



# **Supplemental Data for Consolidated Financial Results For 1st Half of Fiscal Year Ending March 2009 (FY08)**



Mobile



Game



Internet



Computer



Technology

**Faith, Inc.**

**November 14, 2008**

# Highlights of Consolidated Financial Results

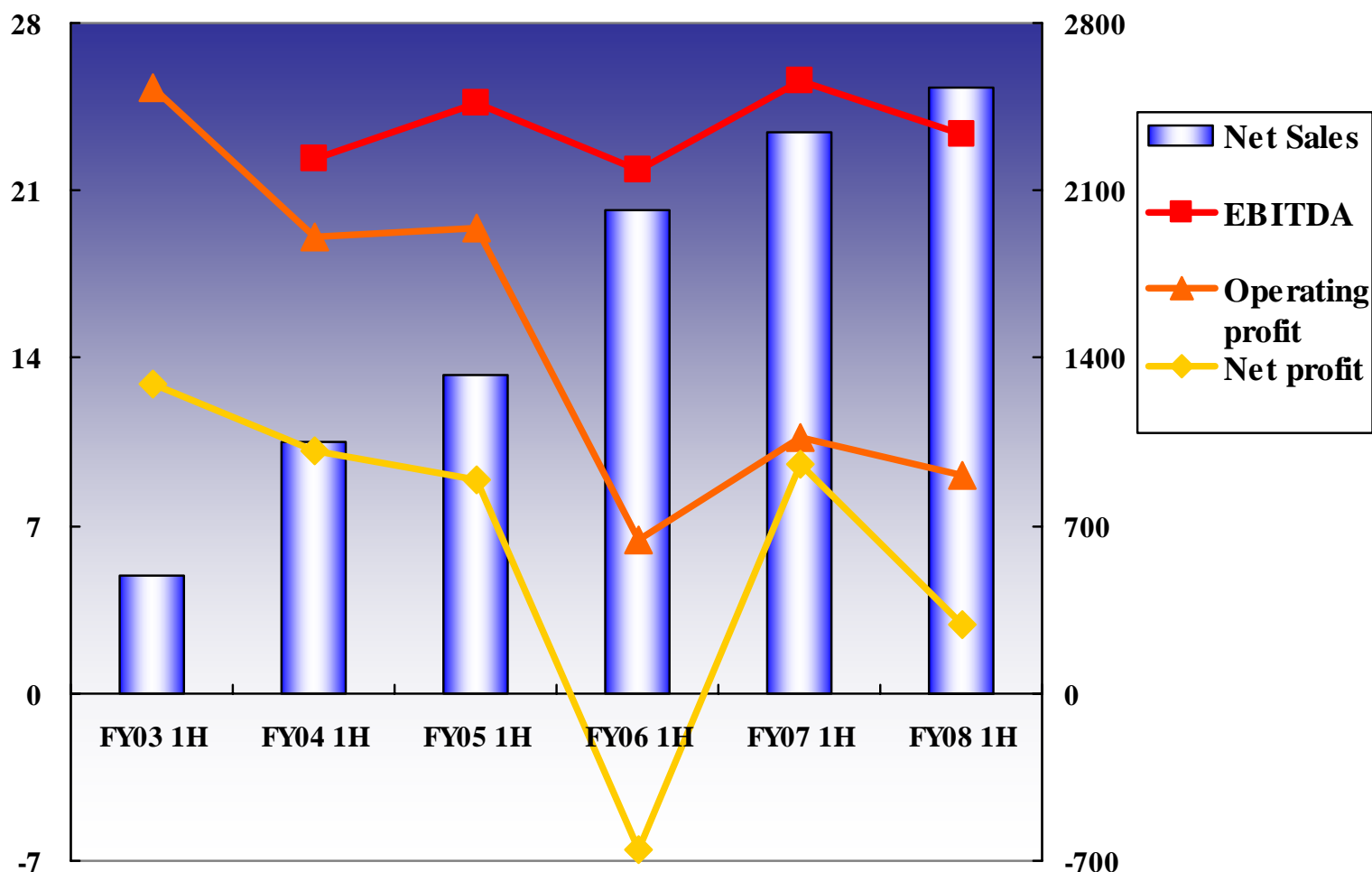
Achieved continuous high growth in net sales as the contents business offset the decrease caused by the realignment of overseas business.

Operating profit decreased due to the upfront investments on starting up the businesses.



Net Sales : billion yen

Profit : million yen



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# FY08 1H Consolidated Financial Results by Segment (year-on-year change)

(million yen)



	FY07 1H	FY08 1H	Year-on- year change	Year-on- year change	Causes for Year-on-year change	FY08 Plan	Progress ratio
<b>Net Sales</b>	<b>23,452</b>	<b>25,291</b>	<b>1,838</b>	<b>7.8%</b>		<b>54,600</b>	<b>46.3%</b>
<b>Content</b>	<b>8,345</b>	<b>6,592</b>	<b>▲ 1,752</b>	<b>-21.0%</b>	Decrease the revenue from ringtone solution △approx. \700 million (Faith: △approx. \400 million, GIGA Networks: △approx. \300 million) Decrease from overseas business realignment △approx. \900 million (disposal of US content distribution business: △approx. \430 million, disposal of TakeNET: △\350 million, liquidation of Faith Technologies: △approx. \120 million)	<b>14,700</b>	<b>44.9%</b>
<b>Electronic Payment</b>	<b>14,300</b>	<b>17,998</b>	<b>3,697</b>	<b>25.9%</b>	Continuous rise in amount of settlement, mainly in online game	<b>38,300</b>	<b>47.0%</b>
<b>Others</b>	<b>805</b>	<b>700</b>	<b>▲ 105</b>	<b>-13.1%</b>		<b>1,600</b>	<b>228.6%</b>
<b>Operating Profit</b>	<b>1,066</b>	<b>907</b>	<b>▲ 158</b>	<b>-14.9%</b>		<b>1,000</b>	<b>90.8%</b>
<b>Content</b>	<b>785</b>	<b>732</b>	<b>▲ 52</b>	<b>-6.7%</b>	Decrease the revenue from ringtone solution △approx. \700 million Increase from reduction of advertisement approx. \300 million Increase from disposal of overseas subsidiaries in red figure approx. \100 million Decrease of goodwill amortization approx. 50 million Efficient business operation	<b>580</b>	<b>126.3%</b>
<b>Electronic Payment</b>	<b>236</b>	<b>150</b>	<b>▲ 86</b>	<b>-36.5%</b>	Cost for development and operation of new services Increase of cost to enhance management structure	<b>320</b>	<b>46.9%</b>
<b>Others</b>	<b>45</b>	<b>25</b>	<b>▲ 19</b>	<b>-43.5%</b>		<b>100</b>	<b>25.5%</b>
<b>Recurring Profit</b>	<b>884</b>	<b>741</b>	<b>▲ 143</b>	<b>-16.2%</b>		<b>800</b>	<b>92.7%</b>
<b>Net Income</b>	<b>960</b>	<b>287</b>	<b>▲ 673</b>	<b>-70.1%</b>		<b>100</b>	<b>287.5%</b>



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# Results of the Contents Business During FY2008 1H

Net sales decreased due to the decline of overseas revenue caused by the business realignment, despite the steady growth in Japan.

Profits also decreased due to the upfront investments on the creation of new markets and the increase in costs for the procurement of rich-content.



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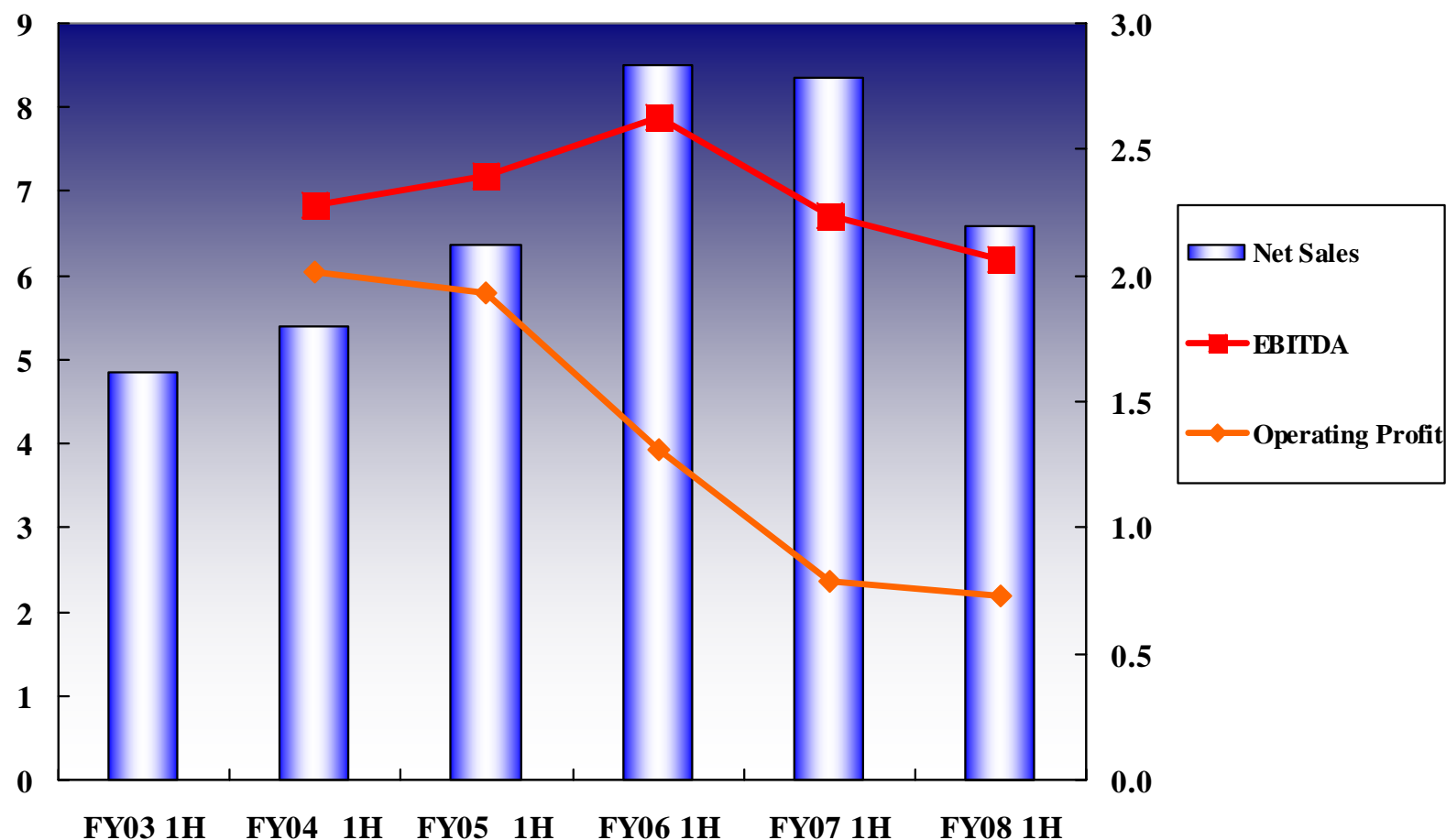
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Net Sales : billion yen

Profit : billion yen



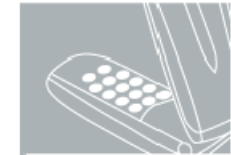
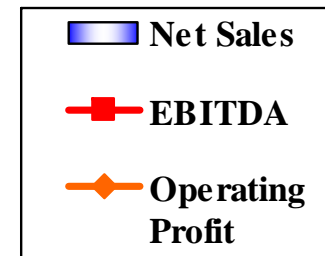
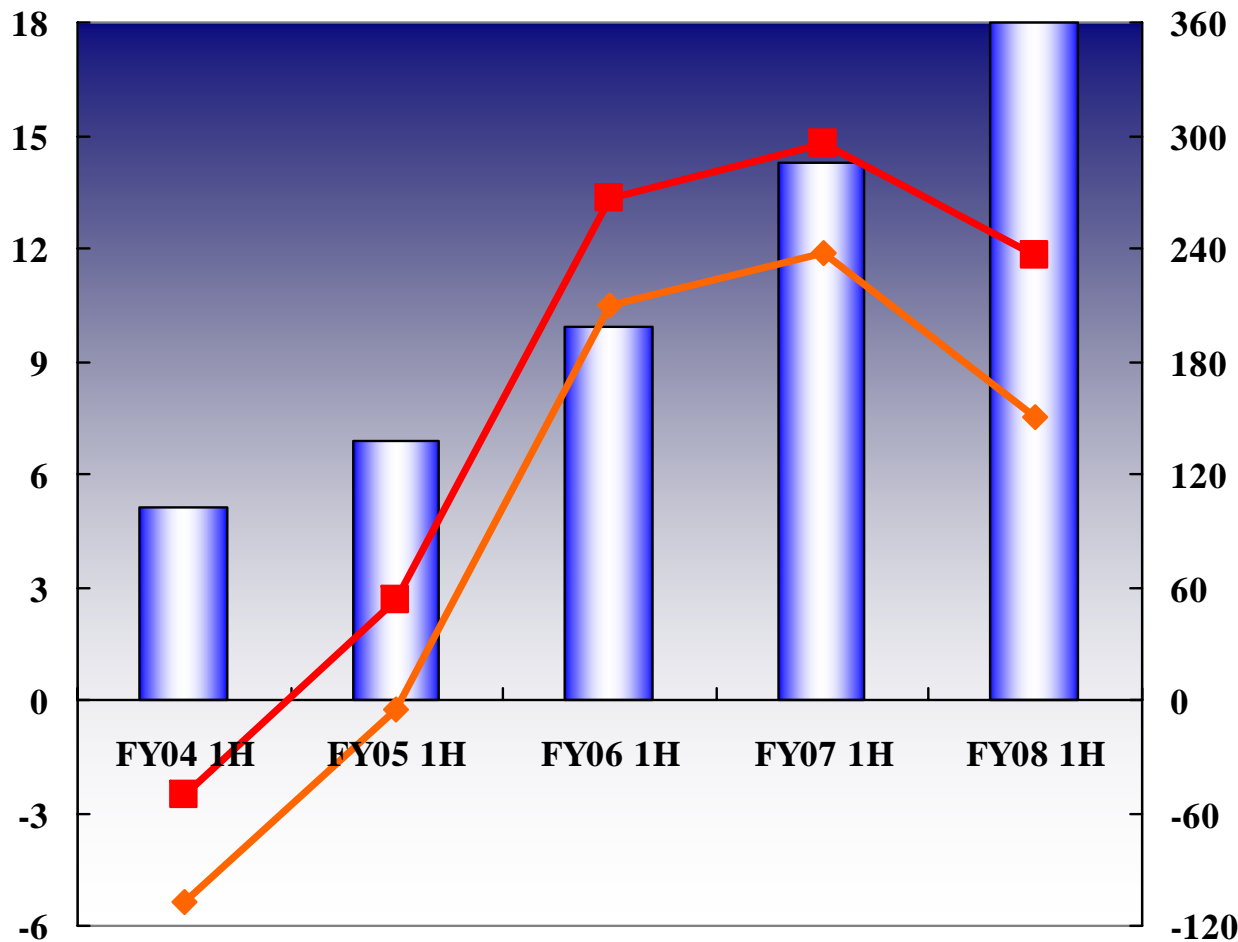
# Results of the Electronic Money Business During FY2008 1H



Net sales achieved continuous high growth driven by the increase in the total value of settlement mainly in the online game category.

Net Sales : billion yen

Profit : million yen



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# FY08 1H Consolidated Financial Results (compared to the initial plan)



(million yen)

	FY08 1H Planned	FY08 1H Result	Diff. of Forecast (Amount)	Diff. of Forecast (%)	Cause for year-on-year change	FY08 Plan	Progress ratio
Net Sales	25,700	25,291	▲ 409	-1.6%	Delay in launch of service or solution of domestic content business into the second half of the fiscal year	54,600	46.3%
Operating Profit	400	907	507	126.8%	Delay in account processing of expenses for development, advertisement and content procurement for domestic content business into the second half of the fiscal year	1,000	90.7%
Recurring Profit	300	741	441	147.0%	Increase in operating profit, etc.	800	92.6%
Net Profit	40	287	247	617.5%	Increase in recurring profit, etc.	100	287.0%



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# FY08 1H Consolidated Financial Forecasts by Segment (compared to the previous result and initial plan)

(million)



	FY07	FY08 Initial Plan	FY08 Revised Plan	Year-on- year change	Year-on- year change	Causes for year-on-year change
<b>Net Sales</b>	50,192	57,000	54,600	4,408	8.8%	
Content Distribution Services	16,264	14,700	14,700	▲ 1,564	-9.6%	Decrease of overseas business(disposal of TakeNET, liquidation of Faith Technologies) △approx. \1.1 billion Decrease the revenue from ringtone solution △approx. \700 million Increase of domestic contents business
Electronic Payment Business	32,389	40,700	38,300	5,911	18.3%	Increase of settlement amount due to demand increase *(Compare to the initial forecast)Revision based on the settlement condition of affiliated stores
Others	1,538	1,600	1,600	62	4.0%	
<b>EBITDA</b>	5,285	4,200	4,000	▲ 1,285	-24.3%	
Content Distribution Services	4,579	3,300	3,380	▲ 1,199	-26.2%	Prior investment in development of NFRM distribution platform and in implement of production and procurement of rich-contents
Electronic Payment Business	643	800	520	▲ 123	-19.1%	Cost for development and operation of new services Increase of cost to enhance management structure *(Compare to the initial forecast) Delay in enforcement of new services and reducing existing distribution channel
Others	64	100	100	36	56.3%	
<b>Operating Profit</b>	2,266	1,200	1,000	▲ 1,266	-55.9%	
Content Distribution Services	1,674	500	580	▲ 1,094	-65.4%	Prior investment in development of NFRM distribution platform and in implement of production and procurement of rich-contents
Electronic Payment Business	527	600	320	▲ 207	-39.3%	Cost for development and operation of new services Increase of cost to enhance management structure *(Compare to the initial forecast) Delay in enforcement of new services and reducing existing distribution channel
Others	63	100	100	37	58.7%	
<b>Recurring Profit</b>	1,909	1,000	800	▲ 1,109	-58.1%	Decrease in operating profit
<b>Net Income</b>	537	100	100	▲ 437	-81.4%	Decrease in recurring profit



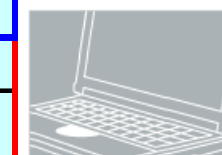
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# Interim Consolidated Financial Results



(million)

	Interim FY Mar 2004	Interim FY Mar 2005	Year-on- year change	Year-on- year change	Interim FY Mar 2006	Year-on- year change	Year-on- year change	Interim FY Mar 2007	Year-on- year change	Year-on- year change	Interim FY Mar 2008	Year-on- year change	Year-on- year change	Interim FY Mar 2009	Year-on- year change
<b>Net Sales</b>	4,919	10,521	5,602	113.8%	13,249	2,727	25.9%	20,193	6,944	52.4%	23,452	3,258	16.1%	25,291	1,838
Content-distribution Services	4,860	5,390	530	10.9%	6,373	983	18.2%	8,542	2,169	34.0%	8,345	▲ 196	-2.3%	6,592	▲ 1,752
Service Business	4,315	4,338	23	0.5%	5,376	1,038	23.9%	7,603	2,227	41.4%	7,377	▲ 226	-3.0%	0	▲ 7,377
License Business	545	1,051	506	92.8%	997	▲ 54	-5.1%	939	▲ 57	-5.7%	968	29	3.1%	0	▲ 968
Electronic Payment Business	—	5,127	5,127	—	6,854	1,726	33.6%	9,891	3,037	44.3%	14,300	4,409	44.6%	17,998	3,697
MVNO Business	—	—	—	—	—	—	—	1	—	—	—	▲ 1	—	—	—
<b>EBITDA</b>	—	2,230	—	—	2,466	236	10.5%	2,185	▲ 281	-11.3%	2,569	384	17.6%	2,331	▲ 238
Content-distribution Services	—	2,279	—	—	2,399	120	5.2%	2,624	225	9.3%	2,234	▲ 390	-14.9%	2,067	▲ 167
Electronic Payment Business	—	▲ 50	—	—	53	103	—	267	214	403.7%	295	28	10.5%	236	▲ 59
MVNO Business	—	0	—	—	—	—	—	▲ 723	—	—	—	723	—	—	—
<b>Operating Profit</b>	2,529	1,909	▲ 619	-24.4%	1,940	30	1.6%	644	▲ 1,296	-66.7%	1,066	422	65.6%	907	▲ 158
Content-distribution Services	—	2,016	—	—	1,931	▲ 85	-4.2%	1,285	▲ 646	-33.4%	785	▲ 500	-38.9%	732	▲ 52
Electronic Payment Business	—	▲ 106	—	—	▲ 5	101	—	210	215	—	236	26	0	150	▲ 86
MVNO Business	—	—	—	—	—	—	—	▲ 825	—	—	—	825	—	—	—
<b>Recurring profit</b>	2,441	1,939	▲ 501	-20.5%	2,027	88	4.5%	563	▲ 1,464	-72.2%	884	321	57.0%	741	▲ 143
<b>Net Income</b>	1,291	1,014	▲ 276	-21.4%	889	▲ 124	-12.2%	▲ 653	▲ 1,542	—	960	1,613	—	287	▲ 673



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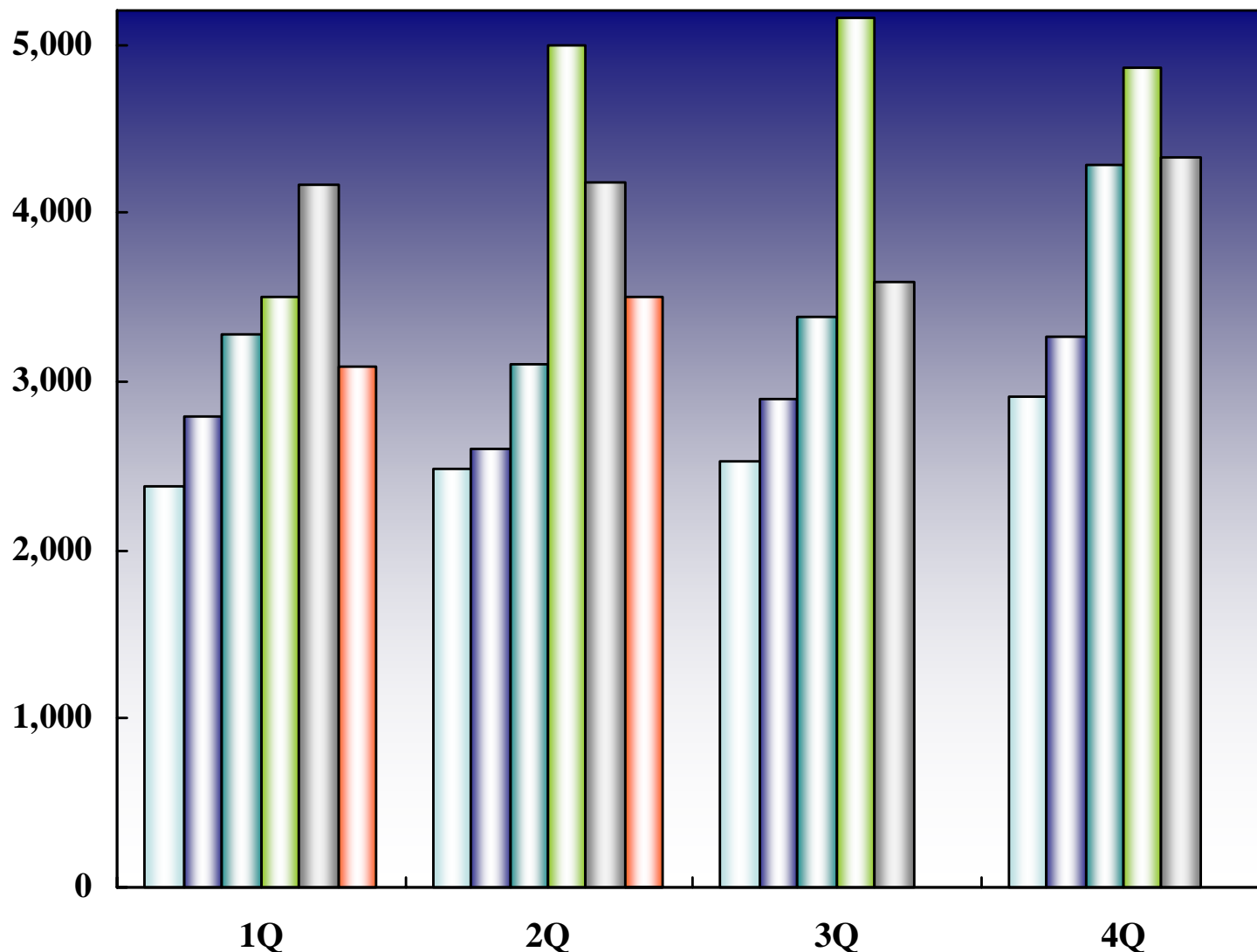


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# Quarterly Net Sales for the Contents Business



Net Sales : million yen



(Note) The chart above shows the difference of the accumulated data in 2Q, 3Q and 4Q in order for better understanding of transition and tendency. Only accumulated data is disclosed as quarterly figure.



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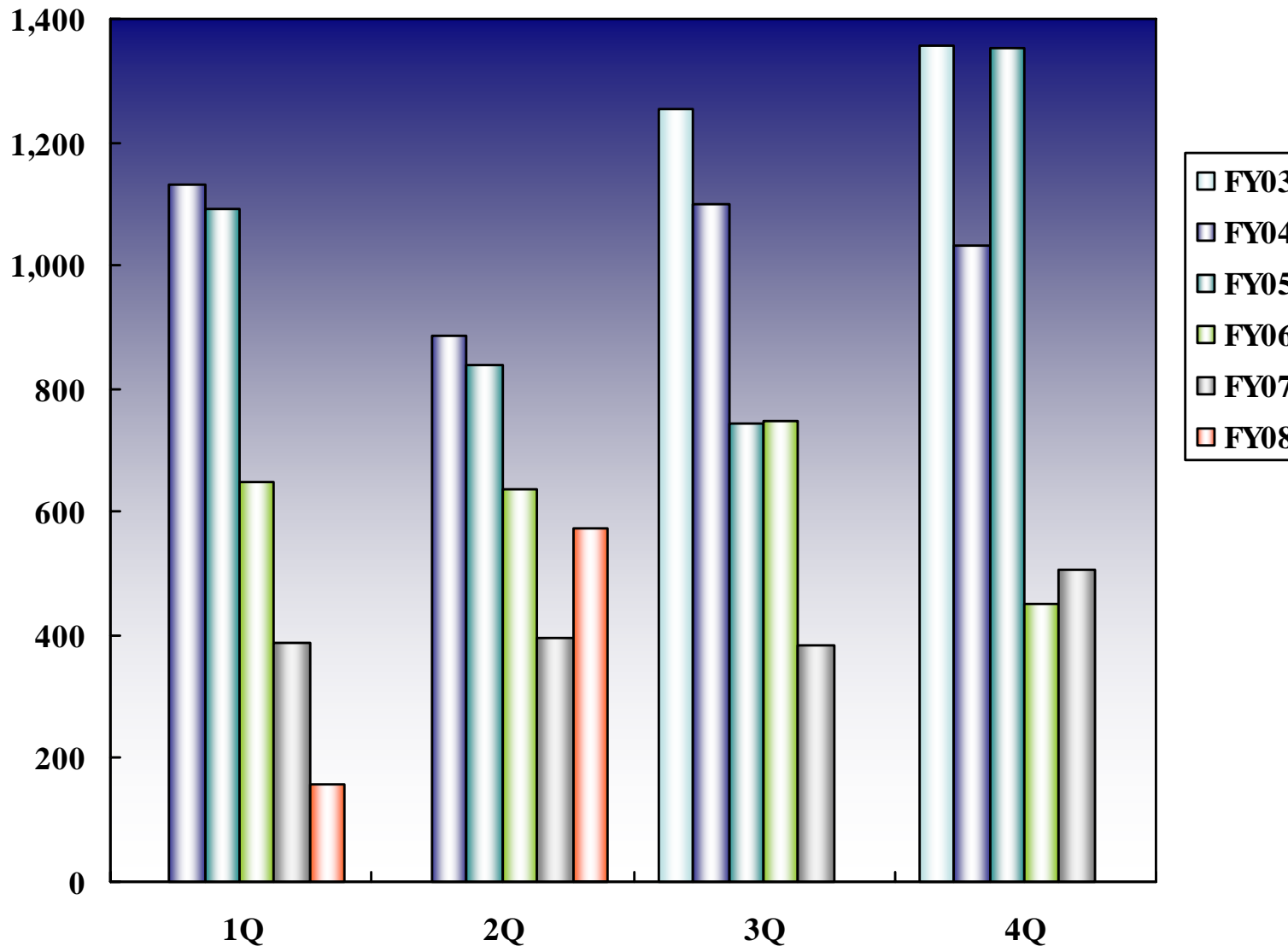


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# Quarterly Operating Profit for the Contents Business



Profit : million yen



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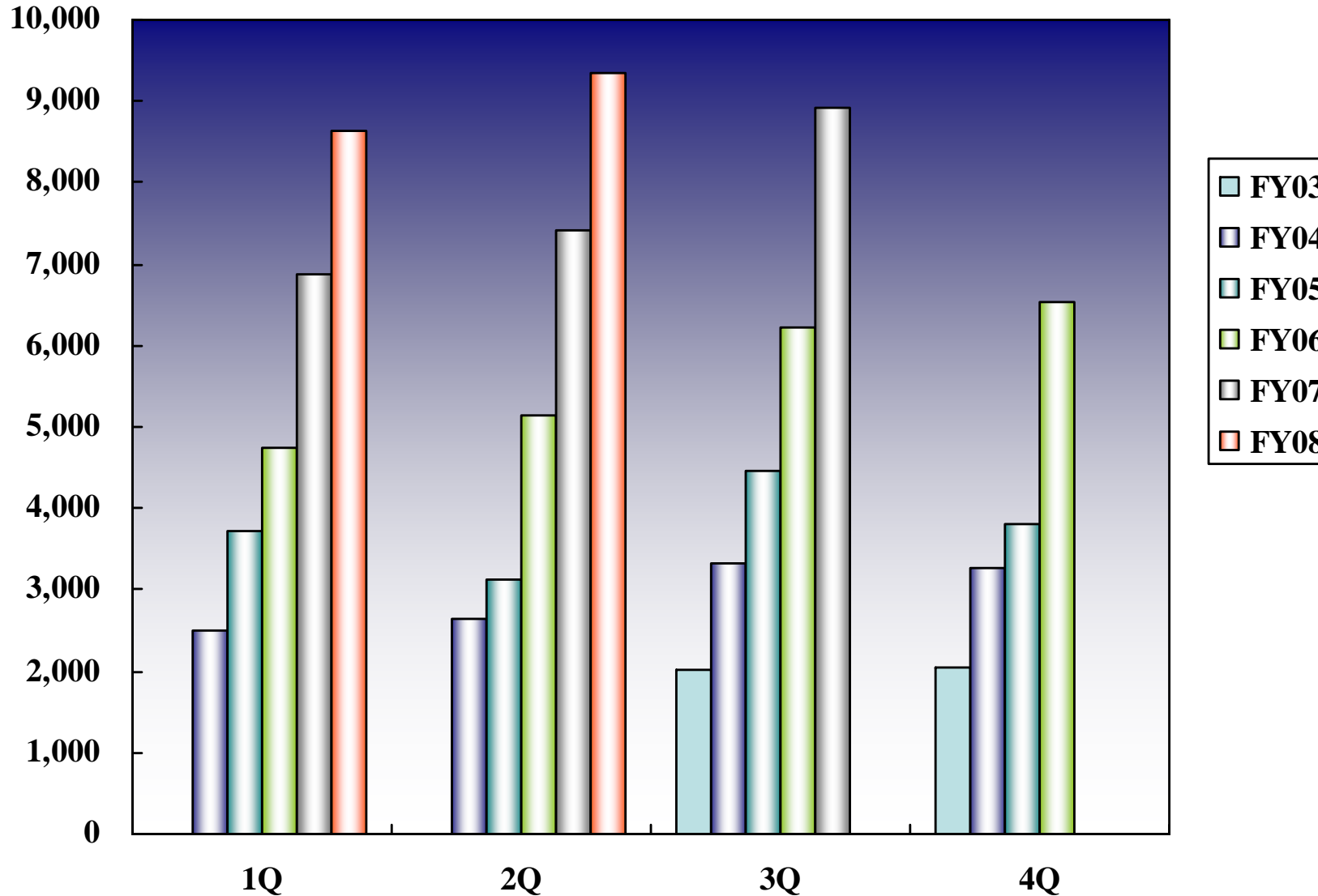
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(Note)The chart above shows the difference of the accumulated data in 2Q, 3Q and 4Q in order for better understanding of transition and tendency. Only accumulated data is disclosed as quarterly figure.

# Quarterly Net Sales for the Electronic Money Business



Net sales : million yen



(Note) The chart above shows the difference of the accumulated data in 2Q, 3Q and 4Q in order for better understanding of transition and tendency. Only accumulated data is disclosed as quarterly figure.



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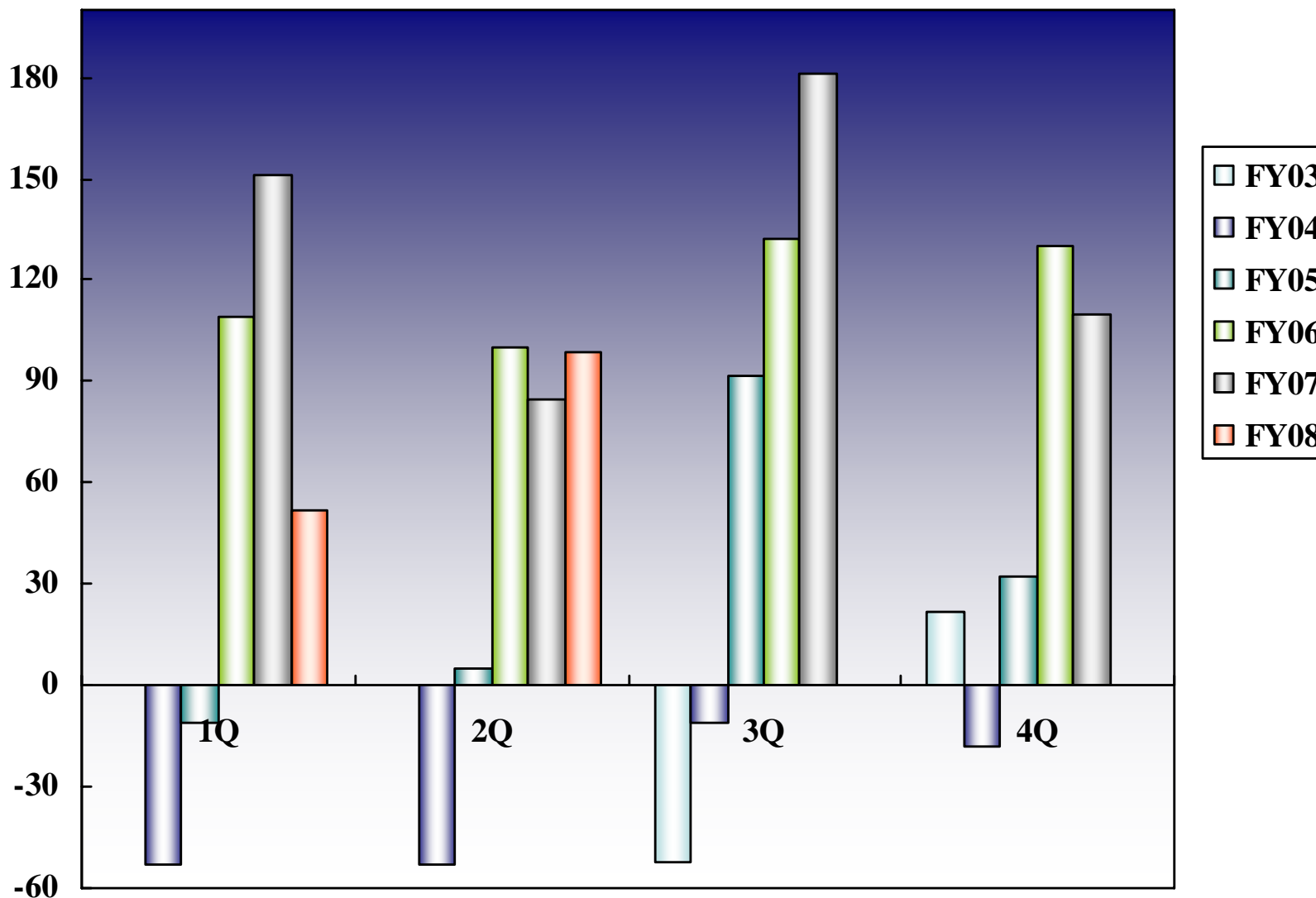


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# Quarterly Operating Profit for the Electronic Money Business



Profit : million yen



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(Note)The chart above shows the difference of the accumulated data in 2Q, 3Q and 4Q in order for better understanding of transition and tendency. Only accumulated data is disclosed as quarterly figure.

# Quarterly Consolidated Financial Results by Segment



(million)

	FY03				FY04				FY05			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
<b>Net Sales</b>	2,416	2,503	4,564	5,188	5,281	5,240	6,569	6,537	7,007	6,242	7,861	8,929
Content	2,385	2,475	2,526	2,913	2,786	2,604	2,889	3,270	3,278	3,095	3,384	4,282
Electric Payment	—	—	2,027	2,057	2,491	2,636	3,337	3,259	3,721	3,133	4,457	3,794
MVNO	—	—	—	—	—	—	—	—	—	—	0	0
Others	31	28	11	218	4	0	342	7	8	13	19	852
<b>Operating Profit</b>	1,196	1,333	1,192	1,394	1,077	832	1,090	1,017	1,086	854	546	904
Content	—	2,523	1,254	1,356	1,131	885	1,101	1,034	1,092	839	743	1,354
Electric Payment	—	—	▲ 52	22	▲ 53	▲ 53	▲ 11	▲ 18	▲ 11	5	92	32
MVNO	—	—	—	—	—	—	—	—	—	—	▲ 297	▲ 409
Others	—	6	▲ 10	16	▲ 1	1	0	2	5	9	7	▲ 73
<b>Recurring Profit</b>	1,206	1,235	1,179	1,393	1,090	849	1,060	1,047	1,145	882	575	852
<b>Net Income</b>	613	678	630	779	623	391	554	▲ 1,252	513	376	138	410



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	FY06				FY07				FY08	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
<b>Net Sales</b>	8,636	11,557	11,916	12,042	11,469	11,982	12,867	13,872	12,070	13,220
Content	3,506	5,035	5,139	4,890	4,165	4,180	3,588	4,330	3,090	3,502
Electric Payment	4,747	5,144	6,231	6,528	6,882	7,418	8,926	9,162	8,637	9,360
MVNO	0	1	4	18	—	—	—	—	—	—
Others	382	1,375	540	606	421	384	352	380	342	357
<b>Operating Profit</b>	350	294	383	32	561	505	580	619	210	697
Content	650	635	749	449	389	396	383	506	157	574
Electric Payment	109	100	132	130	151	85	181	110	51	98
MVNO	▲ 361	▲ 463	▲ 454	▲ 553	—	—	—	—	—	—
Others	▲ 49	22	▲ 45	7	20	24	15	3	1	24
<b>Recurring Profit</b>	254	308	340	▲ 50	406	477	594	429	148	593
<b>Net Income</b>	▲ 102	▲ 550	▲ 3,132	1,902	971	▲ 10	345	▲ 768	146	140

(Note) The chart above shows the difference of the accumulated data in 2Q, 3Q and 4Q in order for better understanding of transition and tendency. Only accumulated data is disclosed as quarterly figure.

# Amortization of Goodwill



(million)

	FY04	FY05	FY06	FY07		FY08		Years of amortization	End of amortization
				1H	Full Year	1H	Full Year (Plan)		
WebMoney	82	82	82	22	84	36	73	10 year	2013/9
Digiplug	239	—	—	—	—	—	—	—	—
TakeNet	—	531	424	—	—	—	—	—	—
Faith Communications	—	63	94	—	—	—	—	—	—
Goody Point	—	39	39	—	—	—	—	—	—
GIGA Networks	—	—	1,771	531	2,125	1,062	2,125	5 Year	2011/5
Brave	—	—	—	—	3	1	3	5 Year	2012/3
MVP	—	—	—	1	4	2	4	5 Year	2012/3
Media Complex	—	—	—	—	11	7	15	5 Year	2012/6
Others	—	—	217	54	217	59	59	—	—
<b>Total</b>	<b>322</b>	<b>715</b>	<b>2,627</b>	<b>2,021</b>	<b>2,444</b>	<b>1,168</b>	<b>2,278</b>	<b>—</b>	<b>—</b>



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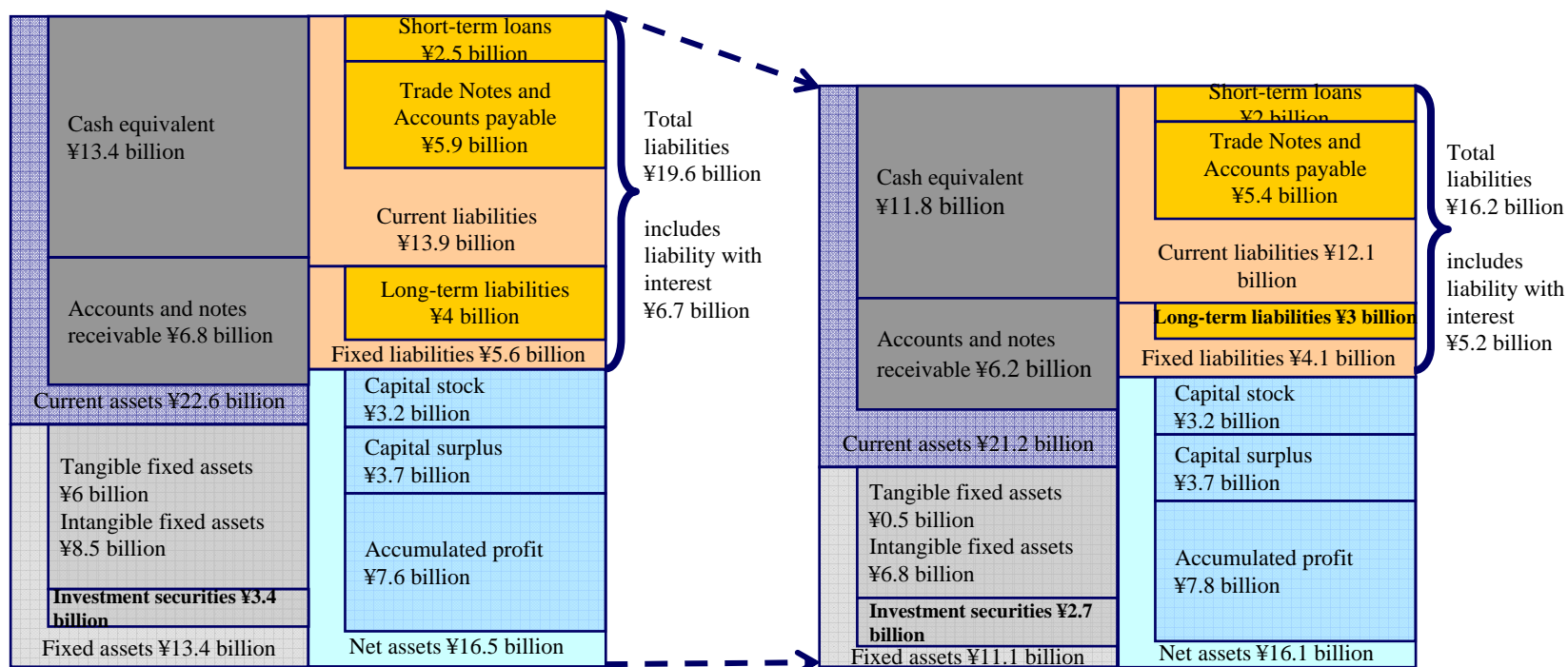
- Digiplug: one-time depreciation of unamortized balance 1,936 million yen in FY04 (recorded asextraordinary loss)
- Goodypoint: one-time depreciation of unamortized balance 308 million yen in interim FY06 (recorded asextraordinary loss)
- TakeNET: one-time depreciation of unamortized balance 2,218 million yen in 3Q FY06 (recorded asextraordinary loss)
- Faith Communications: one-time depreciation of unamortized balance 462 million yen in 3Q FY06 (recorded asextraordinary loss)

# Consolidated Balance Sheet (year-on-year change)



End of March 2008

End of September 2008



Total assets 36.1 billion yen

Total assets 32.3 billion yen



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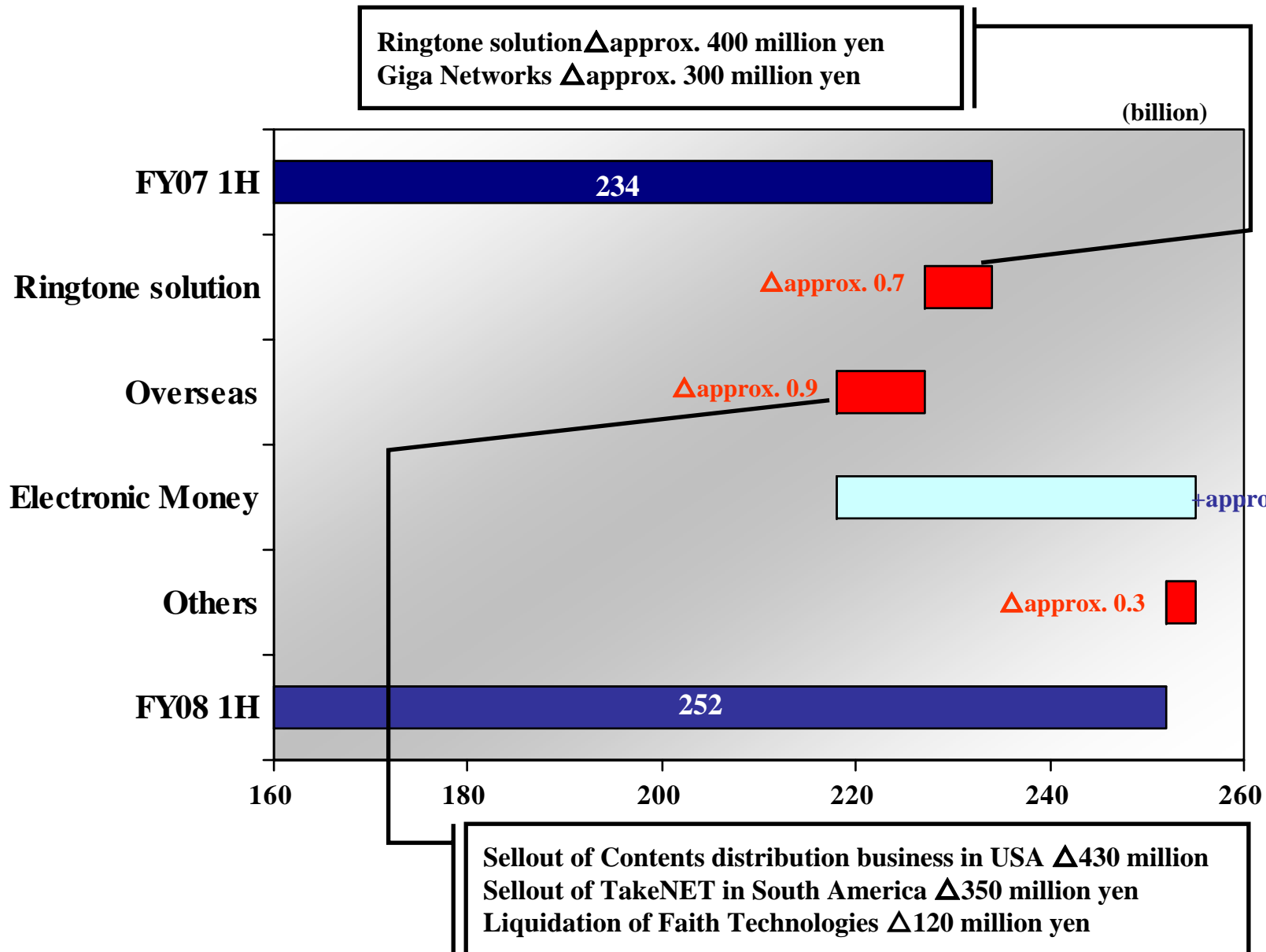
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# FY08 1H Consolidated Net Sales (year-on-year basis)



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# FY08 1H Operating Profit (year-on-year basis)



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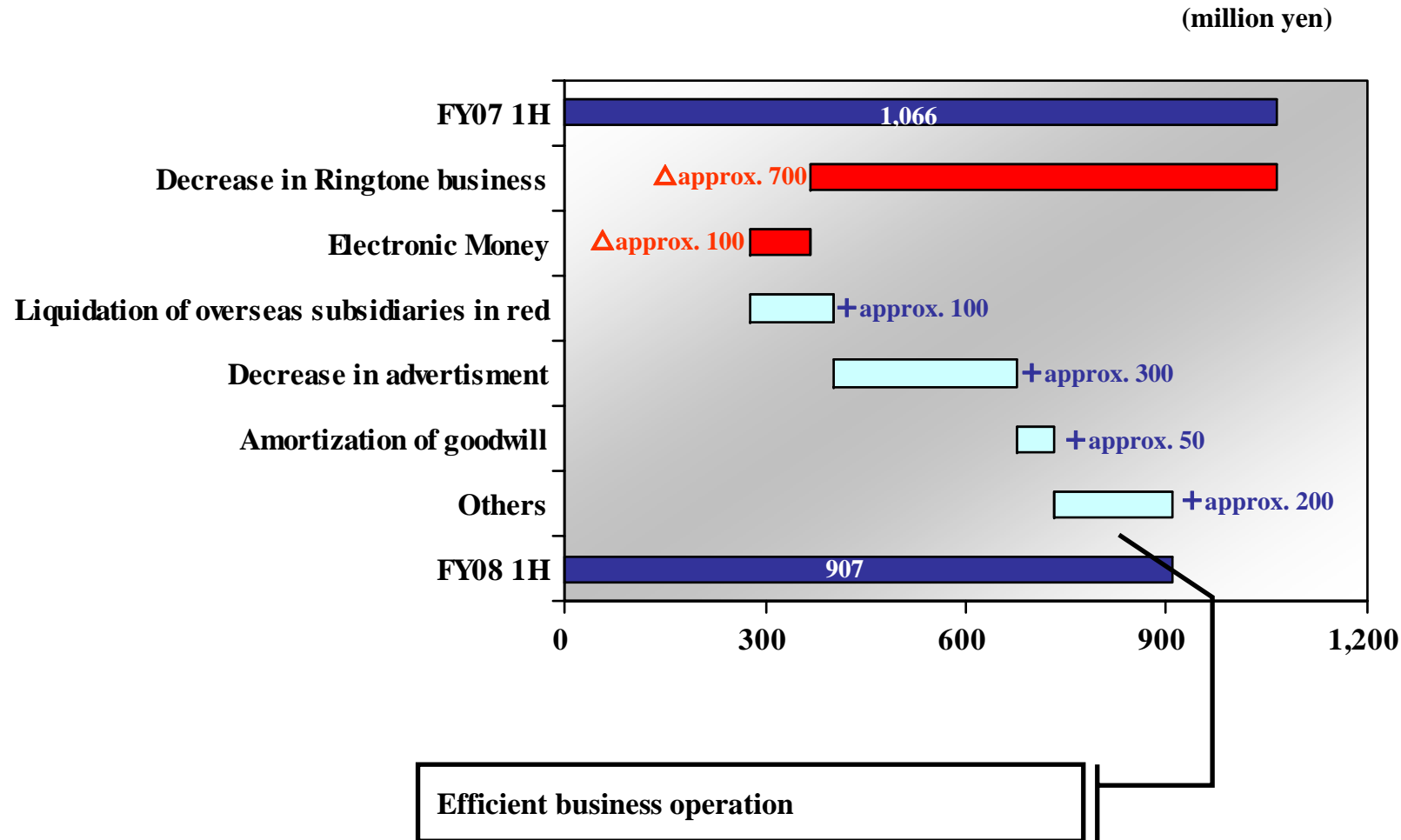
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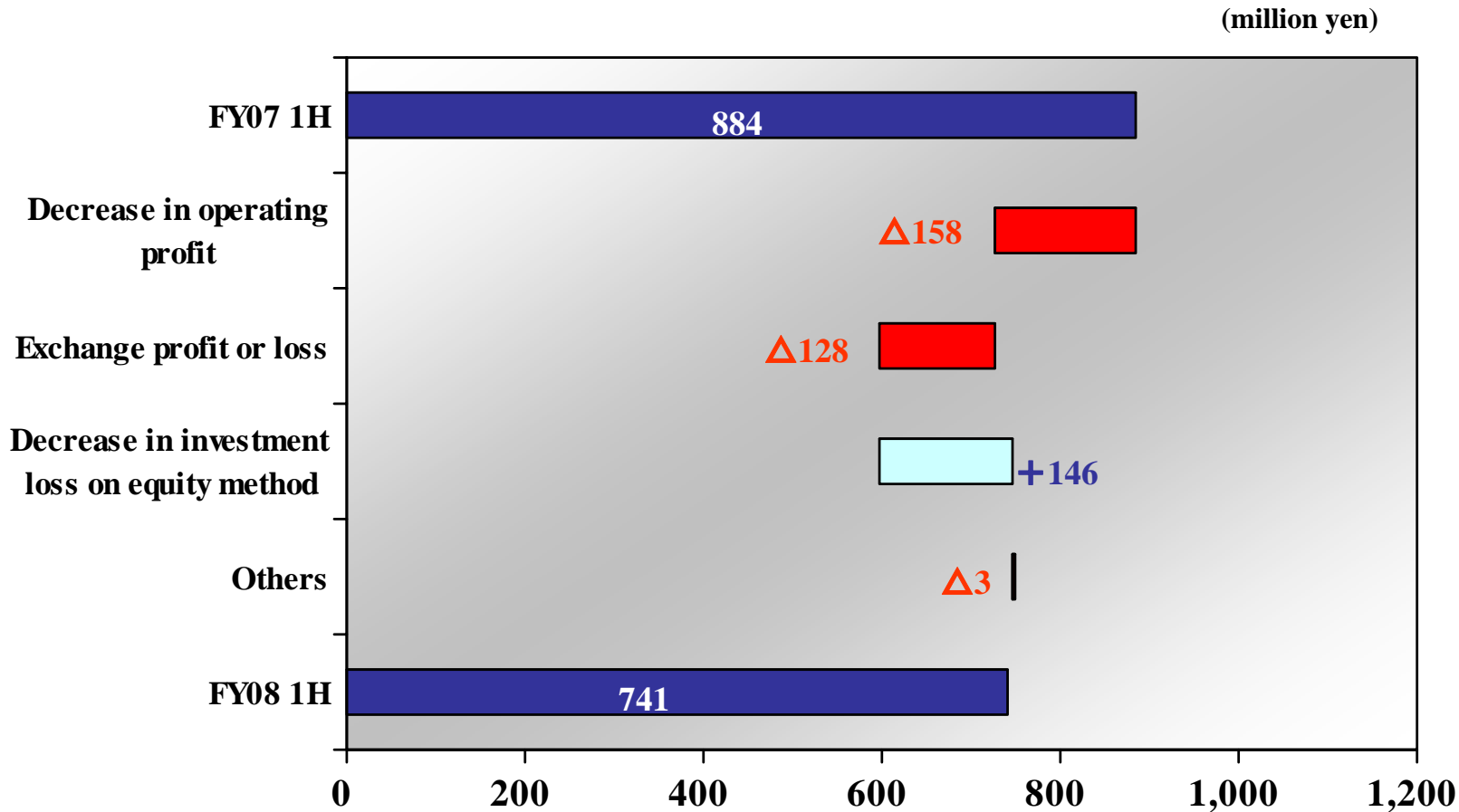
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# FY08 1H Recurring Profit (year-on-year basis)



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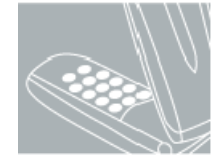
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# FY08 1H Net Profit (year-on-year basis)

FY07:  
Profit on sale of real estate

FY07: Gain on sellout of Faith West,  
contents distribution business in USA

(million yen)



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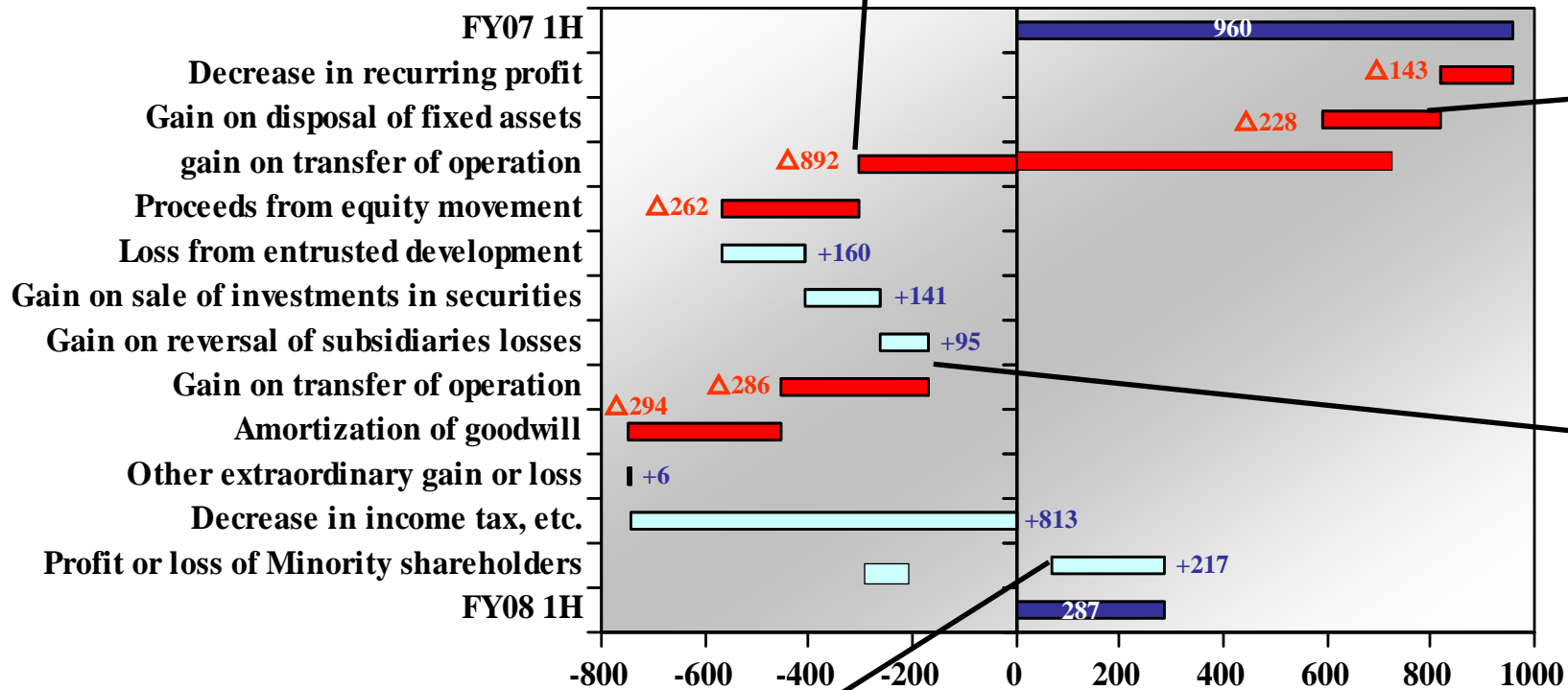
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FY07: Gain on inority interests 98  
FY08: Loss on Minority interests 119

FY08: Loss from disposal of business  
at WebMoney, subsidiary 286

## Notice

**This document and its supporting documents contain 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.**



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