

Summary of Consolidated Financial Results
for the Six Months ended September 2009

Amuse Inc.

Consolidated balance sheet

Thousand yen	September 30, 2009	March 31, 2009
Current assets		
Cash and deposits	2,854,432	4,165,960
Accounts receivable	6,150,524	5,999,397
Merchandise and Finished goods	3,443,656	3,459,552
Work in progress	2,180,055	2,184,416
Supplies	15,744	12,318
Others	1,207,275	1,484,898
Allowance for doubtful accounts	(132,158)	(119,594)
	15,719,529	17,186,949
Fixed assets		
Tangible fixed assets		
Buildings (Net)	1,207,037	875,762
Land	1,785,068	1,783,793
Others (Net)	209,041	66,764
	3,201,147	2,726,319
Intangible fixed assets	263,540	283,991
Investments and other assets		
Investment securities	591,780	606,831
Others	1,613,650	1,579,884
Allowance for doubtful accounts	(18,678)	(21,899)
Total investments and other assets	2,186,752	2,164,816
Total fixed assets	5,651,440	5,175,126
Total assets	21,370,970	22,362,076

Thousand yen	September 30, 2009	March 31, 2009
Current liabilities		
Trade accounts payable	5,206,370	6,350,292
Short-term borrowings	1,000,000	300,000
Income taxes payable	848,453	1,463,798
Reserve for directors' bonuses	-	22,500
Allowance for sales return	11,442	69,457
Others	542,397	940,353
	7,608,663	9,146,401
Long-term liabilities		
Employees' retirement benefits	648,798	619,787
Reserve for directors' retirement allowances	42,692	46,665
Others	129,845	83,199
	821,336	749,652
Total liabilities	8,429,999	9,896,053
Net assets		
Shareholders' equity		
Common stock	1,587,825	1,587,825
Capital reserves	1,694,890	1,694,890
Retained earnings	9,507,976	8,943,475
Treasury stock	(22,128)	(17,974)
Total shareholders' equity	12,768,562	12,208,215
Valuation/translation gains (losses)		
Unrealized gains or losses on other securities	54,263	63,143
Foreign currency translation adjustments	(121,444)	(137,650)
Total valuation/translation gains (losses)	(67,180)	(74,507)
Minority interests	239,588	332,314
Total net assets	12,940,970	12,466,022
Total liabilities and net assets	21,370,970	22,362,076

Consolidated statement of income

First half

Thousand yen	Six months ended September 30, 2008	Six months ended September 30, 2009
Operating revenue	14,790,705	16,034,121
Cost of operation	10,787,081	12,656,838
Gross operating income	4,003,624	3,377,282
Reversal of provision for sales returns	13,392	58,015
Gross operating income after deductions	4,017,016	3,435,297
Selling, general and administrative expenses	2,006,078	1,705,137
Operating income	2,010,937	1,730,160
Nonoperating income		
Interest income	8,726	5,676
Dividend income	2,110	1,651
Amortization of negative goodwill	-	20,053
Others	11,743	11,173
Total nonoperating income	22,580	38,554
Nonoperating expenses		
Interest expenses	16,984	2,441
Amortization of business commencement expenses	-	21,917
Others	9,584	10,707
Total Nonoperating expenses	26,569	35,066
Ordinary profit	2,006,948	1,733,647
Extraordinary income		
Gain on sales of investment in securities	564,075	-
Others	135,591	-
Total Extraordinary income	699,666	-

Thousand yen	Six months ended September 30, 2008	Six months ended September 30, 2009
Extraordinary losses		
Loss on retirement of fixed assets	-	9,496
Loss on devaluation of investment securities	61,893	-
Loss on revaluation of inventories	278,690	-
Loss on withdrawal from video sales business	152,052	-
Others	265,535	-
Total Extraordinary losses	758,172	9,496
Income before taxes and other adjustments	1,948,442	1,724,151
Corporate, inhabitant and enterprise taxes	950,010	833,945
Deferred taxes	2,540	121,033
Total income taxes	952,551	954,978
Minority interests in income of consolidated companies	(27,752)	10,898
Net income for the term	1,023,643	758,274

Second quarter

Thousand yen	Three months ended September 30, 2008	Three months ended September 30, 2009
Operating revenue	9,865,780	9,646,985
Cost of operation	6,861,759	7,604,960
Gross operating income	3,004,021	2,042,025
Transfer to allowance for sales returns	2,548	-
Reversal of provision for sales returns	-	5,783
Gross operating income after deductions	3,001,473	2,047,808
Selling, general and administrative expenses	948,717	893,221
Operating income	2,052,755	1,154,586
Nonoperating income		
Interest income	5,089	2,648
Dividend income	513	-
Others	7,167	4,186
Total nonoperating income	12,769	6,834
Nonoperating expenses		
Interest expenses	8,831	2,082
Amortization of business commencement expenses	-	21,917
Others	5,233	8,365
Total Nonoperating expenses	14,064	32,365
Ordinary profit	2,051,460	1,129,055
Extraordinary income		
Gain on sales of investment in securities	564,075	-
Others	135,591	-
Total Extraordinary income	699,666	-

Thousand yen	Three months ended September 30, 2008	Three months ended September 30, 2009
Extraordinary losses		
Loss on retirement of fixed assets	-	9,496
Loss on devaluation of investment securities	61,893	-
Loss on withdrawal from video sales business	152,052	-
Others	265,535	-
Total Extraordinary losses	479,481	9,496
Income before taxes and other adjustments	2,271,645	1,119,559
Corporate, inhabitant and enterprise taxes	927,126	637,963
Deferred taxes	61,396	(80,391)
Total income taxes	988,522	557,572
Minority interests in income of consolidated companies	(8,359)	13,271
Net income for the term	1,291,482	548,716

Consolidated statement of cash flows

Thousand yen	Six months ended September 30, 2008	Six months ended September 30, 2009
Net cash provided by (used in) operating activities		
Income before taxes and other adjustments	1,948,442	1,724,151
Depreciation expenses	66,802	77,476
Amortization of negative goodwill	-	(20,053)
Increase (decrease) in allowance for doubtful accounts	15,148	9,344
Increase (decrease) in reserve for directors' bonuses	-	(22,500)
Increase (decrease) in allowance for sales return	(13,392)	(58,015)
Increase (decrease) in retirement benefits	(51,976)	29,010
Increase (decrease) in reserve for directors' retirement allowances	(318,634)	(3,973)
Interest and dividend income	(10,836)	(7,327)
Interest expenses	16,984	2,441
Loss (gain) on sales of investment securities	(564,075)	-
Loss (gain) on valuation of investment securities	61,893	-
Decrease (increase) in operating receivables	(989,370)	(151,105)
Decrease (increase) in inventories	584,648	16,831
Loss on retirement of fixed assets	-	9,496
Increase (decrease) in payables	1,872,860	(1,143,921)
Increase (decrease) in accrued consumption taxes	-	(184,480)
Decrease (increase) in other current assets	103,621	75,516
Increase (decrease) in other current liabilities	(15,949)	(205,457)
Others	(86,039)	60,508
	2,620,127	207,943
Interest and dividend income	11,158	5,225
Interest expenses	(15,433)	(2,441)
Income tax and others	(202,132)	(1,440,221)
	2,413,720	(1,229,494)

Thousand yen	Six months ended September 30, 2008	Six months ended September 30, 2009
Net cash provided by (used in) investing activities		
Payments for acquisition of tangible fixed assets	(50,012)	(488,774)
Proceeds from sales of property, plant and equipment	43,459	-
Payments for acquisition of intangible fixed assets	(113,861)	(16,507)
Proceeds from sales of intangible fixed assets	-	39,434
Payments for investment in securities	(2,000)	-
Proceeds from sales of investments in securities	775,900	-
Payments for acquisition of subsidiaries' stock	(195,000)	(72,000)
Proceeds from sales of subsidiaries' stock	143,344	-
Payments for loans and advances	(525,893)	(10,200)
Proceeds from collection of loans and advances	195,876	13,756
Others	61,327	(35,230)
	333,140	(569,521)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(400,000)	700,000
Payments for acquisition of treasury stock	(126)	(4,153)
Dividends	(76,518)	(189,090)
Dividend payment to minority shareholders	(1,044)	(11,570)
Proceeds from minority shareholders	153,000	-
Others	(10,214)	(11,110)
	(334,903)	484,074
Effect of exchange rate changes on cash and cash equivalents	(2,935)	2,254
Increase (decrease) in cash and cash equivalents	2,409,021	(1,312,686)
Cash and cash equivalents, beginning of term	1,739,545	4,144,782
Increase in cash and cash equivalents resulting in changes in the scope of consolidation	183,755	-
Cash and cash equivalents, end of term	4,332,322	2,832,096

Notes relating to the going concern assumption

No corresponding item existed.

Segment information

a. Type of business

Thousand yen	Artist management	Media-visual	Contents	Total	Eliminations	Consolidated
Three months ended September 30, 2008						
Revenues						
External customers	7,049,637	2,030,837	7,85,305	9,865,780	-	9,865,780
Intersegment transactions and eliminations	6,429	1,754	8,506	16,691	(16,691)	-
Total	7,056,067	2,032,592	793,812	9,882,471	(16,691)	9,865,780
Operating income (loss)	2,578,620	(385,193)	180,540	2,373,967	(321,212)	2,052,755

Thousand yen	Artist management	Media-visual	Contents	Total	Eliminations	Consolidated
Three months ended September 30, 2009						
Revenues						
External customers	7,219,681	1,891,243	536,061	9,646,985	-	9,646,985
Intersegment transactions and eliminations	5,900	24,912	43,166	73,978	(73,978)	-
Total	7,225,581	1,916,155	579,227	9,720,964	(73,978)	9,646,985
Operating income (loss)	1,468,937	(247,062)	132,731	1,354,607	(200,020)	1,154,586

Thousand yen	Artist management	Media-visual	Contents	Total	Eliminations	Consolidated
Six months ended September 30, 2008						
Revenues						
External customers	8,856,231	4,651,509	1,282,963	14,790,705	-	14,790,705
Intersegment transactions and eliminations	12,069	3,175	11,022	26,267	(26,267)	-
Total	8,868,301	4,654,685	1,293,986	14,816,972	(26,267)	14,790,705
Operating income (loss)	2,612,057	(324,066)	282,274	2,570,265	(559,328)	2,010,937

Thousand yen	Artist management	Media-visual	Contents	Total	Eliminations	Consolidated
Six months ended September 30, 2009						
Revenues						
External customers	11,621,020	3,368,325	1,044,774	16,034,121	-	16,034,121
Intersegment transactions and eliminations	21,661	31,860	60,247	113,769	(113,769)	-
Total	11,642,682	3,400,185	1,105,022	16,147,890	(113,769)	16,034,121
Operating income (loss)	2,342,774	(415,770)	183,655	2,110,660	(380,499)	1,730,160

(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. Revenue from the operation of museums and cultural facilities

(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. Changes in accounting method

Consolidated cumulative first-half period of the previous fiscal year

(Accounting standard for the valuation of inventories)

As described in 2. (1) Changes in Significant Items Regarding the Preparation of Quarterly Consolidated Financial Statements, Amuse Inc. adopted the Accounting Standards Board Standard No. 9, Accounting Standard for Measurement of Inventories, issued on July 5, 2006 in the consolidated first quarter of the current fiscal year. As a result, in Media-Visual, operating expenses for the consolidated cumulative first half under review rose 209,877,000 yen, and the operating loss for the period grew by the same amount, compared with figures calculated using the previous method.

(Information by geographic segment)

The consolidated second quarter of the previous fiscal year (from July 1, 2008 to September 30, 2008), the consolidated second quarter of the current fiscal year (from July 1, 2009 to September 30, 2009), the consolidated cumulative first half of the previous fiscal year (from April 1, 2008 to September 30, 2008) and the consolidated cumulative first half of the current fiscal year (from April 1, 2009 to September 30, 2009)

Information by geographic segment is omitted because revenues for Japan account for more than 90% of revenues for all geographic segments.

(Overseas revenues)

The consolidated second quarter of the previous fiscal year (from July 1, 2008 to September 30, 2008), the consolidated second quarter of the current fiscal year (from July 1, 2009 to September 30, 2009), the consolidated cumulative first half of the previous fiscal year (from April 1, 2008 to September 30, 2008) and the consolidated cumulative first half of the current fiscal year (from April 1, 2009 to September 30, 2009)

Overseas revenues are omitted because they account for less than 10% of consolidated revenues.

Notes on any significant change in shareholders' equity

No corresponding item existed.