

**BRIEF STATEMENT OF ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
MARCH 2011 AND FORECASTS FOR THE YEAR ENDING MARCH 2012**

May 11, 2011

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 29, 2011

Date of Submission of Annual Security Report: June 29, 2011

Starting Date of the Dividend Payment: June 30, 2011

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the fiscal year (From April 1, 2010 to March 31, 2011)

(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 2011	84,191	48.7	2,129	189.7	2,213	252.6	1,181	—
March 2010	56,634	5.0	735	△48.4	627	△36.9	△1,755	—

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 2011	1,029.46	1,019.26	9.5	7.1	2.5
March 2010	△1,529.05	—	△13.9	2.1	1.3

Reference: Equity in earnings of associated companies: the fiscal year ended March 2011: 130 million yen/ the fiscal year ended March 2010: △84 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 2011	32,726	14,544	39.4	11,234.27
March 2010	29,963	12,985	39.6	10,327.22

Reference: Equity Capital: the fiscal year ended March 2011: 12,897 million yen/ the fiscal year ended March 2010: 11,856 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 2011	5,010	△459	△2,543	10,321
March 2010	4,436	△6,311	△406	8,340

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 2010	—	50.00	—	50.00	100.00	114	-	0.9
March 2011	—	50.00	—	50.00	100.00	114	9.7	0.9
Year ending March 2012 (Forecast)	—	50.00	—	50.00	100.00		9.9	

3. Forecasts for the consolidated business results for the year ending March 2012 (from April 1, 2011 to March 31, 2012)

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	48,200	26.6	1,000	△1.6	950	△12.2	440	△22.4	383.26
Year ending March 2012	97,000	15.2	2,260	6.1	2,320	4.8	1,160	△1.9	1,010.41

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 policies”)

(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 2011: 1,196,000 shares, the fiscal year ended March 2010: 1,196,000shares

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

The fiscal year ended March 2011: 47,950 shares, the fiscal year ended March 2010: 47,950 shares

*Note for utilizing business forecasts, and other special instruction

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

The mobile phone and smartphone market in Japan is reaching a maturity level as the number of subscription exceeded 110 million in 2010. In the smartphone market, the number of shipment was only 210,000 in 2008, but it had grown to surpass the mobile phone unit sales as of April 2011. In the media tablet market including electronic publication devices, it is expected to exceed 6.3 million units in 2014. These are just some examples of new devices with innovative functions that have been released one after another. It is anticipated that this trend will further accelerate.

As regards the content market, as the information distribution methods are getting diversified, needs of users are increasingly diversified and complicated more rapidly. That mainly reflects development of services based on newly created demands such as social networking services, or SNS, mobile social games, and video-sharing sites. As the market changes, creation of new business models is sought after.

In this business environment during the consolidated fiscal year ended March 31, 2011, the Faith Group conducted its business activities under the “multi-content and multi-platform” strategy that aims to create an environment that enables users to enjoy any content whenever and wherever they are. In so doing, we strove to quickly provide new content distribution frameworks that are most suitable for each user category and content.

The Group also ensured to bolster the Group synergies by maximizing each Group company’s strengths, and promote provision of new services based on unique ideas. One example which was brought about by the Group’s steady synergy effects is a joint project with the Company and its subsidiary, Nippon Columbia Co., Ltd. This project already sent out a No.1 hit song by utilizing a new promotion approach.

As a result, consolidated net sales for the fiscal year under review increased by 48.7% year on year to ¥84,202 million. It was led by a continuous high growth in the Electronic Money Business. Operating profit was ¥2,160 million, up 193.9% year on year, and recurring profit was ¥2,245 million, up 257.5% year on year, mainly due to a high growth in the Electronic Money Business and the realignment of the Group’s businesses and the operation bases. The Group recorded net profit of ¥1,213 million reversed from a ¥1,755 million net loss in the previous fiscal year.

Information on each business segment is as follows:

<Contents Business>

The Faith Group strove to establish new business schemes for content distribution across various sectors such as video, music or medical and health information, and to expand and strengthen its operating base during the period under review.

A blockbuster film entitled “Kokuhaku” produced by the Group, Toho Co., LTD. and other companies won 11 prizes at the 34th Japan Academy Prize including the Picture of the Year Prize. In addition, the film was selected as an entry from Japan for the best foreign film category of the Academy Awards in the U.S. The film has sold about 3 million tickets with a box-office record of over ¥3.8 billion since the release in June 2010.

The Group launched a smartphone corresponding video application called “VIDEMO” in October 2010, and this application has downloaded over 130,000 times since its launch. In March 2011, the application was dramatically revamped with the start of paid content

distribution and the introduction of new settlement methods such as credit cards, WebMoney, and payment through sp mode* of NTT docomo terminals. Going forward, the Group will expand the application by connecting it to other services in the Group. (*An online connection service for smartphone provided by NTT docomo. This service provides functions including settlement for content purchases.)

A joint project to promote a medical information sharing service in which the Group participates was selected by the Ministry of Internal Affairs and Communications in August 2010 as a regional ICT utilization program in a wide area for Fiscal 2010. To visit any medical institutions that are adopting this service, a patient only needs one registration card, because these institutions share the same medical information recording system. The National Hospital Organization Kyoto Medical Center (Fushimi-ku, Kyoto) and other hospitals started a trial run of this system in January 2011 in 4 cities with approximately 790,000 households.

“Connecting Card” is another project that was planned, produced, and launched by the Group. This online service provides a highly collectible selection of visual cards carrying images of celebrities such as artists, pop idols and athletes. The site is linked to content downloading sites dealing with music, video, and other audio materials.

A joint project with the Company and its subsidiary, Nippon Columbia, produced a new music unit split up from a sensationally popular pop group in Japan called “AKB48.” “Not yet,” the new music unit, released its debut song, “Shumatsu Not yet (Not the weekend yet),” and it was ranked No.1 on the ORICON’s weekly hit chart. The song also swept three categories of the ring-song distribution site by becoming No.1 on the first day of the distribution in the Chaku-uta®(Ring-song), Chaku-uta-full®, and Ring-back tone categories. This was the first time for a female artist/group to achieve such a feat. In the limited editions of the debut single an exclusive Connecting Card was attached for a freebie. In this way, the Group promoted the new music distribution business by utilizing the steady synergy effects with Nippon Columbia.

As a result, Net sales in the Contents Business was ¥7,404 million, down 20.1% year on year, due to the decrease in sales mainly of the ringtone business. Operating profit, however, increased by 599.0% year on year to ¥670 million.

<Electronic Money Business>

The online game market, a main sector in which the electronic money is used, is showing a continuous expansion. Combined with the rapid growth of the mobile social game and other factors, the settlement amount of WebMoney, which provides easy, secure, and convenient solutions, saw a firm increase. To further increase the settlement amount of WebMoney, the Group is striving to expand the customer base mainly by running tie-up campaigns with prominent vendors and recruiting new mobile content service providers.

Regarding “manna,” an advertisement video distribution widget with the membership of around 200,000, the Group upgraded its function in addition to the services of being WebMoney credited by viewing online ads. The new functions include connections to SNS and viewing of news and video sharing sites on the “manna” site.

In the effort of expanding the user base, the Group promoted WebMoney to become a settlement method at some of the mobile official sites such as “GREE” and “GIGA Enta-melody” as the first method other than the conventional charging method provided by each carrier.

Moreover, as part of the effort to expand the online game market, the Group organized “WebMoney Award 2010” and recognized the most popular online games in 2010 based on the online voting from as many as 130,000 users.

Due to the increase of the settlement amount and other factors, net sales in the Electronic Money Business was ¥75,168 million, a year-on-year increase of 62.6%, and operating profit increased 91.3% year on year to ¥1,299 million.

<Other Businesses>

Net sales of the Other Businesses that includes revenues from the point-card system business was ¥1,630 million, an 44.5% year-on-year increase, and operating profit increased 222.4% to ¥187 million.

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

(Millions of yen)

	FY2010 (Result) (a)	FY2011 (Forecast) (b)	Change (b)-(a)
Net sales	84,202	110,300	26,098
Operating profit	2,160	2,400	240
Recurring profit	2,245	2,460	215
Net profit	1,213	1,140	(73)

In recent years, the content related market for PC, mobile phone, smartphone in Japan is showing a firm growth accompanying a steady growth of the electronic money market which serves as a settlement method for the content trade.

Nowadays, users are able to view various contents at many different terminals thanks to advanced network connections between mobile phone, PC, and other new devices such as smartphone and media tablet. On the other hand, diversification of content distribution methods and demands of users are accelerated by new services that utilize innovative information terminals.

To respond to the ever diversifying market environment, the Group is striving to create a new framework of content distribution by incorporating various perspectives. One aspect is multi-device data usage including mobile phone, PC, smartphone, media tablet and network compatible TV. In addition, the Group takes into consideration content rights protection, charging and settlement, handling of membership and other personal information, and user-friendly interface. At the same time, the Group will continue engaging in music and visual content planning and production so that the Group can provide its own content with high quality into market in a timely manner.

By operating a comprehensive business from production to distribution of content, the Group substantiates a new content distribution business models promptly, and to provide platforms to its partner companies and users.

Going forward, the Group will further expand and promote distribution of new audio and visual content through the strategic partnership with Nippon Columbia and other measures. In the medical field, the Group will continuously provide medical and health related information services with increased convenience, as the medical content is regarded as another type of information which should be accessible from any terminals wherever the users are.

The Group will make effort to expand the Electronic Money Business and to increase the market share. At the same time, it will promote further streamlining and cost reduction by unifying its operations. What's more, by leveraging its customer base which boasts some millions of fee paying members, the Group promotes "multi-content and multi-platform" strategy and creation of new distribution frameworks of music and visual content, development of e-commerce, and provision of services to many different terminal devices.

The Group strives to formulate and promote business strategies from the medium- to long-term perspective focusing on a new content business era which is arriving within a few years.

As a result, the Group's consolidated net sales for the next fiscal year is projected to rise 31.0% year on year to ¥110,300 million. Operating profit and recurring profit are projected to see a year-on-year increase of 11.1% to ¥2,400 million, and 9.6% to ¥2,460 million, respectively. Net profit is projected to decrease 6.0% year on year to ¥1,140 million.

¥2,890 million from withdrawal of time deposits and income of ¥217 million from deposits collection.

(Cash flow from financing activities)

Net cash used in financing activities was ¥2,543 million, while the amount used in the previous fiscal year was ¥406 million. This reflected expenditure of ¥2,443 million for repayment of long-term loans, payment of dividends of ¥113 million, and other factors.

(3) 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), 7 subsidiaries and 6 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:

(1) Contents Business

In the diversifying content market, the Group is promoting multi-content distribution on multi-platform regardless of network or terminal device aiming at creating a new framework of content distribution for oncoming new market. As a provider of comprehensive service, the Group is promoting one-stop solutions from construction of distribution systems, operation of services for end-users to planning and production of

digital content.

The business is provided by Faith, Inc., Faith Wonderworks, Inc., and 8 other affiliate companies.

(2) Electronic Money Business

Issuance of “WebMoney”, electronic money and providing electronic payment platforms for e-commerce mainly of online game, contents distribution service including music or video distribution.

The service is provided by WebMoney Corporation.

(3) Other Business

Point service and other business dealt by GoodyPoint Inc. and two other affiliate companies.

3. Management Policies

(1) Faith Group's basic management policy

The basic policy of Faith Group is to create schemes to distribute digital contents to the users. Faith Group accurately grasps changes in society and people’s life styles, and continues to create various kinds of services in harmony with the users’ usage environment in easier-to-use methods. The Company and its group companies will strive to develop methods, technologies and know-how to realize the Group’s management goals, and aims to be a higher value added company through business tie-up with other companies in addition to supplying services on our own.

(2) The medium-term and long-term business strategy

The Company will continue to generate new markets by creating a variety of services demanded from users. The Company will make efforts to actualize contents distribution services including music and video distribution, online games and e-commerce, charging service, and various types of corporate counseling services, utilizing information devices, based on proposals of its unique business solutions and through business-tie up with prominent companies in many business fields. At the same time, aiming to improve corporate value and shareholders’ profit, the Company strengthens the capital base and surges in profit as managerial resources by its “multi-content on multi-platform strategy”.

4. Consolidated Financial Statement
(1) Consolidated Balance Sheet

	(Unit: thousands of yen)	
	FY2009	FY 2010
	(As of March 31, 2010)	(As of March 31, 2011)
(Assets)		
Current assets		
Cash and deposits	9,050,487	12,001,893
Accounts and notes receivable	6,303,169	8,356,029
Marketable securities	740,147	339,676
Commercial products	64,466	3,110
Products in progress	10,465	1,038
Primary materials and inventory goods	12,188	8,892
Accrued refund income tax	-	-
Deferred tax assets	300,267	344,125
Others	811,197	368,465
Allowance for doubtful accounts	△35,725	△49,258
Total current assets	17,256,664	21,373,972
Fixed assets		
Tangible fixed assets		
Buildings and structures	1,262,512	1,362,445
Depreciation amount	△114,108	△108,565
Buildings and structures (net base)	1,148,403	1,253,880
Machinery and delivery equipment	26,305	24,095
Depreciation amount	△20,327	△14,402
Machinery and delivery equipment (net base)	5,977	9,692
Tool, device and equipment	1,108,236	879,584
Depreciation amount	△925,746	△750,836
Tool, device and equipment (net base)	182,490	128,747
Land	1,500,895	1,500,895
Construction in progress	78,907	-
Total tangible fixed assets	2,916,674	2,893,215
Intangible fixed assets		
Goodwill	1,470,111	435,363
Software	360,777	323,996
Others	29,539	47,491
Total intangible fixed assets	1,860,428	806,851
Investment and other assets		
Investment securities	7,454,631	7,405,341
Others	638,063	396,115
Allowance for doubtful receivable	△167,805	△148,792
Total investments and other assets	7,924,889	7,652,664
Total fixed assets	12,701,991	11,352,731
Differed assets		
Stock issuance cost	4,567	-
Total Differed assets	4,567	-
Total assets	29,963,224	32,726,703

(Unit: thousands of yen)

	FY2009 (As of March 31, 2010)	FY 2010 (As of March 31, 2011)
(Liabilities)		
Current liabilities		
Trade notes and Accounts payable	7,184,384	9,948,110
Short-term loans	2,419,904	399,984
Income taxes payable	394,726	390,631
Allowance for utilized costs	3,571,039	4,835,100
Allowance for points	270,478	230,979
Allowance for bonus payments	70,208	77,608
Allowance for relocation	205,720	-
Others	991,668	882,358
Total current liabilities	15,108,130	16,764,771
Fixed liabilities		
Long-term liabilities	1,556,992	1,133,368
Deferred tax liabilities	199,716	183,204
Allowance for retirement benefits	83,075	91,824
Others	29,684	8,909
Total fixed liabilities	1,869,467	1,417,306
Total liabilities	16,977,598	18,182,078
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earning	5,489,146	6,556,212
Treasury stock	△651,377	△651,377
Total shareholder's equity	11,764,124	12,831,189
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	292,095	268,011
Foreign currency translation adjustments	△200,050	△201,693
Total valuation and translation adjustments	92,044	66,317
Minority interests	1,129,455	1,647,118
Total net assets	12,985,625	14,544,625
Total liability and net assets	29,963,224	32,726,703

(2) Consolidated Profit and Loss Statement

(Unit: thousands of yen)

	FY2009 (As of March 31, 2010)	FY 2010 (As of March 31, 2011)
Net sales	56,634,908	84,191,290
Cost of Sales	46,667,207	73,335,511
Gross profit	9,967,701	10,855,779
Selling, general and administrative expenses	9,232,618	8,726,016
Operating profit	735,082	2,129,762
Non-operating profit		
Interest income	33,467	6,962
Dividend income	16,432	4,701
Interest securities	21,626	45,027
Anonymous association income	-	130,485
Miscellaneous receipts	25,055	7,073
Total non-operating profit	96,582	194,250
Non-operating expenses		
Interest expense	48,091	33,655
Investment profit on equity method	84,635	-
Exchange loss	30,290	40,232
Allowance for doubtful accounts provision	-	30,018
Miscellaneous expense	41,041	6,896
Total non-operating expenses	204,058	110,803
Recurring profit	627,607	2,213,209
Extraordinary profit		
Gain on disposal of investment securities	2,706	1,061
Gain on sale of investments securities	732,246	19,479
Gain on sale of shares of affiliated company	110,297	2,528
Reversal of allowance for doubtful accounts	42,127	3,117
Others	19,899	-
Total extraordinary profit	907,277	26,186
Extraordinary loss		
Loss from disposal of fixed assets	154,588	14,543
Loss due to impairment	98,757	34,295
Loss from investment securities valuation	32,990	16,450
Impairment loss on goodwill	1,420,271	-
Loss from disposal of operation	156,166	-
Transfer to allowance for expenditure for office relocation	205,720	--
Reversal of foreign currency translation adjustment account due to the exclusion of foreign subsidiaries from consolidation	340,524	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	17,253
Others	21,343	37
Total extraordinary loss	2,430,362	94,118
Quarterly net profit before income taxes	△895,478	2,145,277
Corporate, local, and business taxes	377,540	563,775
Corporate, local, and business taxes for retroactive year	311,056	-
Income taxes-deferred	58,740	△100,132
Total corporate, local, and business taxes	747,338	463,643
Income before minority interests		1,681,633
Income or Loss on minority shareholders	112,612	499,763
Quarterly net profit	△1,755,428	1,181,870

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

(Unit: thousands of yen)

	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
Shareholders' equity		
Common stock		
Balance as of March 31, 2009	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, 2010	3,218,000	3,218,000
Capital surplus		
Balance as of March 31, 2009	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, 2010	3,708,355	3,708,355
Retained earnings		
Balance as of March 31, 2009	7,345,697	5,489,146
Changes of items during the accounting period		
Cash dividend paid	△114,805	△114,805
Net gain or loss	△1,755,428	1,067,065
Changes in consolidated amount	13,638	-
Total changes of items during the accounting period	△1,856,550	1,067,065
Balance as of March 31, 2010	5,489,146	6,556,212
Treasury stock		
Balance as of March 31, 2009	△651,377	△651,377
Changes of items during the accounting period		
Acquisition of company's own shares	-	-
Total changes of items during the accounting period	-	-
Balance as of March 31, 2010	△651,377	△651,377
Total shareholders' equity		
Balance as of March 31, 2009	13,620,674	11,764,124
Changes of items during the accounting period		
Cash dividend paid	△114,805	△114,805
Net gain or loss	△1,755,428	1,181,870
Changes in consolidated amount	13,683	-
Acquisition of company's own shares	-	-
Total changes of items during the accounting period	△1,856,550	1,067,065
Balance as of March 31, 2010	11,764,124	12,831,189

(Unit: thousands of yen)

	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
Valuation and translation adjustment		
Net unrealized gains on investment securities		
Balance as of March 31, 2009	469,900	292,095
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△177,805	△24,083
Total changes of items during the accounting period	△177,805	△24,083
Balance as of March 31, 2010	292,095	268,011
Foreign currency translation adjustments		
Balance as of March 31, 2009	△733,196	△200,050
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	533,146	△1,643
Total changes of items during the accounting period	533,146	△1,643
Balance as of March 31, 2010	△200,050	△201,693
Total valuation and translation adjustments		
Balance as of March 31, 2009	△263,295	92,044
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	355,340	△25,727
Total changes of items during the accounting period	355,340	△25,727
Balance as of March 31, 2010	92,044	66,317
Minority interest		
Balance as of March 31, 2009	1,142,464	1,129,455
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△13,008	517,662
Total changes of items during the accounting period	△13,008	517,662
Balance as of March 31, 2010	1,129,455	1,647,118
Total net assets		
Balance as of March 31, 2009	14,499,844	12,985,625
Changes of items during the accounting period		
Cash dividend paid	△114,805	△114,805
Net gain or loss	△1,755,428	1,181,870
Changes in consolidated amount	13,638	-
Net changes of items other than shareholders' equity	342,331	491,934
Total changes of items during the accounting period	△1,514,218	1,558,999
Balance as of March 31, 2010	12,985,625	14,544,625

(4) Consolidated Statements of Cash Flows

(Unit: thousands of yen)

	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
Cash flow from operating activities		
Income before income taxes and minority interests	△895,478	2,145,277
Depreciation and amortization	341,243	290,786
Impairment loss	98,757	34,295
Amortization of goodwill	2,237,704	1,017,611
Impairment loss on goodwill	1,420,271	-
Loss from investment in equity method	84,635	△130,485
Proceeds from equity movement	17,470	11,537
Increase in allowance for doubtful accounts	△139,964	△5,480
Increase (decrease) in reserve for bonus	△25,304	7,400
Increase in allowance for cost of card use	254,954	1,264,060
Decrease in allowance for unexercised sales promotion points	△91,178	△39,499
Increase in allowance for retirement benefits	10,003	8,749
Loss reserve for office relocation	205,720	△205,720
Reversal of foreign currency translation adjustment account due to the liquidation of foreign subsidiaries from consolidation	340,524	-
Interest and dividends income	△49,900	△11,663
Interest on securities	△21,626	△45,027
Interest expenses	48,091	33,655
Foreign exchange gains	31,632	39,147
Loss from disposal of business	156,166	-
Gains on sale of investment securities	△732,246	△19,479
Gain on sale of corporate share on affiliated company	△110,297	△2,528
Valuation loss on investment securities	32,990	16,450
Losses from sale of fixed assets	△2,706	△1,061
Losses from disposal of fixed assets	154,588	14,543
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	17,253
Decrease (increase) in accounts and notes receivable-trade	644,798	△2,069,337
Decrease (increase) in inventories	209,247	74,080
Increase in accounts and notes payable-trade	925,733	2,755,614
Decrease (increase) in consumption taxes receivable	△53,622	45,594
Decrease (increase) in consumption taxes payable	-	83,916
Others	△412,797	212,766
Sub-total	4,679,407	5,542,458
Interest and dividends received	71,714	56,625
Interest expenses paid	△48,134	△33,655
B6Refunded income taxes	97,315	20,583
Income taxes paid	△363,797	△575,792
Net cash provided by operating activities	4,436,504	5,010,219

(Unit: thousands of yen)

	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
Cash flow from investing activities		
Expenditure for deposit of time deposits	△4,970,000	△3,360,000
Proceeds from withdrawal of time deposits	6,620,096	2,890,000
Expenditures for acquisition of tangible fixed assets	△2,658,397	△269,683
Proceeds from sale of tangible fixed assets	9,325	5,510
Expenditure for acquisition of software	△235,009	△84,884
Expenditure for acquisition of investment securities	△7,198,078	-
Proceeds from sale of investment securities	1,884,392	27,226
Proceeds from sale of subsidiary's shares	157,688	114,042
Expenditure for loans receivable	-	399
Proceeds from collection of loans receivable	54,392	217,440
Others	23,697	△15
Net cash used in investing activities	△6,311,893	△459,964
Cash flow from financing activities		
Proceeds from long-term borrowing	2,000,000	-
Expenditure for repayment of long-term borrowing	△2,107,414	△2,443,544
Proceeds from payment from minorities	64,487	43,031
Payment of dividends	△113,418	△113,691
Dividends paid to minority interests	△28,909	△29,538
Expenditure for refund to minorities	△181,472	-
Expenditure for acquisition of shares from minorities	△39,685	-
Net cash flow used in financing activities	△406,412	△2,543,742
Effect of exchange rate on cash and cash equivalents	△26,699	△25,545
Net increase in cash and cash equivalents	△2,308,500	1,980,966
Cash and cash equivalents at beginning of year	10,649,135	8,340,635
Cash and cash equivalents at end of year	8,340,635	10,321,601