BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE 1st HALF OF THE FISCAL YEAR ENDING MARCH 2010

November 11, 2009

Faith, Inc. (Stock code 4295, Listed on TSE 1st section)
(URL http://www.faith.co.jp/)
Representative; Hajime Hirasawa, CEO/President
Contact; Koji Saeki, CFO/Director
Tel: +81-75-213-3933
Date of Submission of Securities Report: November 12, 2009
Starting Date of the Dividend Payment: December 10, 2009

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the first half of the year ending March 2010 (From April 1, 2009 to September 30, 2009)

(1) Consolidated financial results

Those figures in "%" show increased/decreased ratio compared with the previous 1st half of fiscal term

	Net Sales		Operating Profit		Recurring Profit		Net Profit	
	Millions of yen	%	*Millions of yen*	%	*Millions of yen*	%	*Millions of yen*	%
First half of the year ending March 2010	26,332	4.1	747	△17.7	690	△6.9	157	△45.1
First half of the year ended March 2009	25,291	—	907	—	741	—	287	—

	Net Profit per Share	Diluted Net Profit per Share
	Yen	*Yen*
First half of the year ending March 2010	137.52	135.26
First half of the year ended March 2009	241.51	—

(2) Consolidated financial position

	Total Assets	Net Assets	Ratio of Equity Capital	Net Assets per Share
Millions of yen	*Millions of yen*	*Millions of yen*	%	*Yen*
First half of the year ending March 2010	30,349	15,658	47.5	12,568.94
First half of the year ended March 2009	30,496	14,499	43.8	11,634.84

Reference: Equity Capital: the 1st half of the fiscal year ending March 2010: 14,429 million yen/ the fiscal year ended March 2009: 13,357 million yen

2. Dividends

	Dividends per share				
(Record dates)	1st Quarter	Interim	3rd Quarter	Year-end	Total (Annual)
	yen	*yen*	*yen*	*yen*	*yen*
Year ended March 2009	—	50.00	—	50.00	100.00
Year ending March 2010	—	50.00			
Year ending March 2010 (Forecast)		50.00	—	50.00	100.00

3. Forecasts for the consolidated business results for the year ending March 2010 (from April 1, 2009 to March 31, 2010)

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*	%	*Millions of yen*	%	*Yen*
Year ending March 2010	54,730	1.4	680	△52.3	510	△48.7	100	—	87.10

Note: Forecasts for the consolidated business results have not modified at the announcement of the financial statements for FY09 1H.

4. Others

(1) Changes in the significant subsidiaries (Accompanying changes in scope of the consolidation):
Exclusion: 1 subsidiary (Desperado, Inc.)
For details, please see page.5 "Qualitative information and financial statements" 4. Others (1).

(2) Adoption of simplified accounting practices or specific procedures in preparation of the quarterly consolidated financial reports: Applicable
* Note: For details, please see page.5 "Qualitative information and financial statements" 4. Others (2).

(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

(4)Outstanding shares (common shares)
(4)-1. Outstanding shares at the end of the fiscal years (including treasury shares):
The 1st half of the fiscal year ending March 2010: 1,196,000 shares, the fiscal year ended March 2009: 1,196,000shares
(4)-2. Treasury shares at the end of the fiscal years:
The 1st half of the fiscal year ending March 2010: 47,950 shares, the fiscal year ended March 2009: 47,950 shares
(4)- 3. Average number of shares at the interim accounting period
The 1st half of the fiscal year ending March 2010: 1,148,050 shares, the fiscal year ended March 2009: 1,190,420 shares

<u>Statement regarding the proper use of financial forecasts and other special remarks</u>
These forecasts are based on the Company's current assumptions and beliefs in light of the information currently available to it, and involve known and unknown risks and uncertainties. The Company's actual results may differ materially from those discussed in these forecasts as a result of numerous factors outside of the Company's control.

[Qualitative information and financial statements]

1. Qualitative information regarding consolidated operating results

During the first half of consolidated fiscal 2009, the six months ended September 30, 2009, broadband became further widespread, and the mobile phone market saw popularity in high-speed data communication and the flat-rate packet system. Against this backdrop, the advancing environment is enabling various terminals connected together under a common network, and that allows users to have easier access to information and contents they want wherever they are. The connectable terminals include not only PCs and mobile phones, but also TVs, game consoles and a certain range of home appliances. Hardware also continues developing. Examples are the commercialization of home 3D TVs, connection of mobile phones and home appliances, and development of new lines of terminals. In the content market where further growth is expected, new kind of content is produced one after another by utilizing various functions and information. The content market is expanding to cover even wider areas where no content to provide in digital form existed before. The market has reached the phase that it can provide content from any genres. In this way, the overall environment including network, software and hardware has been improving to allow users to access and enjoy content more easily.

Under the circumstances, Faith Group has been promoting a creation of ubiquitous content environment that are converged at its service concept, "multi-content on multi-platform" that enables users to enjoy any content whenever and wherever they are. This effort is made based on the recognition that the user needs are not only in the expansion of existing services such as provision of content and development of multi-terminal compatibilities, but also in improved convenience with utterly new inventions. It will be realized partly by providing services that optimally matches users' preference and environment, and free from restrictions of terminal specifications. The Group has actively been taking measures such as developing new services and solutions based on its unique ideas, and collaborating with various companies in even wider industries. In so doing, the Group has been developing new business models and providing content that users truly need.

The digital content market is expected to expand continuously and "Digital Content White Paper 2009", issued by Digital Content Association of Japan, forecasts that the market size will reach ¥6.5 trillion in 2009 (¥5.8 trillion in 2008).

Under the market environment mentioned above, consolidated net sales for the first half of fiscal 2009 increased 4.1% year on year to ¥26,332 million led by the continuous high growth in the electronic money business. Operating profit was ¥747 million, down 17.7% year on year, recurring profit was ¥690 million, down 6.9% year on year, and net profit of ¥157 million, 45.1% year on year decrease due to the decline in sales of the ringtone business.

Information on each business segment is as follows:

<Contents Business>

Faith Group strove to establish new business schemes and to expand and strengthen its operating base through activities such as building partnership with other leading companies during the period under review.

The Group tied up with "Short Shorts Film Festival & Asia" authorized by the Academy Awards and founded "Music Short Creative Award" to launch a related business. This new award invites entries of video works which are created with music from prominent labels in Japan, and the excellent works will be shown at theaters and distributed to mobile phone and PC through network. By this award, the group established the unique model of one-stop service and presented a new business evolution both to record labels and to film industry. The Group also strove to increase users and improve user environment which enables them to enjoy video distribution services on a wide range of terminal devices including mobile phone, PC and digital appliances.

The Group launched a development and distribution business of applications for iPhone and iPod touch under the brand name of "COOK", targeted at companies dealing with music and books. These applications enable them to handle products and promotions regardless of the existing distribution system and inventory control and to deliver the contents world-wide. The Group expands this application development service for various industries including publishing and music industries.

The Group tied up with WILLCOM, Inc. and developed a home information device equipped with XGP, the high-speed data transmission. Utilizing this device, the Group launched regional revitalization program by delivering various useful information and entertaining contents including contingency plan, regional or medical information and entertainment contents to each home. The Group proceeds with the construction of a new content distribution platform.

In the medical and health information service business, the Company continued collaboration with Apius Co., Ltd., WILLCOM, Inc. along with docokaru.net which is an information digitalization project in a health, medical and welfare fields run by a NPO called Sustainable Community Center Japan (SCCJ). With this joint effort, the Group strove to provide improved "Pocket Karte" service, an electronic medical recording system with which users can retrieve their record on their mobile phones, by adding 160,000 medical institutions such as hospitals, clinics and dentists on its search list. (The number of the users exceeded 10,000 in the last fiscal year.)

As a result, net sales in the content business totaled ¥5,004 million, down 24.1% year on year, and operating profit decreased 47.1% year on year to ¥387 million. These figures resulted from a decline in sales of the ringtone business and other factors.

<Electronic Money Business>
According to the Information and Communications Statistics Database issued by Japanese Ministry of Internal Affairs and Communications, the number of broadband subscribers in Japan reached more than 30.33 million at the end of March 2009. Demand for electronic money continued to increase in the field of online game, the main sector in which electronic money used, as well as music and video distribution. Under the developing market, the settlement amount of WebMoney, which provides easy, secure and convenient solutions, saw a firm increase.

Aiming for the 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. At the same time, the Group made efforts to gain new partner vendors centered on the mobile content services. Furthermore, two of the programs, "WebMoney Wallet" that enables users to make settlement only by ID and password and "WebMoney Wallet Plus” that provides reward points, succeeded in increasing the member registration by enhancing services with the vendors such as upgrading exclusive gift items that were exchangeable with the reward points.

The Group launched some interpersonal transaction services of WebMoney, in which growing demand is expected. "Petit-Kampa" enables individual users to donate in WebMoney to creators or social action works, and "Soku-Furi" provides function for interpersonal WebMoney transaction by embedding a settlement cashier on individual websites or blogs. The Group also launched "ONLINE GAME messe", an information sharing site that distribute online game information and share the feedback among the users.
In addition to the efforts mentioned above, the Group expanded base of users by the launch of an advertisement distribution widget, "manna", which provides points changeable to WebMoney depending on the viewing time.

As a result, net sales in the Electronic Money Business increased 15.0% year on year to ¥20,701 million. Operating profit increased by 122.8% year on year to ¥334 million due to an increase in the settlement amount and other factors.

<Other Businesses>
Factors such as revenues from the point-card system business led sales in other businesses to ¥617 million, a decrease by 11.8% year on year. Operating profit was ¥39 million, up 16.2% year on year.

2. Qualitative information regarding consolidated financial positions

(1) Assets, Liabilities and Net Assets
Total assets as of the end of the 1st half of fiscal year 2009 decreased by ¥147 million from the end of the previous consolidated fiscal year to ¥30,349 million. This result is mainly due to the decrease in commercial products caused by revaluation and amortization of goodwill caused by write-off, despite the gain on revaluation of investments in securities.

Total liabilities decreased by ¥1,305 million against the end of the previous consolidated fiscal year to ¥14,691 million yen, caused by the repayment of debt.
Net assets increased by ¥1,158 million against the end of the preceding consolidated fiscal year to ¥15,658 million and equity capital ratio advanced by 3.7 percent point to 47.5%. These records are due to the increase in foreign currency translation adjustment and in valuation difference on available-for-sale securities driven by revaluation of investments in securities.

(2) Cash Flow
Cash and cash equivalents at the end of this 1st half ended September 30, 2009 increased by ¥2,262 million from the end of the previous consolidated fiscal year to ¥12,911.
Cash flows from operating activities amounted to an inflow of ¥2,980 million down 54.4%. This is due mainly to the posting of ¥709 million of net income before taxes and other adjustments, ¥1,122 of amortization of goodwill and ¥2,136 of depreciation of trade receivable, despite the posting of ¥699 million of decrease in accounts payable.
Cash flows from investing activities amounted to an inflow of ¥331 million (an outflow of ¥343 million in the 1st half ended September 30, 2008), due mainly to the posting of ¥2,950 million of income from refund of long-term loans and ¥155 million of income from sale of shares of affiliated company, despite the expenditure in the amount of ¥2,800 million for payments into time deposits.
Cash flows from financing activities amounted to an outflow of ¥1,070 million (an outflow of ¥1,559 million in the 1st half ended September 30, 2008), mainly because of the expenditure in the amount of ¥56 million for dividend payment and ¥1,030 million of repayment of long-term loans.

3. Qualitative information regarding forecast of consolidated financial results

Operating results for the 1st half of fiscal year 2009 have advanced as planned compared with forecasts released on May 13, 2009 in the BRIEF STATEMENT OF ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 2009 AND FORECASTS FOR THE YEAR ENDING MARCH 2010, due to the increase in settlement amount of WebMoney driven by continuous expansion of online game market and the slowing in downward trend of ringtone subscribers. However, the economic trend and stock market leave unpredictable and uncertain elements. Because of the concern on the effect on consumption trend on contents market, the Company has not revised consolidated financial forecasts the year ending March 31, 2010.

4. Others

(1) Changes in major subsidiaries during the 1st half of fiscal year 2009 (Changes in specific subsidiaries causing change in the scope of consolidation):
Changes in specific subsidiaries are as follows:
Exclusion: Desperado, Inc.
Changes in subsidiary other than specific subsidiaries are as follows:
Exclusion: Faith.biz, Inc.

(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, 2010.
(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 half of the financial period and before tax deduction.

5. Consolidated Financial Statement for the 1st half

(1) Consolidated Balance Sheet for the 1st half

(Unit: thousands of yen)

	The 1st Half of FY2009 (As of September 30, 2009) Amount	FY 2008 (As of March 31, 2009) Amount
(Assets)		
Current assets		
Cash and deposits	15,621,246	13,508,778
Accounts and notes receivable	4,832,916	6,963,239
Marketable securities	239,966	240,453
Commercial products	121,073	317,125
Products in progress	41,037	41,615
Primary materials and inventory goods	14,932	12,972
Accrued refund income tax	264,304	90,883
Deferred tax assets	447,326	450,388
Others	387,677	657,192
Allowance for doubtful accounts	△99,070	△259,093
Total current assets	21,871,410	22,023,556
Fixed assets		
Tangible fixed assets	408,289	437,136
Intangible fixed assets		
Goodwill	3,969,064	5,096,085
Others	607,164	588,927
Total intangible fixed assets	4,576,229	5,685,013
Investment and other assets		
Investment securities	2,901,125	1,707,499
Others	684,647	715,724
Allowance for doubtful receivable	△100,380	△84,370
Total investments and other assets	3,485,392	2,338,854
Total fixed assets	8,469,910	8,461,004
Differed assets	7,991	11,857
Total assets	30,349,312	30,496,418
(Liabilities)		
Current liabilities		
Trade notes and Accounts payable	5,580,766	6,222,787
Short-term loans	2,019,920	2,029,928
Income taxes payable	440,592	12,833
Allowance for utilized costs	3,450,606	3,316,085
Allowance for points	305,423	361,657
Allowance for bonus payments	93,452	95,514
Others	848,354	1,393,875
Total current liabilities	12,739,115	13,432,682
Fixed liabilities		
Long-term liabilities	1,033,600	2,054,382
Deferred tax liabilities	801,624	274,161
Allowance for retirement benefits	74,002	73,071
Others	42,945	162,276
Total fixed liabilities	1,952,173	2,563,891
Total liabilities	14,691,289	15,996,574

(Unit: thousands of yen)

	The 1st Half of FY2009 (As of September 30, 2009) Amount	FY 2008 (As of March 31, 2009) Amount
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earning	7,454,623	7,345,697
Treasury stock	△651,377	△651,377
Total shareholder's equity	13,729,601	13,620,674
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	1,192,821	469,900
Foreign currency translation adjustments	△492,646	△733,196
Total valuation and translation adjustments	700,174	△263,295
Minority interests	1,228,246	1,142,464
Total net assets	15,658,023	14,499,844
Total liability and net assets	30,349,312	30,496,418

(2) Consolidated Profit and Loss Statement for the 1st half of the fiscal year
(April 1, 2009 through September 30, 2009)

(Thousands of yen)

	the 1st Half of FY2008 (As of September 30, 2008)	the 1st Half of FY2009 (As of September 30, 2009)
Net sales	25,291,152	26,322,745
Cost of Sales	19,539,410	21,159,520
Gross profit	5,751,742	5,163,225
Selling, general and administrative expenses	4,843,855	4,415,850
Operating profit	907,887	747,374
Non-operating profit		
Interest income	30,928	21,740
Dividend income	15,930	15,778
Interest securities	5,249	5,064
Miscellaneous receipts	17,866	17,849
Total non-operating profit	69,974	60,342
Non-operating expenses		
Interest expense	43,746	25,518
Investment profit on equity method	138,549	54,069
Exchange loss	23,627	28,516
Miscellaneous expense	30,420	9,538
Total non-operating expenses	236,343	117,644
Recurring profit	741,519	690,163
Extraordinary profit		
Gain on disposal of investment securities	141,606	5,192
Gain on sale of shares of affiliated company	-	108,271
Reversal of allowance for doubtful accounts	-	36,000
Gain on transfer of operation	-	5,000
Reversal of loss from disposal of business	95,968	-
Others	53,987	2,789
Total extraordinary profit	291,563	157,254
Extraordinary loss		
Loss from investment securities valuation	160,973	18,417
Amortization of goodwill	294,976	-
Loss from disposal of operation	286,989	84,724
Loss from transfer of operation	-	3,395
Others	17,109	31,562
Total extraordinary loss	760,048	138,099
Quarterly net profit before income taxes	273,034	709,317
Corporate, local, and business taxes	104,879	487,701
Income or Loss on minority shareholders	△119,345	63,742
Quarterly net profit	287,500	157,874

(3) Consolidated Statements of Cash Flows for the 1st half of the fiscal year

(April 1, 2009 through September 30, 2009)

(Thousands of yen)

	the 1st Half of FY2008 (April 1, 2008 through September 30, 2008)	the 1st Half of FY2009 (April 1, 2009 through September 30, 2009)
Cash flow from operating activities		
Quarterly net profit before income taxes	273,034	709,317
Depreciation and amortization	254,670	174,438
Amortization of goodwill	1,463,295	1,122,127
Increase (decrease) in allowance for doubtful accounts	△84,390	△144,163
Increase (decrease) in reserve for bonus	10,622	△2,062
Increase (decrease) in allowance for utilized cost	△55,557	134,520
Increase (decrease) in allowance for points	△40,417	△56,234
Increase in allowance for retirement benefits	5,454	931
Decrease in reserve for loss from disposal of subsidiary	△300,561	-
Interest and dividends income	△46,859	△37,518
Interest on securities	△5,249	△5,064
Interest expenses	43,746	25,518
Foreign exchange loss	3,475	22,025
Gain on sale of investment securities	△141,606	△113,464
Valuation Loss on investment securities	160,973	18,417
Loss from investment in equity method	138,549	54,069
Loss from equity movement	-	12,632
Loss from disposal of fixed assets	-	△2,706
Gain on disposal of business	286,989	84,724
Decrease in accounts and notes receivable-trade	552,843	2,136,313
Decrease (increase) in inventories	△14,798	119,325
Decrease in accounts and notes payable-trade	△488,420	△699,665
Increase in consumption taxes receivable	△115,083	18,678
Others	△36,511	△434,880
Sub-total	1,864,198	3,137,283
Interest and dividends received	113,733	40,937
Interest expenses paid	△43,763	△25,562
Income taxes refunded	118,751	97,315
Income taxes paid	△122,281	△269,071
Cash flow from operating activities	1,930,637	2,980,901

		(Thousands of yen)
	the 1st Half of FY2008 (April 1, 2008 through September 30, 2008)	the 1st Half of FY2009 (April 1, 2009 through September 30, 2009)
Cash flow from investing activities		
Expenditure for deposit of time deposits	△3,280,000	△2,800,000
Proceeds from withdrawal of time deposits	3,700,000	2,950,096
Expenditures for acquisition of tangible fixed assets	△148,288	△51,695
Income from disposal of tangible fixed assets	-	3,875
Expenditure for acquisition of software	△435,949	△115,740
Expenditure for acquisition of investment securities	△105,000	△7,685
Income from disposal of investment securities	157,159	128,191
Income from sale of shares of affiliated company	-	155,662
Expenditure for loans receivable	△261,649	-
Income from loans collection	34,983	50,332
Others	△5,179	18,067
Net cash flow used in investing activities	△343,924	331,104
Cash flow from financing activities		
Net decrease in short-term loans	△500,000	-
Proceeds from long-term loans	25,000	-
Expenditure for repayment of long-term loans	△1,039,960	△1,039,790
Proceeds from payment from minorities	69,452	46,323
Payment of dividends	△59,368	△56,880
Expenditure for dividends to minorities	△30,238	△28,695
Others	△24,700	-
Net cash flow used in financing activities	△1,559,814	△1,070,042
Effect of exchange rate on cash and cash equivalents	△73,511	20,113
Net increase or decrease in cash and cash equivalents	△46,612	2,262,076
Decrease in cash and cash equivalents result from excluded subsidiaries from consolidation	△67,634	-
Cash and cash equivalents at beginning of year	10,614,234	10,649,135
Cash and cash equivalents at end of year	10,499,986	12,911,212

(4) Explanatory note regarding premise of a going concern

Not applicable

(5) Segment Information

[Business segment information]

1st half of the fiscal year 2008 (April 1, 2008 through September 30, 2008)

(Unit: thousands of yen)

	Content services	Electronic Money	Other businesses	Total	Eliminations/ Corporate	Consolidated
Net sales (1) Sales to outside customers	6,592,950	17,998,139	700,063	25,291,152	–	25,191,152
(2) Intersegment sales and transfers	100,251	2,942	–	103,193	△103,193	–
Total	6,693,201	18,001,081	700,063	25,394,346	△103,193	25,291,152
Operating profit	732,297	150,109	33,723	916,131	△8,243	907,887

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

2. Details of business segments

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

1st half of the fiscal year 2009 (April 1, 2009 through September 30, 2009)

(Unit: thousands of yen)

	Content services	Electronic Money	Other businesses	Total	Eliminations/ Corporate	Consolidated
Net sales (1) Sales to outside customers	5,004,069	20,701,545	617,129	26,322,745	–	26,322,745
(2) Intersegment sales and transfers	186,262	1,600	–	187,862	△187,862	–
Total	5,190,332	20,703,145	617,129	26,510,607	△187,862	26,322,745
Operating profit	387,436	334,446	39,202	761,085	△13,710	747,374

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

2. Details of business segments

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

[Geographical segment information]

The 1st half of the previous fiscal year ended March 2009 (April 1, 2008 through September 30, 2008) and the 1st half of this fiscal year ending March 2010 (April 1, 2009 through September 30, 2009)

Geographical segment information is omitted since net sales in Japan dominated more than 90% of total sales.

[Overseas sales]

The 1st half of the previous fiscal year ended March 2009 (April 1, 2008 through September 30, 2008) and the 1st half of this fiscal year ending March 2010 (April 1, 2009 through September 30, 2009)

Sales result of overseas is omitted from segmental information since consolidated net sales of overseas are less than 10% of total sales.

(6) Note for significant changes in amount of shareholders' equity

Not applicable