



Consolidated Financial and Business Results FY08 (Ended March 2009)



Mobile



Game



Internet



Computer



Technology

Faith, Inc.
May 15, 2009

Agenda



1. Consolidated Financial Results for the FY08 (Ended March 2009)

- Highlights of Consolidated Financial Results
- Results of the Contents Business
- Results of the Electronic Money Business

2. Full-Year Forecast of Consolidated Financial Results for the FY09 (Ending March 2010)

3. Business Strategies

- Faith's Business Concept
- Faith Group's Vision of the Future
- Multi-Content/Multi-Platform Strategies and Group Synergy



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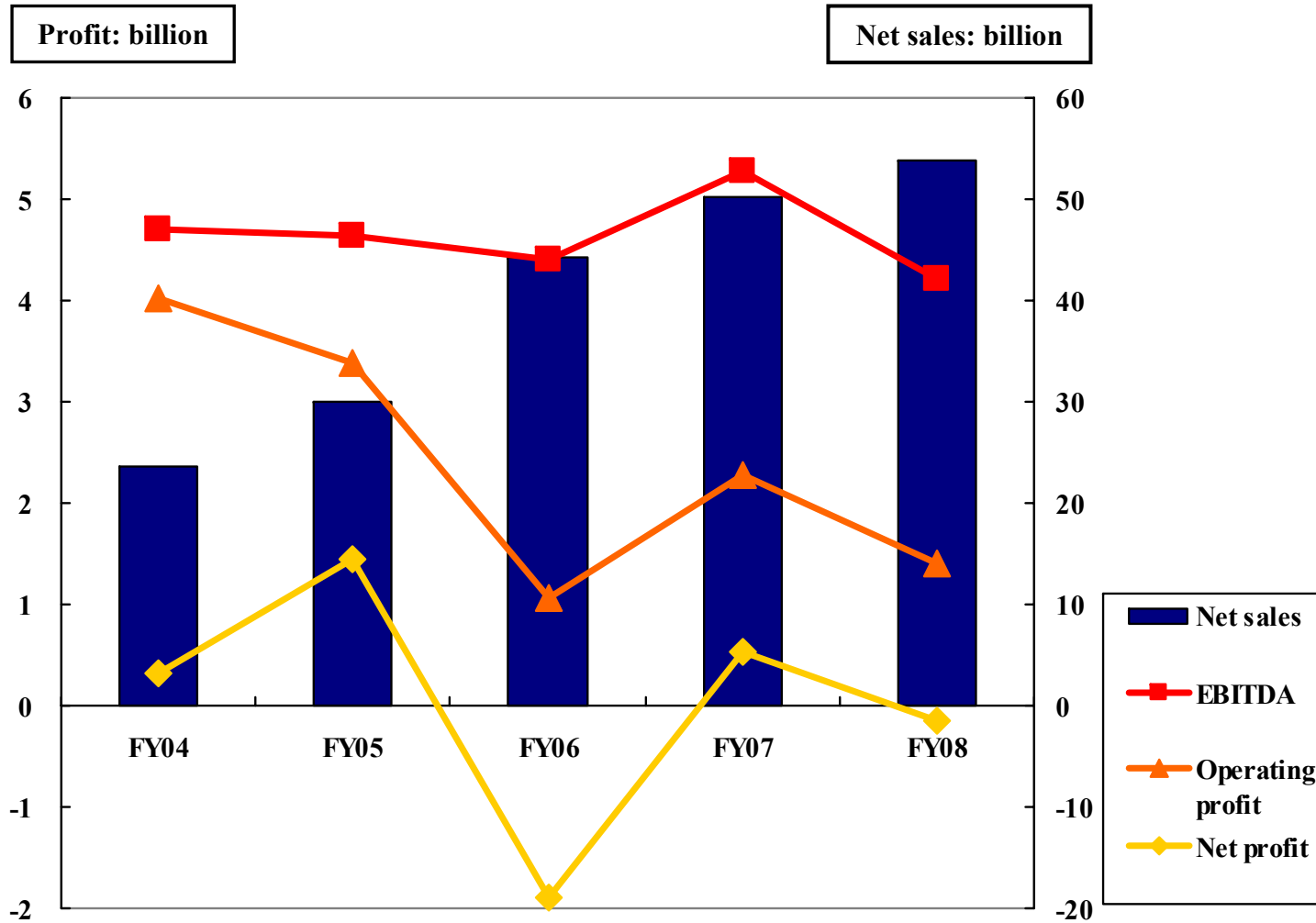
Technology

Consolidated Financial Results for FY08 (Ended March 2009)

Highlights of Consolidated Financial Results



Achieved continuous growth in net sales due to the expansion of the Electronic Money business. Operating profit decreased caused by the cost increase for developing distribution platform and procurement of contents.



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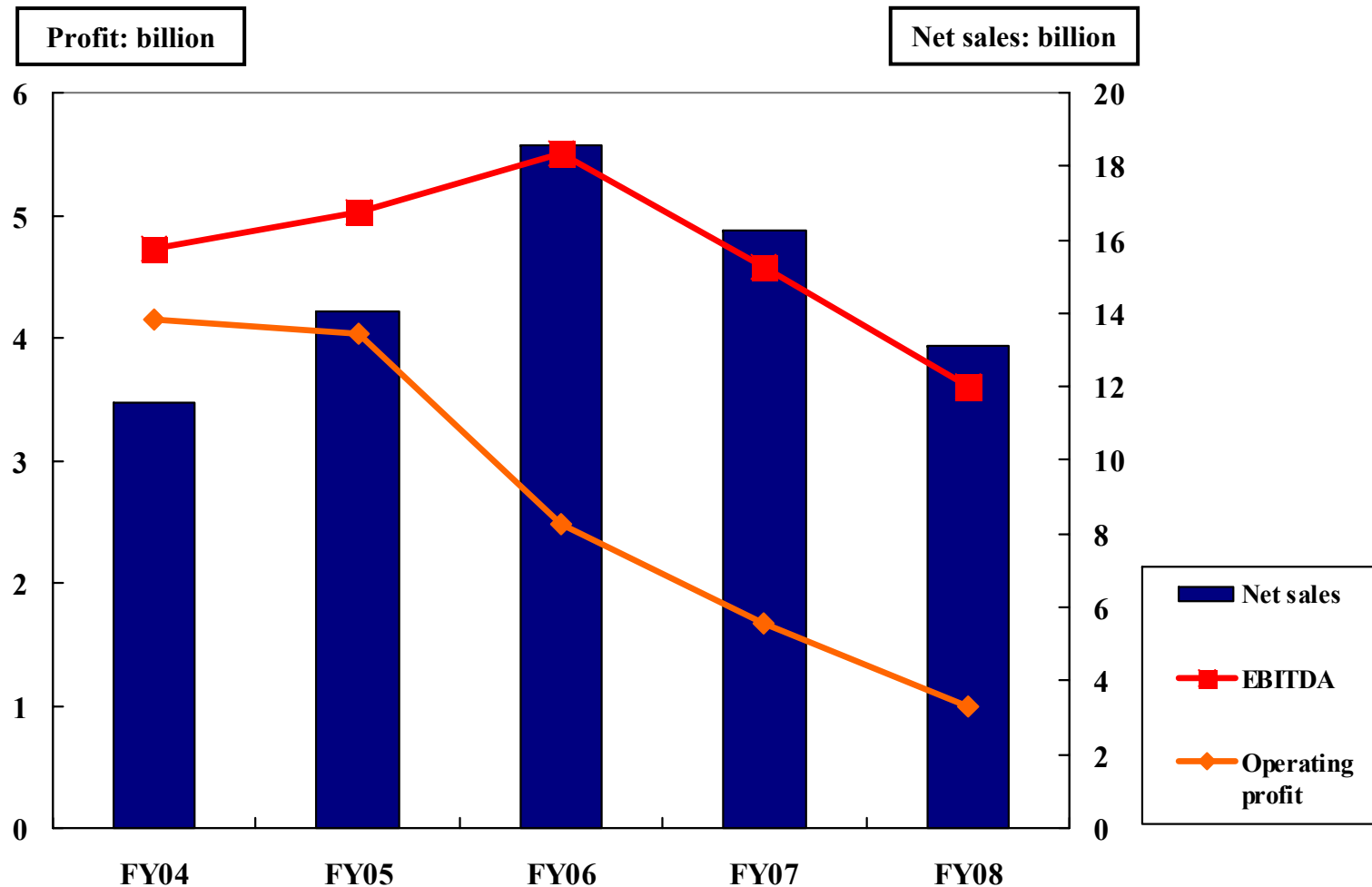


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Results of the Contents Business During FY08



Net sales decreased due to the decline of ringtone business revenue and the business realignment. Profits also decreased due to the upfront investments on the platform development and the increase in costs for the content production and the procurement of contents.



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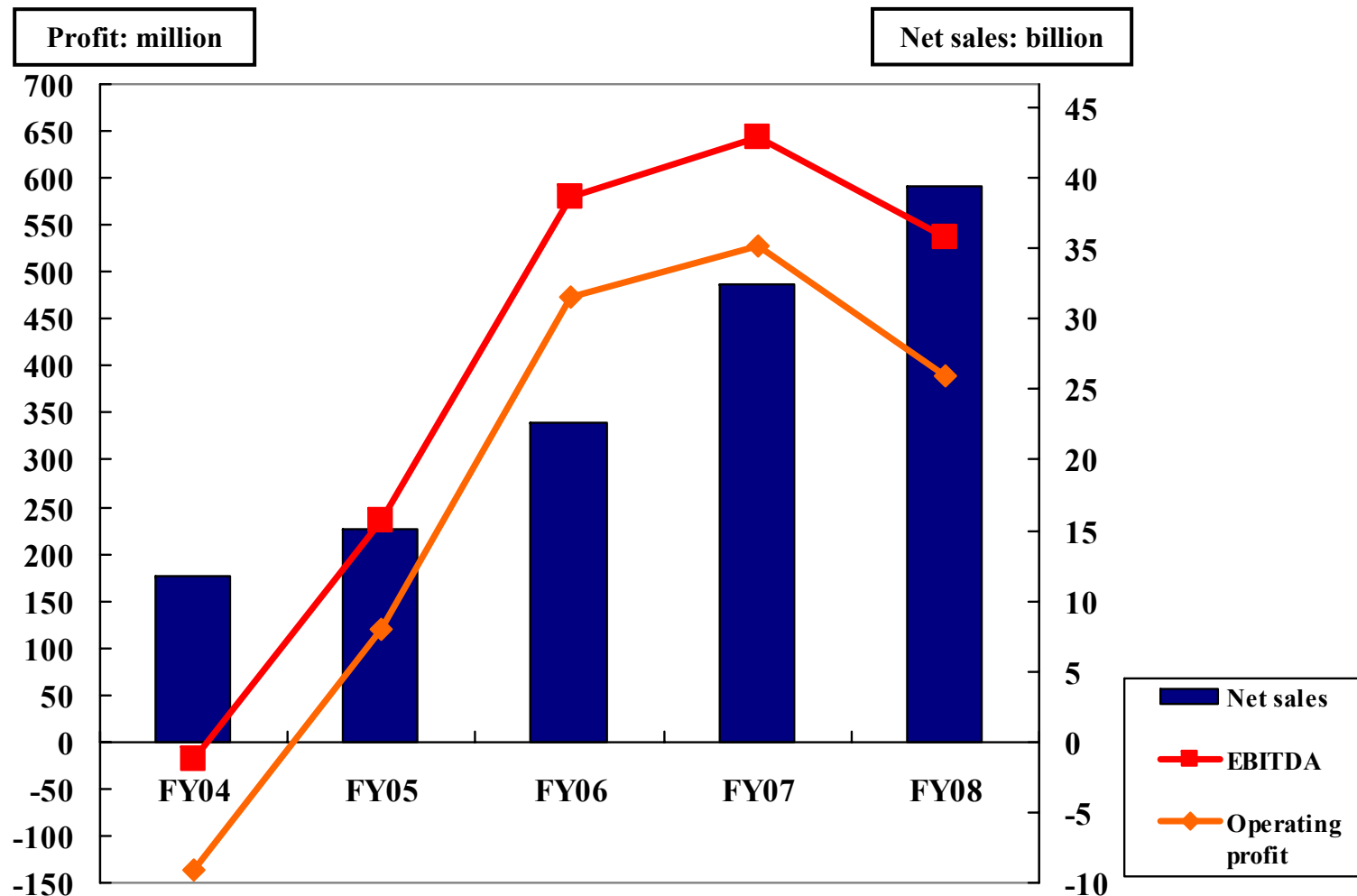


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Results of the Electronic Money Business During FY08



Net sales achieved continuous high growth driven by the increase in the total value of settlement mainly in the online game category. Profit declined due to the increase in cost for the service development and the procurement.



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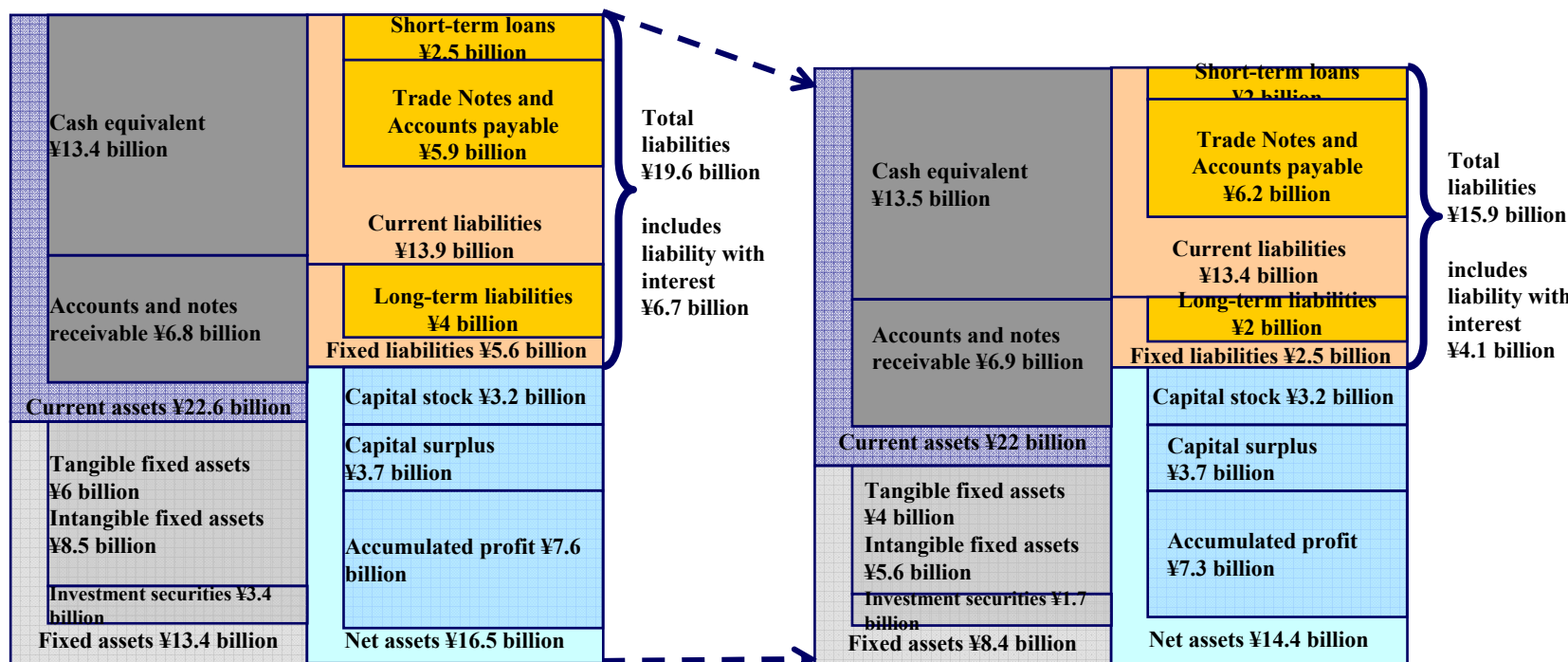
Consolidated Balance Sheet (year-on-year change)



Reduce ¥2.6 liability with interest
 Improve capital ratio by 2.3 points (41.5% to 43.8%)

■ End of March 2008

■ End of March 2009



Total assets 36.1 billion yen

Total assets 30.5 billion yen



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**Highlights of Business
Development during FY08**



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Highlights of Business Development during FY08



Content Business - Platform

- GIGA NETWORKS launched a video distribution site GIGA Miranca viewable on various devices including mobile phone, PC. (Utilized Near Field Rights Management® technology)
- An application to view video on mobile phone and PC has preinstalled on the four major PC brands in Japan.
- Promoted video distribution service for PC equipped with terrestrial digital broadcasting tuner. (Viewable on PC mobile phone and PC, Infrared communication system equipped)
- KAZAS Channel, a total video distribution portal site, was pre-installed on a broadband TV which connects terrestrial digital broadcasting and Internet seamlessly.



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Highlights of Business Development during FY08



- **GIGA NETWORKS** started distribution of "Koisuru Ketsuekigata", a drama series of love stories by blood type specially produced for mobile phone in cooperation with major distributors etc.
- **GIGA NETWORKS**, in collaboration with TBS DigNet and Kodansha, started distribution of "Elemental GIRLS" on GIGA Miranca.
- **GIGA NETWORKS** started a tie-up promotion with WOWOW for "Gokurakucho 1-chome," a live-action drama of a popular comic series.
- **GIGA NETWORKS** produced "Tokyo Ghost Trip" in collaboration with Toho, Sony Music Entertainment, DENTSU etc. and started distribution on GIGA Miranca.
- **Faith** obtained the license to distribute "THE OUTSIDER" mixed martial arts videos and started distribution on GIGA Miranca operated by GIGA NETWORKS.
- **GIGA NETWORKS** and ISAO, the top 2 firms in the video distribution industry, started partnership allowing the subscribers mutual access to both sites.
- **GIGA NETWORKS** started distribution of Osamu Tezuka's major 6 anime comic video series on GIGA Miranca.



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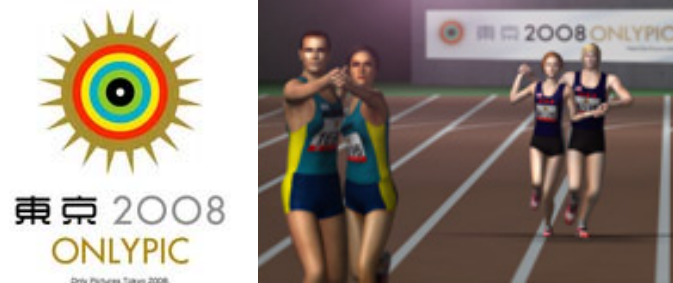
Technology

Expansion of Video Contents

- Proactive content production
- Collaboration with leading companies
- Acquisition of appealing contents



▼ Judges Award winner in 23rd Digital Content Grand Prix Tokyo 2008 ONLYPIC



▼ Koisuru Ketsuekigata



© 恋する血塗型制作委員会

▼ Elemental GIRLS



▲ MAMESHIBA

▶ Tokyo Ghost Trip



▶ Gokurakumachi 1-chome



Mobile



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Technology

Expansion of Video Contents

- Proactive content production
- **Collaboration with leading companies**
- Acquisition of appealing contents



Mobile



Game



Internet



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Technology

Expansion of Video Contents

- Proactive content production
- Collaboration with leading companies
- Acquisition of appealing contents



▲THE OUTSIDER



▲BANDAI Channel



▲Tezuka Osamu animations

▼Short films



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Highlights of Business Development during FY08



Contents Business

- Medical Communication launched Pocket Karte, in cooperation with WILLCOM etc., a medical/health record management system retrievable on mobile phone and PC, and accepted the MCPC Mobile Consumer Award 2009.
- Faith launched a content distribution site Eikyufumetsu Contents for mobile phone and PC in collaboration with Credit Saison.
- Faith renewed mobile phone version of Eikyufumetsu Contents site in collaboration with Credit Saison and DeNA.
- Brave started collaboration in the music business with MySpace, one of the world largest SNS, to promote an online content store, viBirth.
- Brave launched KASIMO, a lyric auto-display service during playback on iTunes.
- Faith launched ROSE POINT ISLAND on Rose Online in collaboration with ADWAYS to give away loyalty points in return for registering direct marketing sites.
- Desperado's production film "PACO and the Magical Book" became a big hit and Rose Online merchandised its characters.
- Faith started distribution of 3D characters developed from Rose Online and "PACO and the Magical Book" as mobile phone wall papers customized for NTT Docomo's iConcier service.



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Medical and Health Information Distribution



■ Pocket Karte

- In cooperation with WILLCOM and other companies, administration and browsing of user's individual health and medical records (Karte) is easily available with mobile phone and PC. Diagnosis based on the statistical data and their own past records will increase the chances of precise treatment.

- 1. The number of subscribers surpassed 10,000 in the first six months from its start.
- 2. Accepted the Mobile Consumer Award at “the MCPC Award 2009*1”.

*1 The award organized by MCPC, Mobile Computing Promotion Consortium, established with the aim of shaping and expanding a full-scale and sound mobile computing system market by the cooperation among communication carriers, computer hardware and software manufacturers, system integrators and other parties.



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Music Distribution and Relevant Services



viBirth × MySpace

Brave formed partnership in music business with “MySpace”, one of the world's largest SNS through “viBirth”.

myspace.com BETA Japan
MySpaceトップ | MySpaceアーティスト登録はこちらから

アーティスト支援サービス

アーティスト活動をサポートする各種サービスをご紹介！
ラインナップも今後追加予定です！

新着のお知らせ

viBirthサービススタート！
からくお待ちせました！「viBirth」サービスがスタートしました。MySpaceのプロフィール上で楽曲の販売が出来る、そのうえ、iTunesやモバイルでも販売も出来ます！「viBirth」は様々な機能であなたのアーティスト活動をサポートしてくれるサービスです。

フレンドになってサービス新着情報をゲット

フレンドになる

「お知らせ」などでアーティスト向けサービス情報をお伝えします。

KASIMO

Brave launched "KASIMO" an automatic lyric display service for iTunes users.

KASIMO Viewer

iTunesで歌詞を
読む。見る。楽しむ。

FREE

KASIMO Viewer プラグインは iTunes で再生中の音楽に歌詞を表示する事ができます。

あなたの iTunes に KASIMO Viewer プラグインをインストールすると万曲の歌詞データベースから歌詞を自動的に検索し表示する事が可能になります。
iTunes Store で 3000 曲以上の J-POP BGM ライブを配信中のアーティスト「BGMMan」の全曲対応オフィシャル歌詞プラグインとしてご利用頂けます。

PLUG-IN
ダウンロード

About **KASIMO**



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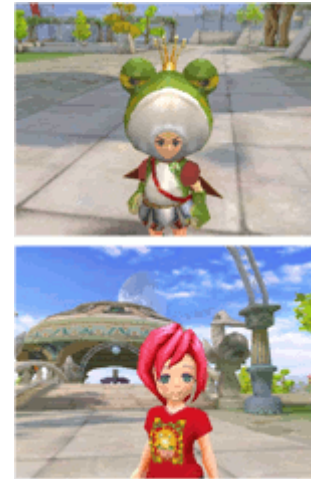
Production of Video Content and Further Development



■ Made a blockbuster film “PACO and the Magical Book” produced by Desperado.



→ Merchandize the characters at Rose Online Legend



→ Released as characters on standby screen for mobile phone



(C) 2008「パコと魔法の絵本」製作委員会



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Highlights of Business Development during FY08



Electronic Money Business

- WebMoney launched “WebMoney Wallet Plus” service that users can earn extra points by credit card payment.
- WebMoney launched “WebMoney Point Park” which the registrants can earn “WebMoney” free of charge.
- WebMoney started “@nifty WebMoney Park” in cooperation with NIFTY Corporation.
- WebMoney tied up with Admiral Systems Inc. and enabled settlement by WebMoney at all EC site when processed through the company.
- WebMoney adopted as a settlement solution at “EC-CUBE”, an open source software to design EC site.



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Start of Gold Points Provision Service

■ WebMoney Wallet Plus

Exclusive Gold Points are given when users purchased "WebMoney" by credit.

<Benefits>

1. Exchange Gold Points for exclusive gift items
2. Exchange Gold Points for "WebMoney"
3. More premium award available depending on the amount of "WebMoney" purchase

お得なWebMoneyございます。
「ウェブマネー ウォレット+」誕生



Mobile



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Advertising Solution



WebMoney Point Park:
 Provides free WebMoney when registered on shopping sites or applied for promotional campaigns on PC and mobile phone.
 WebMoney is automatically credited to your WebMoney Wallet or WebMoney Wallet Plus and spendable at partner vendors.



@nifty WebMoney Park:
 Launched in cooperation with NIFTY Corporation and Adways Co., Ltd. Users can earn free WebMoney shopping or membership registration.



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Technology

Service flow

1. Shopping or registration

2. WebMoney automatically credited to your Wallet

3. Pay in WebMoney at partner vendors

Expansion of the Realm of WebMoney Circulation



■ Affiliate with “EC-CUBE”

Provides WebMoney to “EC-CUBE*”, an open source software to design EC site

*(accumulative active sites: approx. 3000 sites)



■ Admiral Systems Inc.

WebMoney was adopted as a settlement solution at all EC sites when processed through Admiral Systems Inc.



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**Full-Year Forecast of Consolidated Financial
Results for the FY09 (Ending March 2010)**



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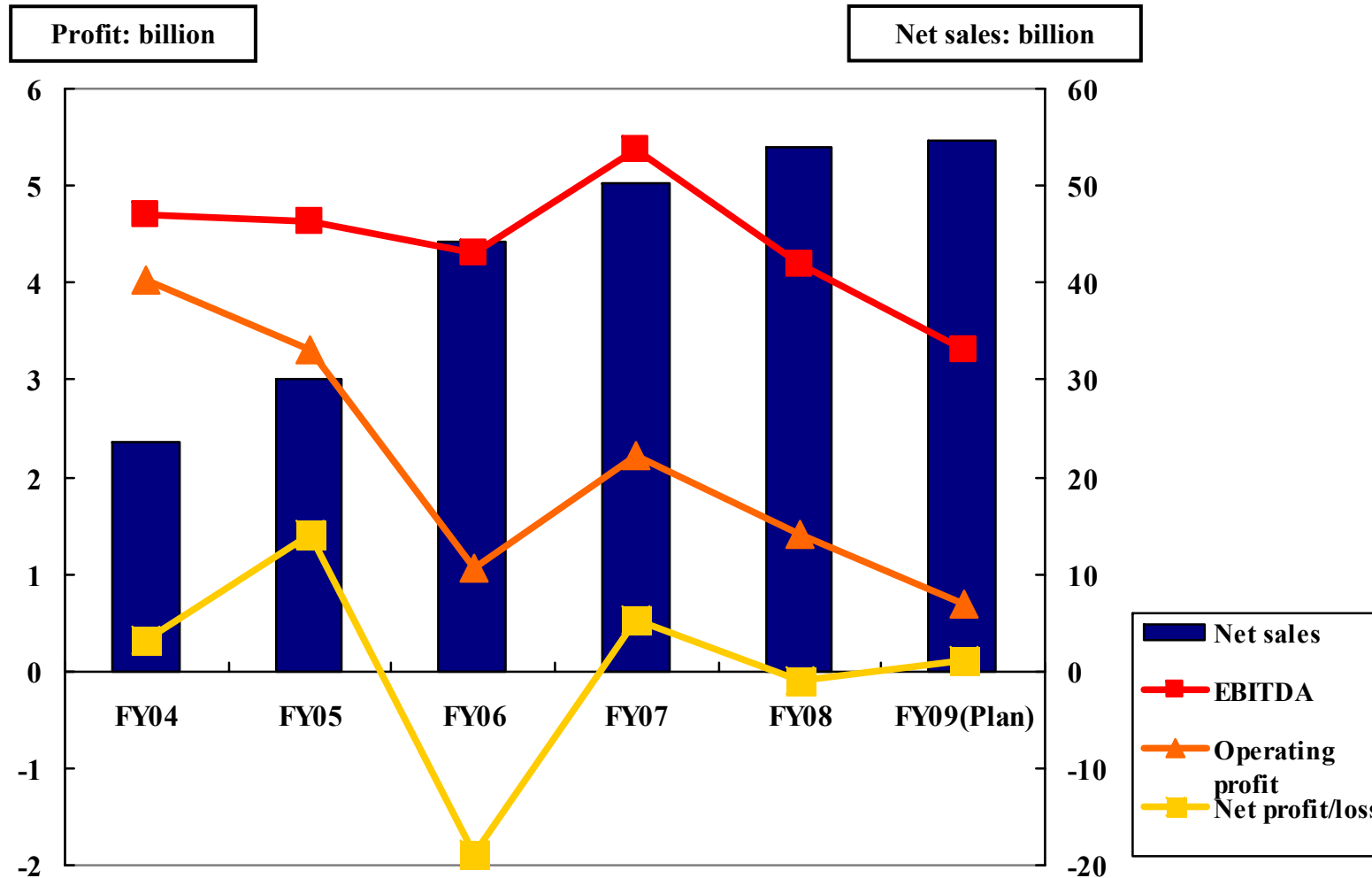


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FY09 Financial Forecast for the Business Results



Fractional increase is expected in net sales due to the expansion of the Electronic Money Business covering the expected decrease in ringtone business. Profits are expected to decrease due to the fall in revenue from ringtone business and the cost for ongoing investments on the system construction, the production and the procurement of contents.



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FY09 Consolidated Financial Forecasts by Segment



(million yen)

	FY08	FY09 (Plan)	Year-on- year change	Year-on- year change	Causes for year-on-year change
Net Sales	53,957	54,730	773	1.4%	
Content Business	13,105	10,360	▲ 2,745	-20.9%	Decline of yield from ringtone solution and license fee for ringtone playback technology
Electronic Money Business	39,472	43,000	3,528	8.9%	Increase in settlement caused by the growing demand for digital content mainly online game
Others	1,378	1,370	▲ 8	-0.6%	
EBITDA	4,208	3,323	▲ 885	-21.0%	
Content Business	3,608	2,584	▲ 1,024	-28.4%	Increase in cost for development of platform, content production and procurement of contents
Electronic Money Business	537	629	92	17.1%	Effected by increased revenue
Others	77	110	33	42.9%	
Operational Profit	1,425	680	▲ 745	-52.3%	
Content Business	990	165	▲ 825	-83.3%	Increase in cost for development of platform, content production and procurement of contents
Electronic Money Business	388	425	37	9.5%	Effected by increased revenue
Others	60	90	30	50.0%	
Recurring Profit	994	510	▲ 484	-48.7%	Decrease in operating profit
Net Profit	▲ 149	100	249	-	



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Business Strategies



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Business Concept

Business Concept

Sender's motives
=Desire to deliver

Broad Contents

Videos,
Music, etc

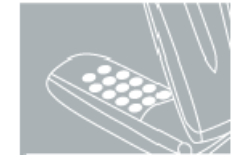


Faith, Inc.

Faith

Recipients motives=
Desire to see, listen
and learn

User



Mobile



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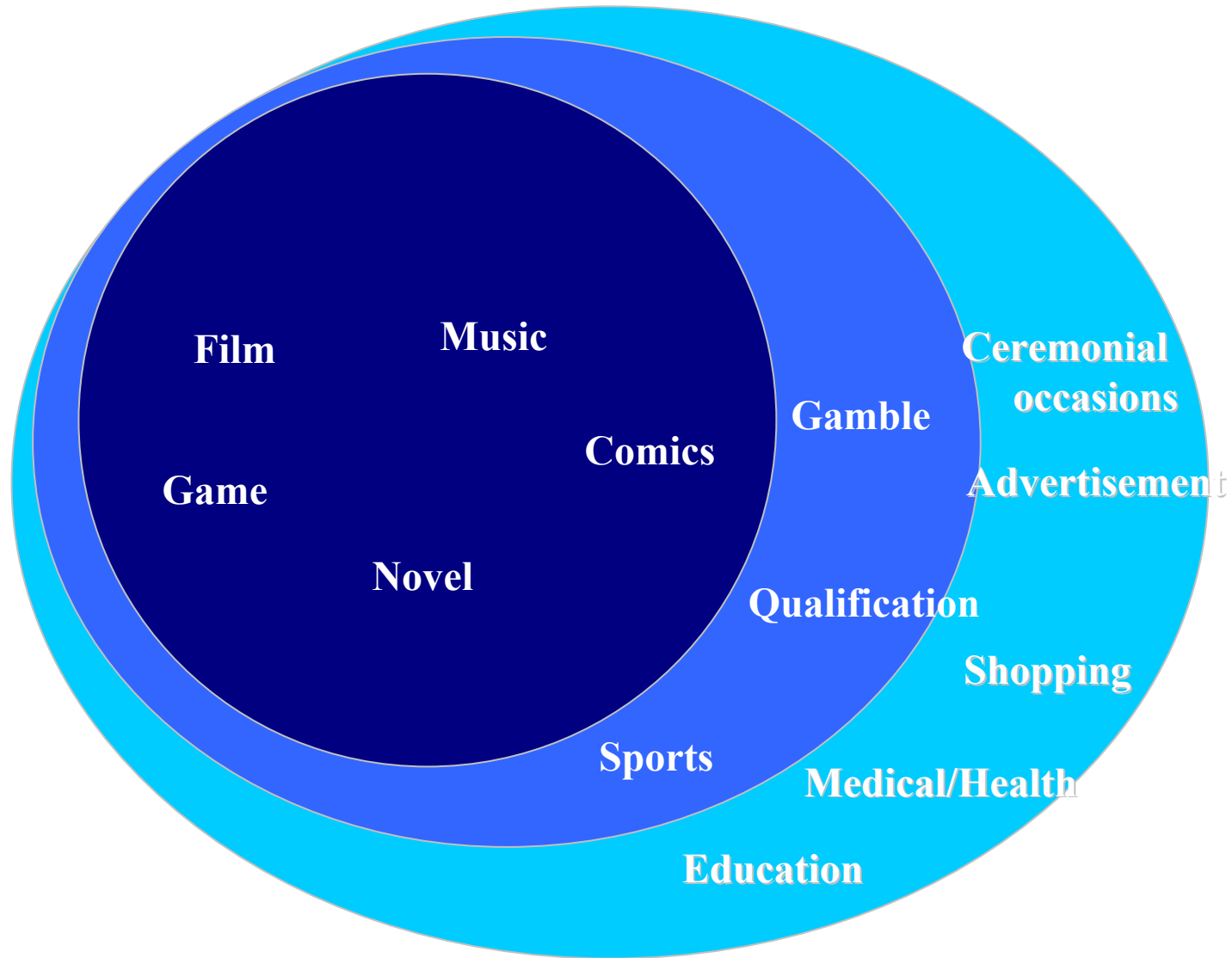
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**Grasp the evolution of user's value instantaneously and
Deliver contents through the best means
to meet of the needs of the times**

Expansion of Digital Contents Business Domain



Mobile



Game



Internet



Computer



Technology

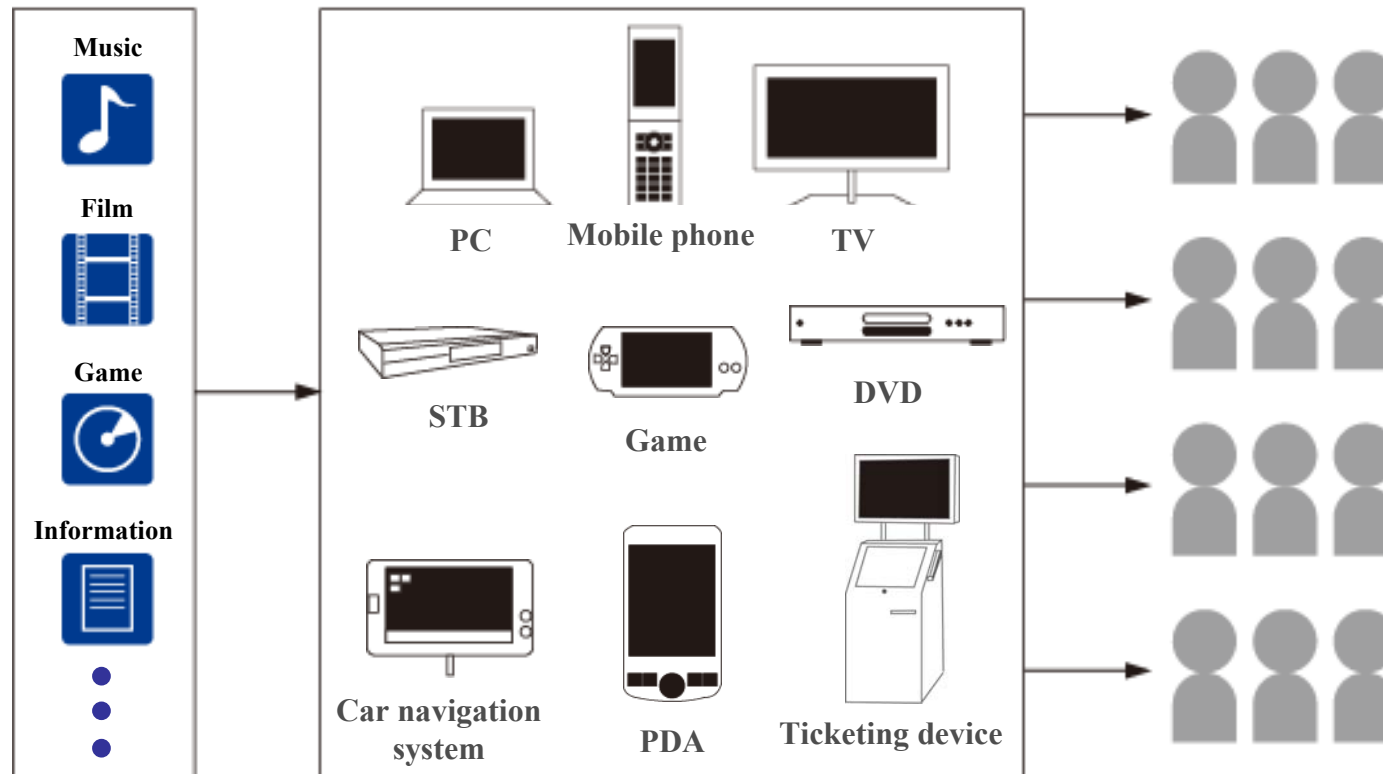
Multi-Platform and Multi-Content Strategies



Multi-Content

Multi-Platform

User



Mobile



Game



Internet



Computer



Technology

Meet the market needs instantly and deliver contents through any network or devices to users



Visions of the Future Created by Faith Group



Mobile



Game



Internet



Computer



Technology



Exemplar Model for Video Contents



Mobile



Game



Internet



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Game



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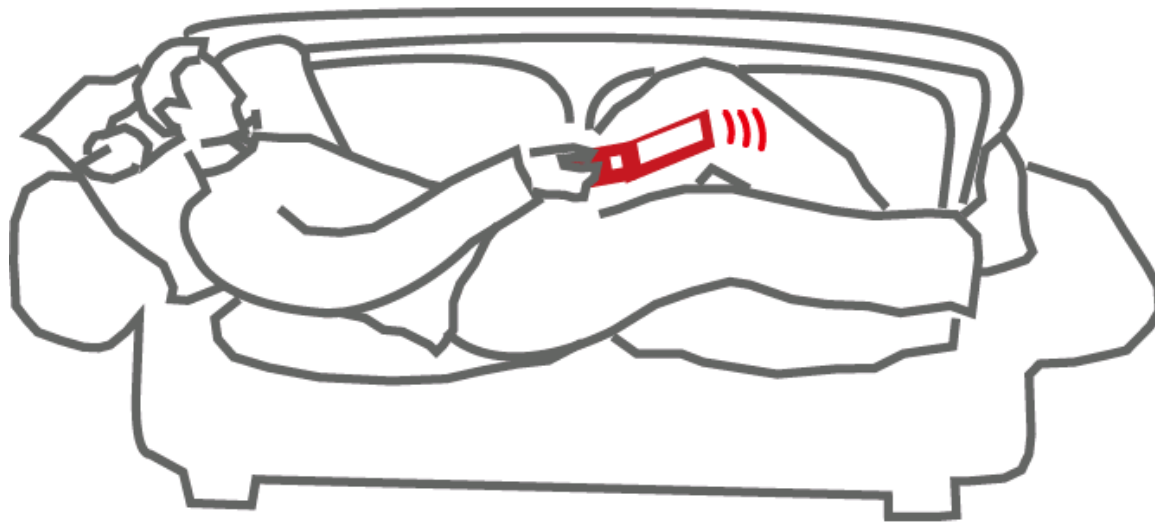


Computer



Technology

View the first episode of a drama on mobile



obile



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ternet



Computer



Technology

View the second episode on TV at home



Mobile



Game



Internet

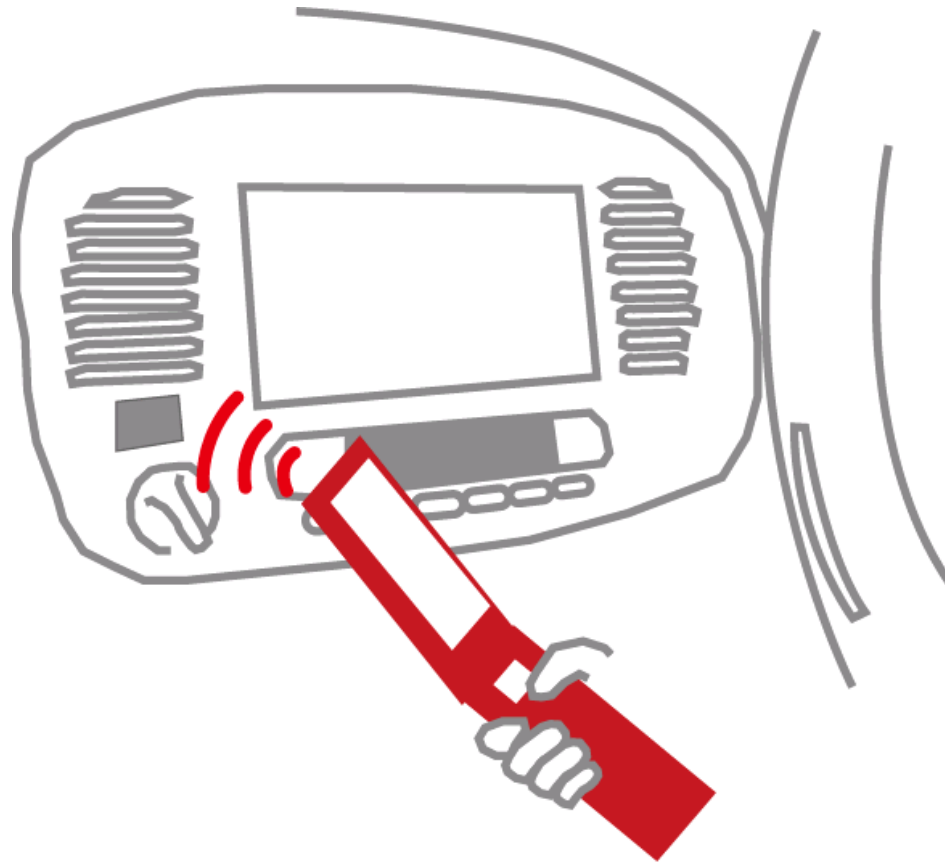


Computer



Technology

View the third episode during a business trip



Mobile



Game



Internet



Computer



Technology

View the forth episode on a drive



Exemplar Model for Music Contents



Mobile



Game



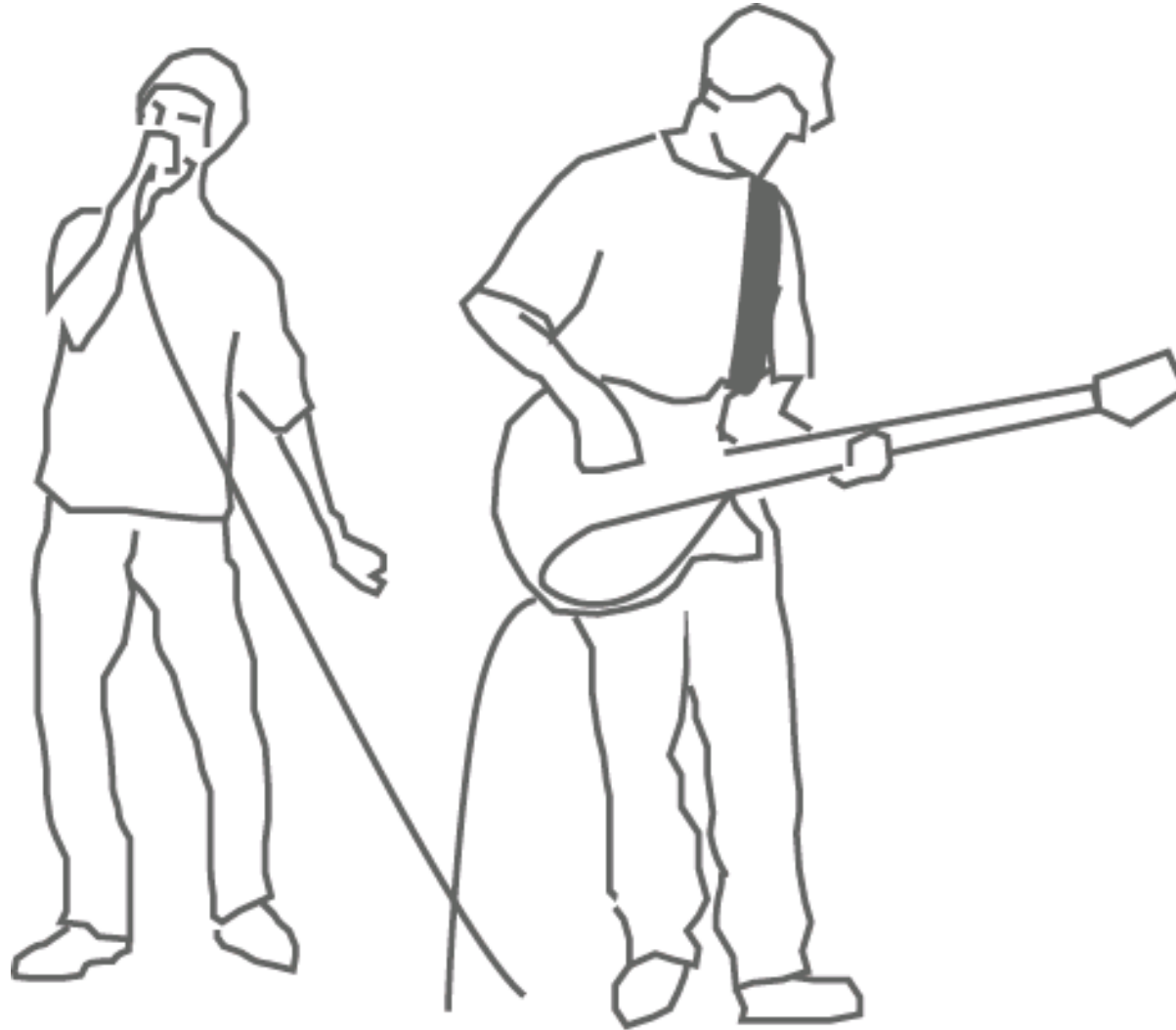
Internet



Computer



Technology



Mobile



Game



Internet

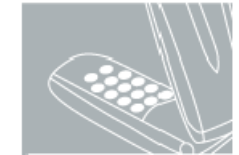
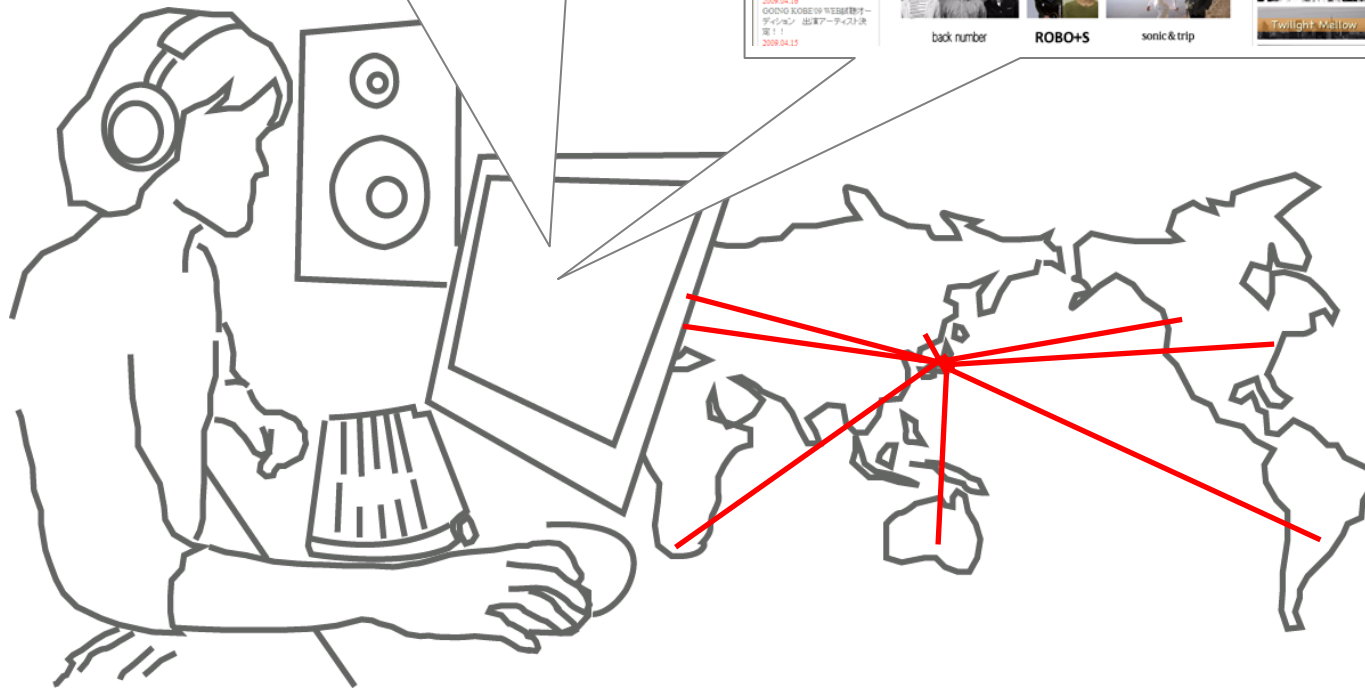


Computer



Technology

Record live sound source



Mobile



Game



Internet



Computer



Technology

Distribute music from home to the world

Exemplar Model for Medical/Health Information



Mobile



Game



Internet



Computer



Technology



Mobile



Game



Internet



Computer



Technology

Reference previous medical record at hospital



Exemplar Model for Personal Authentication



Mobile



Game



Internet



Computer



Technology

Personal Authentication with Mobile Phone



Mobile



Game



Internet



Computer



Technology

Log in to MY page at internet cafe

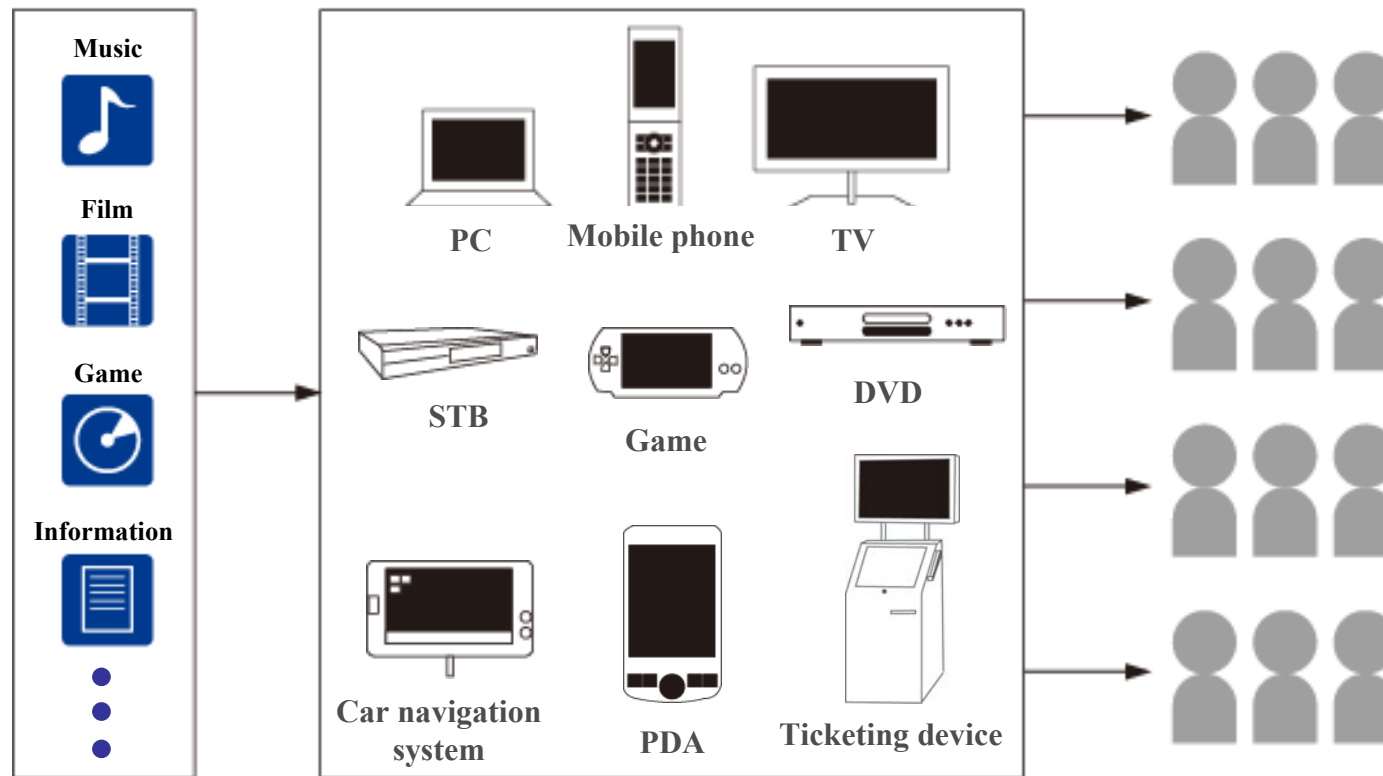
Multi-Platform and Multi-Content Strategies



Multi-Content

Multi-Platform

User



Mobile



Game



Internet

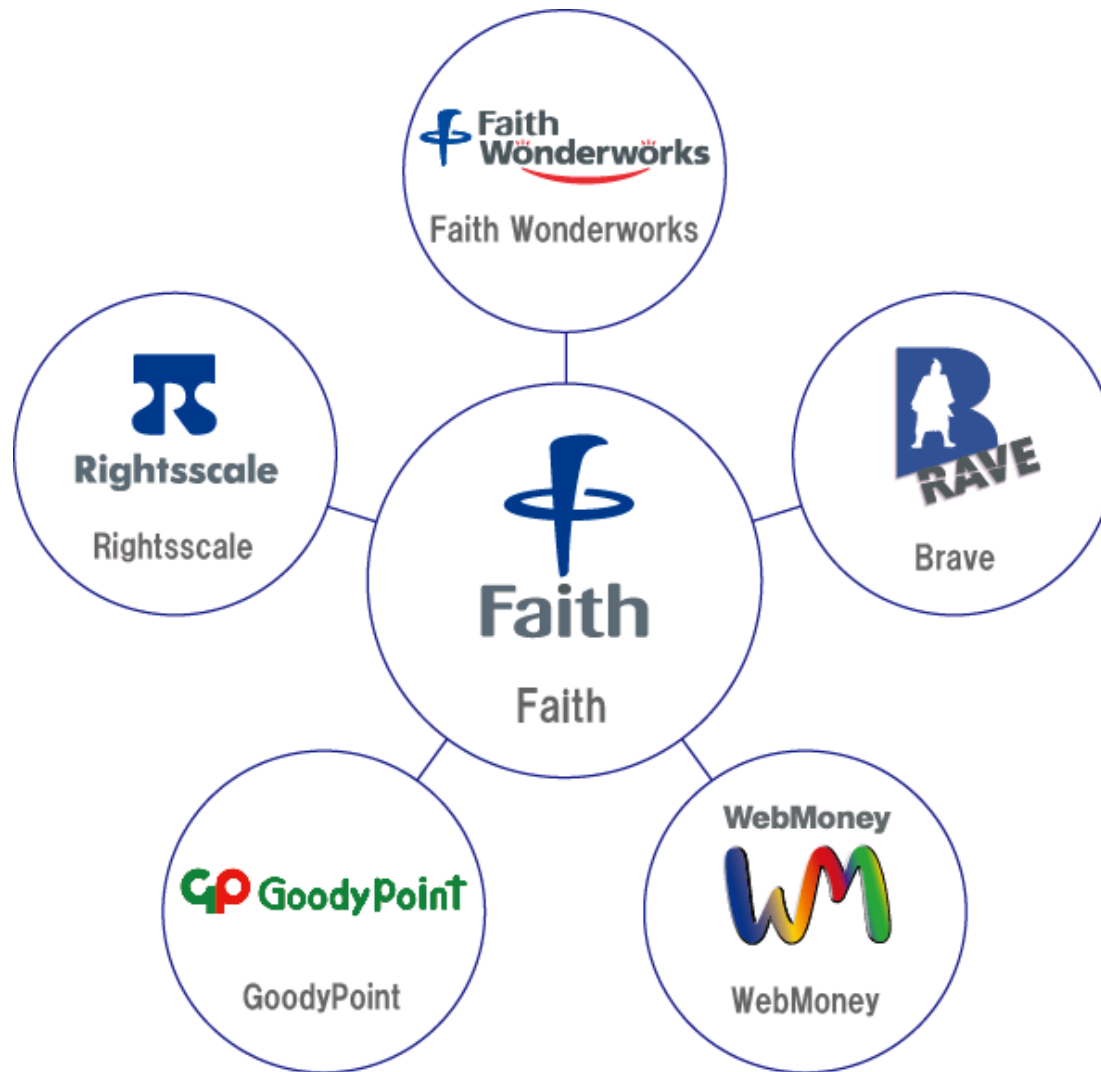


Computer



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Group Synergy by Business Realignment



Mobile



Game



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Computer



Technology



Mobile



Game



Internet



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Appendix

FY08 Consolidated Financial Results by Segment



(Unit: billion yen)

	FY04	Year-on-year change	Year-on-year change	FY05	Year-on-year change	Year-on-year change	FY06	Year-on-year change	Year-on-year change	FY07	Year-on-year change	Year-on-year change	FY08	Year-on-year change	Year-on-year change
Net sales	23,628	8,957	61.10%	30,040	6,411	27.10%	44,152	14,112	47.00%	50,192	6,039	13.70%	53,957	3,765	7.5%
Content business	11,550	1,251	12.20%	14,040	2,489	21.60%	18,572	4,532	32.30%	16,264	▲ 2,307	-12.40%	13,105	▲ 3,159	-19.4%
Electronic Money	11,724	7,640	187.10%	15,106	3,381	28.80%	22,650	7,544	49.90%	32,389	9,739	43.00%	39,472	7,083	21.9%
Others	353	65	22.80%	893	540	152.80%	2,905	2,011	225.00%	1,538	▲ 1,366	-47.10%	1,378	▲ 160	-10.4%
EBITDA	4,712	▲ 1,015	-17.70%	4,630	▲ 82	-1.70%	4,395	▲ 235	-5.10%	5,285	890	20.30%	4,208	▲ 1,077	-20.4%
Content business	4,729	▲ 899	-16.00%	5,033	304	6.40%	5,503	470	9.30%	4,579	▲ 924	-16.80%	3,608	▲ 971	-21.2%
Electronic Money	▲ 19	▲ 62	-145.70%	235	254	—	581	345	147.10%	643	62	10.70%	537	▲ 106	-16.5%
Others	2	▲ 54	-95.60%	▲ 15	▲ 18	-718.20%	▲ 1	14	—	64	65	—	63	▲ 1	-1.6%
Operating profit	4,017	▲ 1,097	-21.40%	3,391	▲ 626	-15.60%	1,060	▲ 2,330	-68.70%	2,266	1,206	113.70%	1,425	▲ 841	-37.1%
Content business	4,152	▲ 980	-19.10%	4,029	▲ 122	-3.00%	2,484	▲ 1,544	-38.30%	1,674	▲ 810	-32.60%	990	▲ 684	-40.9%
Electronic Money	▲ 136	▲ 106	355.20%	119	256	—	473	353	295.40%	527	54	11.50%	388	▲ 139	-26.3%
Others	2	-900.00%	-82%	▲ 51	▲ 53	-2479%	▲ 64	▲ 13	—	63	128	—	60	▲ 21	-27.0%
Recurring profit	4,047	▲ 965	-19.30%	3,455	▲ 592	-14.60%	853	▲ 2,601	-75.30%	1,909	1,055	123.70%	994	▲ 915	-47.9%
Net profit	316	▲ 2,383	-88.30%	1,438	1,122	355.10%	▲ 1,883	▲ 3,321	—	537	2,420	—	▲ 149	▲ 686	-



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FY08 Consolidated Financial Results

(Compared with the forecast)



(Unit: billion yen)

	FY07	FY08 Planned	FY08	Year-on- year change	Year-on- year change	Causes for year-on-year change
Net sales	50,192	54,600	53,957	3,765	7.5%	
Content business	16,264	14,700	13,105	▲ 3,159	-19.4%	Decline of ringtone solution, etc.
Electronic Money	32,389	38,300	39,472	7,083	21.9%	
Others	1,538	1,600	1,378	▲ 160	-10.4%	
EBITDA	5,285	4,000	4,208	▲ 1,077	-20.4%	
Content business	4,579	3,380	3,608	▲ 971	-21.2%	Increase in cost for development of distribution platform, production and procurement of contents
Electronic Money	643	520	537	▲ 106	-16.5%	Increase in cost for development and operation of new services and for enhancement of management structure
Others	64	100	77	13	20.3%	
Operating profit	2,266	1,000	1,425	▲ 841	-37.1%	
Content business	1,674	580	990	▲ 684	-40.9%	Increase in cost for development of distribution platform, production and procurement of contents
Electronic Money	527	320	388	▲ 139	-26.3%	Increase in cost for development and operation of new services and for enhancement of management structure
Others	63	100	60	▲ 21	-25.9%	
Recurring profit	1,909	800	994	▲ 915	-47.9%	
Net profit	537	100	▲ 149	▲ 686	-	Gain on sale of investments in securities +approx. 260 billion, Reversal of loss from disposal of business +approx. 100 billion Loss on revaluation of investments in securities ▲ approx. 270 billion, Loss from transfer of operation ▲ approx. 370 billion, Amortization of goodwill ▲ approx. 290 billion



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Amortization of Goodwill



(Unit: billion yen)

	FY03	FY04	FY05	FY06	FY07	FY08	FY09 (Plan)	Years of Amortization	End of Amortization
WebMoney	51	82	82	82	84	73	74	10 years	2013/9
Digiplug	221	239	—	—	—	—	—	—	—
TakeNet	—	—	531	424	—	—	—	—	—
Faith Communications	—	—	63	94	—	—	—	—	—
GoodyPoint	—	—	39	39	—	—	—	—	—
GIGA NETWORKS	—	—	—	1,771	2,125	2,125	2,125	5 years	2011/5
Brave	—	—	—	—	3	3	3	5 years	2012/3
MVP	—	—	—	—	4	4	—	5 years	—
Media Complex	—	—	—	—	11	11	—	5 years	—
Others	—	—	—	217	217	64	25	5 years	—
Total	272	322	715	2,627	2,444	2,291	2,226	—	—



Mobile



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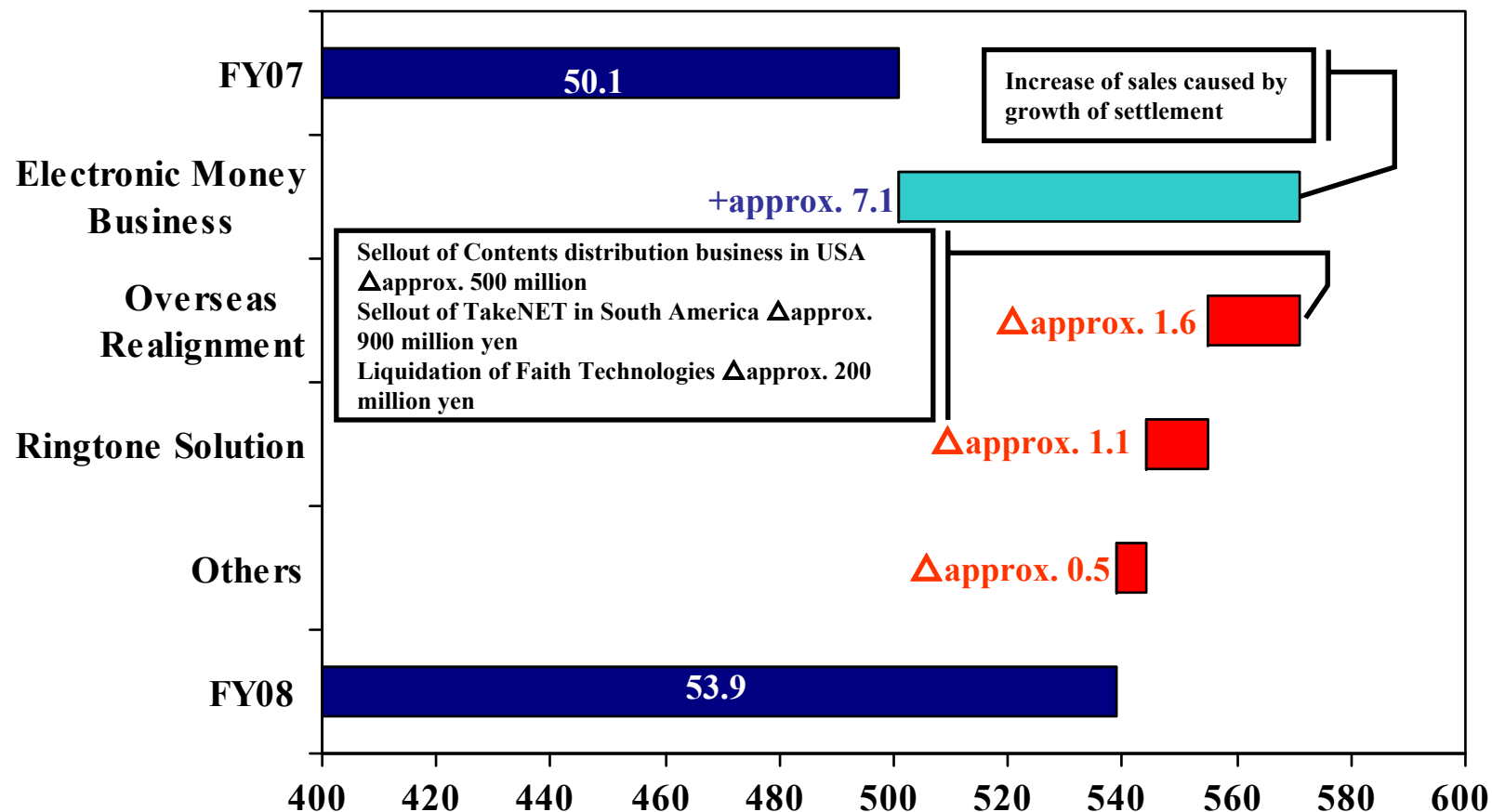
Technology

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

FY08 Consolidated Net Sales (year-on-year basis)



(Unit: billion yen)



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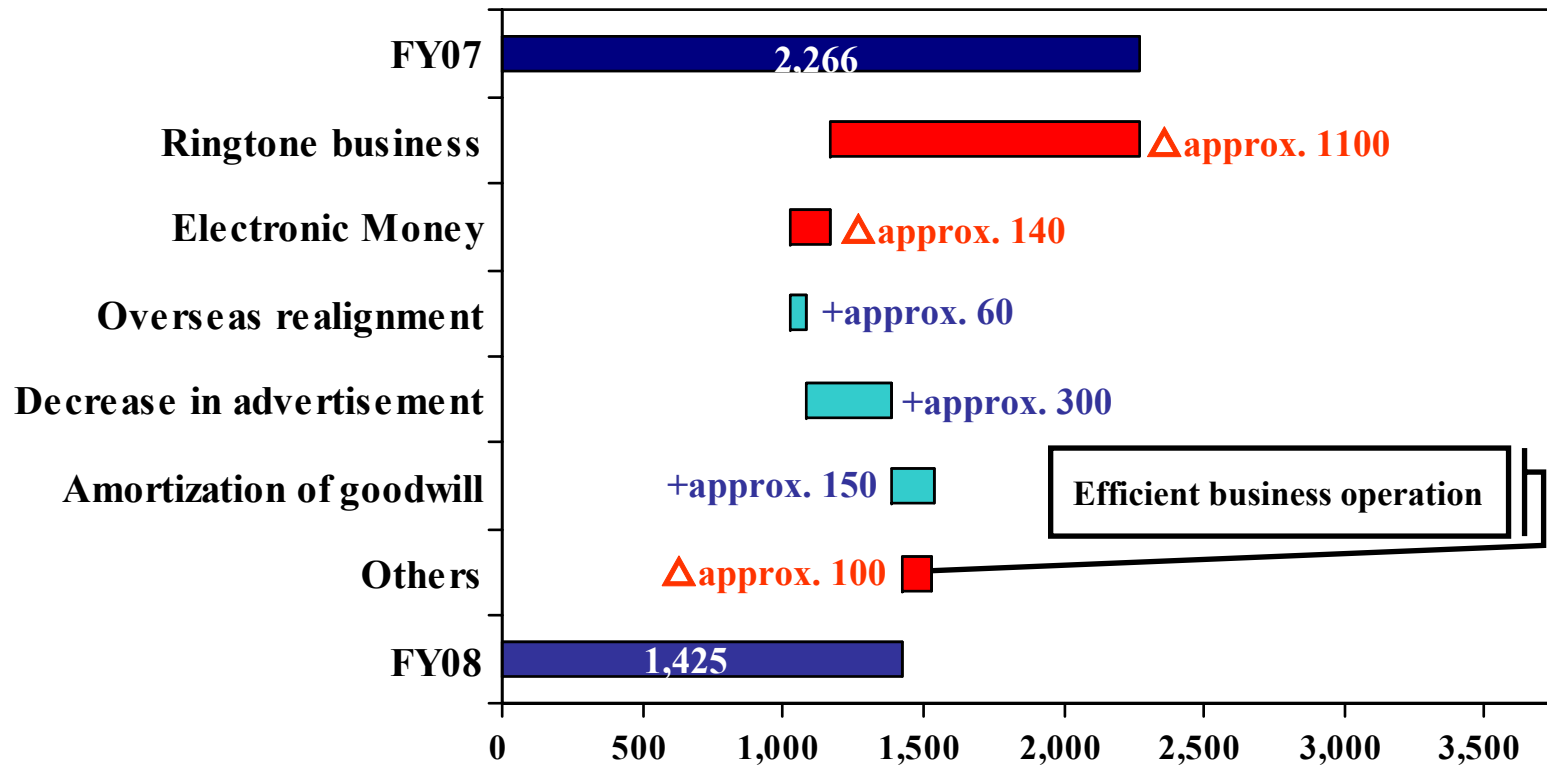


Technology

FY08 Consolidated Operating Profit (year-on-year basis)



(Unit: million yen)



Mobile



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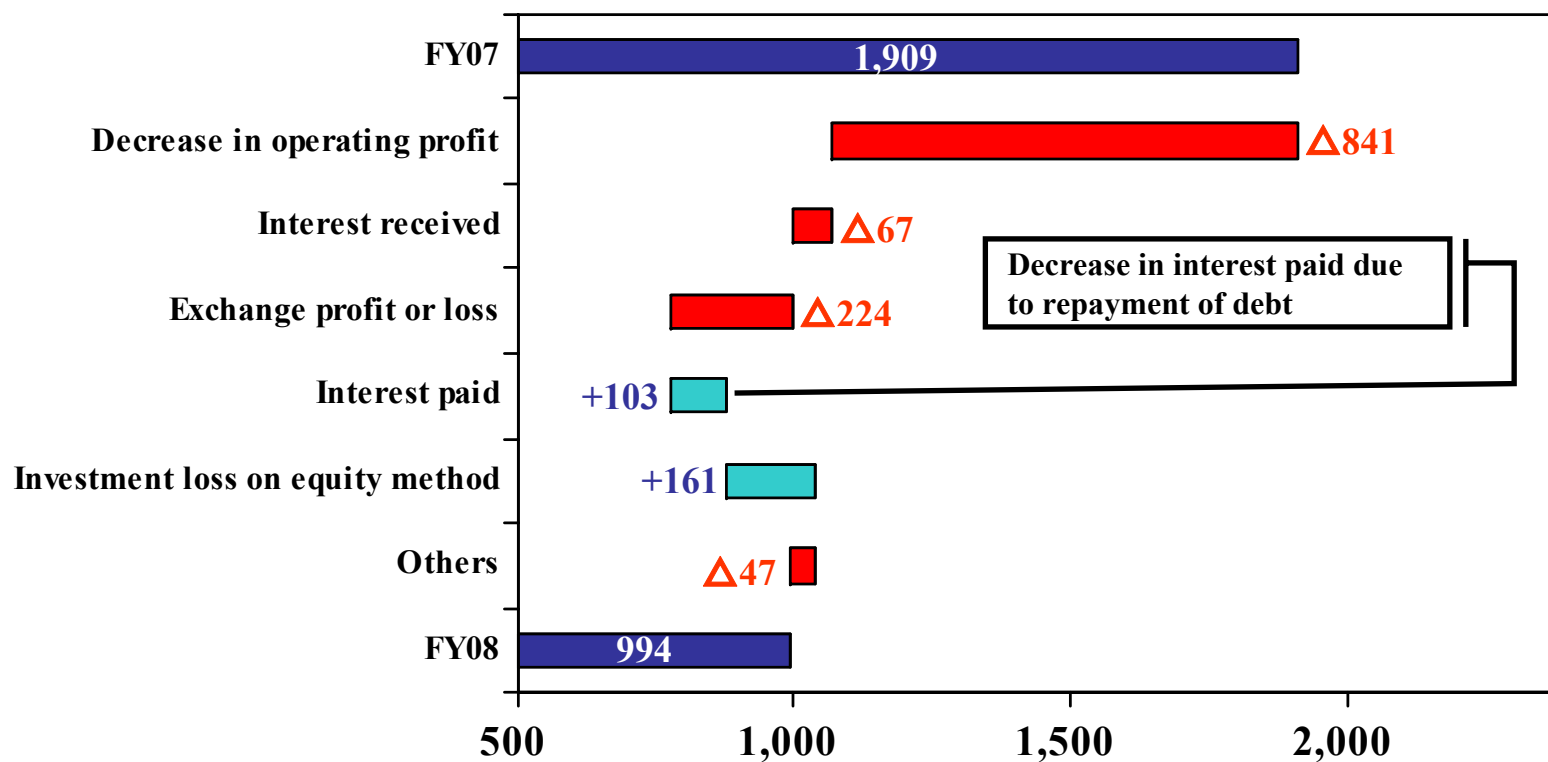


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FY08 Consolidated Recurring Profit (year-on-year basis)



(Unit: million yen)



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Internet



Computer

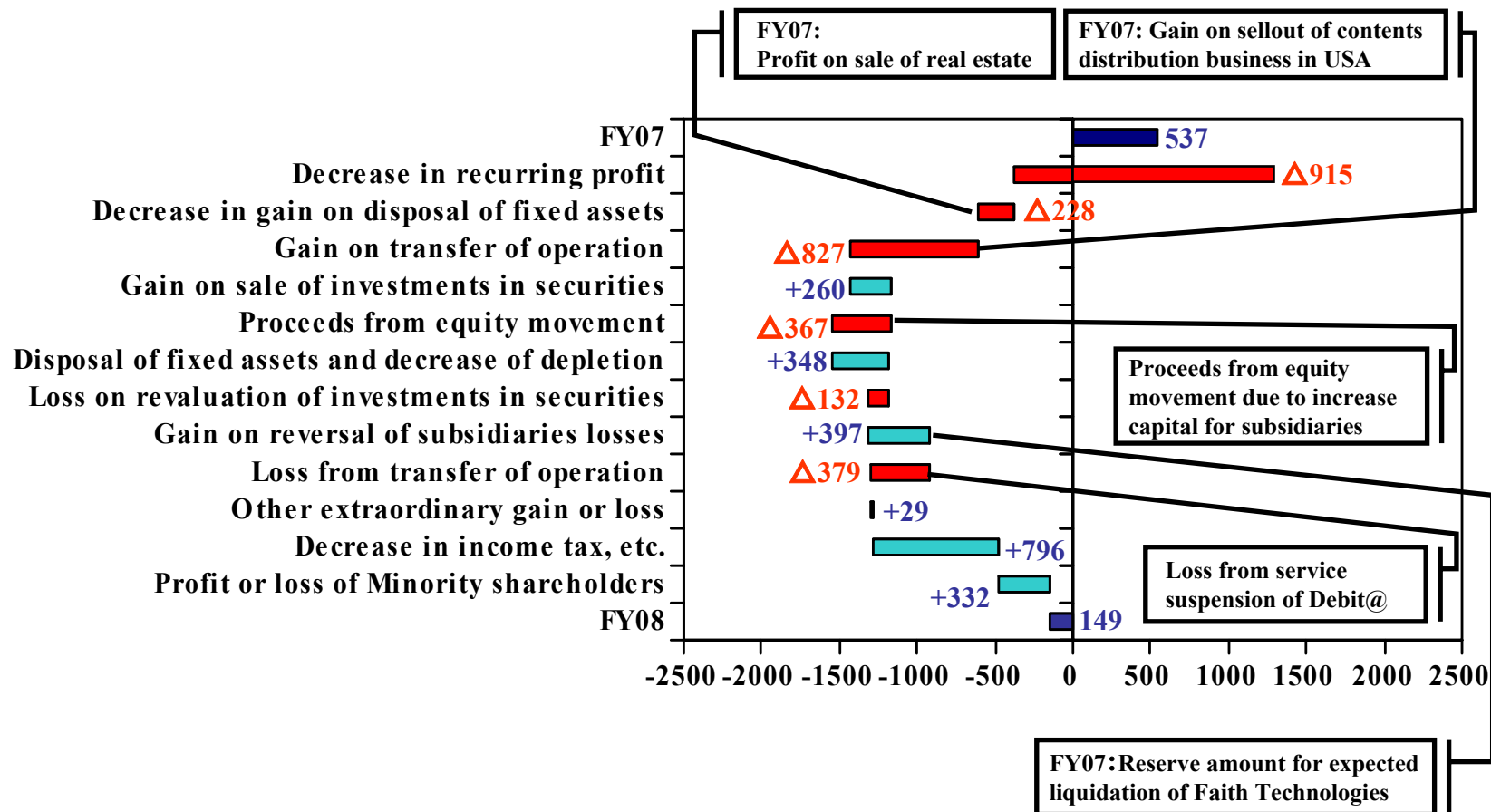


Technology

FY08 Consolidated Net Profit (year-on-year basis)



(Unit: million yen)



mobile



game



internet



computer



technology

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.



Mobile



Game



Internet



Computer



Technology