

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS  
FOR THE 1<sup>st</sup> HALF OF THE FISCAL YEAR ENDING MARCH 2011  
[Japanese Standards]**

November 12, 2010

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: November 12, 2010  
Starting Date of the Dividend Payment: December 10, 2010  
Preparation of supplementary materials for quarterly financial results: Applicable  
Information meeting for quarterly financial results to be held: Applicable (for institutional investors and analysts)

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the first half of the year ending March 2010  
(From April 1, 2009 to September 30, 2009)

(1) Consolidated financial results

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

	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>	%
First half of the year ending March 2010	38,081	44.7	1,016	36.0	1,082	56.9	566	258.9
First half of the year ended March 2009	26,332	4.1	747	△17.7	690	△6.9	157	△45.1

	Net Profit per Share	Diluted Net Profit per Share
	<i>Yen</i>	<i>Yen</i>
First half of the year ending March 2010	493.58	488.94
First half of the year ended March 2009	137.52	135.26

(2) Consolidated financial position

	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>
First half of the year ending March 2010	30,670	13,608	40.0	10,681.29
the year ended March 2009	29,963	12,985	39.6	10,327.22

Reference: Equity Capital: the 1<sup>st</sup> half of the fiscal year ending March 2010: 12,262 million yen/ the fiscal year ended March 2009: 11,856 million yen

## 2. Dividends

(Record dates)	Dividends per share				
	1 <sup>st</sup> Quarter	Interim	3 <sup>rd</sup> Quarter	Year-end	Total (Annual)
Year ended March 2009	<i>yen</i> —	<i>yen</i> 50.00	<i>yen</i> —	<i>yen</i> 50.00	<i>yen</i> 100.00
Year ending March 2010	—	50.00			
Year ending March 2010 (Forecast)		50.00	—	50.00	100.00

Note: Forecasts for the consolidated business results have not modified at the announcement of the financial statements for FY10 1H.

## 3. Forecasts for the consolidated business results for the year ending March 2010 (from April 1, 2010 to March 31, 2011)

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>
Year ending March 2010	78,000	37.7	1,300	76.9	1,360	116.7	600	—	522.63

Note: Forecasts for the consolidated business results have not modified at the announcement of the financial statements for FY10 1H.

## 4. Others

(1) Changes in the significant subsidiaries (Accompanying changes in scope of the consolidation):

Exclusion: None

(2) Adoption of simplified accounting practices or specific procedures in preparation of the quarterly consolidated financial reports: Applicable

(3) 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 policies”)

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

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

(4) Outstanding shares (common shares)

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

The 1st half of the fiscal year ending March 2010: 1,196,000 shares, the fiscal year ended March 2009: 1,196,000 shares

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

The 1st half of the fiscal year ending March 2010: 47,950 shares, the fiscal year ended March 2009: 47,950 shares

(4)-3. Average number of shares at the interim accounting period

The 1st half of the fiscal year ending March 2010: 1,148,050 shares, the fiscal year ended March 2009: 1,148,050 shares

### Statement regarding the proper use of financial forecasts and other special remarks

These forecasts are based on the Company’s current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company’s actual results may differ materially from those discussed in these forecasts as a result of numerous factors outside of the Company’s control.

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\* Other special remarks regarding the supplemental document for the quarterly financial results  
The supplemental document is posted on the company website.  
(URL: <http://www.faith-inc.com/ir/library.html> )

## 1. Qualitative information and financial statements

### (1) Qualitative information regarding consolidated operating results

During the first half of the consolidated fiscal 2010, the six months ended September 30, 2010, various devices connectable to the Internet, such as smartphone and digital book device as well as PC and mobile phone have been developing and the environment that enables users to enjoy contents regardless of location has been improving. Taking advantage of the circumstances, new services accommodates users' needs such as SNS, social games and video-sharing sites emerged as leading services. A new business model is sought after in the content market, since further diversification and complication of information tools and users' needs are accelerating, in accordance with the improvement of network and hardware.

Under the circumstances mentioned above, Faith Group has been promoting "multi-content and multi-platform" strategy that enables users to enjoy any content whenever and wherever they are. As a one-stop provider of comprehensive service from planning and production of content to designing and construction of distribution and charging systems, the Group recognizes the importance of creating a new framework of content distribution.

The Group strengthened the Group synergy and has been promoting a new business model based on the unique idea. For instance, the Group created a new framework of content distribution through cooperation with its three Group companies, Nippon Columbia, Faith Wonderworks and WebMoney.

Against this backdrop, consolidated net sales for the first half of fiscal 2010 increased 44.7% year on year to ¥38,081 million led by the continuous high growth in the electronic money business. Operating profit was ¥1,016 million, up 36.0% year on year, and recurring profit was ¥1,082 million, up 56.9 % year on year. The Group recorded net profit of ¥566 million, a 258.9% year on year increase.

Information on each business segment is as follows:

#### <Contents Business>

During the period under review, the Group strove to establish new business schemes of content distribution and expand and strengthen its operating base in various aspects of music and video market.

Last year, the Company launched an integral media program called "MusicBirth+". A song released by MusicBirth+ artist recorded the second place in the club music category of a ringtone distribution ranking site and its CD was released. This is one example of and the Company's promoting a new scheme of music distribution by integrating TV, Internet, and mobile phone.

Tied up with "Short Shorts Film Festival" authorized by the Academy Awards in the U.S., the Group launched the online project of the "Music Short Creative Award". The award was originally founded in 2009 to invite entries of video works in which music released by sponsor record labels are used. This online project strengthens the Internet business and provides the new distribution scheme of video works by opening the entry opportunity throughout the year on the website and distributing the awarded works, in addition to offering the mutual communication functions between creators and viewers.

The Group produced a film of a bestselling book "Kokuhaku", written by Kanae Minato, with a consortium including Toho Co., Ltd. and other major entertainment companies. The film sold more than 2.9 million tickets and established a box-office record of just over 3.7 billion yen after the theatrical opening in June 2010. In addition, the film was chosen as an entry film from Japan for the best foreign film category of the Academy Awards in the U.S. The result will be announced on 27 February, 2011.

The Group launched a new music label named "Future". As part of the project, the sale of "Connecting Card" started. The "Connecting Card" series is functional collectors' item providing easy access to download site for songs and artists information as well as to the account settlement site. The four Group companied aforementioned have promoted the creation of new framework of music distribution in this way. Another project to improve users' convenience and to increase the number of users was realized in the fiscal period under review. Faith Wonderworks "GIGAtch" integral entertainment site introduced WebMoney settlement. This is the first case that WebMoney was accepted as a settlement method in mobile official sites where charging on carriers had been an only authorized method before.

As a result, net sales in the content business for the first half totaled ¥3,811 million and operating profit recorded ¥407 million.

#### <Electronic Money Business>

According to the Information and Communications Statistics Database issued in October 2010 by Japanese Ministry of Internal Affairs and Communications, the number of broadband subscribers in Japan reached more than 33.55 million at the end of June 2010. Demand for digital content continued to increase in the field of game and other content for mobile phone as well as online game, a main sector in which electronic money is used. Under the developing market, the settlement amount of WebMoney, which provides easy, secure and convenient solutions, saw a firm increase led by the expansion of users on mobile content.

Aiming for an increase in the settlement amount by WebMoney through the stronger ties with the partner vendors, the Group ran tie-up campaigns with some prominent vendors and expanded partnership with mobile content providers.

Regarding “manna”, an advertisement distribution widget launched jointly with an Internet advertisement company in September 2008, the membership reached 190,000. In addition to the existing services of crediting WebMoney by accessing PC ads, this program now has other new functions such as a search function and an online donation program to social action groups.

Moreover, in the effort of expanding the user base, WebMoney was accepted as a settlement method at mobile official sites “GIGAtch” and “GREE” as the first method other than the conventional charging on carriers’ method.

As a result, net sales in the Electronic Money Business totaled ¥33,677 million and operating profit recorded ¥577 million.

#### <Other Businesses>

Revenues from the point-card system business and other businesses led sales in the Other Businesses to ¥593 million and operating profit was ¥37 million.

## (2) Qualitative information regarding consolidated financial positions

### Assets, Liabilities and Net Assets

Total assets as of the end of the 1st half of fiscal year 2010 increased by ¥706 million from the end of the previous consolidated fiscal year to ¥30,670 million. This result is mainly due to the increase in cash and cash equivalent, trade notes and accounts receivable, despite the decrease of goodwill caused by amortization.

Total liabilities increased by ¥83 million against the end of the previous consolidated fiscal year to ¥17,061 million yen, caused by the increase of trade notes and accounts payable, and allowance for costs.

Net assets increased by ¥623 million against the end of the preceding consolidated fiscal year to ¥13,628 million. These records are due to the increase in retained earnings caused by the post of quarterly net profit and minority equity despite the decrease in valuation difference on available-for-sale securities caused by re-evaluation. The equity capital ratio advanced by 0.4 percent point to 40.0%.

### Cash Flow

Cash and cash equivalents at the end of this 1<sup>st</sup> half ended September 30, 2010 increased by ¥1,602 million from the end of the previous consolidated fiscal year to ¥9,943.

(Cash flows from operating activities)

Cash flows from operating activities amounted to an inflow of ¥2,737 million down 8.2%. This is due mainly to the posting of ¥1,049 million of quarterly net income before taxes, ¥508 of amortization of goodwill and ¥1,544 of increase in accounts payable, despite the posting of ¥1,011 million of increase in trade notes receivables and ¥388 million of expenditure for income taxes.

(Cash flows from investing activities)

Cash flows from investing activities amounted to an inflow of ¥776 million (an inflow of ¥331 million in the 1<sup>st</sup> half ended September 30, 2009), due mainly to the posting of ¥1,900 million of income from refund of time deposit, despite the expenditure in the amount of ¥1,110 million for payments into time deposits and ¥211 million for acquisition for tangible fixed assets.

(Cash flows from financing activities)

Cash flows from financing activities amounted to an outflow of ¥1,886 million (an outflow of ¥1,070 million in the 1<sup>st</sup> half ended September 30, 2009), mainly because of the expenditure in the amount of ¥56 million for dividend payment and ¥1,843 million of repayment of long-term loans.

### (3) Qualitative information regarding forecast of consolidated financial results

As of 4 November, 2010, the Consolidated Forecast for the Year Ending March 31, 2011 has been revised as below. The electronic money business shows a significant growth in the settlement amount, and the forecast of net sales, operating profit, recurring profit and net profit will exceed the previous consolidated forecast because further acceleration of business growth in electronic money field is prospected.

(Unit : million yen)

	Net Sales	Operating Profit	Recurring Profit	Net Profit
Previous Forecast (A)	65,000	1,000	850	100
Revised Forecast (B)	78,000	1,300	1,360	600
Difference (B-A)	13,000	300	510	500
Ratio (%)	20.0%	30.0%	60.0%	500.0%
(Reference) Results of Year ended March 31, 2010	56,634	735	627	△1,755

## 2. Others

(1) Changes in Significant Consolidated Subsidiaries: None

### (2) Adoption of Simplified Methods in Accounting Methods

(Simplified methods in accounting methods):

#### 1. Computation method used for estimating bad debts in general receivables

As the actual percentage of credit losses recorded at the end of the current quarter proved to be not significantly different from what was estimated at the previous fiscal year end, the estimated bad debt is computed based on the actual percentage of credit losses at the previous fiscal year end.

#### 2. Computation method used for estimating amortization of tangible assets

Assets which are applying fixed percentage method are computed on a pro-rata basis from the amount for the consolidated fiscal year ending March 31, 2010.

(Specific procedures in preparation of the quarterly consolidated financial reports)

Tax expenses are calculated by multiplying the amount of quarterly net profit before tax deduction and the estimated effective tax rates, which is estimated as an effective tax rates applied to the tax effect accounting, by the amount of consolidated net profit including the 1st half of the financial period and before tax deduction.

### (3) Changes in Accounting Principles, Procedures, and Disclosure Methods

#### 1. Change in accounting standards

##### 1. Application of “Accounting Standard for Equity Method of Accounting for Investment” and “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method”

From the first quarter of the fiscal year ending March 31, 2011, the Group applies the “Accounting Standard for Equity Method of Accounting for Investment” (Accounting Standards Board of Japan [ASBJ] Statement No.16 of March 10, 2008) and the “Practical Solution on Unification of Accounting Policies Applied to Associates Accounted for Using the Equity Method” (ASBJ PITF No.24 of March 10, 2008)

There is no impact on the Group’s consolidated financial statements for quarter as a result of this change.

##### 2. Application of “Accounting Standard for Asset Retirement Obligations”

From the first quarter of the fiscal year ending March 31, 2011, the Group applies the “Accounting Standard for Asset Retirement Obligations” (ASBJ Statement No.18 of March 31, 2008) and the “Guidance on Accounting Standard for Asset Retirement Obligations” (ASBJ Guidance No.21 of March 31, 2008)

Herewith, both operating profit and recurring profit decreased by ¥1,892 thousand and quarterly net

profit before income taxes decreased ¥19,146 thousand.

## 2. Change in presentation

Based on the “Accounting Standard for Consolidated Financial Statements” (ASBJ Statement No.22 of December 26, 2008), the Group applies the “Cabinet Office Ordinance Partially Revising Regulation on Terminology, Forms and Preparation of Financial Statements” (Cabinet Office Ordinance No.5 of March 24, 2009). As a result, “Income before minority interests” is included in the consolidated financial statements for the first half of the fiscal year ending March 31, 2011.

## (4) Explanatory Note regarding Premise of a Going Concern

Not applicable

3. Consolidated Financial Statement for the 1st half  
 (1) Consolidated Balance Sheet for the 1st half

(Unit: thousands of yen)

	The 1st Half of FY2010 (As of June 30, 2010)	FY 2009 (As of March 31, 2010)
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	9,864,506	9,050,487
Accounts and notes receivable	7,308,026	6,303,169
Marketable securities	739,088	740,147
Commercial products	56,418	64,466
Products in progress	15,724	10,465
Primary materials and inventory goods	11,084	12,188
Deferred tax assets	300,267	300,267
Others	558,033	811,197
Allowance for doubtful accounts	△43,025	△35,725
<b>Total current assets</b>	<b>18,810,125</b>	<b>17,256,664</b>
<b>Fixed assets</b>		
Tangible fixed assets	2,928,566	2,916,674
<b>Intangible fixed assets</b>		
Goodwill	949,168	1,470,111
Others	387,767	390,316
<b>Total intangible fixed assets</b>	<b>1,336,935</b>	<b>1,860,428</b>
<b>Investment and other assets</b>		
Investment securities	7,416,646	7,454,631
Others	371,887	638,063
Allowance for doubtful receivable	△195,146	△167,805
<b>Total investments and other assets</b>	<b>7,593,387</b>	<b>7,924,889</b>
<b>Total fixed assets</b>	<b>11,858,889</b>	<b>12,701,991</b>
Differed assets	1,141	4,567
<b>Total assets</b>	<b>30,670,156</b>	<b>29,963,224</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Trade notes and Accounts payable	8,730,733	7,184,384
Short-term loans	799,984	2,419,904
Income taxes payable	297,465	394,726
Allowance for utilized costs	4,500,980	3,571,039
Allowance for points	246,120	270,478
Allowance for bonus payments	87,534	70,208
Allowance for relocation	-	205,720
Others	796,210	991,668
<b>Total current liabilities</b>	<b>15,459,028</b>	<b>15,108,130</b>
<b>Fixed liabilities</b>		
Long-term liabilities	1,333,360	1,556,992
Deferred tax liabilities	152,257	199,716
Allowance for retirement benefits	94,019	83,075
Others	22,761	29,684
<b>Total fixed liabilities</b>	<b>1,602,398</b>	<b>1,869,467</b>
<b>Total liabilities</b>	<b>17,061,426</b>	<b>16,977,598</b>

(Unit: thousands of yen)

	The 1st Half of FY2010 (As of June 30, 2010)	FY 2009 (As of March 31, 2010)
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earning	5,998,395	5,489,146
Treasury stock	△651,377	△651,377
Total shareholder's equity	12,273,372	11,764,124
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	222,607	292,095
Foreign currency translation adjustments	△233,326	△200,050
Total valuation and translation adjustments	△10,719	92,044
Minority interests	1,346,076	1,129,455
Total net assets	13,608,729	12,985,625
Total liability and net assets	30,670,156	29,963,224

(2) Consolidated Profit and Loss Statement for the 1<sup>st</sup> half of the fiscal year  
(April 1, 2010 through September 30, 2010)

(Thousands of yen)

	the 1st Half of FY2009 (As of September 30, 2009)	the 1st Half of FY2010 (As of September 30, 2010)
Net sales	26,322,745	38,081,980
Cost of Sales	21,159,520	32,813,640
Gross profit	5,163,225	5,268,339
Selling, general and administrative expenses	4,415,850	4,251,686
Operating profit	747,374	1,016,652
Non-operating profit		
Interest income	21,740	4,830
Dividend income	15,778	2,784
Interest securities	5,064	23,187
Equity method investment gain	-	124,170
Miscellaneous receipts	17,849	4,218
Total non-operating profit	60,342	159,191
Non-operating expenses		
Interest expense	25,518	21,997
Investment profit on equity method	54,069	-
Exchange loss	28,516	36,567
Transfer to allowance for bad debt	-	30,018
Miscellaneous expense	9,538	4,667
Total non-operating expenses	117,644	93,250
Recurring profit	690,163	1,082,592
Extraordinary profit		
Gain on disposal of fixed assets	-	1,061
Gain on disposal of investment securities	5,192	-
Gain on sale of shares of affiliated company	108,271	-
Reversal of allowance for doubtful accounts	36,000	3,669
Gain on transfer of operation	5,000	-
Others	2,789	-
Total extraordinary profit	157,254	4,731
Extraordinary loss		
Loss from investment securities valuation	18,417	9,125
Loss from changes in shareholder equity	-	11,537
Loss from disposal of operation	84,724	-
Loss from transfer of operation	3,395	-
Effect of asset retirement obligations	-	17,253
Others	31,562	38
Total extraordinary loss	138,099	37,954
Quarterly net profit before income taxes	709,317	1,049,369
Corporate, local, and business taxes	487,701	283,997
Income before minority interests	-	765,372
Income or Loss on minority shareholders	63,742	198,721
Quarterly net profit	157,874	566,650

(3) Consolidated Statements of Cash Flows for the 1<sup>st</sup> half of the fiscal year  
(April 1, 2010 through September 30, 2010)

	(Thousands of yen)	
	the 1st Half of FY2009 (April 1, 2009 through September 30, 2009)	the 1st Half of FY2010 (April 1, 2010 through September 30, 2010)
Cash flow from operating activities		
Quarterly net profit before income taxes	709,317	1,049,369
Depreciation and amortization	174,438	129,172
Amortization of goodwill	1,122,127	508,805
Increase (decrease) in allowance for doubtful accounts	△144,163	34,640
Increase (decrease) in reserve for bonus	△2,062	17,326
Increase (decrease) in allowance for utilized cost	134,520	929,940
Increase (decrease) in allowance for points	△56,234	△24,358
Increase in allowance for retirement benefits	931	10,944
Decrease in reserve for loss from disposal of subsidiary	-	△205,720
Interest and dividends income	△37,518	△7,614
Interest on securities	△5,064	△23,187
Interest expenses	25,518	21,997
Foreign exchange loss	22,025	13,538
Gain on sale of investment securities	△113,464	-
Valuation Loss on investment securities	18,417	9,125
Loss from investment in equity method	54,069	△124,170
Loss from equity movement	12,632	11,537
Loss from disposal of fixed assets	△2,706	△1,061
Gain on disposal of business	84,724	-
Effect of asset retirement obligations	-	17,253
Decrease in accounts and notes receivable-trade	2,136,313	△1,011,489
Decrease (increase) in inventories	119,325	3,893
Decrease in accounts and notes payable-trade	△699,665	1,544,879
Decrease in consumption taxes receivable	18,678	45,594
Increase in consumption taxes payable	-	35,859
Others	△434,880	110,322
Sub-total	3,137,283	3,096,597
Interest and dividends received	40,937	30,793
Interest expenses paid	△25,562	△21,997
Income taxes refunded	97,315	20,583
Income taxes paid	△269,071	△388,231
Cash flow from operating activities	2,980,901	2,737,745

	(Thousands of yen)	
	the 1st Half of FY2009	the 1st Half of FY2010
	(April 1, 2009 through September 30, 2009)	(April 1, 2010 through September 30, 2010)
Cash flow from investing activities		
Expenditure for deposit of time deposits	△2,800,000	△1,110,000
Proceeds from withdrawal of time deposits	2,950,096	1,900,000
Expenditures for acquisition of tangible fixed assets	△51,695	△211,413
Income from disposal of tangible fixed assets	3,875	5,510
Expenditure for acquisition of software	△115,740	△25,358
Expenditure for acquisition of investment securities	△7,685	-
Income from disposal of investment securities	128,191	-
Income from sale of shares of affiliated company	155,662	-
Income from loans collection	50,332	339
Income from deposits collection	-	217,420
Others	18,067	△15
Net cash flow used in investing activities	331,104	776,481
Cash flow from financing activities		
Expenditure for repayment of long-term loans	△1,039,790	△1,843,552
Proceeds from payment from minorities	46,323	43,031
Payment of dividends	△56,880	△56,827
Expenditure for dividends to minorities	△28,695	△29,376
Net cash flow used in financing activities	△1,070,042	△1,886,724
Effect of exchange rate on cash and cash equivalents	20,113	△24544
Net increase or decrease in cash and cash equivalents	2,262,076	1,602,959
Cash and cash equivalents at beginning of year	10,649,135	8,340,635
Cash and cash equivalents at end of year	12,911,212	9,943,594

#### (4) Explanatory note regarding premise of a going concern

Not applicable

#### (5) Segment Information

[Business segment information]

1st half of the fiscal year 2009 (April 1, 2009 through September 30, 2009)

(Unit: thousands of yen)

	Content services	Electronic Money	Other businesses	Total	Eliminations/ Corporate	Consolidated
Net sales						
(1) Sales to outside customers	5,004,069	20,701,545	617,129	26,322,745	–	26,322,745
(2) Intersegment sales and transfers	186,262	1,600	–	187,862	△187,862	–
Total	5,190,332	20,703,145	617,129	26,510,607	△187,862	26,322,745
Operating profit	387,436	334,446	39,202	761,085	△13,710	747,374

Notes: 1. Method of businesses segmentation: The Company and its group companies' businesses are classified into three segments based on the similarities of services and nature of businesses.

##### 2. Details of business segments

Business segment	Major business operations
Contents business	Content distribution service using networks, and development and licensing of distribution platform technologies, producing content creation
Electronic Money business	Issuance and sales of electronic money and providing electronic settlement platforms
Other businesses	Point service and other business

#### [Geographical segment information]

The 1<sup>st</sup> half of the previous fiscal year ended March 2009 (April 1, 2009 through September 30, 2009)

Geographical segment information is omitted since net sales in Japan dominated more than 90% of total sales.

#### [Overseas sales]

The 1<sup>st</sup> half of the previous fiscal year ended March 2009 (April 1, 2009 through September 30, 2009)

Sales result of overseas is omitted from segmental information since consolidated net sales of overseas are less than 10% of total sales.

#### [Segment information]

##### 1. Outline of business segments reported

The business segments the Group reports are the business units for which the Company is able to obtain respective financial information separately in order for the Board of Directors to conduct periodic investigation to determine distribution of management resources and evaluate their business results.

The Group operates one-stop service for content distribution and have two reportable segments: "Content business" and "Electronic Money business".

Mainly at "Content business", the Group handle covers distribution, development of distribution

platform and content production. “Electronic Money business” includes issuance and sale of electronic money and provision of online settlement.

2. Information on sales and income (loss) by business segment reported

1st half of the fiscal year 2010 (April 1, 2010 through September 30, 2010)

(Unit: thousands of yen)

	Segment Reported			Other businesses	Total	Eliminations/ Corporate	Consolidated
	Content services	Electronic Money	Total				
Net sales							
(1) Sales to outside customers	3,811,591	33,677,330	37,488,921	593,058	38,081,980	–	38,081,980
(2) Intersegment sales and transfers	164,526	1,200	165,726	–	165,726	△165,726	–
Total	3,976,117	33,678,530	37,654,647	593,058	38,247,706	△165,726	38,081,980
Operating profit	407,579	577,163	984,743	37,050	1,021,794	△5,141	1,016,652

Notes: 1. Method of businesses segmentation: The Company and its group companies’ businesses are classified into three segments based on the similarities of services and nature of businesses.

2. Details of business segments

Business segment	Major business operations
Contents business	Content distribution service using networks, and development and licensing of distribution platform technologies, producing content creation
Electronic Money business	Issuance and sales of electronic money and providing electronic settlement platforms
Other businesses	Point service and other business

(6) Note for significant changes in amount of shareholders’ equity

Not applicable