

Summary of Consolidated Financial Results  
for the Year ended March 2009

Amuse Inc.

## Consolidated balance sheet

Years ended March 31; Thousands of yen	2008	2009
<b>Current assets</b>		
Cash and deposits	1,855,865	4,165,960
Accounts receivable	2,628,683	5,999,397
Inventories	7,249,519	-
Merchandise and Finished goods	-	3,459,552
Work in progress	-	2,184,416
Supplies	-	12,318
Deferred tax assets	129,878	268,507
Others	1,078,735	1,216,390
Allowance for doubtful accounts	(4,508)	(119,594)
	12,938,174	17,186,949
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings (Net)	*1 724,464	*1 875,762
Land	1,123,113	1,783,793
Others (Net)	*1 61,098	*1 66,764
	1,908,676	2,726,319
<b>Intangible fixed assets</b>	299,948	283,991
<b>Investments and other assets</b>		
Investment securities	*2 741,100	*2 606,831
Deferred tax assets	390,504	228,099
Others	*2 1,313,814	*2 1,351,784
Allowance for doubtful accounts	(107,316)	(21,899)
Total investments and other assets	2,338,102	2,164,816
Total fixed assets	4,546,727	5,175,126
<b>Total assets</b>	17,484,902	22,362,076

<b>Years ended March 31; Thousands of yen</b>	<b>2008</b>	<b>2009</b>
<b>Current liabilities</b>		
Trade accounts payable	3,495,659	6,350,292
Short-term borrowings	1,100,000	300,000
Income taxes payable	211,602	1,463,798
Reserve for directors' bonuses	-	22,500
Allowance for sales return	41,264	69,457
Others	616,194	940,353
	<u>5,464,719</u>	<u>9,146,401</u>
<b>Long-term liabilities</b>		
Employees' retirement benefits	632,677	619,787
Reserve for directors' retirement allowances	359,169	46,665
Others	95,276	83,199
	<u>1,087,123</u>	<u>749,652</u>
Total liabilities	<u>6,551,843</u>	<u>9,896,053</u>
<b>Net assets</b>		
Shareholders' equity		
Common stock	1,587,825	1,587,825
Capital reserves	1,694,890	1,694,890
Retained earnings	7,537,977	8,943,475
Treasury stock	(17,737)	(17,974)
Total shareholders' equity	<u>10,802,954</u>	<u>12,208,215</u>
Valuation/translation gains (losses)		
Unrealized gains or losses on other securities	57,797	63,143
Foreign currency translation adjustments	(61,450)	(137,650)
Total valuation/translation gains (losses)	<u>(3,653)</u>	<u>(74,507)</u>
Minority interests	<u>133,757</u>	<u>332,314</u>
Total net assets	<u>10,933,058</u>	<u>12,466,022</u>
<b>Total liabilities and net assets</b>	<u>17,484,902</u>	<u>22,362,076</u>

## Consolidated statement of income

Years ended March 31; Thousands of yen	2008		2009
<b>Operating revenue</b>	23,684,426		32,185,589
<b>Cost of operation</b>	18,305,567	*1	24,463,997
Gross operating income	5,378,859		7,721,592
Transfer to allowance for sales return	41,264		28,193
Gross operating income after deductions	5,337,595		7,693,399
Selling, general and administrative expenses	*2 4,137,109	*2	4,411,175
Operating income	1,200,485		3,282,223
<b>Nonoperating income</b>			
Interest income	20,286		18,005
Refunded consumption tax	-		8,705
Commissions received	3,968		6,781
Housing rent income	6,746		-
Others	12,072		12,845
Total nonoperating income	43,073		46,337
<b>Nonoperating expenses</b>			
Interest expenses	22,527		19,496
Foreign exchange gain	-		50,084
Commissions	14,152		13,291
Others	2,096		9,607
Total Nonoperating expenses	38,776		92,479
Ordinary profit	1,204,782		3,236,082
<b>Extraordinary income</b>			
Gain on sales of fixed assets	-		32,991
Gain on disposal of fixed assets	*3 118,215		-
Gain on sales of investment in securities	-		601,275
Reversal of allowance for doubtful accounts	11,956		-
Others	-		129,330
Total Extraordinary income	130,171		763,597

<b>Years ended March 31; Thousands of yen</b>	<b>2008</b>		<b>2009</b>
<b>Extraordinary losses</b>			
Loss on devaluation of investment securities	301,779		84,970
Loss on business restructuring	-	*4	259,706
Loss on withdrawal from businesses	-	*5	152,052
Loss on revaluation of inventories	-	*1	278,690
Others	-		15,051
Total Extraordinary losses	301,779		790,471
Income before taxes and other adjustments	1,033,174		3,209,208
Corporate, inhabitant and enterprise taxes	376,772		1,629,843
Deferred taxes	62,225		20,849
Total income taxes	438,998		1,650,692
Minority interests in income of consolidated companies	11,498		5,633
Net income for the term	582,677		1,552,882

## Consolidated statement of changes in net assets

Years ended March 31; Thousands of yen	2008	2009
Shareholders' equity		
Common stock		
Balance at the end of the previous fiscal year	1,587,825	1,587,825
Changes during the year		
Total changes during the year	-	-
Balance at the end of the current fiscal year	1,587,825	1,587,825
Capital reserves		
Balance at the end of the previous fiscal year	1,694,890	1,694,890
Changes during the year		
Total changes during the year	-	-
Balance at the end of the current fiscal year	1,694,890	1,694,890
Retained earnings		
Balance at the end of the previous fiscal year	7,110,329	7,537,977
Changes during the year		
Cash dividends paid	(155,028)	(155,021)
Net income	582,677	1,552,882
Change in the scope of consolidation	-	7,636
Total changes during the year	427,648	1,405,497
Balance at the end of the current fiscal year	7,537,977	8,943,475
Treasury stock		
Balance at the end of the previous fiscal year	(16,960)	(17,737)
Changes during the year		
Purchases of Treasury stock	(777)	(236)
Total changes during the year	(777)	(236)
Balance at the end of the current fiscal year	(17,737)	(17,974)
Total shareholders' equity		
Balance at the end of the previous fiscal year	10,376,083	10,802,954
Changes during the year		
Cash dividends paid	(155,028)	(155,021)
Net income for the term	582,677	1,552,882
Change in the scope of consolidation	-	7,636
Purchases of Treasury stock	(777)	(236)
Total changes during the year	426,871	1,405,260
Balance at the end of the current fiscal year	10,802,954	12,208,215

<b>Years ended March 31; Thousands of yen</b>	<b>2008</b>	<b>2009</b>
<b>Valuation/translation gains (losses)</b>		
Unrealized gains or losses on other securities		
Balance at the end of the previous fiscal year	29,817	57,797
Changes during the year		
Net changes in items other than those in shareholders' equity	27,979	5,345
Total changes during the year	27,979	5,345
Balance at the end of the current fiscal year	57,797	63,143
Foreign currency translation adjustments		
Balance at the end of the previous fiscal year	(45,219)	(61,450)
Changes during the year		
Net changes in items other than those in shareholders' equity	(16,231)	(76,199)
Total changes during the year	(16,231)	(76,199)
Balance at the end of the current fiscal year	(61,450)	(137,650)
Total Valuation/translation gains (losses)		
Balance at the end of the previous fiscal year	(15,401)	(3,653)
Changes during the year		
Net changes in items other than those in shareholders' equity	11,747	(70,853)
Total changes during the year	11,747	(70,853)
Balance at the end of the current fiscal year	(3,653)	(74,507)
Minority interests		
Balance at the end of the previous fiscal year	122,255	133,757
Changes during the year		
Net changes in items other than those in shareholders' equity	11,502	198,557
Total changes during the year	11,502	198,557
Balance at the end of the current fiscal year	133,757	332,314
Total net assets		
Balance at the end of the previous fiscal year	10,482,937	10,933,058
Changes during the year		
Cash dividends paid	(155,028)	(155,021)
Net income for the term	582,677	1,552,882
Change in the scope of consolidation	-	7,636
Purchases of Treasury stock	(777)	(236)
Net changes in items other than those in shareholders' equity	23,249	127,703
Total changes during the year	450,121	1,532,964
Balance at the end of the current fiscal year	10,933,058	12,466,022

## Consolidated statement of cash flows

Years ended March 31; Thousands of yen	2008	2009
<b>Net cash provided by (used in) operating activities</b>		
Income before taxes and other adjustments	1,033,174	3,209,208
Depreciation expenses	100,867	144,462
Increase (decrease) in allowance for doubtful accounts	(90,763)	51,491
Increase (decrease) in reserve for directors' bonuses	(13,380)	22,500
Increase (decrease) in reserve for directors' retirement allowances	(65,075)	(312,504)
Increase (decrease) in retirement benefits	51,043	(12,890)
Increase (decrease) in allowance for sales return	41,264	28,193
Decrease (increase) in inventories	(1,112,995)	1,593,232
Interest and dividend income	(23,316)	(20,822)
Interest expenses	22,527	19,496
Loss (gain) on sales and disposal of property, plant and equipment	-	(32,991)
Loss (gain) on disposal of fixed assets	(118,215)	-
Loss (gain) on sales of investment securities	-	(597,415)
Loss (gain) on valuation of investment securities	301,779	84,970
Decrease (increase) in inventories	1,561,703	(3,244,808)
Increase (decrease) in payables	(2,016,325)	2,669,880
Decrease (increase) in other current assets	339,761	(192,179)
Increase (decrease) in other current liabilities	96,836	156,065
Others	(159,480)	49,011
	(50,595)	3,614,900
Interest and dividend income	19,931	19,911
Interest expenses	(22,979)	(17,944)
Income tax and others	(551,935)	(399,870)
	(565,579)	3,216,996

<b>Years ended March 31; Thousands of yen</b>	<b>2008</b>	<b>2009</b>
<b>Net cash provided by (used in) investing activities</b>		
Payments for acquisition of tangible fixed assets	(15,321)	(935,713)
Proceeds from sales of property, plant and equipment	-	39,841
Payments for investment in securities	(78,168)	(2,000)
Proceeds from sales of investments in securities	-	814,442
Payments for acquisition of intangible fixed assets	64,334	(130,358)
Proceeds from sales of intangible fixed assets	-	134,443
Payments for acquisition of subsidiaries' stock	-	(295,000)
Proceeds from sales of subsidiaries' stock	-	143,344
Payments for loans and advances	(436,959)	(534,156)
Proceeds from collection of loans and advances	66,220	336,913
Payments for capital contributions	(44,911)	-
Others	118,186	272,010
	<u>(455,286)</u>	<u>(156,232)</u>
<b>Net cash provided by (used in) financing activities</b>		
Net increase (decrease) in short-term borrowings	500,000	(800,000)
Payments for acquisition of treasury stock	(771)	(232)
Dividends	(152,470)	(152,864)
Proceeds from minority shareholders	-	153,000
Dividend payment to minority shareholders	-	(1,044)
Others	(14,578)	(25,216)
	<u>332,180</u>	<u>(826,357)</u>
Effect of exchange rate changes on cash and cash equivalents	(2,814)	(12,924)
Increase (decrease) in cash and cash equivalents	<u>(691,500)</u>	<u>2,221,481</u>
Cash and cash equivalents, beginning of term	2,431,045	1,739,545
Increase in cash and cash equivalents resulting in changes in the scope of consolidation	-	183,755
Cash and cash equivalents, end of term	<u>1,739,545</u>	<u>4,144,782</u>

## Segment information

### a. Type of business

Thousands of yen	Artist management	Media-visual	Contents	Total	Eliminations	Consolidated
<b>March 31, 2008</b>						
<b>Revenues and operating income</b>						
External customers	11,766,270	10,436,881	1,481,273	23,684,426	-	23,684,426
Intersegment transactions and eliminations	175,054	8,021	18,186	201,263	(201,263)	-
<b>Total</b>	<b>11,941,325</b>	<b>10,444,903</b>	<b>1,499,460</b>	<b>23,885,689</b>	<b>201,263</b>	<b>23,684,426</b>
Operating expenses	10,238,147	10,325,111	1,129,677	21,692,936	791,003	22,483,940
Operating income	1,703,178	119,791	369,782	2,192,752	(992,266)	1,200,485
<b>Assets, depreciation and capital expenditures</b>						
Identifiable assets	4,898,468	10,439,626	650,011	15,988,107	1,496,795	17,484,902
Depreciation	55,099	26,499	11,976	93,575	7,292	100,867
Capital expenditures	113,383	15,591	13,236	142,212	-	142,212
<b>March 31, 2009</b>						
<b>Revenues and operating income</b>						
External customers	17,481,345	12,016,253	2,687,991	32,185,589	-	32,185,589
Intersegment transactions and eliminations	18,852	87,867	21,344	128,063	(128,063)	-
<b>Total</b>	<b>17,500,197</b>	<b>12,104,120</b>	<b>2,709,335</b>	<b>32,313,653</b>	<b>(128,063)</b>	<b>32,185,589</b>
Operating expenses	13,628,598	12,478,062	1,741,207	27,847,867	1,055,498	28,903,366
Operating income	3,871,598	(373,941)	968,128	4,465,786	(1,183,562)	3,282,223
<b>Assets, depreciation, and capital expenditures</b>						
Identifiable assets	7,182,130	11,065,175	1,044,641	19,291,947	3,070,128	22,362,076
Depreciation	94,684	27,555	17,803	140,042	4,419	144,462
Capital expenditures	941,971	10,832	113,267	1,066,071	-	1,066,071

(Notes)

1. Business classifications are those used in the course of internal management.

2. Contents of each business

(1) Artist management

*Revenue from artists' concerts and performances, planning and production of shows and events, television, radio and commercial appearances, fan club memberships and sales of character goods. Royalties from new music for the production of master recordings and use of copyrights*

(2) Media-visual

*Revenue from the production of television programs; production and distribution of movies; production of video works; purchasing, manufacturing and sales of music CD and DVD*

(3) Contents

*Royalties from the use of copyrights and of original recordings, revenue from the use of movies and videos (after the passage of two years from the booking of initial earnings)*

3. *Total company assets included as assets under the heading "Eliminations" primarily consist of surplus funds for investment (cash and deposits), long-term investments (investment securities), loans, and assets at administrative divisions. The total amount of these assets outstanding as of the end of the fiscal year ended March 2008 was 1,598,890 thousand yen, and as of the end of March 2009, the total amount was 3,151,574 thousand yen.*
4. *Non-allocable operating expenses included under the heading "Eliminations" primarily consist of expenses for administrative divisions, including the General Affairs and Control divisions. These expenses totaled 1,004,579 thousand yen in the fiscal year ended March 2008, and 1,209,995 thousand yen in the fiscal year ended March 2009.*
5. *Changes in accounting method*

*(Fiscal 2008)*

*As described in Significant Items Regarding Preparation of Consolidated Financial Statements, Amuse Inc. and Amuse Soft Entertainment Inc., a consolidated subsidiary, have adopted an accounting method whereby an expected amount of losses from goods returned is posted as an allowance for sales returns from the fiscal year under review to achieve fiscal soundness, improve periodic profit and loss accounting, and prepare for losses from goods returned.*

*In association with this, operating expenses increased 976,000 yen and 40,288,000 yen in Artist Management and Media-Visual respectively, and operating income fell by the same amount during the fiscal year.*

*(Fiscal 2009)*

*As described in Significant Items Regarding Preparation of Consolidated Financial Statements, Amuse Inc. has adopted the Accounting Standards Board Standard No. 9, Accounting Standard for Measurement of Inventories, issued on July 5, 2006 from the fiscal year under review. As a result, in Artist Management, operating expenses for the consolidated fiscal year under review rose 21,940,000 yen, and operating income fell by the same amount, compared with the figures calculated based on the previous method.*

*Meanwhile, operating expenses rose 385,805,000 yen, and operating income declined by the same amount in Media-Visual.*