intellectual property"). However, it is very difficult to predict how a third party's intellectual property rights could apply to Faith Group's businesses. For example, if any third party were to be granted in the future patents related to the Group's business models or technologies, or if such a patent has been established of which the Faith Group is not yet aware, the Group could receive claims for damages due to violation of the third party's rights, or all or part of the Group's businesses related to such patents may be suspended. Even if the continued use of such patents were approved by the patent rights holder, the Group may be required to pay royalties for use of such patent, which could affect the Group's business performance.

2. Overview of Faith Group

The Faith Group consists of Faith, Inc. (Company), 24 subsidiaries and 9 affiliated companies, and is operating mainly in “content distribution business”, “electronic payment business.” The Faith Group’s businesses and relationship between the Company and other group companies in business operations are as follows:

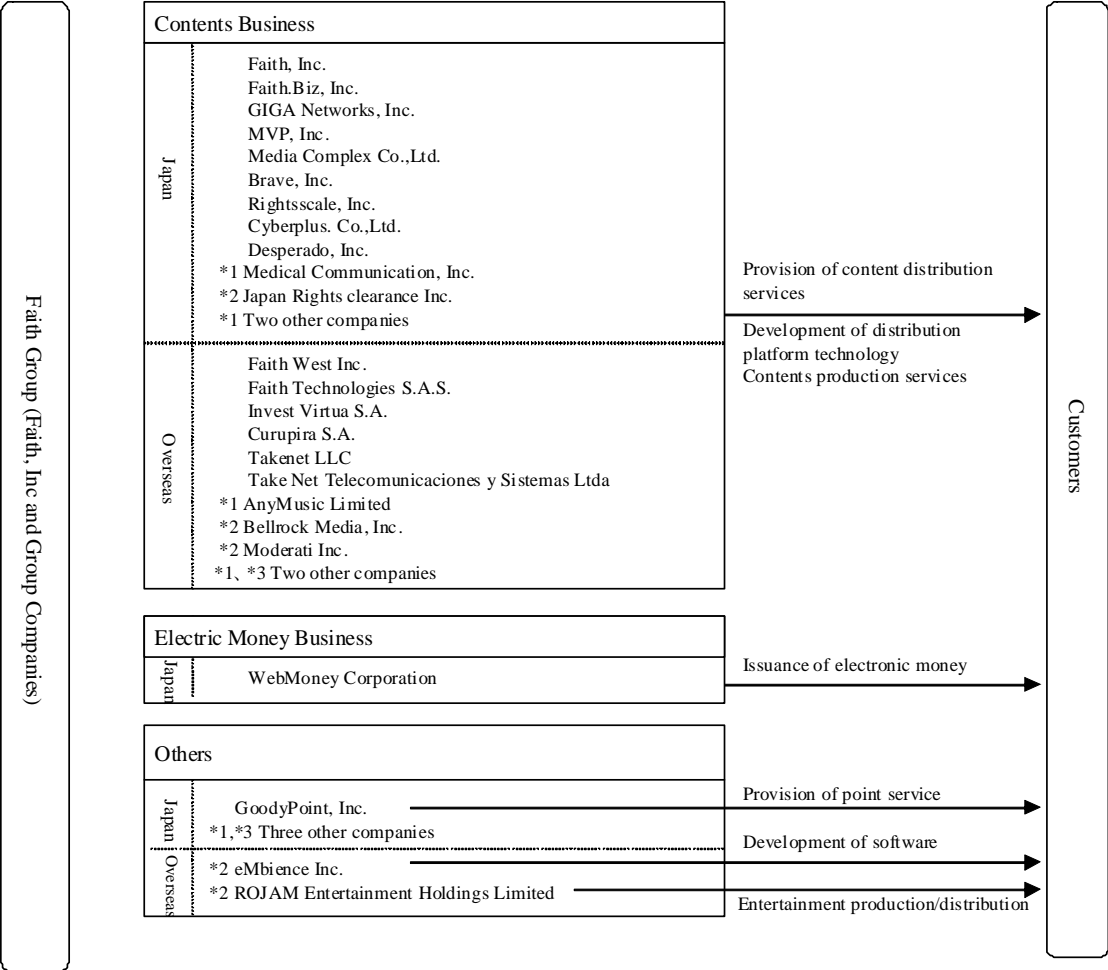
Businesses of affiliate companies

Category of business	Main businesses	Company concerned
Content business	Contents distribution service, development and license of distribution platform technology, and producing of contents production.	Faith, Inc., GIGA Networks, Inc., Desperado, Inc., Brave, Inc, Rightsscale, Inc, Faith West Inc. and other 19 affiliate companies
Electronic payment business	Issuance of electronic money	Web Money Corporation
Other businesses	Sales promotion point service, and so on.	Faith, Inc., GoodyPoint Corp and other 7 affiliate companies.

Reference: The name of *Content distribution business* has changed its name to *Content business* and Film producing business has changed the division from *Other businesses* to *Content Business*.

Organization chart of business operations

The Faith Group’s business operations described in the above is shown in the following chart.



Note:
 Company without any mark: consolidated subsidiaries
 Company with *1 mark: unconsolidated subsidiary unconsolidated under the equity method
 Company with *2 mark: affiliated company consolidated under the equity method
 Company with *3 mark: affiliated company unconsolidated under the equity method
 In addition to companies in the above, Freedomhills anonymous association and Pinnacle contents I Fund Investment LLP are consolidated subsidiaries, and Sedona Fund Investment Limited Partnership is an affiliated company consolidated under the equity method.

3. Management Policies

(1) Faith Group's basic management policy

The Faith Group strives to “create a mechanism for distributing contents to users” as its basic management policy. The Group will continue to make efforts to accurately grasp changes in the society and life style and to create services that fit user environments, such as mobile terminal, PCs, car navigation systems, television and game consoles for home use, for more people in a more convenient manner. By producing and delivering contents appropriate for such services, developing methods, technologies and know-how to accomplish such services and also offering them to various partner companies, the Group will strive to be a higher value added company.

(2) Medium-term and long-term business strategy

The Faith Group will continue to generate new markets by creating services demanded by users. While providing content creation, production and distribution including music and video, online games, e-commerce, charge transfer services, and various types of corporate counseling services, using information terminal, based on proposals of our original business solutions, the Company will actively establish tie-ups with partner companies and develop high value-added next generation services that are attractive to users.

(3) Issues requiring responses from the Company

The domestic mobile content distribution market has now peaked off and entered into the stage of maturation. In response to such changes in market conditions, Faith Group, along with pursuing group-wide synergies and efficiently conducting business, will implement the following measures, in an effort to offer cross-sectional services not limited to computer networks or information terminals, as user environments are increasingly diversified.

1) Contents Business

Faith Group must create new content services. The Group is creating new markets by proposing new distribution mechanisms that are attractive to both rights holders and users through measures such as tie-ups with leading companies in various fields based on the Group's unique business solutions and accumulated technology and know-how. To achieve this goal, the Group will strive to produce attractive digital content on its own and through tie-ups with rights holders, and to reach more users in order to strengthen contact with end users.

2) Electronic Payment Business

As the number of internet users increase due to the spread of broadband networks, there has been a sudden expansion of the market for consumer-targeted e-commerce, and it is expected that both the industries of electronic money and electronic payment will also grow. Under these conditions, Faith Group recognizes that it must quickly and accurately catch trends in the online games market and other digital content related markets, strengthen its relationship with leading digital content affiliated companies, reinforce its earning foundation through various measures including sales of “Webmoney” and supporting the issuance of original electronic money from Internet-based service and improve its electronic payment system; Faith is moving forward with strategic efforts to resolve these issues.

4. Consolidated Financial Statement

(1) Consolidated balance sheet

(Thousands of yen)

Account name	Note	FY2006 Interim (As of September 30, 2006)		FY 2007 Interim (As of September 30, 2007)		FY2006 Summary of Consolidated (As of March 31, 2007)	
		Amount	Component percentage	Amount	Component percentage	Amount	Component percentage
(Assets)							
I. Current assets							
1. Cash and deposits		8,849,667		12,176,754		8,217,827	
2. Accounts and notes receivable		6,375,112		6,999,770		6,929,263	
3. Marketable securities		372,300		281,416		347,644	
4. Inventories		52,734		342,644		636,880	
5. Deferred tax assets		759,649		1,145,002		1,350,004	
6. Others		1,374,584		883,688		2,755,128	
Allowance for doubtful accounts		△109,489		△243,012		△206,234	
Total current assets		17,674,560	42.8	21,586,264	56.1	20,030,513	50.8
II. Fixed assets							
1. Tangible fixed assets	*1	1,351,387		891,067		1,031,386	
2. Intangible fixed assets							
(1) Goodwill		13,822,955		9,221,967		10,293,255	
(2) Others		865,970	14,688,926	929,776	10,151,744	887,019	11,180,274
3. Investment and other assets							
(1) Investment securities		5,020,762		4,804,490		5,273,058	
(2) Deposits with landlords		1,272,635		-		1,440,442	
(3) Others		1,395,533				1,217,440	
Allowance for doubtful receivable		△119,906	7,569,024	1,784,726		△739,117	7,191,823
Total fixed assets		23,609,337	57.2	△726,461	5,862,755	19,403,485	49.2
III. Deferred charges							
1. Expenditure for stock delivering prescription		11,580		6,231	16,905,567	8,161	
Total deferred charges		11,580	0.0	6,231	0.0	8,161	0.0
Total assets		41,295,478	100.0	38,498,064	100.0	39,442,160	100.0

Account name	note	FY2006 Interim (As of September 30, 2006)		FY 2007 Interim (As of September 30, 2007)		FY2006 Summary of Consolidated Balance Sheet (As of March 31, 2007)	
		Amount	Component percentage	Amount	Component percentage	Amount	Component percentage
(Liabilities)							
I. Current liabilities							
1. Trade notes and Accounts payable		4,319,568		4,993,221		4,648,274	
2. Short-term loans		6,178,836		3,049,237		5,215,768	
3. Income taxes payable		402,753		742,368		580,242	
4. Allowance for costs of card use		2,096,340		2,543,263		2,511,846	
5. Allowance for points		596,982		501,425		553,247	
6. Allowance for bonus payments		95,230		98,199		129,177	
7. Others		1,822,475		1,918,360		1,844,707	
Total current liabilities		15,512,187	37.5	13,846,077	36.0	15,483,265	39.3
II. Fixed liabilities							
1. Long-term liabilities		7,011,989		5,342,905		6,119,854	
2. Deferred tax liabilities		1,069,213		453,712		535,501	
3. Allowance for retirement benefits		29,299		43,918		35,535	
4. Allowance for directors and statutory auditors retirement bonus		135,447		-		-	
5. Reserve for guarantee losses		-		1,269,730		1,298,550	
6. Others		46,304		708,492		54,611	
Total fixed liabilities		8,292,254	20.1	7,818,758	20.3	8,044,052	20.4
Total liabilities		23,804,442	57.6	21,664,835	56.3	23,527,318	59.7
(Net assets)							
I. Shareholder's equity							
1. Common stock		3,218,000	7.8	3,218,000	8.4	3,218,000	8.2
2. Capital surplus		3,708,355	9.0	3,708,355	9.6	3,708,355	9.4
3. Retained earning		9,566,116	20.7	8,178,019	21.2	7,276,602	18.4
4. Treasury stock		△ 354,269	△ 0.8	△ 345,269	△ 0.9	△ 354,269	△ 0.9
Total shareholder's equity		15,138,201	36.7	14,750,104	38.3	13,848,687	35.1
II. Valuation and translation adjustments							
1. Net unrealized gains on investment securities		1,712,629	4.1	967,682	2.5	1,195,867	3.0
2. Foreign currency translation		205,117	0.5	206,149	0.5	189,991	0.5
Total Valuation and translation adjustments		1,917,747	4.6	1,173,831	3.0	1,385,858	3.5
III. Share warrant							
1. subscription right		487	0.0	487	0.0	487	0.0
Total share warrant		487	0.0	487	0.0	487	0.0
IV. Minority interests							
Total net assets		17,491,036	42.4	16,833,228	43.7	15,914,842	40.3
Total liability and net assets		41,295,478	100.0	38,498,064	100.0	39,442,160	100.0

(2) Consolidated Income Statement

(Thousands of yen)

Account name	note	Interim FY2006 (From April 1, 2006 to September 30, 2006)		Interim FY2007 From April 1, 2007 to September 30, 2007)		FY2007 Summary of Consolidated Balance Sheet From April 1, 2006 to March 31, 2007)	
		Amount	Component percentage	Amount	Component percentage	Amount	Component percentage
I. Net sales		20,193,748	100.0	23,452,221	100.0	44,152,751	100.0
II. Cost of Sales		14,114,248	69.9	16,896,555	72.0	31,215,018	70.7
Gross profit		6,079,499	30.1	6,555,665	28.0	12,937,733	29.3
III. Selling, general and administrative expenses	*1	5,435,093	26.9	5,488,808	23.5	11,877,157	26.9
Operating income		644,405	3.2	1,066,856	4.5	1,060,576	2.4
IV. Other income							
1. Dividend income		20,291		53,956		41,070	
2. Interest income		24,588		14,557		42,575	
3. Foreign exchange gain		15,439		104,452		7,886	
4. Miscellaneous income		10,566	0.4	49,600	1.0	40,851	0.3
Operating profit		76,400		100,168		191,407	
V. Operating expenses							
1. Interest expense		71,264		285,489		136,624	
2. Investment profit on equity method		4,165	0.8	18,894	1.7	11,260	0.8
3. Other expense		151,830	2.8	404,552	3.8	339,293	1.9
Ordinary profit		563,460		884,871		853,667	
VI. Extraordinary profit							
1. Gain on disposal of fixed assets		-		228,505		-	
2. Capital gain		-		892,597		-	
3. Gain on disposal of investment securities		27,775		-		31,854	
4. Gain on liquidation of allowance for cost of card use		8,360		-		8,360	
5. Gain on reversal of bad debt reserve		5,830		-		-	
6. Gain on investment in equity method		139,137		308,936		139,137	
7. Others		1,411	0.9	-	6.1	3,533,772	8.4
VII. Extraordinary loss							
1. Loss from disposal of fixed assets	*2	291,370		20,108		363,862	
2. Loss from investment securities valuation		430,934		106,022		449,273	
3. Loss from customized development		-		160,000		-	
4. Amortization of goodwill	*3	308,137		-		2,989,387	
5. Loss from the prior-term adjustment		-		39,238		-	
7. Others		2,130	5.1	11,832	1.5	2,475,008	14.2
Net income or loss before taxes and other adjustments		△ 286,596	△ 1.4	1,977,708	8.4	△ 1,710,741	△ 3.9
Income taxes, inhabitant tax and business taxes	*4	468,841	2.3	918,728	3.9	18,938	0.0
Minority income or loss		△ 102,417	△ 0.5	98,042	0.4	153,333	0.4
Net income or loss		△ 653,020	△ 3.2	960,937	4.1	△ 1,883,013	△ 4.3

(3) Consolidated statement of changes in net assets

1st half of the previous fiscal year (April 1, 2006 through September 30, 2006)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of March 31, 2006	3,218,000	3,708,355	9,408,748	△354,269	15,980,834
Changes of items during the accounting period					
Cash dividends of surplus *			△ 59,521		△ 59,521
Bonuses to directors and corporate auditors *			△39,000		△39,000
Net loss			△ 653,020		△ 653,020
Decrease for change in accounting procedure of controlled foreign company			△91,091		△91,091
Net changes of items other than shareholders' equity					
Total changes of items during the accounting period	-	-	△ 842,632	-	△ 842,632
Balance as of September 30, 2006	3,218,000	3,708,355	8,566,116	△354,269	15,138,201

	Valuation and translation adjustments			Share warrant	Minority interests	Total net assets
	Net unrealized gains on investment securities	Foreign currency translation adjustments	Total valuation and translation adjustments	Subscription right		
Balance as of Mrch 31, 2006	3,401,193	243,952	3,645,145	487	342,525	19,968,992
Changes of items during the accounting period						
Cash dividends of surplus *						△ 59,521
Bonuses to directors and corporate auditors *						△ 39,000
Net loss						△ 653,020
Decrease for change in accounting procedure of controlled foreign company						△ 91,091
Net changes of items other than shareholders' equity	△ 1,688,564	△ 38,834	△ 1,727,398	-	92,073	△ 1,635,324
Total changes of items during the accounting period	△ 1,688,564	△ 38,834	△ 1,727,398	-	92,073	△ 2,477,957
Balance as of September 30, 2006	1,712,629	205,117	1,917,747	487	434,599	17,491,036

* Items of appropriation of income at the annual meeting of stockholders in June, 2006.

1st half of this fiscal year (April 1, 2007 through September 30, 2007)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders equity
Balance as of March 31, 2007	3,218,000	3,708,355	7,276,602	△354,269	13,848,687
Changes of items during the accounting period					
Cash dividends of surplus *			△ 59,521		△ 59,521
Net profit			960,937		960,937
Net changes of items other than shareholders' equity					
Total changes of items during the accounting period	-	-	901,416	-	901,416
Balance as of September 30, 2007	3,218,000	3,708,355	8,178,019	△354,269	14,750,104

	Valuation and translation adjustments			Share warrant	Minority interests	Total net assets
	Net unrealized gains on investment securities	Foreign currency translation adjustments	Total valuation and translation adjustments	Subscription right		
Balance as of Mrch 31, 2007	1,195,867	189,991	1,385,858	487	679,808	15,914,842
Changes of items during the accounting period						
Cash dividends of surplus *						△ 59,521
Net profit						960,937
Net changes of items other than shareholders' equity	△ 228,185	16,158	△ 212,027	-	228,996	16,969
Total changes of items during the accounting period	△ 228,185	16,158	△ 212,027	-	228,996	918,386
Balance as of September 30, 2007	967,682	206,149	1,173,831	487	908,804	16,833,228

Previous consolidated fiscal year (April 1, 2006 through March 31, 2007)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders equity
Balance as of March 31, 2006	3,218,000	3,708,355	9,408,748	△354,269	15,980,834
Changes of items during the accounting period					
Cash dividends of surplus *			-59,521		-59,521
Cash dividends of surplus			-59,521		-59,521
Bonuses to directors and corporate auditors *			-39,000		-39,000
Net loss			-1,883,013		-1,883,013
Decrease for change in accounting procedure of controlled foreign company			△91,091		△91,091
Net changes of items other than shareholders' equity					
Total changes of items during the accounting period	-	-	-2,132,146	-	-2,132,146
Balance as of March 31, 2007	3,218,000	3,708,355	7,276,602	△354,269	13,848,687

	Valuation and translation adjustments			Share warrant	Minority interests	Total net assets
	Net unrealized gains on investment securities	Foreign currency translation adjustments	Total valuation and translation adjustments	Subscription right		
Balance as of Mrch 31, 2006	3,401,193	243,952	3,645,145	487	342,525	19,968,993
Changes of items during the accounting period						
Cash dividends of surplus *						△ 59,521
Cash dividends of surplus						△ 59,521
Bonuses to directors and corporate auditors *						△ 39,000
Net loss						△ 1,883,013
Decrease for change in accounting procedure of controlled foreign company						△ 91,091
Net changes of items other than shareholders' equity	△ 2,205,326	△ 53,960	△ 2,259,287	-	337,282	△ 1,922,004
Total changes of items during the accounting period	△ 2,205,326	△ 53,960	△ 2,259,287	-	337,282	△ 4,054,151
Balance as of March 31, 2007	1,195,867	189,991	1,385,858	487	679,808	15,914,842

* Items of appropriation of income at the annual meeting of stockholders in June, 2006.

(2) Consolidated Statements of Cash Flows

Item	Note	FY2006 Interim (As of April 1, 2006 to September 30, 2006)	FY2007 Interim (As of April 1, 2007 to September 30, 2007)	FY2006 Summary of Cash Flow (As of April 1, 2006 to March 31, 2007)
		Amount, thousand of yen	Amount, thousand of yen	Amount, thousand of yen
I. Cash flow from operating activities				
Net income or net loss before taxes and other adjustment		△ 286,596	1,977,708	△ 1,710,741
Depreciation and amortization		299,280	280,265	625,384
Amortization of goodwill		1,533,676	1,222,032	5,604,258
Loss from investment in equity		71,264	285,489	136,624
Income from changes in net assets		△ 139,137	△ 308,936	△ 139,137
Increase(decrease) in allowance for doubtful accounts		22,055	△ 1,389	735,361
Increase (decrease) in reserve for		17,914	△ 26,900	51,861
Increase (decrease) in allowance for cost of card use		△ 226,799	31,416	188,706
Decrease in allowance for unexercised sales promotion points		△ 100,599	△ 51,822	△ 144,334
Increase in allowance for retirement benefits		2,046	8,383	8,282
Increase (decrease) in allowance for directors and statutory auditors' retirement bonus		14,313	-	△ 121,134
Gain from anonymous association		△ 615	-	△ 615
Interest and dividends income		△ 21,083	△ 55,028	△ 43,510
Interest on securities		△ 24,588	△ 14,557	△ 42,575
Interest expenses		76,400	100,168	191,407
Foreign exchange loss (gain)		18,238	△ 127,689	△ 9,976
Gains on sale of investment		△ 27,775	-	△ 31,854
Valuation loss on investment		430,934	106,022	449,273
Gain on disposal of fixed assets		-	△ 228,505	-
Loss from disposal fixed assets		291,370	20,108	363,862
Gain on sale of corporate share on affiliated company		-	△ 892,597	-
Decrease (increase) in accounts and notes receivable-trade		31,118	△ 654,959	△ 1,057,870
Decrease (increase) in inventories		△ 13,088	294,646	△ 689,984
Increase in accounts and notes payable-trade		846,996	603,994	1,491,274
Decrease (increase) in consumption taxes receivable		△ 510,366	553,255	△ 266,735
Payment of directors and statutory auditors' bonus		△ 39,000	-	△ 39,000
Others		△ 570,498	134,214	△ 2,051,207
Sub-total		1,695,459	3,255,319	3,497,621
Interest and dividends received		19,516	1,262,137	41,996
Interest expenses paid		△ 67,566	△ 87,387	△ 173,947
Income taxes paid		△ 909,818	△ 551,661	△ 1,993,905
Income taxes refund		-	899,838	-
Net cash provided by operating		737,592	4,778,246	1,371,764

		FY2006 Interim (As of April 1, 2006 to September 30, 2006)	FY2007 Interim (As of April 1, 2007 to September 30, 2007)	FY2006 Summary of Cash Flow (As of April 1, 2006 to March 31, 2007)
Item	Note	Amount, thousand of yen	Amount, thousand of yen	Amount, thousand of yen
II. Cash flow from investing activities				
Expenditure for deposit of time		△ 1,400,052	△ 1,521,260	△ 1,850,052
Proceeds from withdrawal of time deposits		-	570,000	1,550,052
Expenditures for acquisition of tangible fixed assets		△ 300,867	△ 324,356	△ 570,359
Proceeds from sale of tangible fixed assets		-	586,815	8,755
Expenditure for acquisition of intangible fixed assets		△ 383,040	△ 219,056	△ 605,288
Expenditure for acquisition of investment securities		△ 41,801	△ 53,786	△ 11,109
Proceeds from sale of investment securities		△ 88,421	△ 527,032	△ 1,608,239
Proceeds for sale of subsidiary's shares causing a change in scope of consolidation		33,780	-	109,280
Expenditure for acquisition of subsidiary's shares causing a change in scope of consolidation		-	147,040	1,871,039
Gain on sale of corporate share on affiliated company		-	△ 39,980	-
Expenditure for assigning management of business		△ 12,036,313	-	△ 12,036,313
Expenditure for loans receivable		△ 32,881	△ 57,500	△ 430,011
Proceeds from collection of loans receivable		100	345,310	39,883
Others		△ 100,146	945,545	△ 437,276
Net cash used in investing activities		△ 14,349,643	1,096,382	△ 13,978,639
III. Cash flow from financing activities				
Net increase (decrease) in short-term loans		3,057,755	△ 2,220,028	4,397,167
Proceeds from long-term borrowing		10,020,000	244,318	10,131,509
Expenditure from repayment of long-term borrowing		△ 2,667	△ 1,012,469	△ 2,008,315
Proceeds from payment of minority shareholders		351,000	-	351,000
Expenditure for refund to minority shareholders		△ 1,145	-	△ 1,145
Payment of dividends		△ 50,159	△ 59,217	△ 117,659
Others		-	△ 8,600	△ 12,591
Net cash flow used in financing		13,374,783	△ 3,055,997	12,739,964
IV. Effect of exchange rate on cash and cash equivalents		△ 33,398	74,972	59,799
V. Net increase (decrease) in cash and cash equivalents		△ 270,666	2,893,604	192,889
VI. Cash and cash equivalents at beginning of year		7,679,435	8,065,471	7,679,435
VII. Cash and cash equivalents of newly consolidated subsidiaries at beginning of year		193,146	-	193,146
VII. Cash and cash equivalents at interim (end) of year	*1	7,601,915	10,959,075	8,065,471

Segmental Information

a. Industry segments

1st half of the previous fiscal year (April 1, 2006 through September 30, 2006)

(Unit: thousands of yen)

	Contents distribution services	Electronic payment solution	MVNO	Others	Total	Eliminations/Corporate	Consolidated
Net Sales							
(1) Sales to customers	8,502,361	9,890,079	1,761	1,799,544	20,193,748	-	20,193,748
(2) Intersegment sales	39,943	1,043	-	-	40,986	△ 40,986	-
Total	8,542,305	9,891,122	1,761	1,799,544	20,234,734	△ 40,986	20,193,748
Operating expenses	7,236,370	9,680,723	826,901	1,846,333	19,590,329	△ 40,986	19,549,342
Operating income	1,305,934	210,399	△ 825,139	△ 46,788	644,405	-	644,405

*Note: 1. Division of industry segments

The industry segments are divided considering the natures and characteristics of services.

2. Description of each industry segment

Industry Segment	Description of Businesses
Contents distribution services	Contents distribution services using network, development of distribution platform technology
Electronic payment solution	Issuance of electronic money
MVNO	Mobile Virtual Network Operation business
Others	Provision of loyalty services, real estate business, sales of computer equipment etc.

3. Change of accounting policy

As stated in "Important changes on the accounting standards of interim consolidated financial statements", Faith adopts "Application of the Control Criteria and Influence Criteria to Investment Associations (Practical Solution No.20 of Accounting Standards Board of Japan "ASBJ", September 8, 2006)" from this fiscal term.

As a result of this change, net sales of "Contents distribution services" increased compared to the results based on the former policy by ¥504,008 thousand, and operating income increased by ¥116,156 thousand.

1st half of this fiscal year (April 1, 2007 through September 30, 2007)

(Unit: thousands of yen)

	Contents services	Electronic money	Others	Total	Eliminations/Corporate	Consolidated
Net Sales						
(1) Sales to customers	8,345,636	14,300,708	805,876	23,452,221	-	23,452,221
(2) Intersegment sales	86,787	1,100	-	87,887	△ 87,887	-
Total	8,432,424	14,301,808	805,876	23,540,108	△ 87,887	23,452,221
Operating expenses	7,647,186	14,065,266	752,832	22,465,285	△ 79,921	22,385,364
Operating income	785,238	236,541	53,043	1,074,823	△ 7,966	1,066,856

*Note: 1. Division of industry segments

The industry segments are divided considering the natures and characteristics of services.

2. Description of each industry segment

Industry Segment	Description of Businesses
Contents services	Contents distribution services using network, development and licensing of distribution platform technology, production of contents
Electronic money solution	Issuance and sales of electronic money, provision of electronic payment system
Others	Provision of loyalty services etc.

3. Change of segment configuration

Effective from the first half of this fiscal year, Faith partly changed its segment configuration as follows: “Contents distribution services” is renamed as “Contents services.” At the same time, the production of contents, which was previously classified as “Others”, is reclassified to “Contents services.” This change was made to reflect the reality of the expanding business practice, which is already out of the frame of “contents distribution”, and functioning as a whole service from planning, production, and distribution of various contents such as music, video, and game, to development and provision of platforms which enables the effective distribution of the contents.

As a result, net sales of “Contents services” for the first half of this fiscal year has increased by ¥318,642 thousand compared with “Contents distribution services” for the first half of the previous fiscal year. Instead, the same amount has decreased from “Others.” Operating expenses for “Contents services” has increased by ¥425,989 thousand compared with “Contents distribution services” for the same term last year, and the same amount has decreased from “Others.” Operating income for “Contents services” has decreased by ¥107,347 thousand compared with “Contents distribution services” for the same term last year, and the same amount has decreased from “Others.”

By using the same segment configuration as the first half of this fiscal year, the results of the first half of the previous year and the previous consolidated fiscal year are shown as follows:

1st half of the previous fiscal year (April 1, 2006 through September 30, 2006)

(Unit: thousands of yen)

	Contents services	Electronic money	MVNO	Others	Total	Eliminations/Corporate	Consolidated
Net Sales							
(1) Sales to customers	8,502,661	9,890,079	1,761	1,799,244	20,193,748	-	20,193,748
(2) Intersegment sales	39,943	1,043	-	-	40,986	△ 40,986	-
Total	8,542,605	9,891,122	1,761	1,799,244	20,234,734	△ 40,986	20,193,748
Operating expenses	7,256,643	9,680,723	826,901	1,826,061	19,590,329	△ 40,986	19,549,342
Operating income	1,285,962	210,399	△ 825,139	△ 26,816	644,405	-	644,405

Previous consolidated fiscal year (April 1, 2006 through March 31, 2007)

(Unit: thousands of yen)

	Contents services	Electronic money	MVNO	Others	Total	Eliminations/Corporate	Consolidated
Net Sales							
(1) Sales to customers	18,572,430	22,650,535	24,718	2,905,066	44,152,751	-	44,152,751
(2) Intersegment sales	128,385	2,400	-	-	130,785	△ 130,785	-
Total	18,700,815	22,652,935	24,718	2,905,066	44,283,536	△ 130,785	44,152,751
Operating expenses	16,215,902	22,179,663	1,857,699	2,958,728	43,211,994	△ 119,819	43,092,175
Operating income	2,484,913	473,272	△ 1,832,980	△ 53,662	1,071,542	△ 10,966	1,060,576

Previous consolidated fiscal year (April 1, 2006 through March 31, 2007)

(Unit: thousands of yen)

	Contents services	Electronic money	MVNO	Others	Total	Eliminations/Corporate	Consolidated
Net Sales							
(1) Sales to customers	18,521,680	22,650,535	24,718	2,955,816	44,152,751	-	44,152,751
(2) Intersegment sales	128,385	2,400	-	-	130,785	△ 130,785	-
Total	18,650,065	22,652,935	24,718	2,955,816	44,283,536	△ 130,785	44,152,751
Operating expenses	16,040,748	22,179,663	1,857,699	3,133,882	43,211,994	△ 119,819	43,092,175
Operating income	2,609,317	473,272	△ 1,832,980	△ 178,066	1,071,542	△ 10,966	1,060,576

*Note: 1. Division of industry segments

The industry segments are divided considering the natures and characteristics of services.

2. Description of each industry segment

Industry Segment	Description of Businesses
Contents distribution services	Contents distribution services using network, development of distribution platform technology
Electronic money solution	Issuance of electronic money
MVNO	Mobile Virtual Network Operation business
Others	Provision of loyalty services, real estate business, sales of computer equipment etc.

3. "Electronic payment solution" is renamed as "Electronic money solution" from the first half of this fiscal year.

4. Change of accounting policy

As stated in "Important changes on the accounting standards of interim consolidated financial statements", Faith adopts "Application of the Control Criteria and Influence Criteria to Investment Associations (Practical Solution No.20 of Accounting Standards Board of Japan "ASBJ", September 8, 2006)" from this fiscal term.

As a result of this change, net sales of "Contents distribution services" increased compared to the results based on the former policy by ¥1,008,054 thousand, and operating income increased by ¥123,946 thousand.

b. Geographical segments

1st half of the previous fiscal year (April 1, 2006 through September 30, 2006)

(Unit: thousands of yen)

	Japan	Americas	Europe	Total	Eliminations/ Corporate	Consolidated
Net Sales						
(1) Sales to customers	18,200,811	1,474,045	518,891	20,193,748	-	20,193,748
(2) Intersegment sales	-	319,166	66,022	385,189	△ 385,189	-
Total	18,200,811	1,793,212	584,913	20,578,937	△ 385,189	20,193,748
Operating expenses	16,483,219	2,802,800	648,511	19,934,531	△ 385,189	19,549,432
Operating income	1,717,591	△ 1,009,588	△ 63,597	644,405	-	644,405

*Note: 1. Nations and areas are categorized according to the geographical distances.

2. Nations and areas belongs to each geographical segment are as follows:

(1) Americas ... the United States, Brazil, etc.

(2) Europe ... France

3. Change of accounting policy

As stated in “Important changes on the accounting standards of interim consolidated financial statements”, Faith adopts “Application of the Control Criteria and Influence Criteria to Investment Associations (Practical Solution No.20 of Accounting Standards Board of Japan “ASBJ”, September 8, 2006)” from this fiscal term.

As a result of this change, net sales in “Japan” increased compared to the results based on the former policy by ¥504,008 thousand, and operating income increased by ¥116,156 thousand.

1st half of this fiscal year (April 1, 2007 through September 30, 2007)

Information on sales in Japan is omitted from geographical segments as it consists of more than 90% of total sales of all the segments.

Previous consolidated fiscal year (April 1, 2006 through March 31, 2007)

(Unit: thousands of yen)

	Japan	Americas	Europe	Total	Eliminations/ Corporate	Consolidated
Net Sales						
(1) Sales to customers	39,711,293	3,262,981	1,178,476	44,152,751	-	44,152,751
(2) Intersegment sales	-	762,490	139,444	901,934	△ 901,934	-
Total	39,711,293	4,025,471	1,317,921	45,054,686	△ 901,934	44,152,751
Operating expenses	36,457,943	6,025,549	1,510,616	43,994,110	△ 901,934	43,092,175
Operating income	3,253,349	△ 2,000,077	△ 192,695	1,060,576	-	1,060,576

*Note: 1. Nations and areas are categorized according to the geographical distances.

2. Nations and areas belong to each geographical segment is as follows:

- (1) Americas ... the United States, Brazil, etc.
- (2) Europe ... France

3. Change of accounting policy

As stated in "Important changes on the accounting standards of interim consolidated financial statements", Faith adopts "Application of the Control Criteria and Influence Criteria to Investment Associations (Practical Solution No.20 of Accounting Standards Board of Japan "ASBJ", September 8, 2006)" from this fiscal term.

As a result of this change, net sales in "Japan" increased compared to the results based on the former policy by ¥1,008,054 thousand, and operating income increased by ¥123,946 thousand.

c. Sales to foreign customers

1st half of the previous fiscal year (April 1, 2006 through September 30, 2006)

(Unit: thousands of yen)

	North America	Others	Total
I. Net sales to foreign customers	1,854,900	837,725	2,692,625
II. Consolidated sales			20,193,748
III. Ratio of foreign sales to consolidated sales (%)	9.2	4.1	13.3

*Note: 1. Nations and areas are categorized according to the geographical distances

2. Nations and areas belongs to each geographical segment are as follows:

- (1) North America ... the United States, Canada, etc.
- (2) Others ... Brazil, France, the Netherlands, Taiwan, etc.

3. Sales to foreign customers show the sales outside Japan generated by the company and its consolidated subsidiaries.

1st half of this fiscal year (April 1, 2007 through September 30, 2007)

Faith does not disclose the information on sales to foreign customers, since it consists of less than 10% of consolidated net sales.

Previous consolidated fiscal year (April 1, 2006 through March 31, 2007)

(Unit: thousands of yen)

	North America	Others	Total
I. Net sales to foreign customers	4,231,936	1,758,619	5,990,555
II. Consolidated sales			44,152,751
III. Ratio of foreign sales to consolidated sales (%)	9.6	4.0	13.6

*Note: 1. Nations and areas are categorized according to the geographical distances.

2. Nations and areas belong to each geographical segment are as follows:

(1) North America ... the United States, Canada, etc.

(2) Others ... Brazil, France, the Netherlands, Taiwan, etc.

3. Sales to foreign customers show the sales outside Japan generated by the company and its consolidated subsidiaries.