

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS**  
**FOR THE 2nd QUARTER OF THE FISCAL YEAR ENDING MARCH 2014**  
**[Japanese Standards]**

November 12, 2013

Company name: Faith, Inc. (Stock code 4295, Listed on TSE 1st section)  
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 Date of Submission of Securities Report: November 14, 2013  
 Starting Date of the Dividend Payment: December 10, 2013  
 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 ¥1 million.

**1. Consolidated Results for the 2nd Quarter of the Fiscal Year Ending March 2014**  
 (From April 1, 2013 to September 30, 2013)

**(1) Consolidated Operating Results**

Percentages indicate increased/decreased ratio compared with the same quarter of the previous fiscal year

	Net Sales		Operating Profit		Recurring Profit		Net Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q2 of the year ending March 2014	3,172	△7.1	309	△45.0	342	△39.8	332	△34.8
Q2 of the year ending March 2013	3,413	△88.5	564	△48.0	569	△50.7	509	△91.7

Note: Comprehensive income: 2nd quarter of fiscal year ending March 2014: ¥543 million (△19.2%); 2nd quarter of fiscal year ending March 2013: ¥455 million (△92.9%)

	Net Profit per Share	Diluted Net Profit per Share
Q2 of the year ending March 2014	Yen 29.17	Yen 29.17
Q2 of the year ending March 2013	44.38	—

Note: With effect from October 1, 2013, the Company carried out a stock split of its common shares at a ratio of 10 shares per share. For this reason, the quarterly net profit per share and the quarterly diluted net profit per share are calculated under the supposition that the stock split had taken place at the beginning of the previous consolidated fiscal year.

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Ratio of Equity Capital	Net Profit Per Share
	Millions of yen	Millions of yen	%	yen
Q2 of the year ending March 2014	22,874	21,038	92.0	1,846.56
Year ending March 2013	22,611	20,552	90.9	1,803.89

Reference: Equity Capital: 1st quarter of fiscal year ending March 2014: ¥21,038 million; fiscal year ended March 2013: ¥20,552 million

Note: With effect from October 1, 2013, the Company carried out a stock split of its common shares at a ratio of 10 shares per share. For this reason, the net assets per share are calculated under the supposition that the stock split had taken place at the beginning of the previous consolidated fiscal year.

**2. Dividends**

(Record dates)	Dividends per share				
	1st Quarter	Interim	3rd Quarter	Year-end	Total
	yen	yen	yen	yen	yen
Year ending March 2013	—	50.00	—	50.00	100.00
Year ending March 2014	—	50.00	—	—	—
Year ending March 2014 (Forecast)	—	—	—	5.00	—

Note: Forecasts for the dividends have not modified at the announcement of the financial statements for FY2013 Q2.

With effect from October 1, 2013, the Company carried out a stock split of its common shares at a ratio of 10 shares per share. The size of the year-end dividend per share (forecast) for the year ending March 2014 is being considered in view of the implementation of this stock split.

### 3. Forecast for the Consolidated Business Results for the Year Ending March 2014 (from April 1, 2013 to March 31, 2014)

(Percentages indicate changes compared with the previous fiscal year.)

	Net Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year ending March 2014	6,700	△0.5	400	△60.5	440	△60.7	380	△65.8	33.35

Note: Forecasts for the consolidated business results have not been modified at the time of announcement of the financial statements for FY2013 Q2.

With effect from October 1, 2013, the Company carried out a stock split of its common shares at a ratio of 10 shares per share. The size of the year-end dividend per share (forecast) for the year ending March 2014 is being considered in view of the implementation of this stock split.

#### ※ Notes

(1) Changes in significant subsidiaries (accompanying changes in scope of consolidation): None

Newly added subsidiaries: 0 companies (subsidiary's name: )

Removed subsidiaries: 0 companies (subsidiary's name: )

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

\* For details, please refer to "2. Summary Information, (2) Adoption of Simplified Accounting Methods in the Preparation of Quarterly Financial Statements" on page 4 of the accompanying material.

(3) Changes in accounting policy, changes in accounting estimates, and restatements

(3)-1. Changes accompanying revisions of accounting standards, etc.: None

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

(3)-3. Changes in accounting estimates: None

(3)-4. Restatements: None

(4) Outstanding shares (common shares)

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

The 2nd quarter of the fiscal year ending March 2014: 11,196,000 shares

The fiscal year ending March 2013: 11,196,000 shares

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

The 2nd quarter of the fiscal year ending March 2014: 566,570 shares

The fiscal year ending March 2013: 566,570 shares

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

The 2nd quarter of the fiscal year ending March 2014: 11,393,430 shares

The 2nd quarter of the fiscal year ending March 2013: 11,480,500 shares

(Note) With effect from October 1, 2013, the Company carried out a stock split of its common shares at a ratio of 10 shares per share. The abovementioned numbers of shares are calculated under the supposition that the stock split had taken place at the beginning of the previous consolidated fiscal year.

#### \* Indication of auditing procedures implementation status

This financial results report is exempt from quarterly review procedures under Japan's Financial Instruments and Exchange Law. As of the time of disclosure of this report, the auditing procedure based on the Financial Instruments and Exchange Law has not been completed.

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

(Notice regarding statements concerning the future)

Statements concerning the future, such as performance forecasts, etc., described in the present material are based on information currently available to the Company and on certain assumptions judged as reasonable by the Company. The Company's actual performance may differ substantially from these forecasts as a result of various factors beyond the Company's control. For details of cautions, etc., employed in making performance forecasts and the assumptions underlying performance forecasts, please refer to "1. Qualitative Information Concerning the Settlement of Accounts for the 2nd Quarter, (3) Explanation Concerning Future Forecast Information on the Consolidated Financial Results, etc." on page 3 of the accompanying material.

(To obtain supplemental documents relating to financial results)

Supplemental documents related to the Company's quarterly and other financial results are posted on the company website.

(URL: <http://www.faith-inc.com/ir/library.html> )

Contents

- 1. Qualitative Information Concerning the Settlement of Accounts for the 2nd Quarter ..... 2
  - (1) Explanation Concerning the Operating Results ..... 2
  - (2) Explanation Concerning the Financial Position ..... 3
  - (3) Explanation Concerning Future Forecast Information on the Consolidated Financial Results, etc. 3
  
- 2. Summary Information ..... 4
  - (1) Changes in Major Subsidiaries During the 2nd Quarter ..... 4
  - (2) Adoption of Simplified Methods in the Preparation of the Quarterly Financial Statements ..... 4
  - (3) Changes in Accounting Principles, Procedures, and Disclosure Methods ..... 4
  
- 3. Consolidated Financial Statements ..... 5
  - (1) Consolidated Balance Sheet for the 2nd Quarter ..... 5
  - (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income ..... 7
    - Consolidated Statement of Income for the 2nd Quarter ..... 7
    - Consolidated Statement of Comprehensive Income for the 2nd Quarter ..... 8
  - (3) Consolidated Statement of Cash Flows for the 2nd Quarter ..... 9
  - (4) Notes Concerning the Consolidated Financial Statements ..... 11**
    - Note Concerning the Premise of a Going Concern ..... 11
    - Note in the Case of Significant Changes in the Amount of Shareholders' Equity ..... 11
    - Segment Information ..... 11

## Qualitative Information Regarding Quarterly Performance and Financial Position

### (1) Qualitative Information Regarding the Consolidated Operating Results

In Japan, the number of individual mobile phone and smartphone subscriptions reached 140,190,000 in September 2013<sup>(\*1)</sup>. In particular, the demand for smartphones continues to increase, with smartphones shipments forecast to reach 29,900,000 units in FY 2013, accounting for 75.5% of total mobile phone shipments<sup>(\*2)</sup>. With the popularization of these smartphone and tablet devices as a background, in accordance with the diversification of the means of information distribution such as SNS (Social Network Services) and social games, it is essential to create new services and content distribution systems to meet emerging user needs.

(\*1) Presentation materials by the Telecommunications Carriers Association, (\*2) Research by MM Research Institute

Against the background of this highly diversified market environment, based on its Multi-Content and Multi-Platform Strategy of creating an environment that allows people to enjoy a wide diversity of contents whenever and wherever they choose, the Faith Group is moving ahead with the production of new contents including music and video in order to be able to bring excellent high-value-added contents to the market promptly. At the same time, we are proceeding with the provision of highly convenient services including new services for users of smartphones, for which popularization is accelerating.

During the 2nd quarter of the fiscal year ending March 2014, Faith Inc. focused its efforts on obtaining smartphone users as customers for smartphone-use music streaming distribution services and in order to strengthen its application distribution business, etc. With effect from October 1, 2013, the Company carried out a stock split of its common shares at a ratio of 10 new shares per share, while at the same time changing the trading unit (share unit) for which share transactions can be conducted from one share to 100 shares.

Net sales for the 2nd quarter of the fiscal year ending March 2014 decreased by 7.1% compared with the same term of the previous fiscal year to ¥3,172 million, operating profit decreased by 45.0% year on year to ¥309 million, recurring profit decreased by 39.8% year on year to ¥342 million, and net profit decreased by 34.8% year on year to ¥332 million.

Information on each business segment is as follows.

#### <Content Business>

During the period under review, the Faith Group continued its efforts to establish a new framework for content distribution and to expand and strengthen its new business operations base.

In the ringtone melody field, which is a part of the Content Business, because a shift is taking place in the smartphone-use market, amid a declining trend in sales, we are strengthening our distribution of applications to the mobile market, which continues to expand, and carrying out measures in order to obtain more smartphone users as customers.

FaRao<sup>TM</sup>, Japan's first internet-based radio service equipped with a recommendation function, has been developed for smartphone use and is also standard equipped with HIKARI BOX+, provided by NTT West Corporation, a new service that makes it possible for listeners to gain easy access to a wide range of music information via a home TV set. Meanwhile, in the Kidzapplanet<sup>TM</sup> service, a worldwide intellectual training application brand for pre-school children, the total number of downloads of the ten titles (including *Minna no Mushimegane Tanken* and *Dobutsu Puzzle*, which were released in July) reached approx. 700,000, and these applications have also become popular overseas, with more than half of all downloads taking place in Southeast Asia.

Moreover, with the aim of providing an enhanced content lineup, the Company started an audition project, the Pop Icon Project Tokyo, with Nicola Formichetti, the well-known fashion director who collaborates with Lady Gaga, in order to discover girl vocal units that can represent Japan and enchant the world. By the end of September, we had received almost 1,000 applications, and after the final judgment is made in December, the selected units will be given official debuts sponsored by Nippon Columbia, Co., Ltd.

In line with of the decrease in income in smartphone-use services despite the upgrading and expansion of such services, the Content Business recorded net sales of ¥2,519 million, a decrease of 8.6% year on year, and an operating profit of ¥272 million, a decrease of 45.0% year on year.

<Point Service Business>

Although sales of point-card systems were influenced by the end of the government-administered reconstruction support home appliance eco-point system, as a result of strengthened sales promotion at existing affiliated stores, etc., the Point Service Business continued to perform steadily, recording net sales of ¥653 million, a decline of 0.5% year on year. However, due to an increase in sales promotion expenses for the second half of the year and an increase in new project expenses, this business recorded an operating profit of ¥36 million, a decline of 46.4% year on year.

## (2) Qualitative Information Regarding the Consolidated Financial Position

### (Analysis of Financial Position)

As of the end of the 2nd quarter of FY 2013 (September 30, 2013) the Faith Group's total assets increased by ¥263 million compared to the end of the previous consolidated fiscal year to ¥22,874 million. This result was mainly the consequence of an increase in investment securities.

Total liabilities decreased by ¥222 million compared to the end of the previous consolidated fiscal year to ¥1,836 million. This result was mainly due to a decrease in long-term loans payable in accordance with repayments and to a decrease in income taxes payable in accordance with income tax payments.

Total net assets increased by ¥486 million compared to the end of the previous consolidated fiscal year to ¥21,038 million. This result was mainly due to an increase in retained earnings stemming from the recording of a quarterly net profit and to an increase in the valuation difference on available-for-sale securities. As a result, the equity ratio increased by 1.1 percentage points to 92.0%.

### (Cash Flow Situation)

Cash and cash equivalents for the consolidated cumulative 2nd quarter of the current fiscal year increased by ¥2,224 million from the end of the previous consolidated fiscal year to ¥8,349 million.

Details of cash flow for the consolidated cumulative 2nd quarter and its contributory factors are as follows:

#### (Cash flow from operating activities)

Cash flow from operating activities amounted to an inflow of ¥1,308 million (compared with an outflow of ¥668 million for the same period of the previous fiscal year), due to the refund of ¥698 million in respect of corporation tax to the Company's net income of ¥381 million before taxes and other adjustments, in addition to ¥326 million in interest and dividend payments received.

#### (Cash flow from investing activities)

Cash flow from investing activities amounted to an inflow of ¥1,173 million (an increase of 20.2% compared the same period of the previous fiscal year), due mainly to income of ¥5,192 million in respect of reimbursement of fixed-term deposits, despite outgoings of ¥4,023 million in respect of making fixed-term deposits.

#### (Cash flow from financing activities)

Cash flow from financing activities amounted to an outflow of ¥258 million (a decline of 0.2% compared the same period of the previous fiscal year), due mainly to outgoings of ¥199 million in respect of repayment of long-term loans and ¥56 million in respect of dividend payments.

## (3) Qualitative Information Regarding the Forecast of Consolidated Financial Results

Performance forecasts are made based on information currently available to the Company, but there is a possibility that the actual performance figures will differ significantly from the forecast figures due to a variety of factors. In addition, the current performance forecast for the full financial year is unchanged from the revised forecast issued on November 8, 2013.

## 2. Summary Information

### (1) Changes in Major Subsidiaries during the 2nd Quarter

None

In addition, although this does not correspond with any change of specified subsidiaries, the Faith Group acquired a 100% shareholding in ENTERMEDIA INC. in April 2013.

### (2) Adoption of Simplified Methods in the Preparation of Quarterly Financial Statements

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after applying tax effect accounting to the amount of quarterly net profit before tax deduction for the consolidated financial year including the current 2nd quarter accounting period, and then multiplying the amount of quarterly net profit before tax deduction by the current estimated effective tax rate.

### (3) Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements

None.

3. Consolidated Financial Statements for the 2nd Quarter  
 (1) Consolidated Balance Sheet for the 2nd Quarter

	(Unit: thousands of yen)	
	FY2012	The 2nd Quarter of FY2013
	(As of March 31, 2013)	(As of Sept. 30, 2013)
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	12,076,535	13,131,969
Accounts and notes receivable	930,681	916,291
Marketable securities	540,780	341,297
Commercial products	4,464	10,587
Products in progress	5,633	9,632
Primary materials and inventory goods	7,004	7,996
Corporation tax refund receivable, etc.	696,298	—
Deferred tax assets	224,075	220,925
Others	117,874	114,585
Allowance for doubtful accounts	△21,627	△19,868
<b>Total current assets</b>	<b>14,581,719</b>	<b>14,733,417</b>
<b>Fixed assets</b>		
Tangible fixed assets	2,870,397	2,840,249
Intangible fixed assets		
Goodwill	16,269	37,560
Others	317,804	333,754
<b>Total intangible fixed assets</b>	<b>334,074</b>	<b>371,315</b>
<b>Investment and other assets</b>		
Investment securities	4,761,282	4,862,194
Others	63,890	67,922
Allowance for doubtful receivable	△225	△205
<b>Total investments and other assets</b>	<b>4,824,948</b>	<b>4,929,911</b>
<b>Total fixed assets</b>	<b>8,029,420</b>	<b>8,141,477</b>
<b>Total assets</b>	<b>22,611,140</b>	<b>22,874,895</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Trade notes and Accounts payable	203,006	146,155
Short-term loans	409,884	409,884
Income taxes payable	4,453	6,342
Allowance for points	145,492	49,990
Allowance for bonus payments	175,091	176,996
Others	73,914	94,512
Others	411,137	403,257
<b>Total current liabilities</b>	<b>1,422,978</b>	<b>1,287,139</b>
<b>Fixed liabilities</b>		
Long-term liabilities	333,400	133,408
Lease obligations	13,030	17,413
Deferred tax liabilities	156,077	271,094
Allowance for retirement benefits	127,394	121,097
Others	5,755	6,059
<b>Total fixed liabilities</b>	<b>635,657</b>	<b>549,071</b>
<b>Total liabilities</b>	<b>2,058,636</b>	<b>1,836,211</b>

	(Unit: thousands of yen)	
	FY2012	The 2nd Quarter of FY2013
	(As of March 31, 2013)	(As of Sept. 30, 2013)
<hr/>		
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earnings	14,103,509	14,378,915
Treasury stock	△751,372	△751,372
Total shareholder's equity	<u>20,278,491</u>	<u>20,553,897</u>
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	283,308	492,409
Foreign currency translation adjustments	△9,296	△7,623
Total other accumulated comprehensive income	<u>274,012</u>	<u>484,786</u>
Total net assets	<u>20,552,504</u>	<u>21,038,683</u>
Total liabilities and net assets	<u>22,611,140</u>	<u>22,874,895</u>

**(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**  
(Consolidated Statement of Income for the 2nd Quarter)

	(Unit: thousands of yen)	
	2nd Quarter of FY 2012 (April 1-Sept. 30, 2012)	2nd Quarter of FY 2013 (April 1-Sept. 30, 2013)
Net sales	3,413,657	3,172,633
Cost of sales	1,675,952	1,757,326
Gross profit	1,737,705	1,415,307
Selling, general and administrative expenses	* 1,173,614	* 1,105,434
Operating profit	564,090	309,973
Non-operating profit		
Interest income	17,013	9,708
Dividend income	3,767	4,407
Interest on securities	1,729	1,525
Operating profit on investment partnership	—	4,909
Foreign exchange profit	—	1,861
Interest on refund	—	18,669
Miscellaneous receipts	2,062	6,344
Total non-operating profit	24,573	47,426
Non-operating expenses		
Interest paid	3,888	3,077
Investment loss on equity method	3,094	11,558
Investment partnership losses	4,165	—
Exchange losses	8,393	—
Miscellaneous expenses	103	—
Total non-operating expenses	19,646	14,636
Recurring profit	569,017	342,762
Extraordinary profit		
Gain on sale of fixed assets	316	—
Gain on sale of investment securities	51,400	25,220
Gain from changes in equity	—	3,759
Gain on transfer of business	—	28,320
Total extraordinary profit	51,716	57,300
Extraordinary losses		
Loss on disposal of fixed assets	5,015	8,983
Loss on valuation of investment securities	2,573	—
Oversees tax-related losses	11,892	7,491
Relocation expenses	—	2,314
Total extraordinary losses	19,481	18,790
Net income before income taxes	601,251	381,272
Corporate, local, and business taxes	106,064	48,899
Net income before minority interests	495,187	332,372
Minority interests in income (△)	△14,339	—
Net profit for the quarter	509,526	332,372

(Consolidated Statement of Comprehensive Income for the 2nd Quarter)

	(Unit: thousands of yen)	
	2nd Quarter of FY 2012	2nd Quarter of FY 2013
	(April 1-Sept. 30, 2012)	(April 1-Sept. 30, 2013)
Net income before minority interests	495,187	332,372
Other comprehensive income		
Valuation difference on other available-for-sale securities	△32,933	208,264
Share in comprehensive income of equity method affiliates	△6,636	2,509
Total other comprehensive income	△39,570	210,773
Comprehensive income	455,616	543,146
(Details)		
Comprehensive income attributable to shareholders of the parent company	469,955	543,146
Comprehensive income attributable to minority interests	△14,339	—

### (3) Consolidated Statement of Cash Flows for the 2nd Quarter

(Unit: thousands of yen)

	2nd Quarter of FY 2012 (April 1-Sept. 30, 2012)	2nd Quarter of FY 2013 (April 1-Sept. 30, 2013)
Cash flow from operating activities		
Income before income taxes and minority interests	601,251	381,272
Depreciation and amortization	141,486	121,835
Amortization of goodwill	12,165	15,336
Increase/decrease in allowance for doubtful accounts ( $\Delta$ = decrease)	$\Delta$ 1,809	$\Delta$ 1,826
Increase/decrease in reserve for bonus ( $\Delta$ = decrease)	20,258	20,598
Increase/decrease in allowance for unexercised sales promotion points ( $\Delta$ = decrease)	$\Delta$ 15,765	1,918
Increase/decrease in allowance for retirement benefits ( $\Delta$ = decrease)	9,721	$\Delta$ 6,296
Interest and dividends income	$\Delta$ 20,780	$\Delta$ 14,116
Interest on securities	$\Delta$ 1,729	$\Delta$ 1,525
Interest paid	3,888	3,077
Gain or loss on foreign exchange ( $\Delta$ = gain)	10,903	$\Delta$ 1,861
Gain or loss on sale of investment securities ( $\Delta$ = gain)	$\Delta$ 51,400	$\Delta$ 25,220
Gain or loss on valuation of investment securities ( $\Delta$ = gain)	2,573	—
Gain or loss on sale of shares in affiliates ( $\Delta$ = gain)	3,094	11,558
Gain or loss on equity method ( $\Delta$ = gain)	—	$\Delta$ 3,759
Gain or loss on sale of fixed assets ( $\Delta$ = gain)	$\Delta$ 316	—
Gain or loss on disposal of fixed assets ( $\Delta$ = gain)	5,015	8,983
Gain or loss on transfer of business ( $\Delta$ = gain)	—	$\Delta$ 28,320
Increase/decrease in trade receivables ( $\Delta$ = increase)	39,539	116,020
Increase/decrease in inventory assets ( $\Delta$ = increase)	$\Delta$ 8,081	$\Delta$ 5,623
Increase/decrease in trade payables ( $\Delta$ = decrease)	$\Delta$ 2,668	$\Delta$ 69,308
Increase/decrease in consumption tax payable ( $\Delta$ = decrease)	27,990	5,269
Others	$\Delta$ 97,518	$\Delta$ 88,757
Sub-total	677,819	439,254
Interest and dividends received	33,387	326,312
Interest paid	$\Delta$ 3,890	$\Delta$ 3,144
Income tax refunded	537	698,805
Income tax paid	$\Delta$ 1,376,739	$\Delta$ 152,946
Cash flow from operating activities	$\Delta$ 668,885	$\Delta$ 1,308,281

	(Unit: thousands of yen)	
	2nd Quarter of FY 2012 (April 1-Sept. 30, 2012)	2nd Quarter of FY 2013 (April 1-Sept. 30, 2013)
<b>Cash flow from investing activities</b>		
Expenditure for opening of term deposits	△3,532,145	△4,023,238
Proceeds from withdrawal of term deposits	4,490,000	5,192,145
Proceeds from withdrawal marketable securities	—	200,000
Expenditure for acquisition of tangible fixed assets	△26,385	△26,495
Expenditure for acquisition of software	△78,946	△103,115
Expenditure for acquisition of investment securities	—	△50,000
Proceeds from sale of investment securities	61,400	26,220
Expenditure for acquisition of shares of affiliates	—	△30,000
Proceeds from transfer of business	—	28,571
Expenditure for acquisition of goodwill	—	△5,000
Expenditure for acquisition of shares of subsidiaries resulting from changes in scope of consolidation	—	△35,926
Proceeds from liquidation of subsidiaries	28,318	—
Proceeds from collection of loans receivable	60	40
Expenditure for guaranteeing security deposits	—	△5,082
Proceeds from collection of security deposits	29,225	5,082
Others	4,787	—
Net cash flow from investing activities	976,313	1,173,199
<b>Cash flow from financing activities</b>		
Expenditure for repayment of lease obligations	△2,136	△2,255
Expenditure for repayment of long-term borrowing	△199,992	△199,992
Payment of dividends	△56,944	△56,418
Net cash flow from financing activities	△259,073	△258,665
Effect of exchange rate on cash and cash equivalents	△10,596	1,861
Net increase/decrease in cash and cash equivalents (△ = decrease)	37,757	2,224,677
Cash and cash equivalents at beginning of year	8,961,796	△6,125,200
Decrease in cash and cash equivalents in accordance with exclusion from scope of consolidation	△28,338	—
Cash and cash equivalents at end of year	* 8,971,215	* 8,349,878

#### (4) Notes Concerning the Consolidated Financial Statements

(Notes Concerning the Premise of a Going Concern)

Not applicable

(Notes in the Case of Significant Changes in the Amount of Shareholders' Equity)

Not applicable

#### (Segment Information)

##### I. Previous 2nd Quarter Accumulated Period (April 1, 2012 through September 30, 2012)

##### 1. Information Concerning Sales and Profit/Loss by Reportable Segment

(Unit: thousands of yen)

	Content Business	Point Service Business	Total	Adjustment	Consolidated statement amount
Net sales					
Sales to outside customers	2,756,986	656,671	3,413,657	—	3,413,657
Intersegment sales and transfers	9,041	—	9,041	△9,041	—
Total	2,766,027	656,671	3,422,699	△9,041	3,413,657
Segment profit	495,912	68,094	564,006	84	564,090

- Notes:
1. The segment profit adjustment of ¥84 thousand refers to the elimination of intersegment transactions.
  2. Segment profit is adjusted with the operating profit in the quarterly consolidated profit and loss statement.

##### 2. Information Concerning Impairment Loss on Fixed Assets or Goodwill by Reportable Segment

This information is omitted since there is no critical impairment loss on fixed assets or significant change in the amount of goodwill.

##### II. Current 2nd Quarter Accumulated Period (April 1, 2013 through September 30, 2013)

##### 1. Information Concerning Sales and Profit/Loss by Reportable Segment

(Unit: thousands of yen)

	Content Business	Point Service Business	Total	Adjustment	Consolidated statement amount
Net sales					
Sales to outside customers	2,519,306	653,326	3,172,633	—	3,172,633
Intersegment sales and transfers	7,152	112	7,264	△7,264	—
Total	2,526,459	653,438	3,179,898	△7,264	3,172,633
Segment profit	272,971	36,497	309,469	504	309,973

- Notes:
1. The segment profit adjustment of ¥504 thousand refers to the elimination of intersegment transactions.
  2. Segment profit is adjusted with the operating profit in the quarterly consolidated profit and loss statement.

##### 2. Information Concerning Impairment Loss on Fixed Assets or Goodwill by Reportable Segment

This information is omitted since there is no critical impairment loss on fixed assets or significant change in the amount of goodwill.