

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS
FOR THE 1st QUARTER OF THE FISCAL YEAR ENDING MARCH 2011
[Japanese Standards]**

August 11, 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: August 12, 2010 Starting Date of the Dividend Payment: -
Preparation of Supplementary Materials for Quarterly Financial Results: Applicable
Information Meeting for Quarterly Financial Results to be Held: None

Amounts are rounded down to the nearest JPY 1 million.

**1. Results for the 1st Quarter of the Year Ending March 2011
(From April 1, 2010 to June 30, 2010)**

(1) Consolidated financial results

Those figures in “%” show increased/decreased ratio compared with the previous 1st quarter 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>	%
Q1 of the year ending March 2011	17.122	29.4	363	△14.5	374	△9.2	129	238.8
Q1 of the year ended March 2010	13,230	9.6	425	102.0	411	178.2	38	△73.9

	Net Profit per Share	Diluted Net Profit per Share
	<i>Yen</i>	<i>Yen</i>
Q1 of the year ending March 2011	113.20	110.82
Q1 of the year ended March 2010	33.41	32.15

(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>
Q1 of the year ending March 2011	28,977	13,091	40.9	10,333.06
the year ended March 2010	29,963	12,985	39.6	10,327.22

Reference: Equity Capital: the 1st quarter of the fiscal year ending March 2011: 11,862 million yen/ the fiscal year ended March 2010: 11,856 million yen

2. Dividends

(Record dates)	Dividends per share				
	1 st Quarter	Interim	3 rd Quarter	Year-end	Total (Annual)
Year ended March 2010	<i>yen</i> —	<i>yen</i> 50.00	<i>yen</i> —	<i>yen</i> 50.00	<i>yen</i> 100.00
Year ending March 2011	—	—	—	—	—
Year ending March 2011 (Forecast)	—	50.00	—	50.00	100.00

Note: Forecasts for the dividends have not modified at the announcement of the financial statements for FY10 1Q.

3. Forecasts for the Consolidated Business Results for the Year Ending March 2011 (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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Million s of yen	%	Yen
Interim results 2011	29,500	12.1	400	△46.5	350	△49.3	60	△62.0	52.26
Year ending March 2011	65,000	14.8	1,000	36.0	850	35.4	100	—	87.10

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

4. Others

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

Exclusion: None

For details, please refer to page.4 of this report.

* Note: This refers to presence/absence of changes to specified subsidiaries accompanying changes in scope of consolidation in the period under review.

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

* Note: This refers to presence/absence of application of simplified accounting method and special accounting method for preparing quarterly consolidated financial statements.

- (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 polices”)

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

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

* Note: This refers to presence/absence of changes in accounting principles, procedures, disclosure methods, etc., pertaining to preparation of quarterly consolidated financial statements described in 「changes in major basic items for preparing quarterly financial statements」.

- (4) Outstanding shares (common shares)

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

The 1st quarter of the fiscal year ending March 2011: 1,196,000 shares, the fiscal year ended March 2010: 1,196,000shares

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

The 1st quarter of the fiscal year ending March 2011: 47,950 shares, the fiscal year ended March 2010: 47,950 shares

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

The 1st quarter of the fiscal year ending March 2011: 1,148,050 shares, the 1st quarter of the fiscal year ended March 2010: 1,148,050 shares

*Indication of quarterly review procedures implementation status

This quarterly financial results report is exempt from quarterly review procedures under Japan’s Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

*Appropriate use of business forecasts and other special items

Performance forecasts and other forward-looking statements contained in this report are based on information currently available and on certain assumptions deemed rational at the time of this report’s release. Due to various circumstances, however, actual results may differ significantly from such statements

* 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>)

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1. Qualitative Information regarding Quarterly Performance and Financial Position

(1) Qualitative Information regarding Consolidated Operating Results

During the 1st quarter of the consolidated fiscal year ending March 2011, TV, game console and various devices connectable to the Internet 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.

In addition, new terminal devices such as smartphone, 3D TV and digital book appeared in the market one after another, providing easier access to various contents for users. The terminal devices are further making progress. As network, hardware and other technologies improve, the overall environment surrounding the contents market is expected to change. We will not be able to cope with a new environment with the existing business models because further diversification and complication of information tools and users' needs are accelerating.

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 bolsters partnership with many prominent corporations in a wide range of industries, while strengthening the Group synergy among the Group companies such as Columbia Music Entertainment, a new member, and WebMoney.

In so doing, the Group will provide content which will be truly sought after by users by developing new business models based on the Group's unique perspectives in a speedy manner in the music, video, medical and health information businesses.

Against this backdrop, consolidated net sales for the 1st quarter of FY2010 increased 29.4% year on year to ¥17,122 million led by the continuous high growth in the electronic money business. Operating profit was ¥363 million, down 14.5% year on year, and recurring profit was ¥374 million, down 9.2 % year on year. The Group recorded net profit of ¥129 million, a 238.8% 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 in various categories such as music, video, medical and health information, and expand and strengthen its operating base through activities such as launch of a new music program and an online project of a film festival.

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 offered by record labels are used. This online project strengthens the 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.

Following a launch of "MusicBirth+", an integral media program which aims to discover and produce future star artists, the Group launched a new program called "Oto-Tabi" meaning sound and trip to suggest a new way to enjoy music. In this program, young musicians perform classical music in a relaxed mood at scenic or historical sites across Japan. As this program was designed for mobile link from the planning stage, this media integration was realized. The audiences of the official mobile site are able to use voting and request functions on their mobile phones.

The Group produced a film of a bestselling book "Kokuhaku", written by Kanae Minato, with a consortium including Toho Co., Ltd. and major entertainment companies. This film is the latest work of Tetsuya Nakajima, the director, and Yuji Ishida, the producer who is also a Director of Faith Wonderworks, Inc. This is the same pair who had produced a big hit "Paco and the Magical Book" released in 2008. The film

recorded number-one hit at the box-office for four weekends in a row after the theatrical opening in June 2010 and sold 2.7 million tickets as of July 27.

In addition, combining the extensive music resources of Columbia Music Entertainment, which celebrates its centenary of the founding, and the knowledge and the Group's experience of content distribution cultivated through ringtone business, the Group has promoted the creation of new framework of music distribution.

As a result, net sales in the content business for the 1st quarter totaled ¥1,866 million and operating profit recorded ¥119 million.

<Electronic Money Business>

According to the Information and Communications Statistics Database issued in July 2010 by Japanese Ministry of Internal Affairs and Communications, the number of broadband subscribers in Japan reached more than 32.04 million at the end of March 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. At the same time, the Group started tie-up with a major credit card company for a point redemption service in an effort to increase customers.

Regarding "manna," an advertisement distribution widget launched jointly with an Internet advertisement company in September 2008, the membership reached 140,000. 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.

The Group also launched a community site called "messe" to enable users to share about 70,000 of users' voices and campaign information, aiming at enlarging the Internet users including online game users.

As a result, net sales in the Electronic Money Business totaled ¥15,004 million driven by the increase in the settlement amount and other factors and operating profit recorded ¥4 million.

<Other Businesses>

Revenues from the point-card system business and other businesses led sales in the Other Businesses to ¥251 million and operating profit was ¥4 million.

(2) Qualitative Information Regarding Consolidated Financial Positions

Assets, Liabilities and Net Assets

Total assets as of the end of the 1st quarter of FY2010 decreased by ¥985 million from the end of the previous consolidated fiscal year to ¥28,977 million. This result is mainly due to the decrease in amortization of goodwill caused by write-off, decrease in accounts and notes receivable, and drop of deposit in accordance with the office move.

Total liabilities decreased by ¥1,090 million against the end of the previous consolidated fiscal year to ¥15,886 million yen, caused mainly by the reduction of trade notes and accounts payable, income taxes payable.

Net assets increased by ¥105 million against the end of the preceding consolidated fiscal year to ¥13,091 million. This result is due to the posting of quarterly net profit and the increase in minority interest despite the decrease in valuation difference on available-for-sale securities caused by dividends payment and revaluation of investment securities. This result raised capital ratio by 1.3 point to 40.9%.

Cash Flow

Cash and cash equivalents at the end of this 1st quarter ended June 30, 2010 decreased by ¥277 million from the end of the previous consolidated fiscal year to ¥8,062.

Cash flows from operating activities amounted to an inflow of ¥557 million, down 70.3 % year-on-year. This is due mainly to the posting of ¥342 million of net income before taxes and other adjustments, ¥254 of amortization of goodwill and ¥534 of depreciation of trade receivable, despite the posting of ¥230 million of decrease in accounts payable and ¥386 million of income taxes payment.

Cash flows from investing activities amounted to an outflow of ¥647 million (outflow of ¥750 million in the 1st quarter of previous fiscal year), due mainly to the expenditure of ¥450 million for payments into time deposits and ¥197 million for acquisition of tangible fixed assets.

Cash flows from financing activities amounted to an outflow of ¥168 million (outflow of ¥80 million in the 1st quarter of previous fiscal year), mainly because of the expenditure of ¥47 million for dividend payment and ¥143 million for repayment of long-term liabilities.

(3) Qualitative Information Regarding Forecast of Consolidated Financial Results

Operating results for the 1st quarter of fiscal year 2010 have advanced as planned due to the increase in settlement amount of WebMoney and the cost reduction by effective operation for advertisement, etc. However, the economic trend and stock market leave unpredictable and uncertain elements. Because of the concern on the effect on consumption trend on content market, the Company has not revised the forecasts released on May 12, 2010 in the BRIEF STATEMENT OF ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 2010 AND FORECASTS FOR THE YEAR ENDING MARCH 2011.

2. Others

(1) Changes in Major Subsidiaries during the 1st Quarter of FY2010: 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, 2011.

(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 quarter of the financial period and before tax deduction. Income taxes-deferred is included in corporate, local and business taxes.

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

1. Change in accounting standards

(Application of “Accounting Standard for Asset Retirement Obligations”)

From the 1st 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).

Due to the impact of this change, both operating profit and recurring profit decreased by ¥946 thousand and quarterly net profit before income taxes decreased by ¥18,199 thousand.

(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 1st 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. 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 1st quarter 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 quarter

(1) Consolidated Balance Sheet for the 1st quarter

(Unit: thousands of yen)

	The 1st Quarter of (As of June 30, 2010)	FY 2009 (As of March 31, 2010)
(Assets)		
Current assets		
Cash and deposits	9,223,342	9,050,487
Accounts and notes receivable	5,757,953	6,303,169
Marketable securities	739,442	740,147
Commercial products	75,296	64,466
Products in progress	23,910	10,465
Primary materials and inventory goods	12,537	12,188
Deferred tax assets	300,267	300,267
Others	775,558	811,197
Allowance for doubtful accounts	△35,943	△35,725
Total current assets	16,872,364	17,256,664
Fixed assets		
Tangible fixed assets	2,959,607	2,916,674
Intangible fixed assets		
Goodwill	1,206,071	1,470,111
Others	379,971	390,316
Total intangible fixed assets	1,586,043	1,860,428
Investment and other assets		
Investment securities	7,379,060	7,454,631
Others	344,381	638,063
Allowance for doubtful receivable	△166,361	△167,805
Total investments and other assets	7,557,080	7,924,889
Total fixed assets	12,102,731	12,701,991
Differed assets	2,854	4,567
Total assets	28,977,949	29,963,224
(Liabilities)		
Current liabilities		
Trade notes and Accounts payable	6,953,813	7,184,384
Short-term loans	2,399,984	2,419,904
Income taxes payable	136,902	394,726
Allowance for utilized costs	3,535,500	3,571,039
Allowance for points	257,969	270,478
Allowance for bonus payments	56,359	70,208
Allowance for relocation	-	205,720
Others	843,600	991,668
Total current liabilities	14,184,129	15,108,130
Fixed liabilities		
Long-term liabilities	1,433,356	1,556,992
Deferred tax liabilities	154,387	199,716
Allowance for retirement benefits	89,223	83,075
Others	25,796	29,684
Total fixed liabilities	1,702,763	1,869,467
Total liabilities	15,886,893	16,977,598

(Unit: thousands of yen)

	The 1st Quarter of (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	5,561,704	5,489,146
Treasury stock	<u>△651,377</u>	<u>△651,377</u>
Total shareholder's equity	<u>11,836,681</u>	<u>11,764,124</u>
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	228,141	292,095
Foreign currency translation adjustments	<u>△201,951</u>	<u>△200,050</u>
Total valuation and translation adjustments	<u>26,190</u>	<u>92,044</u>
Minority interests	<u>1,228,184</u>	<u>1,129,455</u>
Total net assets	<u>13,091,056</u>	<u>12,985,625</u>
Total liability and net assets	<u>28,977,949</u>	<u>29,963,224</u>

(2) Consolidated Profit and Loss Statement for the 1st quarter of the fiscal year
(April 1, 2010 through June 30, 2010)

(Thousands of yen)

	the 1st Quarter of FY2009 (As of June 30, 2009)	the 1st Quarter of FY2010 (As of June 30, 2010)
Net sales	13,230,401	17,122,285
Cost of Sales	10,532,111	14,686,420
Gross profit	2,698,290	2,435,864
Selling, general and administrative expenses	2,273,069	2,072,108
Operating profit	425,220	363,756
Non-operating profit		
Interest income	10,212	2,081
Dividend income	15,778	2,784
Interest securities	2,637	11,333
Equity method investment gain	-	40,152
Miscellaneous income	7,325	3,800
Total non-operating profit	35,954	60,152
Non-operating expenses		
Interest expense	12,849	11,192
Investment profit on equity method	29,795	-
Exchange loss	834	36,585
Miscellaneous expense	5,776	2,094
Total non-operating expenses	49,254	49,872
Recurring profit	411,920	374,036
Extraordinary profit		
Gain on disposal of fixed assets	-	1,061
Gain on disposal of investment securities	5,192	-
Gain on transfer of operation	5,000	-
Reversal of allowance for doubtful accounts	32,000	1,305
Total extraordinary profit	42,192	2,367
Extraordinary loss		
Loss from investment securities valuation	9,161	5,106
Loss from changes in shareholder equity	-	11,537
Gain on transfer of operation	3,395	-
Effect of asset retirement obligations	-	17,253
Others	38	38
Total extraordinary loss	12,595	33,935
Quarterly net profit before income taxes	441,516	342,468
Corporate, local, and business taxes	356,623	131,678
Income before minority interests	-	210,789
Income or Loss on minority shareholders	46,533	80,829
Quarterly net profit or loss	38,360	129,959

(3) Consolidated Statements of Cash Flows for the 1st quarter of the fiscal year
(April 1, 2010 through June 30, 2010)

	(Thousands of yen)	
	the 1st Quarter of FY2009 (April 1, 2009 through June 30, 2009)	the 1st Quarter of FY2010 (April 1, 2009 through June 30, 2010)
Cash flow from operating activities		
Quarterly profit before income taxes and minority interests	441,516	342,468
Depreciation and amortization	87,168	60,547
Amortization of goodwill	557,221	254,402
Increase (decrease) in allowance for doubtful accounts	△4,151	△1,226
Decrease in reserve for bonus	△32,144	△13,849
Decrease in allowance for cost of card use	△95,522	△35,539
Decrease in allowance for unexercised sales promotion points	△47,454	△12,509
Increase in allowance for retirement benefits	2,454	6,148
Loss reserve for office relocation	-	△205,720
Interest and dividends income	△25,990	△4,865
Interest on securities	△2,637	△11,333
Interest expenses	12,849	11,192
Foreign exchange gains	△3,795	36,099
Gain on sale of investment securities	△5,192	-
Valuation Loss on investment securities	9,161	5,106
Loss from investment in equity method	29,795	△40,152
Gain on changes in shareholder equity	-	11,537
Gain on disposal of fixed assets	-	△1,061
Effect of asset retirement obligations	-	17,253
Decrease in accounts and notes receivable-trade	1,627,414	534,029
Decrease (increase) in inventories	80,724	△24,623
Decrease in accounts and notes payable-trade	△431,118	△230,570
Increase in consumption taxes payable	36,238	69,907
Others	△395,611	163,588
Sub-total	<u>1,840,926</u>	<u>930,830</u>
Interest and dividends received	28,578	12,586
Interest expenses paid	△472	△5,891
Income taxes refunded	32,430	-
Income taxes paid	△23,101	△380,245
Cash flow from operating activities	<u>1,878,360</u>	<u>557,280</u>
Cash flow from investing activities		
Expenditure for deposit of time deposits	△2,120,000	△450,000
Proceeds from withdrawal of time deposits	1,430,096	-
Expenditures for acquisition of tangible fixed assets	△40,130	△197,433
Income from disposal of tangible fixed assets	2,225	5,510
Expenditure for acquisition of software	△73,741	△11,175
Income from disposal of investment securities	5,590	-
Income from loans collection	50,000	-
Others	△4,899	5,463
Net cash flow used in investing activities	<u>△750,858</u>	<u>△647,635</u>

(Thousands of yen)

	the 1st Quarter of FY2009 (April 1, 2009 through June 30, 2009)	the 1st Quarter of FY2010 (April 1, 2009 through June 30, 2010)
Cash flow from financing activities		
Proceeds from long-term borrowing	△25,810	△143,556
Proceeds from payment from minorities	-	43,031
Payment of dividends	△44,466	△47,020
Expenditure for dividends to minorities	△10,004	△21,081
Net cash flow used in financing activities	△80,281	△168,626
Effect of exchange rate on cash and cash equivalents	63,731	△18,869
Net increase in cash and cash equivalents	1,110,951	△277,850
Cash and cash equivalents at beginning of year	10,649,135	8,340,635
Cash and cash equivalents at end of year	11,760,087	8,062,784

(4) Explanatory Note regarding Premise of a Going Concern

Not applicable

(5) Segment Information

[Business segment information]

1st quarter of the fiscal year 2009 (April 1, 2009 through June 30, 2009)

(Unit: thousands of yen)

	Content business	Electronic Money business	Other businesses	Total	Eliminations/ Corporate	Consolidated
Net sales						
(1) Sales to outside customers	2,675,236	10,229,205	325,959	13,230,401	–	13,230,401
(2) Intersegment sales and transfers	104,925	576	–	105,501	△105,501	–
Total	2,780,162	10,229,781	325,959	13,335,903	△105,501	13,230,401
Operating profit	277,758	136,671	23,612	438,041	△12,820	425,220

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

2. Details of business segments

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

[Geographical segment information]

The 1st quarter of the previous fiscal year ended March 2010 (April 1, 2009 through June 30, 2009) Geographical segment information is omitted since net sales in Japan dominated more than 90% of total sales.

[Overseas sales]

The 1st quarter of the previous fiscal year ended March 2010 (April 1, 2008 through June 30, 2008) Sales result of overseas is omitted from segmental information since consolidated net sales of overseas are less than 10% of total sales.

[Segment information]

(Additional information)

From this fiscal year ending March 2011 (April 1, 2010 through June 30, 2010), the Group applies the “Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related information” (ASBJ Statement No. 17 of March 27, 2009) and “Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No.20 of March 21, 2009).

1. Outline of business segments reported

The business segments the Company 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 is promoting comprehensive services as a content provider, mainly as "content business" which covers from planning and production of digital content to construction of platform and distribution to end-users, and as "electronic money business" which provides electronic payment system.

Consequently, the Group has two reportable segments: "content business" and "electronic money business".

"Content business" promotes content distribution service, development and licensing of distribution platform technologies, producing content creation.

"Electronic Money business" promotes issuance of electronic money and providing electronic settlement platforms.

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

1st quarter of the fiscal year 2010 (April 1, 2010 through June 30, 2010)

(Unit: thousands of yen)

	Business segment reported			Other businesses	Total	Adjustment	Consolidated statement amount
	Content business	Electronic Money business	Total				
Net sales							
(1) Sales to outside customers	1,866,100	15,004,291	16,870,391	251,893	17,122,285	–	17,122,285
(2) Intersegment sales and transfers	74,429	1,000	75,429	–	75,429	△75,429	–
Total	1,940,529	15,005,291	16,945,820	251,893	17,197,714	△75,429	17,122,285
Segment profit	119,248	239,165	358,414	4,350	362,765	991	363,756

Notes: 1. The "Other Business" category incorporates operations not included in business segments reported, including the point service and other business.

2. Adjustment of segment profit of ¥991 thousand refers to elimination of intersegment transactions.

3. Segment profit is adjusted with the operating profit in the quarterly consolidated profit and loss statement.

3. Information regarding impairment loss on fixed assets or goodwill by segment reported

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

(6) Note for Significant Changes in Amount of Shareholders' Equity

Not applicable