



Press Release

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Faith and Yoshimoto Kogyo strengthen strategic alliance

– Expanding the business alliance through a capital tie-up between Yoshimoto Kogyo and Faith’s subsidiary Giga Networks –



Tokyo-August 28, 2006---An agreement has been reached for Giga Networks Co., Ltd., a wholly owned subsidiary of Faith Inc. (headquarters in Nakagyo-ku, Kyoto; C.E.O./President Hajime Hirasawa), to increase its capital through a third-party distribution, which Yoshimoto Kogyo, Co., Ltd., (headquarters in Chuo-ku Osaka; President Isao Yoshino) will underwrite, and to further increase the business alliance between the two companies.

The Faith Group and Yoshimoto Kogyo Group have created a strategic alliance through both capital and business tie-ups, which include the following: (1) a capital tie-up between Faith and Fandango Inc, the service provider for Yoshimoto Kogyo Group; (2) the joint founding of Bellrock Media Group; (3) distribution of digital entertainment content for IT home appliances and sales of music and entertainment CDs and DVDs through the Bellrock Media Group; (4) and providing *Yoshimoto “Sho” (Comedy) Room*, a digital distribution service for mobile phones of popular Yoshimoto Kogyo celebrities. This alliance has made it possible to jointly develop a new content distribution market.

Giga Networks and Yoshimoto Kogyo will expand their business alliance with this capital tie-up. In addition to strengthening *Yoshimoto Sho Room*, the abundant content held by Yoshimoto will be distributed by making effective use of Giga Networks’ 4 million mobile content distribution service members. The two companies will also work together on various fronts, including plans to tie digital broadcasts such as *One Seg*¹ with distribution services to

¹ One Seg is Japan’s terrestrial digital TV broadcast services solely for mobile devices.

mobile phones, the promotion of Yoshimoto Kogyo's music and entertainment content, and tying personal appearances by celebrities to distribution services over mobile phones.

Furthermore, efforts will be made to realize Group synergies, such as joint planning of new businesses, such as comprehensive distribution services for mobile phones, personal computers, and televisions by making use of the rights authentication technology that the Faith Group has developed.

The capital and business tie-ups will make it possible for the two Groups to expand the content distribution market by utilizing the Faith Group's ability to create new mechanisms to distribute content and the Yoshimoto Kogyo Group's brand and marketing strengths and ability to create content.

Details of the Giga Networks capital increase

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| (1) Purpose of the capital increase: | Strengthen the alliance with Yoshimoto Kogyo through capital tie-up |
| (2) Shares to be issued: | 1,500 common shares |
| (3) Total number of shares after the new issuance: | 32,500 shares |
| (4) Issue price: | ¥200,000 per share |
| (5) Amount to be paid-in: | ¥300 million |
| (6) Day to be paid-in: | August 31, 2006 (expected) |
| (7) Company the shares will be distributed to | Yoshimoto Kogyo (1,500 shares) |
| (8) Shareholder composition after capital increase: | Faith – 31,000 shares (95.4%)
Yoshimoto Kogyo – 1,500 shares (4.6%) |

About Faith, Inc.

(Company code, 4295; 1st section of TSE)

Faith was the first company in the world to design and apply “ring tones” for mobile telephones and expanded its business activities not only within Japan, but also into 21 countries throughout the world including North America, Europe, the Asia-Pacific region and South America. Moreover, the company provides electronic money service used for settlement of accounts for on-line games, music distribution and e-commerce. In the United States, Faith also provides mobile telephone services (MVNO enterprise) targeted towards a specific customer segment. In the future, Faith further aims to be a high added-value service company through the creation on a global scale of “a new scheme for the distribution of digital contents” in various environments such as mobile telephones and PCs.

For more information, visit <http://www.faith.co.jp/>

About Giga Networks

In addition to providing ringtone distribution services for mobile phones, Giga Networks (head quarters in Nakagyoku-ku, Kyoto; President Keizo Odori) undertakes planning, development, and distribution of entertainment content such as movies, music, and concert information. “Ringtone Giga”, which started in September 1999 as an i-mode site providing ringtone services, currently boasts a paid-membership of 4 million subscribers. For more information, visit <http://www.giga.co.jp/>

Yoshimoto Kogyo, Co., Ltd.

(Company code 9665; listed on the 1st section of TSE)

Yoshimoto Kogyo was founded on April 1, 1912, and began with the management of the vaudeville-type theater “Daini Bungeikan” in the backstreets of Tenma-Tenjin shrine in Osaka by the husband wife team of Kichibei and Sei Yoshimoto. At present, the company is a celebrity production company that operates throughout Japan. The company’s operations are not limited to the comedy business but extend to the following areas: owning a year-round theater, a rarity by in itself; managing more than 800 celebrities, athletes, and cultural figures; planning and creating TV and radio programs and commercials; internet content, creating and selling books and DVDs; real estate business; music; and development of amusement facilities. For more information, visit <http://www.yoshimoto.co.jp/>

Fandango Inc.

(Company code 3797; listed on Hercules section of OSE)

Fandango (headquarters in Chiyoda-ku, Tokyo; Chairperson Takeyasu Hashizume; President: Tetsuo Mori), a member of the Yoshimoto Kogyo Group was established in 2000 and is involved in the creation and distribution of digital content. In addition to providing Yoshimoto Kogyo’s abundant entertainment assets through Communication Satellite, mobile phones, and broadband, the company creates packaged media such as DVDs. For more information, visit <http://www.fandango.co.jp/>

The Bellrock Media Group

Bellrock Media Inc. was established in the U.S. in 2005 through investments by various companies, including Faith and Intel, as a central part of the Yoshimoto Kogyo Group, a comprehensive entertainment group. The Japanese corporation Bellrock Media Japan, Inc is a wholly owned subsidiary of the company. The Bellrock Media Group is developing the branded entertainment business, its core business, in both the U.S. and Japan. For more information, visit <http://www.bellrockmedia.com/>