

**BRIEF STATEMENT OF ANNUAL FINANCIAL RESULTS FOR THE YEAR ENDED
MARCH 2010 AND FORECASTS FOR THE YEAR ENDING MARCH 2011**

May 12, 2010

Faith, Inc. (Stock code 4295, Listed on TSE 1st section)

(URL <http://www.faith.co.jp/>)

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Date of General Meeting of Shareholders: June 29, 2010

Date of Submission of Annual Security Report: June 29, 2010

Starting Date of the Dividend Payment: June 30, 2010

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the fiscal year (From April 1, 2009 to March 31, 2010)

(1) Consolidated financial results

Those figures in “%” show increased/decreased ratio compared with the previous fiscal term

Years Ended	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>	%
March 2010	56,634	5.0	735	△48.4	627	△36.9	△1,755	—
March 2009	53,957	7.5	1,425	△37.1	994	△47.9	△149	—

Years ended	Net Profit per Share	Diluted Net Profit per Share	Return on Equity Capital	Recurring Profit on Total Assets	Operating Profit on Net Sales
	<i>Yen</i>	<i>Yen</i>	%	%	%
March 2010	△1,529.05	—	△13.9	2.1	1.3
March 2009	△127.19	—	△1.1	3.0	2.6

Reference: Equity in earnings of associated companies: the fiscal year ended March 2010: △84 million yen/ the fiscal year ended March 2009: △349 million yen

(2) Consolidated financial position

Years Ended	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>
March 2010	29,963	12,985	39.6	10,327.22
March 2009	30,496	14,499	43.8	11,634.84

Reference: Equity Capital: the fiscal year ended March 2010: 11,856 million yen/ the fiscal year ended March 2009: 13,357 million yen.

(3) Cash flow results

Years ended	Cash Flow from Operating Activities	Cash Flow from Investing Activities	Cash Flow from Financing Activities	Cash and Cash Equivalents, End of the year
	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>	<i>Millions of yen</i>
March 2010	4,436	△6,311	△406	8,340
March 2009	4,500	△766	△3,351	10,649

2. Dividends

(Record dates)	Dividends per share					Total Dividend Payment (Annual)	Payout Ratio (Consolidated)	Dividend on Net Assets (Consolidated)
	1 st Quarter	Interim	3 rd Quarter	Year-end	Total (Annual)			
Years ended	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>Millions of yen</i>	%	%
March 2009	—	50.00	—	50.00	100.00	119	-	0.8
March 2010	—	50.00	—	50.00	100.00	114	-	0.9
Year ending March 2011 (Forecast)	—	50.00	—	50.00	100.00		114.8	

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
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Yen</i>
Interim results	29,500	12.1	400	△46.5	350	△49.3	60	△62.0	52.26
Year ending March 2011	65,000	1.2	1,000	36.0	850	35.4	100	—	87.10

4. Others

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

Exclusion: 3 subsidiary (Desperado, Inc. and 2 other companies)

For details, please see page.6 “2. Overview of Faith Group”.

- (2) 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”)

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

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

- (3)Outstanding shares (common shares)

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

The fiscal year ended March 2010: 1,196,000 shares, the fiscal year ended March 2009: 1,196,000shares

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

The fiscal year ended March 2010: 47,950 shares, the fiscal year ended March 2009: 47,950 shares

*Note for utilizing business forecasts, and other special instruction

This document contains 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.

1. Operating Results

(1) Analysis on Operating Results

During the consolidated fiscal year ended March 31, 2010, various terminals including not only PCs and mobile phones, but also TVs, game consoles and a certain range of home appliances, connected together under a common network, and that allows users to have easier access to information and contents they want wherever they are. Hardware also continues developing, and new OS-based mobile phones and new terminals for reading digital books are commercialized. In the content market where further growth is expected, new kind of content is produced one after another by utilizing various functions of new terminals. The market has reached the phase that the users can chose content from any genres. Meanwhile, new social media such as Twitter and Ustream have been generalized and the proactive transmission of information from individual users is expected to expand continuously.

These technological advances brought about a dramatic change in digital environment including distribution tools, content, and demands of users due to more diversified and more complicated ways of linking digital networks with softwares, hardwares, and other communication tools. Because of the changing environment, borders of business models in the related industries are becoming flexible.

Against this backdrop, Faith Group is promoting "multi-content on multi-platform" strategy that enables users to enjoy any content whenever and wherever they are. As a provider of comprehensive service from construction of distribution systems, operation of services for end-users to planning and production of digital content, the Group recognizes the importance of creating a new framework of content distribution. Furthermore, the Group is promoting development of service solutions based on our unique perspectives and provision of content truly sought after by users by developing new business models in cooperation with many partners from a wide range of industries.

As a result, consolidated net sales for the fiscal year under review increased by 5.0% year on year to ¥56,634 million led by the continuous high growth in the Electronic Money Business. Operating profit was ¥735 million, down 48.4% year on year, and recurring profit was ¥627 million, down 36.9% year on year, mainly due to the development of new services, overseas business realignment and other factors. The Group recorded net loss of ¥1,755 million compared to the net loss of ¥149 million in the previous fiscal year because of the loss due to impairment loss on goodwill, expenditure for office relocation and posting of extraordinary loss related to the reversal of foreign currency translation adjustment account caused by the exclusion of foreign subsidiaries from consolidation.

Information on each business segment is as follows:

<Contents Business>

Faith Group strove to establish new business schemes for content distribution across various sectors such as video, music or medical and health information, and to expand and strengthen its operating base 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.

Tying up with Tokyo Broadcasting System Television, Inc., the company launched a music program named "MusicBirth+". This blend of mass media and our content business aims at discovering and producing talented artists. This program achieves full fusion of TVs, Internet and mobile phones, to provide one-stop solution for discovering artists, promotion and distribution of their music.

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 launched a film production of a bestselling book "Kokuhaku," written by Kanae Minato, with a consortium including Toho Co.,Ltd. and major entertainment companies to be released in June 2010. This film is the latest work produced by Tetsuya Nakajima, the director, and Yuji Ishida, the producer and the vice president of Faith Wonderworks, Inc., the same pair who had produced a big hit "Paco and the Magical Book" in 2008.

The joint proposal developed with National Hospital Organization Kyoto Medical Center and other companies, has been adopted for "ICT International Competitiveness Enhancement Program ("Ubiquitous special zones" business)" of the Ministry of Internal Affairs and Communications. This proposal is regarding an achievement of the value-added service to the local residents by constructing the digital receipt platform for medical institutions and its interactive service with the healthcare account book. The management of the healthcare expense and the paperwork for the medical expense deduction will be simplified by the integration of two services, "Pocket Karte" and "Healthcare account book". "Pocket Karte", which enables users to maintain and browse their individual health and medical records on mobile phones, is utilized as a storing platform for digital receipts issued at medical institutions. The stored data are integrated into "Healthcare account book", which is capable of storing data of receipts issued at drugstores. The company and affiliated companies are conducting demonstration experiment mainly at the Kyoto Medical Center in cooperation with Kyoto Prefecture, which is appointed as "the ubiquitous zones".

In addition, the Group has built a strategic partnership with Columbia Music Entertainment, Inc. by acquiring its stock and becoming the largest shareholder of the company aiming to create a new framework of music content distribution.

As a result, net sales in the Contents Business totaled ¥9,269 million, down 29.3% year on year due to the decrease in sales mainly caused by the existing ringtone business. Operating profit fell by 98.9% year on year to ¥11 million.

<Electronic Money Business>

According to the press information regarding broadband subscriptions issued by Ministry of Internal Affairs and Communications at the end of March 2010, broadband subscriptions in Japan have reached over 31 million by the end of December 2009. Demand for digital contents continued to increase in the field of online game, music and video distribution and SNS, the main sectors in which electronic money used. At the same time, the electronic money and its settlement market is in a continuing growth. Under the developing market, the Group focused on expanding the users of WebMoney, which provides easy, secure and convenient solutions.

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.

In addition to the existing services, the Group launched an advertisement distribution widget, "manna", which provides points changeable to WebMoney depending on the viewing time.

In December 2009, the Group held ONLINE GAME messe. 2009, one of the largest live events of online games in Japan in order to increase online game users. Supported by the Japan Online Game Association and other companies, the event held at Akihabara in Tokyo, which is a popular shopping area for electronic and computer. At the site, visitors enjoyed stage events with characters from online games, and game character-featured merchandise were sold.

As a result, net sales in the Electronic Money Business increased 17.1% year on year to ¥46,237. Operating profit increased by 74.7% year on year to ¥679 million due to the development and operation of new services and enforcement of management structure.

<Other Businesses>

Revenues from the point-card system business and other businesses led sales in other businesses to ¥1,128

million, a decrease by 18.2% year on year. Operating profit was ¥57 million, down 4.6% year on year.

At the non-consolidated base, the Company posted ¥348 million of loss on revaluation of shares in affiliate as a result of impairment changes based on financial statements of Bellrock Media, Inc. However, this posting does not effect to the consolidated profit and loss since Bellrock Media, Inc. is the equity method affiliate.

Projections for the full-year business performance are summarized below.

	FY2009 (Result) (a)	FY2010 (Forecast) (b)	Change (b)-(a)
Net sales	56,634	65,000	8,366
Operating profit	735	1,000	265
Recurring profit	627	850	223
Net profit (Net loss)	(1,755)	100	1,855

(millions of yen)

Ringtone business is one of the original businesses of the Group, but in recent years, ringtone market in Japan has been contracting. However, the domestic content market for PC and mobile phone is showing a firm growth. At the same time, content viewing environment is improving. Nowadays, users are able to view various contents at many different terminals thanks to advanced network connections between mobile phone, PC, TV, and other digital home appliances. It is expected that in the near future, conventional business models will not be able to keep up with the demands of the age sufficiently due to the diversification of content distribution methods and demands of users accelerated by rapidly developing new social media.

To respond to the ever diversifying market environment, the Group is striving to create a new framework of content distribution by incorporating various perspectives such as content rights protection, charging and settlement, handling of membership and other personal information, multi-device data usage including mobile phone, PC, TV, and other appliances, and user-friendly interface. At the same time, the Group will continue engaging in music and visual content planning and production so that the Group can provide its own content with high quality into the market in a timely manner. By operating a comprehensive business from production to distribution of content, the Group substantiates a new content distribution business models promptly, and to provide platforms to its partner companies.

In terms of the entertainment content business, the Group will expand and promote distribution of new contents by mainly three initiatives. First, development of new visual content by tying up with "Short Short Film Festival & Asia". Second, provision of new music content through "MusicBirth+", a complete fusion of music programmes with TV, mobile phone, and PC. Third, establishment of a strategic partnership with Columbia Music Entertainment. At the same time, in the medical field, the Group will develop and provide content services such as personal medical and health recording system in electronic form and other health related information distribution. As the medical content is regarded as another type of information which should be accessible easily from any terminals wherever the users are, the Group will strive to provide medical content services with increased convenience. The electronic money is another key area which has been expanding as a means of settlement for online purchase via PC and mobile phone. The Group will continue to promote the electronic money business proactively, to provide a settlement measure for future content distribution platforms.

The Group will promote further streamlining and cost reduction by unifying its operating bases. At the same time, by leveraging its customer base which boasts some millions of fee paying members, the Group promotes "multi-content on multi-platform" strategy and creation of new distribution framework of music and visual content, development of e-commerce, and provision of services to many different terminals. The Group strives to formulate and promote business strategies from the medium- to long-term perspective focusing on a new content business era which is surely arriving within a few years.

As a result, the Group's consolidated sales for the next fiscal year are projected to rise 14.8% year on year to ¥65,000 million. Operating profit is projected to increase 36.0 % year on year to ¥1,000 million due to the improvement of operational efficiency and cost reduction by unifying its operating bases. Recurring profit is projected to increase by 35.4 % year on year to ¥850 million. Net profit is projected to increase to ¥100 million compared to the net loss of ¥1,755 million in the previous fiscal year.

(2) Analysis on Financial Positions

[1] Assets, Liabilities and Net Assets

Total assets as of the end of the consolidated fiscal year ended March 31, 2010 decreased by ¥533 million from the end of the previous consolidated fiscal year to ¥29,963 million. This result is mainly due to the decrease in cash and deposit by ¥4,458 million, accounts and notes receivable by ¥660 million and goodwill by ¥3,625 million caused by amortization and impairment despite the increase in buildings and structures by ¥972 million and land by ¥1,500 million mainly caused by acquisition of the company's office and investment securities by ¥5,747 million.

Total liabilities increased by ¥981 million against the end of the previous consolidated fiscal year to ¥16,977 million yen, caused by increase in trade notes and accounts payable.

Net assets decreased by ¥1,514 million against the end of the preceding consolidated fiscal year to ¥12,985 million. These records are due to the decrease in accumulated profit caused by the net loss.

[2] Cash Flow

Cash and cash equivalents at the consolidated fiscal year ended March 31, 2010 decreased by ¥2,308 million down 21.7 % from the end of the previous consolidated fiscal year to ¥8,340 million.

Details of cash flow of this fiscal year ended March 31, 2010 and its factor is as follows:

(Cash flow from operating activities)

Cash flows from operating activities amounted to an inflow of ¥4,436 million down 1.4%. This is due mainly to the posting of ¥3,657 million of impairment and amortization of goodwill and increase in account payable by ¥925 million, despite the posting of ¥895 million of net loss before taxes and other adjustments.

(Cash flow from investing activities)

Cash flows from investing activities amounted to an outflow of ¥6,311 million (an outflow of ¥766 million in the previous fiscal year ended March 31, 2009), due mainly to the posting of ¥2,658 million for the expenditure for acquisition of tangible fixed assets and of ¥7,198 million for acquisition of investment securities, despite ¥1,884 million of income from sale of investment securities.

(Cash flow from financing activities)

Cash flows from financing activities amounted to an outflow of ¥406 million (an outflow of ¥3,351 million in the previous fiscal year ended March 31, 2009), mainly because of the expenditure in the amount of ¥113 million for dividend payment and ¥2,107 million of repayment of long-term loans despite the posting of ¥2,000 million for long-term liabilities.

(3) Basic Policy on Appropriation of Profit and Dividend Payment

The Company continues its policy of giving priority to securing the funds necessary for strengthening its business structure and making aggressive business investments. At the same time, it also recognizes return of profit to shareholders to be an important management issue. For this reason, the Company will consider payment of dividends, taking into account its operating results and financial positions.

Based on its fundamental policy of paying continued stable dividends, the Company plans to pay dividends of ¥100 per share, including interim dividends of ¥50, in the next fiscal year.

2. Overview of Faith Group

Faith Group consists of Faith, Inc. (the Company), 9 subsidiaries and 10 affiliates, and mainly conducts content business and electronic payment business.

The Faith Group's businesses and relationship between the Company and other group companies in business operations are as follows:

(1) Contents Business

In the diversifying content market, the Group is promoting multi-content distribution on multi-platform regardless of network or terminal device aiming at creating a new framework of content distribution for oncoming new market. As a provider of comprehensive service, the Group is promoting one-stop solutions from construction of distribution systems, operation of services for end-users to planning and production of digital content.

The business is provided by Faith, Inc., Faith Wonderworks, Inc., Brave Inc. and 12 other affiliate companies.

(2) Electronic Money Business

Issuance of "WebMoney", electronic money and providing electronic payment platforms for e-commerce mainly of online game, contents distribution service including music or video distribution.

The service is provided by WebMoney Corporation.

(3) Other Business

Point service and other business dealt by GoodyPoint Inc. and two other affiliate companies.

3. Management Policies

(1) Faith Group's basic management policy

The basic policy of Faith Group is to create schemes to distribute digital contents to the users. Faith Group accurately grasps changes in society and people's life styles, and continues to create various kinds of services in harmony with the users' usage environment in easier-to-use methods. The Company and its group companies will strive to develop methods, technologies and know-how to realize the Group's management goals, and aims to be a higher value added company through business tie-up with other companies in addition to supplying services on our own.

(2) The medium-term and long-term business strategy

The Company will continue to generate new markets by creating a variety of services demanded from users. The Company will make efforts to actualize contents distribution services including music and video distribution, online games and e-commerce, charging service, and various types of corporate counseling services, utilizing information devices, based on proposals of its unique business solutions and through business-tie up with prominent companies in many business fields. At the same time, aiming to improve corporate value and shareholders' profit, the Company strengthens the capital base and surges in profit as managerial resources by its "multi-content on multi-platform strategy".

4. Consolidated Financial Statement
(1) Consolidated Balance Sheet

(Unit: thousands of yen)

	FY2008 (As of March 31, 2009)	FY 2009 (As of March 31, 2010)
(Assets)		
Current assets		
Cash and deposits	13,508,778	9,050,487
Accounts and notes receivable	6,963,239	6,303,169
Marketable securities	240,453	740,147
Commercial products	317,125	64,466
Products in progress	41,615	10,465
Primary materials and inventory goods	12,972	12,188
Accrued refund income tax	90,883	-
Deferred tax assets	450,388	300,267
Others	657,192	811,197
Allowance for doubtful accounts	△259,093	△35,725
Total current assets	22,023,556	17,256,664
Fixed assets		
Tangible fixed assets		
Buildings and structures	262,468	1,262,512
Depreciation amount	△86,996	△114,108
Buildings and structures (net base)	175,471	1,148,403
Machinery and delivery equipment	26,305	26,305
Depreciation amount	△17,614	△20,327
Machinery and delivery equipment (net base)	8,690	5,977
Tool, device and equipment	1,265,658	1,108,236
Depreciation amount	△1,012,684	△925,746
Tool, device and equipment (net base)	252,973	182,490
Land	-	1,500,895
Construction in progress	-	78,907
Total tangible fixed assets	437,136	2,916,674
Intangible fixed assets		
Goodwill	5,096,085	1,470,111
Software	537,653	360,777
Others	51,273	29,539
Total intangible fixed assets	5,685,013	1,860,428
Investment and other assets		
Investment securities	1,707,499	7,454,631
Others	715,724	638,063
Allowance for doubtful receivable	△84,370	△167,805
Total investments and other assets	2,338,854	7,924,889
Total fixed assets	8,461,004	12,701,991
Differed assets		
Stock issuance cost	11,857	4,567
Total Differed assets	11,857	4,567
Total assets	30,496,418	29,963,224

(Unit: thousands of yen)

	FY2008 (As of March 31, 2009)	FY 2009 (As of March 31, 2010)
(Liabilities)		
Current liabilities		
Trade notes and Accounts payable	6,222,787	7,184,384
Short-term loans	2,029,928	2,419,904
Income taxes payable	12,833	394,726
Allowance for utilized costs	3,316,085	3,571,039
Allowance for points	361,657	270,478
Allowance for bonus payments	95,514	70,208
Allowance for relocation	-	205,720
Others	1,393,875	991,668
Total current liabilities	13,432,682	15,108,130
Fixed liabilities		
Long-term liabilities	2,054,382	1,556,992
Deferred tax liabilities	274,161	199,716
Allowance for retirement benefits	73,071	83,075
Others	162,276	29,684
Total fixed liabilities	2,563,891	1,869,467
Total liabilities	15,996,574	16,977,598
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earning	7,345,697	5,489,146
Treasury stock	△651,377	△651,377
Total shareholder's equity	13,620,674	11,764,124
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	469,900	292,095
Foreign currency translation adjustments	△733,196	△200,050
Total valuation and translation adjustments	△263,295	92,044
Minority interests	1,142,464	1,129,455
Total net assets	14,499,844	12,985,625
Total liability and net assets	30,496,418	29,963,224

(2) Consolidated Profit and Loss Statement

(Unit: thousands of yen)

	FY2008 (As of March 31, 2009)	FY 2009 (As of March 31, 2010)
Net sales	53,957,164	56,634,908
Cost of Sales	42,921,824	46,667,207
Gross profit	11,035,339	9,967,701
Selling, general and administrative expenses	9,609,763	9,232,618
Operating profit	1,425,576	735,082
Non-operating profit		
Interest income	59,984	33,467
Dividend income	30,978	16,432
Interest securities	14,366	21,626
Anonymous association income	30,556	-
Miscellaneous receipts	26,196	25,055
Total non-operating profit	162,076	96,582
Non-operating expenses		
Interest expense	79,776	48,091
Investment profit on equity method	349,565	84,635
Exchange loss	103,859	30,290
Miscellaneous expense	59,708	41,041
Total non-operating expenses	592,911	204,058
Recurring profit	994,740	627,607
Extraordinary profit		
Gain on disposal of investment securities	996	2,706
Gain on sale of investments securities	260,048	732,246
Gain on sale of shares of affiliated company	-	110,297
Proceeds from equity movement	48,770	-
Reversal of allowance for doubtful accounts	-	42,127
Reversal of loss from disposal of business	95,968	-
Others	6,991	19,899
Total extraordinary profit	412,746	907,277
Extraordinary loss		
Loss from disposal of fixed assets	77,452	154,588
Loss due to impairment	16,081	98,757
Loss from investment securities valuation	267,401	32,990
Amortization of goodwill	294,976	-
Impairment loss on goodwill	-	1,420,271
Loss from disposal of operation	378,564	156,166
Transfer to allowance for expenditure for office relocation	-	205,720
Reversal of foreign currency translation adjustment account due to the exclusion of foreign subsidiaries from consolidation	-	340,524
Others	69,072	21,343
Total extraordinary loss	1,103,549	2,430,362
Quarterly net profit before income taxes	303,937	△895,478
Corporate, local, and business taxes	178,943	377,540
Corporate, local, and business taxes for retroactive year	-	311,056
Income taxes-deferred	333,328	58,740
Total corporate, local, and business taxes	512,272	747,338
Income or Loss on minority shareholders	△58,920	112,612
Quarterly net profit	△149,415	△1,755,428

(3) Consolidated statement of capital surplus and changes in net assets

(Unit: thousands of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Shareholders' equity		
Common stock		
Balance as of March 31, 2009	3,218,000	3,218,000
Changes of items during the accounting period		
Total changes of items during the accounting period	-	-
Balance as of March 31, 2010	3,218,000	3,218,000
Capital surplus		
Balance as of March 31, 2009	3,708,355	3,708,355
Changes of items during the accounting period		
Total changes of items during the accounting period	-	-
Balance as of March 31, 2010	3,708,355	3,708,355
Retained earnings		
Balance as of March 31, 2009	7,694,895	7,345,697
Changes of items during the accounting period		
Cash dividend paid	△119,042	△114,805
Net gain or loss	△149,415	△1,755,428
Changes in consolidated amount	△80,740	13,688
Total changes of items during the accounting period	△349,197	△1,856,550
Balance as of March 31, 2010	7,345,697	5,489,146
Treasury stock		
Balance as of March 31, 2009	△354,269	△651,377
Changes of items during the accounting period		
Acquisition of company's own shares	△297,107	-
Total changes of items during the accounting period	△297,107	-
Balance as of March 31, 2010	△651,377	△651,377
Total shareholders' equity		
Balance as of March 31, 2009	14,266,980	13,620,674
Changes of items during the accounting period		
Cash dividend paid	△119,042	△114,805
Net gain or loss	△149,115	△1,755,428
Changes in consolidated amount	△80,740	13,683
Acquisition of company's own shares	△297,107	-
Total changes of items during the accounting period	△646,305	△1,856,550
Balance as of March 31, 2010	13,620,674	11,764,124

(Unit: thousands of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Valuation and translation adjustment		
Net unrealized gains on investment securities		
Balance as of March 31, 2009	799,398	469,900
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△329,497	△177,805
Total changes of items during the accounting period	△329,497	△177,805
Balance as of March 31, 2010	469,900	292,095
Foreign currency translation adjustments		
Balance as of March 31, 2009	△52,807	△733,196
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△680,388	533,146
Total changes of items during the accounting period	△680,388	533,146
Balance as of March 31, 2010	△733,196	△200,050
Total valuation and translation adjustments		
Balance as of March 31, 2009	746,591	△263,295
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△1,009,886	355,340
Total changes of items during the accounting period	△1,009,886	355,340
Balance as of March 31, 2010	△263,295	92,044
Minority interest		
Balance as of March 31, 2009	1,531,478	1,142,464
Changes of items during the accounting period		
Net changes of items other than shareholders' equity	△389,013	△13,008
Total changes of items during the accounting period	△389,013	△13,008
Balance as of March 31, 2010	1,142,464	1,129,455
Total net assets		
Balance as of March 31, 2009	16,545,050	14,499,844
Changes of items during the accounting period		
Cash dividend paid	△119,042	△114,805
Net gain or loss	△149,415	△1,755,428
Changes in consolidated amount	△80,740	13,638
Acquisition of company's own shares	△297,107	-
Net changes of items other than shareholders' equity	△1,398,900	342,331
Total changes of items during the accounting period	△2,045,206	△1,514,218
Balance as of March 31, 2010	14,499,844	12,985,625

(4) Consolidated Statements of Cash Flows

(Unit: thousands of yen)

	FY2008	FY2009
	(As of March 31, 2009)	(As of March 31, 2010)
Cash flow from operating activities		
Income before income taxes and minority interests	303,937	△895,478
Depreciation and amortization	484,092	341,243
Impairment loss	16,081	98,757
Amortization of goodwill	2,586,382	2,237,704
Impairment loss on goodwill	-	1,420,271
Loss from investment in equity method	349,565	84,635
Proceeds from equity movement	△48,770	17,470
Increase in allowance for doubtful accounts	△77,241	△139,964
Increase (decrease) in reserve for bonus	8,069	△25,304
Increase in allowance for cost of card use	442,884	254,954
Decrease in allowance for unexercised sales promotion points	△106,733	△91,178
Increase in allowance for retirement benefits	23,841	10,003
Reserve for subsidiaries losses	△300,561	-
Loss reserve for office relocation	-	205,720
Reversal of foreign currency translation adjustment account due to the liquidation of foreign subsidiaries from consolidation	-	340,524
Interest and dividends income	△90,962	△49,900
Interest on securities	△14,366	△21,626
Interest expenses	79,776	48,091
Foreign exchange gains	106,075	31,632
Loss from disposal of business	378,564	156,166
Gains on sale of investment securities	△210,975	△732,246
Gain on sale of corporate share on affiliated company	-	△110,297
Valuation loss on investment securities	267,401	32,990
Losses from sale of fixed assets	△966	△2,706
Losses from disposal of fixed assets	77,452	154,588
Decrease (increase) in accounts and notes receivable-trade	△252,718	644,798
Decrease (increase) in inventories	116,883	209,247
Increase in accounts and notes payable-trade	259,170	925,733
Decrease (increase) in consumption taxes receivable	△129,841	△53,622
Others	103,138	△412,797
Sub-total	4,370,178	4,679,407
Interest and dividends received	165,000	71,714
Interest expenses paid	△79,443	△48,134
B6Refunded income taxes	281,938	97,315
Income taxes paid	△236,738	△363,797
Net cash provided by operating activities	4,500,936	4,436,504

(Unit: thousands of yen)

	FY2008 (As of March 31, 2009)	FY2009 (As of March 31, 2010)
Cash flow from investing activities		
Expenditure for deposit of time deposits	△7,010,096	△4,970,000
Proceeds from withdrawal of time deposits	6,970,000	6,620,096
Expenditures for acquisition of tangible fixed assets	△175,733	△2,658,397
Proceeds from sale of tangible fixed assets	43,961	9,325
Expenditure for acquisition of software	△552,658	△235,009
Expenditure for acquisition of intangible fixed assets	205,888	-
Expenditure for acquisition of investment securities	△113,000	△7,198,078
Proceeds from sale of investment securities	163,709	1,884,392
Proceeds from sale of subsidiary's shares	-	157,688
Expenditure for loans receivable	△381,649	-
Proceeds from collection of loans receivable	85,143	54,392
Others	△1,699	23,697
Net cash used in investing activities	△766,133	△6,311,893
Cash flow from financing activities		
Net increase in short-term loans	△500,000	-
Proceeds from long-term borrowing	25,000	2,000,000
Expenditure for repayment of long-term borrowing	△2,054,090	△2,107,414
Expenditure for issue of bonds	△24,700	-
Proceeds from payment from minorities	73,314	64,487
Expenditure for acquisition of the company's own shares	△297,107	-
Payment of dividends	△117,379	△113,418
Dividends paid to minority interests	△30,545	△28,909
Expenditure for refund to minorities	△105,163	△181,472
Expenditure for acquisition of shares from minorities	△320,543	△39,685
Net cash flow used in financing activities	△3,351,213	△406,412
Effect of exchange rate on cash and cash equivalents	△268,540	△26,699
Net increase in cash and cash equivalents	115,048	△2,308,500
Decrease of cash and cash equivalents due to exclusion of consolidation	△80,147	-
Cash and cash equivalents at beginning of year	10,614,234	10,649,135
Cash and cash equivalents at end of year	10,649,135	8,340,635