

**BRIEF STATEMENT OF ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
MARCH 2009 AND FORECASTS FOR THE YEAR ENDING MARCH 2010**

May 13, 2009

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

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

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Date of General Meeting of Shareholders: June 26, 2009

Date of Submission of Annual Security Report: June 26, 2009

Starting Date of the Dividend Payment: June 29, 2009

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the fiscal year (From April 1, 2008 to March 31, 2009)

(1) Consolidated financial results

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

Years Ended	Net Sales		Operating Profit		Recurring Profit		Net Profit	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
March 2009	53,957	7.5	1,425	△37.1	994	△47.9	△149	—
March 2008	50,192	13.7	2,266	113.7	1,909	123.7	537	—

Years ended	Net Profit per Share	Diluted Net Profit per Share	Return on Equity Capital	Recurring Profit on Total Assets	Operating Profit on Net Sales
	<i>Yen</i>	<i>Yen</i>	%	%	%
March 2009	△127.19	—	△1.1	3.0	2.6
March 2008	451.38	430.05	3.6	5.1	4.5

Reference: Equity in earnings of associated companies: the fiscal year ended March 2009: △349million yen/ the fiscal year ended March 2008: △511 million yen

(2) Consolidated financial position

Years Ended	Total Assets	Net Assets	Ratio of Equity Capital	Net Assets per Share
	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
March 2009	30,496	14,499	43.8	11,634.84
March 2008	36,174	16,545	41.5	12,612.00

Reference: Equity Capital: the fiscal year ended March 2009: 13,357 million yen/ the fiscal year ended March 2008: 15,013 million yen.

(3) Cash flow results

Years ended	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents, End of the year
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
March 2009	4,500	△766	△3,351	10,649
March 2008	6,112	344	△3,944	10,614

2. Dividends

(Record dates)	Dividends per share					Total Dividend Payment (Annual)	Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	1 st Quarter	Interim	3 rd Quarter	Year-end	Total (Annual)			
Years ended	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>Millions of yen</i>	%	%
March 2008	—	50.00	—	50.00	100.00	119	22.2	0.8
March 2009	—	50.00	—	50.00	100.00	119	-	0.8
Year ending March 2010 (Forecast)	—	50.00	—	50.00	100.00	—	114.8	—

3. Forecasts for the consolidated business results for the year ending March 2010 (from April 1, 2009 to March 31, 2010)

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

	Net Sales		Operating Profit		Recurring Profit		Net Income		Net Income per Share
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Yen</i>
Interim results 2009	25,000	△1.2	300	△67.0	200	△73.0	60	△79.1	52.26
Year ending March 2010	54,600	1.4	680	△52.3	510	△48.7	100	—	87.10

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 quarterly consolidated financial reports (Described in the “Changes in preparing for consolidated 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):

The fiscal year ended March 2009: 1,196,000 shares, the fiscal year ended March 2008: 1,196,000shares

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

The fiscal year ended March 2009: 47,950 shares, the fiscal year ended March 2008: 5,580 shares

*Note for utilizing business forecasts, and other special instruction

(1) This document contains projections 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.

1. Operating Results

(1) Analysis on Operating Results

During the consolidated fiscal year ended March 31, 2009, increased functions of mobile phone have diversified functional mobile terminal devices such as smartphone and iPhone, and developed establishment of network environment to accommodate content in high-capacity and high-definition. In terms of content, responding to the growing content needs, various kinds of content such as video, music and online game were digitalized. The launch of full-fledged Internet connected TV was another marked event. The overall environment includes network, software and hardware has been improving to allow users to access content more easily.

Faith Group sets its goal to achieve a multi-content and multi-platform market, the optimal environment to enable users to enjoy content at any time. Under the developing Japanese content distribution market, the Group actively took measures such as developing new service solutions based on its unique ideas, and expanding its business base through acquisition and partnerships with other leading companies.

In the entertainment content distribution area, the Group launched a service seamlessly connecting mobile phone, PC and Internet TV. It gave users options how they view videos depending on their lifestyles. Another project launched in this fiscal period is a content promotion service on behalf of SOHO creators. By using this worldwide service network, creators are able to sell their products in a simple and safe way. In the medical and health information distribution business, the Group promoted the provision of new content distribution structure that get ahead of the user needs. It also promoted the realization of a multi-content and multi-platform concept in this field. As part of these efforts, the Group introduced a medical service using electronic recording system which a huge demand is expected in future prior to other companies

In the electronic money field, with continuously rising demand in the market, the volume of payment settled in the Group's "WebMoney" showed further increase. The strength of "WebMoney" is its high market share in the online game market. Another factor behind this result were the affiliated online game stores which made steady expansion of the membership and the increase of sale in electronic money of affiliated brand launched in the second half of the fiscal year.

As a result, consolidated net sales for the fiscal year under review increased by 7.5% year on year to ¥53,957 million led by the continuous high growth in the Electronic Money Business. Operating profit was ¥1,425 million, down 37.1% year on year, and recurring profit was ¥994 million, down 47.9% year on year, mainly due to the development of new services, overseas business realignment and other factors. The Group recorded net loss of ¥149 million compared to the net profit of ¥537 million in the previous fiscal year because of the posting of extraordinary loss related to the review of unprofitable businesses.

Information on each business segment is as follows:

<Contents Business>

During the consolidated fiscal year under review, the Group has launched new content services. At the same time, it strived to expand and enhance its operating base through activities such as building partnership with other leading companies.

1) GIGA NETWORKS, INC., a consolidated subsidiary, launched a video distribution service named "GIGA Miranca" utilizing Faith's proprietary technology, Near Field Rights Management® (NFRM™). The service is available on various networks and the terminal devices such as mobile phone, PC and Internet TV. In the past, rights management of contents was the critical task for distribution to various devices. Since the Group performed the task and obtained agreements of rights holders, the group can provide lineup varies from Hollywood film to TV series, anime cartoon and music clip. It also includes some film, drama, and other video works funded by the Group. Furthermore, GIGA NETWORKS and ISAO Corporation of CSK Group, which are both ranked high in the mobile video distribution business, formed successive business alliances. As part of the cooperation, the two companies allow their subscribers mutual access to both sites. By these measures, the Group further expanded its user reach.

2) KAZAS Channel™ was pre-installed on "ROBRO", a broadband TV corresponding to NFRM™. Following the mobile phone and PC service of NFRM™, the launch of TV service expanded NFRM™ service into full-scale.

3) In cooperation with MySpace Japan, Brave, Inc., a consolidated subsidiary, launched "viBirth" as an official online store on "MySpace", one of the largest Social Networking Service (SNS) in the world. "viBirth" provides a solution to promoting creators' works on worldwide networks such as iTunes and Napstar. Furthermore, it also helps the artists to unify all tangled procedures on their own PC, such as conducting rights management and settlement. Besides that, the Group launched "vitCrew", which enables the site managers to distribute pay-content online by pasting vitCrew code into individual websites and blogs. Another project, "CREATORS Lab," started as a comprehensive support service to video creators, which enables the creators to sell their own works.

4) A film produced by Desperado, Inc., a consolidated subsidiary, hit screens and achieved good results. "PACO and the Magical Book" ranked in the top 10 for over two-month span.

5) The Group started a new partnership between DeNA Co., Ltd. through "Eikyufumetsu Contents (Everlasting Contents)", a mobile and PC content distribution site co-operated by Credit Saison Co., Ltd. As a result, the number of the Group's mobile content services expanded to 100 sites in 10 categories.

6) The Group merchandised 3D characters for mobile phone developed from the Group run online game site "Rose Online." The launch of this new content service is eyeing a new business scheme to distribute information to the synchronized mobile phone and online game.

7) The number of "Pocket Karte" subscribers surpassed 10,000 in the first six months from its start. "Pocket Karte" is a medical records storage service in electronic format via mobile phone, and the subscribers are able to retrieve their Karte whenever and wherever they are. It is operated in cooperation with WILLCOM, Inc. and other companies.

This product won the MCPC Mobile Consumer Award 2009. The MCPC award is administered by Mobile Computing Promotion Consortium*¹. Nominees for the award are companies and other organizations which have made remarkable achievements in constructing advanced systems by mobile computing.

*¹Mobile Computing Promotion Consortium was established with the aim of shaping and expanding a full-scale and sound mobile computing system market by the cooperation among communication carriers, computer hardware and software manufacturers, system integrators and other parties.

As a result, net sales in the Contents Business totaled ¥13,105 million, down 19.4% year on year. The Group actively took measures such as developing new services and expanding its business through partnerships and other measures with leading companies. Notwithstanding those operations, the sales dropped due to the decrease in sales mainly caused by the overseas business alignment and the existing ringtone business. Operating profit fell by 40.9% year on year to ¥990 million due to the increased investment on the new distribution platform development. Other main factors were increase in the content production and procurement costs and the expenditure on constructing the internal control system.

<Electronic Money Business>

According to the press information regarding broadband subscriptions issued by Ministry of Internal Affairs and Communications at the end of March 2009, broadband subscriptions in Japan have reached over 30 million by the end of December 2008. Demand for digital contents continued to increase in the field of online game, music and video distribution and SNS, the main sectors in which electronic money used. At the same time, the electronic money and its settlement market is in a continuing growth. Under the developing market, the Group focused on expanding the users of WebMoney, which provides easy, secure and convenient solutions.

1) The Group started membership service "WebMoney Wallet Plus" in October 2008, in which a profitable point was rewarded to propose safe use of the credit card.

2) The sales of "funcash WM", electronic money of affiliated brand, started in September with one of the biggest online game portal.

3) In order to develop EC market, the Group offered settlement solution of WebMoney to a settlement agency in February.

In order to enhance the settlement amount, the Group endeavored to increase new member stores wage cooperated companies together with existing member stores. In addition, for the purpose of rejuvenation of the digital content market, "WebMoney Award 2008" was held in December to elect the online game of the year.

The Group tried to improve the membership service, and the enrollment of "WebMoney Wallet" and "WebMoney Wallet Plus" increased by 367 thousand to 945 thousand in total. "WebMoney Wallet" enables users to make settlement only by ID and password and "WebMoney Wallet Plus" provides reward points. The number of contract joining companies expanded by 265, and became 1,885 as a whole.

As a result, net sales in the Electronic Money Business increased 21.9% year on year to ¥39,472. Operating profit fell by 26.3% year on year to ¥388 million due to the development and operation of new services and enforcement of management structure.

<Other Businesses>

Revenues from the point-card system business and other businesses led sales in other businesses to ¥1,378 million, a decrease by 10.4% year on year. Operating profit was ¥60 million, down 25.6% year on year.

Projections for the full-year business performance are summarized below.

	FY2008 (Result) (a)	FY2009 (Forecast) (b)	Change (a)-(b)
Net sales	53,957	54,730	773
Operating profit	1,425	680	(745)
Recurring profit	994	510	(484)
Net profit (Net loss)	(149)	100	249

(millions of yen)

In the current content distribution market in Japan, the ringtone market, one of the established fields in the Group, is contracting. However, demands for music and videos are showing steady growth alongside the sharp increase of demands in games and graphical contents. These emerging categories consist of about half of the total distribution volume. The content viewing environment progressed by the improvement of the network environment to allow users view their content on various terminal devices through the connected networks with mobile phone, PC and even with TV and other digital appliances.

The Group has been promoting the creation of new structure for content distribution to manage the ever diversifying user environments and services in integrated simple way. The Group provides solutions in various perspectives for the protection of content rights, charging and settlement, and membership and other private information. The Group also improves user-friendly interface and the seamless connection between various devices such as mobile phone, PC and TV. At the same time, the Group will continue taking part in the production of video, music and other content in order to provide high quality content into distribution. That is, the Group intends to organize comprehensive content distribution business, from building distribution structure, operating services for consumers, to producing content creation in order for the business models to be immediately adopted in the Group, and also be introduced to other partner companies.

NFRM™ service is one of these aforementioned solutions. This service utilizes the Group's proprietary authentication technology and will be able to realize the seamless connection between various devices, protection of content rights and the provision of simple settlement measures. Going forward, the Group will strive to promote the service and expand the realm of NFRM™ service in terms of compatible devices. Another business focus is medical and health information services such as the electronic medical record system. The Group recognizes these services that they should be stored and retrieved whenever and wherever necessary in any forms of device terminals. Based on this belief, the Group will promote the medical and health business ongoingly. At the same time, the Group regards the electronic money business, which accounts for a high share in online payment, as a measure to establish services which are not limited by the conditions of terminal device or location. For this purpose, the Group will actively keep promoting the electronic money

In the area of the licensing business for ringtone playback technology, regular royalty revenue will decrease

following the renewal of the contracts with the major clients. To cope with this situation, the Group will revamp the existing business by restructuring the unprofitable services and developing video distribution and e-commerce targeted at a few million of paid ringtone subscribers as well as compatible services to various devices. A new era of content business will surely arrive in few years, that we can provide services beyond the borders of devices such as mobile phone, PC, TV and other digital appliances. The Group has set business strategies by taking the future environment change into consideration, and will implement these strategies with medium- to long-term perspective.

As a result, the Group's consolidated sales for the next fiscal year are projected to rise 1.4% year on year to ¥54,730 million. Operating profit is projected to decrease 52.3% year on year to ¥680 million due to the decreased sales of the ringtone business and the development of the ongoing new content distribution service. Other major factors expected to impact on the earnings are the system construction, content production, sales promotion and content procurement. Recurring profit is projected to decrease by 39.6% year on year to ¥510 million. Net profit is projected to decrease to ¥100 million.

(2) Basic Policy on appropriation of Profit and Dividend Payment

The Company continues its policy of giving priority to securing the funds necessary for strengthening its business structure and making aggressive business investments. At the same time, 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 interim dividends of ¥50, in the next fiscal year.

2. Overview of Faith Group

Faith Group consists of Faith, Inc (the Company), 16 subsidiaries and 12 affiliates, and mainly conducts content business and electronic payment business.

The Faith Group's businesses and relationship between the Company and other group companies in business operations are as follows:

Businesses	Main operations	Companies concerned
Contents business	Content distribution services, using computer networks Development and licensing of distribution platform technologies Production of contents	Faith, Inc., GIGA NETWORKS INC., Desperado, Inc., BRAVE Inc., Rightsscale, Inc., Faith West Inc. and 13 other companies
Electronic Money business	Issuance of electronic money and providing electronic payment platforms	WebMoney Corporation
Other businesses	Point service and other business	Faith, GoodyPoint Corp. and 5 other companies

3. Management Policies

(1) Faith Group's basic management policy

This information is omitted as no substantial changes have been made since it was disclosed in the Brief Statement of Consolidated Financial Results for the Fiscal Year Ended March 2008 issued on May 14, 2008.

The document mentioned above is available online.

Faith Homepage

http://www.faith-inc.com/ir/pdf/0803_tanshin_overview_eng.pdf

Tokyo Stock Exchange Homepage (Listed Company Information)

<http://www.tse.or.jp/english/index.html>

4. Consolidated Financial Statement
(1) Consolidated Balance Sheet

(Unit: thousands of yen)

	FY2007 (As of March 31, 2008)	FY 2008 (As of March 31, 2009)
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	13,424,006	13,508,778
Accounts and notes receivable	6,861,259	6,963,239
Marketable securities	250,227	240,453
Inventories	488,727	–
Commercial products	–	317,125
Products in progress	–	41,615
Primary materials and inventory goods	–	12,972
Accrued refund income tax	516,982	90,883
Deferred tax assets	763,972	450,388
Others	588,379	657,192
Allowance for doubtful accounts	△209,568	△259,093
Total current assets	22,683,987	22,023,556
Fixed assets		
Tangible fixed assets		
Buildings and structures	276,308	262,468
Depreciation amount	△55,556	△86,996
Buildings and structures (net base)	220,751	175,471
Machinery and delivery equipment	26,305	26,305
Depreciation amount	△13,648	△17,614
Machinery and delivery equipment (net base)	12,656	8,690
Tool, device and equipment	1,737,612	1,265,658
Depreciation amount	△1,310,708	△1,012,684
Tool, device and equipment (net base)	426,903	252,973
Total Tangible fixed assets	660,312	437,136
Intangible fixed assets		
Goodwill	7,607,662	5,096,085
Software	866,564	537,653
Others	56,151	51,273
Total intangible fixed assets	8,530,378	5,685,013
Investment and other assets		
Investment securities	3,490,977	1,707,499
Others	920,572	715,724
Allowance for doubtful receivable	△134,516	△84,370
Total investments and other assets	4,277,033	2,338,854
Total fixed assets	13,467,724	8,461,004
Expenditure for stock delivering prescription	22,567	11,857
Total expenditure for stock delivering prescription	22,567	11,857
Total assets	36,174,279	30,496,418
(Liabilities)		
Current liabilities		
Trade notes and Accounts payable	5,922,813	6,222,787
Short-term loans	2,529,928	2,029,928
Income taxes payable	136,221	12,833
Allowance for costs of card use	2,873,200	3,316,085
Allowance for points	468,391	361,657
Allowance for bonus payments	87,445	95,514
Others	1,973,507	1,393,875
Total current liabilities	13,991,508	13,432,682
Fixed liabilities		
Long-term liabilities	4,083,472	2,054,382
Deferred tax liabilities	522,858	274,161
Allowance for retirement benefits	49,229	73,071
Reserve for subsidiaries losses	300,561	–
Others	681,599	162,276
Total fixed liabilities	5,637,720	2,563,891
Total liabilities	19,629,228	15,996,574

	FY2007 (As of March 31, 2008)	FY2008 (As of March 31, 2009)
	Amount	Amount
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earning	7,694,895	7,345,697
Treasury stock	△354,269	△651,377
Total shareholder's equity	14,266,980	13,620,674
Valuation and translation adjustments		
Net unrealized gains on investment securities	799,398	469,900
Foreign currency translation adjustments	△52,807	△733,196
Total valuation and translation adjustments	746,591	△263,295
Minority interests	1,531,478	1,142,464
Total net assets	16,545,050	14,499,844
Total liability and net assets	36,174,279	30,496,418

(2) Consolidated Profit and Loss Statement

(Thousands of yen)

	FY2007 (As of March 31, 2008)	FY2008 (As of March 31, 2009)
Net sales	50,192,701	59,621,547
Cost of Sales	37,087,481	42,921,824
Gross profit	13,105,220	11,035,339
Selling, general and administrative expenses	10,835,540	9,609,763
Operating profit	2,266,680	1,425,576
Non-operating profit		
Interest income	127,299	59,984
Dividend income	44,180	30,978
Interest securities	26,634	14,366
Exchange profit	121,000	-
Income from anonymous association	-	30,550
Miscellaneous receipts	64,314	26,196
Total non-operating profit	383,429	162,076
Non-operating expenses		
Interest expense	183,041	79,776
Investment profit on equity method	511,161	349,565
Foreign exchange loss	-	103,859
Miscellaneous expense	46,388	59,708
Total non-operating expenses	740,591	592,911
Recurring profit	1,909,519	994,740
Extraordinary profit		
Gain on disposal of fixed assets	228,505	966
Gain on transfer of operation	826,627	-
Gain on disposal of investment securities	-	260,048
Gain on sale of subsidiaries	271,550	-
Proceeds from equity movement	416,091	48,770
Reversal of allowance for subsidiaries liquidation loss	-	95,968
Others	5,707	6,991
Total extraordinary profit	1,748,481	412,746
Extraordinary loss		
Loss from disposal of fixed assets	171,427	77,452
Depreciation and amortization	270,506	16,081
Loss from investment securities valuation	135,701	267,401
Loss from entrusted development	160,000	-
Transfer to allowance for bad debt	128,706	-
Amortization of goodwill	298,385	294,976
Reserve for subsidiaries losses	300,561	-
Loss from disposal of business	-	378,564
Others	74,237	69,072
Total extraordinary loss	1,539,526	1,103,549
Quarterly net profit before income taxes	2,118,474	303,937
Corporate, local, and business taxes	553,584	178,943
Income taxes-deferred	754,971	333,328
Total corporate, local and business taxes	1,308,555	512,272
Income or Loss on minority shareholders	272,584	△58,920
Net profit during the accounting period	537,334	△149,415

(3) Consolidated statement of capital surplus and changes in net assets

(Thousands of yen)

	FY2007 (As of March 31, 2008)	FY2008 (As of March 31, 2009)
Shareholders' equity		
Common stock		
Balance as of March 31, 2008	3,218,000	3,218,000
Changes of items during the accounting period		
Total changes of items during the accounting period	-	-
Balance as of March 31, 2009	3,218,000	3,218,000
Capital surplus		
Balance as of March 31, 2008	3,708,355	3,708,355
Changes of items during the accounting period		
Total changes of items during the accounting period	-	-
Balance as of March 31, 2009	3,708,355	3,708,355
Retained earnings		
Balance as of March 31, 2008	7,276,602	7,694,895
Changes of items during the accounting period		
Cash dividend paid	△119,042	△119,042
Net gain or loss	537,334	△149,415
Changes in consolidated amount	-	△80,740
Total changes of items during the accounting period	418,292	△349,197
Balance as of March 31, 2009	7,694,895	7,345,697
Treasury stock		
Balance as of March 31, 2008	△354,269	△354,269
Changes of items during the accounting period		
Acquisition of company's own shares	-	△297,107
Total changes of items during the accounting period	-	△297,107
Balance as of March 31, 2009	△354,269	△651,377
Total shareholders' equity		
Balance as of March 31, 2008	13,848,687	14,266,980
Changes of items during the accounting period		
Cash dividend paid	△119,042	△119,042
Net gain or loss	537,334	△149,115
Changes in consolidated amount	-	△80,740
Acquisition of company's own shares	-	△297,107
Total changes of items during the accounting period	418,292	△646,305
Balance as of March 31, 2009	14,266,980	13,620,674

	FY2007 (As of March 31, 2008)	FY2008 (As of March 31, 2009)
Valuation and translation adjustment		
Net unrealized gains on investment securities		
Balance as of March 31, 2008	1,195,867	799,398
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△396,468	△329,497
Total changes of items during the accounting period	△396,468	△329,497
Balance as of March 31, 2009	799,398	469,900
Foreign currency translation adjustments		
Balance as of March 31, 2008	189,991	△52,807
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△242,798	△680,388
Total changes of items during the accounting period	△242,798	△680,388
Balance as of March 31, 2009	△52,807	△733,196
Total valuation and translation adjustments		
Balance as of March 31, 2008	1,385,858	746,591
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△639,267	△1,009,886
Total changes of items during the accounting period	△639,267	△1,009,886
Balance as of March 31, 2009	746,591	△263,295
Share warrant		
Subscription right		
Balance as of March 31, 2008	487	-
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△487	-
Total changes of items during the accounting period	△487	-
Balance as of March 31, 2009	-	-
Minority interest		
Balance as of March 31, 2008	679,808	1,531,478
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	851,670	△389,013
Total changes of items during the accounting period	851,670	△389,013
Balance as of March 31, 2009	1,531,478	1,142,464
Total net assets		
Balance as of March 31, 2008	15,914,842	16,545,050
Changes of items during the accounting period		
Cash dividend paid	△119,042	△119,042
Net gain or loss	537,334	△149,115
Changes in consolidated amount	-	△80,740
Acquisition of company's own shares	-	△297,107
Net changes of items other than shareholders' equity	211,915	△1,398,900
Total changes of items during the accounting period	630,208	△2,045,206
Balance as of March 31, 2009	16,545,050	14,499,844

(4) Consolidated Statements of Cash Flows

	FY2007 (From April 1, 2007 to March 31, 2008)	FY2008 (From April 1, 2008 to March 31, 2009)
Item	Amount, thousand of yen	Amount, thousand of yen
Cash flow from operating activities		
Income before income taxes and minority interests	2,118,474	303,937
Depreciation and amortization	574,121	484,092
Impairment loss	270,506	16,081
Amortization of goodwill	2,742,576	2,586,382
Loss from investment in equity method	511,161	349,565
Proceeds from equity movement	△416,091	△48,770
Increase in allowance for doubtful accounts	△503,533	△77,241
Increase (decrease) in reserve for bonus	△34,621	8,069
Increase (decrease) in allowance for cost of card use	361,353	4442,884
Decrease in allowance for unexercised sales promotion points	△84,856	△106,733
Increase in allowance for retirement benefits	13,694	23,841
Reserve for subsidiaries losses	300,561	△300,561
Interest and dividends income	△171,480	△90,962
Interest on securities	△26,634	△14,366
Interest expenses	183,041	79,776
Foreign exchange gains	△113,423	106,075
Loss from disposal of business	-	378,564
Gains on sale of investment securities	-	△210,975
Gain on sale of corporate share on affiliated company	△271,550	-
Valuation loss on investment securities	135,701	267,401
Losses from sale of fixed assets	△228,505	△966
Losses from disposal of fixed assets	171,427	77,452
Gain on transfer of operation	△826,627	-
Decrease (increase) in accounts and notes receivable-trade	△976,843	△252,718
Decrease (increase) in inventories	148,564	116,883
Increase in accounts and notes payable-trade	1,731,016	259,170
Decrease (increase) in consumption taxes receivable	644,931	△129,841
Others	515,692	103,138
Sub-total	6,768,658	4370,178
Interest and dividends received	1,368,840	165,000
Interest expenses paid	△174,210	△79,443
Expenditures for execution of debt guarantee	△1,255,650	-
Refunded income taxes	821,694	281,938
Income taxes paid	△1,417,105	△236,738
Net cash provided by operating activities	6,112,226	4,500,936

	FY2007 (From April 1, 2007 to March 31, 2008)	FY2008 (From April 1, 2008 to March 31, 2009)
Item	Amount, thousand of yen	Amount, thousand of yen
Cash flow from investing activities		
Expenditure for deposit of time deposits	△3,981,260	△7,010,096
Proceeds from withdrawal of time deposits	1,454,900	6,970,000
Expenditures for acquisition of tangible fixed assets	△368,592	△175,733
Proceeds from sale of tangible fixed assets	587,247	43,961
Expenditure for acquisition of software	△362,013	△552,658
Expenditure for acquisition of intangible fixed assets	-	205,888
Expenditure for acquisition of other intangible fixed assets	△55,032	-
Expenditure for acquisition of investment securities	△600,857	△113,000
Proceeds from sale of investment securities	700,000	163,709
Proceeds for sale of subsidiary's shares causing a change in scope of consolidation	467,294	-
Proceeds for transfer of operation	1,144,319	-
Expenditure for depositing long-term guaranty deposit	△3,997	-
Expenditure for loans receivable	△424,290	△381,649
Proceeds from collection of loans receivable	652,638	85,143
Proceeds from collection of deposits with landlords	1,035,254	-
Others	98,645	△1,699
Net cash used in investing activities	344,254	△766,133
Cash flow from financing activities		
Net increase in short-term loans	△2,718,102	△500,000
Proceeds from long-term borrowing	6,292,286	25,000
Expenditure for repayment of long-term borrowing	△8,071,605	△2,054,090
Proceeds from issue of bonds	100,000	-
Expenditure for issue of bonds	△16,000	△24,700
Proceeds from payment from minorities	598,503	73,314
Expenditure for acquisition of the company's own shares	-	△297,107
Payment of dividends	△118,055	△117,379
Dividends paid to minority interests	-	△30,545
Expenditure for refund to minorities	-	△105,163
Expenditure for acquisition of shares from minorities	-	△320,543
Others	△11,228	-
Net cash flow used in financing activities	△3,944,200	△3,351,213
Effect of exchange rate on cash and cash equivalents	36,482	△268,540
Net increase in cash and cash equivalents	2,548,762	115,048
Cash and cash equivalents at beginning of year	-	△80,147
Decrease of cash and cash equivalents due to exclusion of consolidation	8,065,471	10,614,234
Cash and cash equivalents at end of year	10,614,234	10,649,135