BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS FOR THE FIRST HALF OF THE FISCAL YEAR ENDING MARCH 2009

November 14, 2008

Faith, Inc. (Stock code 4295, Listed on TSE 1st section)
(URL http://www.faith.co.jp/)
Place of headquarters; Kyoto Pref.
Representative; Hajime Hirasawa, CEO/President
Contacts; Shigeyoshi Fujiwara, Executive Officer/General Manager, Investor & Public Relations, Tel: +81-3-5776-6255
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Starting Date of the Dividend Payment: December 10, 2008

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the first half of the year ending March 2009 (April 1, 2008 through September 30, 2008)

(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*	%
Interim of the year ending March 2009	25,291	—	907	—	741	—	287	—
Interim of the year ended March 2008	23,452	16.1	1,066	65.6	884	57.0	960	—

	Net Profit per Share	Diluted Net Profit per share
	Yen	*Yen*
Interim of the year ending March 2009	241.51	—
Interim of the year ended March 2008	807.23	—

(2) Consolidated financial position

	Total Assets	Net Assets	Ratio of Equity Capital	Net Assets per Share
	Millions of yen	*Millions of yen*	%	*Yen*
Interim of the year ending March 2009	32,361	16,148	45.4	12,350 54
the year ended March 2008	36,174	16,545	41.5	12,612 00

Reference: Equity Capital: the 1st half of the fiscal year ending March 2009: 14,702 million yen/ the fiscal year ended March 2008: 15,013 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 2008	-	50 00	-	50 00	100 00
Year Ending March 2009	-	50 00	—	—	—
Year ending March 2009 (Forecast)	—	—	-	50 00	100 00

Note: Forecasts for dividends have not modified at the announcement of the financial statements for FY08 1H.

3. Forecasts for the consolidated business results for the year ending March 2009 (from April 1, 2008 to March 31, 2009)

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 2009	54,,600	8.8	1,000	△55.9	800	△58.1	100	△81.4	84 00

Note: Forecasts for the consolidated business results have not modified at the announcement of the financial statements for FY08 1H.

4. Others

(1) Changes in the significant subsidiaries (Accompanying changes in scope of the consolidation): None

(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: Applicable

* Note: For details, please see page.5 "Qualitative information and financial statements" 4. Others(3).

(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 2009: 1,196,000 shares, the fiscal year ended March 2008: 1,196,000shares

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

The 1st half of the fiscal year ending March 2009: 5,580 shares, the fiscal year ended March 2008: 5,580 shares

(4)-3. Average number of shares at the interim accounting period

The 1st half of the fiscal year ending March 2009: 1,190,420 shares, the fiscal year ended March 2008: 1,190,420 shares

*Note for utilizing business forecasts, and other special instruction

(1) 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. Please refer to page. 5 "3. Qualitative information regarding forecast of consolidated financial results" when utilize business forecasts.

(2) Effective from the fiscal year under review, new accounting standards (12th edition) and its implementation guidance (14th edition) have applied. The quarterly consolidated financial statement is based on the quarterly consolidated financial standards.

[Qualitative information and financial statements]

1. Qualitative information regarding consolidated operating results

During the first half of consolidated fiscal 2008, the six months ended September 30, 2008, a wide range of improvements were observed toward the establishment of network environment which allows users to access content in high-capacity and with high-definition freely. For example, broadband accessible mobile phones have spread and flat-rate packet plans for mobile phone charges have widely accepted. At the same time, Next Generation Network (NGN) services have commercialized and digital broadcasting has become widespread.

In terms of content development, content digitalization has increased in most of the fields to meet the ever diversifying market needs. The content categories diversified into various kinds such as video, music, online game, photo, and lifestyle-related information such as medical, beauty, and health. According to a report on the content distribution channels by Digital Content Association of Japan, mobile phone and Internet accounted for 19.5% and 11.2% of the total content distribution in 2007.

Against this backdrop, the digital content distribution market showed continuous expansion driven by the increase of information services to accommodate diversifying mobile phone users' needs and other factors.

In anticipation of these trends in the growing Japanese digital content distribution market, Faith Group has actively taken part in creating a new content distribution structure through acquisitions and building partnership with other leading companies.

The Group promotes development of new multi-platform, multi-content markets, in which a wide range of content is distributed without any restriction of networks or terminal devices. At the same time, the Group pursued improvement of the user environment for digital content distribution services utilizing Near Field Rights Management® (NFRM™) service, a proprietary viewing rights authentication technology. The commercial use of NFRM™ has been launched in the previous fiscal year.

In the medical and health information distribution business, the Group launched a medical service using electronic recording system which is able to satisfy the data storing guideline under the health care system implemented by the Japanese government.

In the electronic money field, with rising demand in the market, the volume of payment settled in the Group's "WebMoney" showed a sharp increase. One factor behind this increase was that "WebMoney" has strength in online game settlement, a main category of contents distributed to PC, and it maintained high market share during the period under review. Also, expanded demand for fastest-growing mobile content, the launch of advertisement solution business and other factors contributed to the increase.

As a result, consolidated net sales for the first half of fiscal 2008 increased 7.8% year on year to ¥25,191 million led by the continuous high growth in the Electronic Money Business. Operating profit was ¥907 million, down 14.9% year on year, and recurring profit was ¥741 million, down 16.2% year on year, mainly due to the upfront investments on the creation of new multi-content distribution markets on the multi-platforms. Net profit decreased 70.1% year on year to ¥287 million because substantial amount of extraordinary profit gained from the realignment of overseas businesses was recorded in the same period of the previous fiscal year.

Information on each business segment is as follows:

<Contents Business>

During the consolidated six-month period under review, the Group has expanded and enhanced its operating base through activities such as building partnership with other leading companies.

1) Following the launch of the commercial use of NFRM™ in June 2007, the Group has promoted prevalence of the business by improving NFRM™ corresponding terminal device and increasing the lineup of content available on NFRM™ services. In April 2008, GIGA Networks, a consolidated subsidiary, launched a NFRM™ corresponding content distribution site called "GIGA Miranca." The lineup of videos available with this service dramatically increased since the launch, and its number reached over

1,500 titles at the end of the first half of fiscal 2008, meanwhile the initial title was 1,000.
2) In June 2008, Medical Communication, Inc., a consolidated subsidiary, started a test service of “Pocket Karte” in cooperation with Willcom and other companies. In response to the health care system reform implemented by Health, Labour and Welfare Ministry of Japan in April 2008, Medical Commnunication, Inc. has launched a trial service of Pocket Karte, which provides an individual's medical check results in accessible form via mobile phone.
3) In June 2008, “Eikyufumetsu Contents (Eternal Contents)” has expanded its service to PC alongside the existing distribution to mobile phone. The Group has been providing this content distribution service in cooperation with Credit Saison Co., Ltd. and users are able to earn non-expiring reward points by purchasing the service.
4) In June 2008, the Group started an award scheme through a joint effort with Adways Co., Ltd., an Internet advertisement agency. Under this scheme, consumers are able to obtain free privileges in return for registering advertisement promotions online. “WebMoney Point Park” started in June 2008 is the first program under this scheme. It is operated by WebMoney Corporation, a consolidated subsidiary of Faith. In the following August, “ROSE POINT ISLAND” was launched on “ROSE ONLINE LEGEND,” the Group's online game site.
5) In August 2008, in cooperation with MySpace Japan, Brave, Inc., a consolidated subsidiary, launched “viBirth” as an official online store on MySpace, one of the largest Social Networking Service (SNS) in the world. At viBirth, the Group provides support to many content artists developing their businesses.
6) In August 2008, KAZAS Channel™, a portal site corresponding NFRM™ service, has been pre-installed on the digital terrestrial tuner for PC. On the tuners applicable, “ROBRO”, an integral application system, is also mounted, to enable both the terrestrial digital channels and web-sites accessible via one browser. Also, infrared data communication, the most common communication method among home appliances, was equipped on “ROBRO” to transmit various contents.
7) In September 2008, Brave launched “KASIMO” an automatic lyric display service for iTunes users.

As a result, net sales in the Contents Business totaled ¥6,592 million, down 21.0% year on year. This figure resulted from a decline in revenues mainly due to disposal of overseas content distribution subsidiaries despite strong sales in Japan helped by the aggressive business expansion through partnerships with other companies and other measures. Operating profit fell by 6.7% year on year to ¥732 million due to continued upfront investments on the planning and development of new multi-content distribution services on the multi-platforms and the increase of production and procurement costs of rich content suitable for a wide range of information devices.

<Electronic Money Business>

At the end of June 2008, the number of broadband subscribers in Japan reached more than 29.3 million according to the Information and Communications Statistics Database issued by Japanese Ministry of Internal Affairs and Communications. Demand for electronic money continued to increase in the digital content market for the purchase of online game, the mainstay of the electronic money business, as well as mobile content and other content such as video. Against this backdrop, the volume of online payment settled in “WebMoney” sharply increased, since it provided easy, secure and convenient solutions.

In April 2008, as one of the measures to enhance users' convenience, the Group started the sale of “WebMoney” through multi-functional copiers introduced to Seven-Eleven stores across Japan operated by a convenience store chain giant, Seven-Eleven Japan Co., Ltd. At the same time, the Group has made a different approach to develop new services. For example, “WebMoney Point Park” was launched in June 2008 jointly with Adways Co., Ltd., an Internet advertisement agency. On this site, members are able to earn “WebMoney” free of charge.

As a result, net sales in the Electronic Money Business rose 25.9% year on year to ¥17,998 million. Operating profit was ¥150 million, down 36.5% year on year due to the increase in costs for development and operation of new services and enforcement of management structure.

<Other Businesses>

Factors such as revenues from the point-card system business led sales in other businesses to ¥700 million decrease by 13.1% year on year. Operating profit was ¥33 million, down 36.4% year on year.

Figures for the first half of consolidated fiscal 2007 and the year on year change between the first half of consolidated fiscal 2007 are provided in Qualitative information regarding consolidated operating results for reference purposes.

2. Qualitative information regarding consolidated financial positions

(1) Positions of assets, liabilities and net assets

Total assets as of the end of the 1st half of FY2008 decreased by ¥3,813 million from the end of the previous consolidated fiscal year to ¥32,361 million, due to the decrease in amortization of goodwill caused by write-off, and in trade notes and account receivable.

Liabilities decreased by ¥3,416 million from the end of the previous consolidated fiscal year to ¥16,212, by repayment of dept and reduction of reserve for subsidiaries losses.

Net assets decreased by ¥396 million against the end of the preceding consolidated fiscal year to ¥16,148 million. Shareholders' equity ratio advanced by 3.9 percent point from the end of March 2008 to 45.4%.

(2) Positions of cash flows

Cash and cash equivalents of the 1st half of FY2008 decreased by ¥114 million from the end of the previous consolidated fiscal year to ¥10,499 million.

Cash flow from operating activities was ¥1,930 million of excess over income despite accounts payable declined ¥488 million, due to ¥273 million of profit before income taxes, ¥1,463 million of goodwill amortization and ¥552 million of decrease of trade receivable.

Cash flow from investing activities was ¥343 million of excess over expenditure despite ¥420 million came in as repayment of fixed deposit. This was caused by ¥584 million of expenditure for acquisition of tangible fixed assets and software, ¥261 million of loan receivable.

Cash flow from financing activities was ¥1,559 million of excess over expenditure due to ¥1,539 million of expenditure repayment of borrowed money.

3. Qualitative information regarding forecast of consolidated financial results

The following is the revised forecasts for consolidated operating results for fiscal 2008 on the date of November 11, 2008.

The volume of online payment settled in "WebMoney" has been continuously increasing and further growth was expected in the second half. However, net sales, operating profit and recurring profit are prospected to drop as revised the net sales of Electronic Money business in the second half considering the severe market situation.

(Unit: million yen)

	Net Sales	Operating Profit	Recurring Profit	Net Profit
Previous Forecast(A)	57,000	1,200	1,000	100
Revised Forecast(B)	54,600	1,000	800	100
Change(B-A)	△ 2,400	△ 200	△ 200	-
Decrease Rate(%)	△ 4.2	△ 16.7	△ 20.0	-
	50,192	2,266	1,909	537

4. Others

(1) Changes in major subsidiaries during the 1st half of FY2008 (Changes in specific subsidiaries causing change in the scope of consolidation): None

(2) Adoption of simplified methods in accounting methods

(Simplified methods in accounting methods):None

(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 quarter of the financial period and before tax deduction.

(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”) : Applicable

(3)-1. Effective from the fiscal year under review, new accounting standards (12th edition) and its implementation guidance (16th edition) have applied. The quarterly consolidated financial statement is based on the quarterly consolidated financial standards.

5. Consolidated Financial Statement

(1) Consolidated Balance Sheet for the 1st Half

(Unit: thousands of yen)

	the 1st Half of FY2008 (As of September 30, 2008)	FY 2007 (As of March 31, 2008)
	Amount	Amount
(Assets)		
Current assets		
Cash and deposits	11,899,796	13,424,006
Accounts and notes receivable	6,244,657	6,861,259
Marketable securities	1,240,189	250,227
Commercial products	432,934	202,489
Products in progress	54,247	269,123
Primary materials and inventory goods	16,343	17,113
Accrued refund income tax	546,421	516,982
Deferred tax assets	484,114	763,972
Others	518,815	588,379
Allowance for doubtful accounts	△200,000	△209,568
Total current assets	21,237,519	22,683,987
Fixed assets		
Tangible fixed assets	573,092	660,312
Intangible fixed assets		
Goodwill	6,133,786	7,607,662
Others	751,413	922,715
Total intangible fixed assets	6,885,199	8,530,378
Investment and other assets		
Investment securities	2,797,114	3,490,977
Others	988,084	920,572
Allowance for doubtful receivable	△137,012	△134,516
Total investments and other assets	3,648,186	4,277,033
Total fixed assets	11,106,477	13,467,724
Expenditure for stock delivering prescription	17,212	22,567
Total assets	32,361,210	36,174,279
(Liabilities)		
Current liabilities		
Trade notes and Accounts payable	5,431,780	5,922,813
Short-term loans	2,029,928	2,529,928
Income taxes payable	101,772	136,221
Allowance for costs of card use	2,817,643	2,873,200
Allowance for points	427,973	468,391
Allowance for bonus payments	98,068	87,445
Others	1,192,984	1,973,507
Total current liabilities	12,100,151	13,991,508
Fixed liabilities		
Long-term liabilities	3,068,512	4,083,472
Deferred tax liabilities	356,906	522,858
Allowance for retirement benefits	54,684	49,229
Reserve for subsidiaries losses	-	300,561
Others	632,613	681,599
Total fixed liabilities	4,112,716	5,637,720
Total liabilities	16,212,867	19,629,228

	the 1st Halfr of FY2008 (As of September 30, 2008)	FY2007 (As of March 31, 2008)
	Amount	Amount
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earning	7,842,133	7,694,895
Treasury stock	△354,269	△354,269
Total shareholder's equity	14,414,218	14,266,980
Valuation and translation adjustments		
Net unrealized gains on investment securities	557,696	799,398
Foreign currency translation adjustments	△269,586	△52,807
Total valuation and translation adjustments	288,109	746,591
Minority interests	1,446,013	1,531,478
Total net assets	16,148,342	16,545,050
Total liability and net assets	32,361,210	36,174,279

(2) Consolidated Profit and Loss Statement for the 1st Half
1st half of this fiscal year (April 1, 2008 through September 30, 2008)

(Thousands of yen)

	the 1st Half of FY2008 (As of September 30, 2008)
Net sales	25,291,152
Cost of Sales	19,359,410
Gross profit	5,751,742
Selling, general and administrative expenses	4,843,855
Operating profit	907,887
Non-operating profit	
Interest income	30,928
Dividend income	15,930
Interest securities	5,249
Miscellaneous receipts	17,866
Total non-operating profit	69,974
Non-operating expenses	
Interest expense	43,746
Investment profit on equity method	138,549
Foreign exchange loss138,549	23,627
Miscellaneous expense	30,420
Total non-operating expenses	236,343
Recurring profit	741,519
Extraordinary profit	
Gain on disposal of investment securities	141,606
Reversal of allowance for subsidiaries liquidation loss	95,968
Others	53,987
Total extraordinary profit	291,563
Extraordinary loss	
Loss from investment securities valuation	160,973
Loss from disposal of business	286,989
Amortization of goodwill	294,976
Others	17,109
Total extraordinary loss	760,048
Quarterly net profit before income taxes	273,034
Corporate, local, and business taxes	104,879
Income or Loss on minority shareholders	△119,345
Net profit during the accountijng period	287,500

(3) Consolidated Statements of Cash Flows

Item	the 1st Half of FY2008 (April 1, 2008 through September 30, 2008) Amount, thousand of yen
Cash flow from operating activities	
Quarterly profit before income taxes and minority interests	273,034
Depreciation and amortization	254,670
Amortization of goodwill	1,463,295
Increase in allowance for doubtful accounts	△84,390
Decrease in reserve for bonus	10,622
Decrease in allowance for cost of card use	△55,557
Decrease in allowance for unexercised sales promotion points	△40,417
Increase in allowance for retirement benefits	5,454
Allowance for subsidiaries liquidation loss	△300,561
Interest and dividends income	△46,859
Interest on securities	△5,249
Interest expenses	43,746
Foreign exchange gains	3,475
Gains on sale of investment securities	△141,606
Valuation loss on investment securities	160,973
Loss from investment in equity method	138,549
Loss from disposal of business	286,989
Decrease (increase) in accounts and notes receivable-trade	552,843
Decrease (increase) in inventories	△14,798
Increase in accounts and notes payable-trade	△488,420
Decrease (increase) in consumption taxes receivable	△115,083
Others	△36,511
Sub-total	1,864,198
Interest and dividends received	113,733
Interest expenses paid	△43,763
Income tax refund	118,751
Income taxes paid	△122,281
Cash flow from operating activities	1,930,637
Cash flow from investing activities	
Expenditure for deposit of time deposits	△3,280,000
Proceeds from withdrawal of time deposits	3,700,000
Expenditures for acquisition of tangible fixed assets	△148,288
Expenditure for acquisition of software	△435,949
Expenditure for acquisition of investment securities	△105,000
Proceeds from disposal of investment securities	157,159
Expenditure for loans receivable	△269,649
Proceeds from collection of loans	34,983
Others	△5,179
Net cash flow used in investing activities	△343,924
Cash flow from financing activities	
Net increase in short-term loans	△500,000
Proceeds from long-term borrowing	25,000
Expenditure for repayment of long-term borrowing	△1,039,960
Proceeds from payment from minorities	69,452
Payment of dividends	△59,368
Expenditure for dividends to minorities	△30,238
Others	△24,700
Net cash flow used in financing activities	△1,559,814
Effect of exchange rate on cash and cash equivalents	△73,511
Net increase in cash and cash equivalents	△46,612
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
Cash and cash equivalents at end of year	10,499,986

Effective from the fiscal year under review, new accounting standards (12th edition) and its implementation guidance (14th edition) have applied. The quarterly consolidated financial statement is based on the quarterly consolidated financial standards.

(4) Explanatory note regarding premise of a going concern
Not applicable

(5) Segment Information
a. Business segment information
1st half of the fiscal year 2008 (April 1, 2008 through September 30, 2008)
(Unit: thousands of yen)

	Content distribution services	Electronic Money	Other businesses	Total	Eliminations /Corporate	Consolidated
Net sales						
Sales to outside customers	6,592,950	17,998,139	700,063	25,291,152	−	25,291,152
Inter-group sales and transfers	100,251	2,942,300	−	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 four 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 of electronic money and providing electronic settlement platforms
Other businesses	Point service and other business

b. Geographical segment information
The 1st half of this fiscal year ending March 2009 (April 1, 2008 through September 30, 2008)
Geographical segment information is omitted since net sales in Japan dominated more than 90% of total sales.

c. Overseas sales
The 1st half of this fiscal year (April 1, 2008 through September 30, 2008)
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

[Reference]

Consolidated financial Results for the 1st half of the previous fiscal year

(1) Consolidated profit and loss for the 1st half of previous fiscal year

	the 1st Half of FY2007 (April 1, 2007 through September 30, 2007)		
	Amount (Thousands of yen)		(%)
I. Net sales		23,452,221	100.0
II. Cost of Sales		16,896,555	72.0
Gross profit		6,555,665	28.0
III.Selling, general and administrative expenses		5,488,808	23.5
Operating profit		1,066,856	4.5
IV. Non-operating profit			
1. Interest received	53,956		
2. Interest on securities	14,557		
3. Exchange profit	104,452		
4. Others	49,600	222,566	1.0
V. Non-operating expenses			
1. Interest paid	100,168		
2. Investment loss on equity method	285,489		
3. Others	18,894	404,552	1.7
Recurring profit		884,871	3.8
VI. Extraordinary profit			
1.Gain on disposal of fixed assets	228,505		
2.Gain on transfer of operation	892,597		
3.Change of scope of equity method	308,936	1,430,039	6.1
VII. Extraordinary loss			
1.Loss from disposal of fixed assets	20,108		
2.Loss from investment securities valuation	106,022		
3.Loss from entrusted development	160,000		
4.Prior period adjustment	39,238		
5.Others	11,832	337,202	1.5
Quarterly net profit before income taxes		1,977,708	8.4
Corporate, local, and business taxes		918,728	3.9
Income or Loss on minority shareholders		98,042	0.4
Quarterly net profit or loss		960,937	4.1

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

	the 1st Half of FY2007 (April 1, 2007 through September 30, 2007)
Item	Amount, thousand of yen
I. Cash flow from operating activities	
Net income or net loss before taxes and other adjustment	1,977,708
Depreciation and amortization	280,265
Amortization of goodwill	1,222,032
Loss from investment in equity method	285,489
Income from changes in net assets	△ 308,936
Increase(decrease) in allowance for doubtful accounts	△ 1,389
Increase (decrease) in reserve for bonus	△ 26,900
Increase (decrease) in allowance for cost of card use	31,416
Decrease in allowance for unexercised sales promotion points	△ 51,822
Increase in allowance for retirement benefits	8,383
Interest and dividends income	△ 55,028
Interest on securities	△ 14,557
Interest expenses	100,168
Foreign exchange loss (gain)	△ 127,689
Valuation loss on investment securities	106,022
Gian on disposal of fixed assets	△ 228,505
Loss from disposal fixed assets	20,108

Gain on sale of corporate share on affiliated company	△ 892,597
Decrease (increase) in accounts and notes receivable-trade	△ 654,959
Decrease (increase) in inventories	294,646
Increase in accounts and notes payable-trade	603,994
Decrease (increase) in consumption taxes receivable	553,255
Others	134,214
Sub-total	3,255,319
Interest and dividends received	1,262,137
Interest expenses paid	△ 87,387
Income taxes paid	△ 551,661
Income taxes refund	899,838
Net cash provided by operating activities	4,778,246

	the 1st Half of FY2007 (April 1, 2007 through September 30, 2007)
Item	Amount, thousand of yen
II. Cash flow from investing activities	
Expenditure for deposit of time deposits	△ 1,521,260
Proceeds from withdrawal of time deposits	570,000
Expenditures for acquisition of tangible fixed assets	△ 324,356
Proceeds from sale of tangible fixed assets	586,815
Expenditure for acquisition of software	△ 219,056
Expenditure for acquisition of other intangible fixed assets	△ 53,786
Expenditure for acquisition of investment securities	△ 527,032
Proceeds for sale of subsidiary’s shares causing a change in scope of consolidation	147,040
Expenditure for acquisition of subsidiary’s shares causing a change in scope of consolidation	△ 39,980
Gain on sale of corporate share on affiliated company	1,235,644
Expenditure for loans receivable	△ 57,500
Proceeds from collection of loans receivable	345,310
Others	945,545
Net cash used in investing activities	1,096,382
III. Cash flow from financing activities	
Net increase (decrease) in short-term loans	△ 2,220,028
Proceeds from long-term borrowing	244,318
Expenditure from repayment of long-term borrowing	△ 1,012,469
Payment of dividends	△ 59,217
Others	△ 8,600
Net cash flow used in financing activities	△ 3,055,997
IV. Effect of exchange rate on cash and cash equivalents	74,972
V. Net increase (decrease) in cash and cash equivalents	2,893,604
VI. Cash and cash equivalents at beginning of year	8,065,471
VII. Cash and cash equivalents at interim (end) of year	10,959,075

(3) Segment Information

Business segment information

1st half of the previous fiscal year (April 1, 2007 through September 30, 2007)

(Unit: thousands of yen)

	Content distribution services	Electronic Money	Other businesses	Total	Eliminations /Corporate	Consolidated
Net sales						
Sales to outside customers	8,345,636	14,300,708	805,876	23,452,221	−	23,452,221
Inter-group sales and transfers	86,787	1,100	−	87,887	△87,887	−
Total	8,432,424	14,301,808	805,876	23,540,108	△87,887	23,452,221
Operating profit	785,238	236,541	53,043	1,074,823	△7,966	1,066,856

Notes: 1. Method of businesses segmentation: The Company and its group companies' businesses are classified into four 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 of electronic money and providing electronic settlement platforms
Other businesses	Point service and other business

6. Other information

(important post-balance sheet events)

the 2nd quater of FY2008 (July 1, 2008 through September 30, 2008)
Faith, Inc. (hereinafter referred to as "Faith") announced that the Board of Directors resolved during the board of directors meeting held on November 14, 2008 an acquisition of own shares pursuant to Article 156 of the Corporate Law whose wording of the phrase was changed pursuant to item 3 of Article 165 of the same law. (1) Reason for acquiring Faith's own shares For the purpose of implementing a flexible capital policy to cope with the changes in business environment. (2)Means of acquisition: Purchase from market by trust means (3) Type of shares to be repurchased: Common stock of Faith (4) Total number of shares to be acquired: Up to 50,000 shares (5) Total amount to be repurchased: Up to JPY 300,000,000 (6) Repurchasing period: From November 17, 2008 to December 19, 2008