



press release

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Faith Acquires Shares in Columbia Music Entertainment and Becomes Largest Shareholder - Welcomes CME to Faith Group to Establish Strategic Partnership -

Tokyo – January 21, 2010--Faith, Inc. (CEO and President, Representative Director: Hajime Hirasawa; Headquarters: Kyoto; Securities code: 4295 TSE 1st Section; "Faith" hereinafter) and Columbia Music Entertainment, Inc. (Representative Executive Officer & Chairman and Chief Executive Officer (CEO): Strauss Zelnick; Representative Executive Officer/President and Chief Operating Officer (COO): Yasuharu Hara; Headquarters: Minato-ku, Tokyo; Securities code: 6791 TSE 1st Section; "CME" hereinafter) have agreed to establish a strategic partnership, with Faith today acquiring all CME shares (31.39%) held by CME's leading shareholders RHJ International SA and Ripplewood Nippon Columbia Partners II L.P. and welcoming CME into the Faith Group.

At an extraordinary general shareholders' meeting (scheduled to be held on April 6 of this year), CME plans to appoint Hajime Hirasawa, CEO and President of Faith, to the post of director and chairman of the company's Board of Directors, solidifying the relationship between the two companies.

* For details, refer to Faith's release, "Notice of Acquisition of Shares in Columbia Music Entertainment, Inc." and CME's release, "Notice of Transfer of Largest Shareholder and Other Affiliate Companies."

CME, which celebrates its 100th anniversary this October 1, commenced its business on October 1, 1910 as a manufacturer and distributor of phonographs, and has since shaped the history of Japanese music as the nation's first record company. It has always responded to changes in the times with speed, releasing Japan's first press records and LP records, leading the world in the release of CDs, and launching the industry's first full-length ringtones site for the nation's three major mobile phone carriers. The company produces and releases titles in a wide range of genres, from *enka* and *kayokyoku*, where it boasts impressive market shares, to J-POP, animation, educational, traditional, jazz and classics, and now operates in the area of game production.

Faith is a pioneer in the digital content business and the first company in the world to conceive and commercialize ringtones. It currently offers a broad lineup of content services, including music and videos, distributes medical and health information, and operates an electronic money system through its subsidiary, WebMoney Corporation (Securities code: 2167 JASDAQ NEO), serving as a one-stop business that provides services ranging from the creation of content distribution systems to payment collection. Last fall, the Company launched "MusicBirth+", a music program that achieves full fusion of TV, Internet and the mobile phone, representing the development of a new system for discovering artists.

This capital and business partnership between Faith and CME centers on a collaboration involving the music-related services of the two companies, and expects to produce numerous synergies in the visual content business, which includes videos and short films, in the online games business, in artist promotion using mobiles and the Internet, and in the creation of new businesses. The two companies will establish a strategic partnership, through which Faith will be actively involved in branding CME artists, creating hit titles and finding new applications for CME's extensive music portfolio. Faith and CME will also strive to expand new music businesses together with partner companies, irrespective of their industry.

The Faith Group will use this partnership opportunity to further accelerate its multi-content and multi-platform strategy (creating an environment that allows customers to enjoy a diverse array of content whenever and wherever they wish) and advance the creation of a new system for content distribution.

Faith plans to draft specific measures to achieve synergies with CME. The measures will be announced when they are determined.

On forming this partnership, Faith and CME look forward to building the next 100 years together, fulfilling diversifying customer demand by providing optimal music in the optimal form.

<Profile of Faith, Inc.>

Company Name: Faith, Inc.
Address: 566-1 Karasumadori-Oike-Sagaru Toraya-cho, Nakagyo-ku, Kyoto
Date of Establishment: October 9, 1992
Representative: CEO and President, Representative Director: Hajime Hirasawa
Businesses: Developing content distribution service businesses and support
Developing and licensing content formatting technology, sound technology and audio signal processing technology
Developing content distribution platforms, etc.
Capital Stock: 3218 million JPY
URL: <http://www.faith.co.jp/>

<Profile of Columbia Music Entertainment, Inc.>

Company Name: Columbia Music Entertainment Inc.
Address: Edomizaka Mori Bldg., 4-1-40 Toranomom, Minato-ku, Tokyo
Date of Establishment: October 1, 1910
Representative: Representative Executive Officer & Chairman and Chief Executive Officer (CEO):
Strauss Zelnick
Representative Executive Officer/President and Chief Operating Officer (COO): Yasuharu Hara
Business: Production, advertising and sales of music software, etc., and music artist management
Capital Stock: 1000 million JPY
URL: <http://columbia.jp/>

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