

Summary of Consolidated Financial Results
for the Year ended March 2010

Amuse Inc.

Consolidated balance sheet

Thousand yen	March 31, 2009	March 31, 2010
Current assets		
Cash and deposits	4,165,960	3,660,543
Notes and trade accounts receivable	5,999,397	3,375,537
Merchandise and Finished goods	3,459,552	1,761,615
Work in progress	2,184,416	1,499,064
Supplies	12,318	19,378
Deferred tax assets	268,507	268,048
Others	1,216,390	1,041,917
Allowance for doubtful accounts	(119,594)	(103,137)
Total current assets	17,186,949	11,522,967
Fixed assets		
Tangible fixed assets		
Buildings (Net)	*1 875,762	*1 1,199,259
Land	1,783,793	1,760,487
Lease assets, net	-	*1 28,042
Others (Net)	*1 66,764	*1 98,891
	2,726,319	3,086,681
Intangible fixed assets	283,991	323,100
Investments and other assets		
Investment securities	*2 606,831	*2 557,834
Deferred tax assets	228,099	406,464
Others	*2 1,351,784	*2 1,064,570
Allowance for doubtful accounts	(21,899)	(267,211)
Total investments and other assets	2,164,816	1,761,657
Total fixed assets	5,175,126	5,171,440
Total assets	22,362,076	16,694,407

(Thousand yen)

March 31, 2009	March 31, 2010
*1. Accumulated depreciation of tangible fixed assets 631,419	*1. Accumulated depreciation of tangible fixed assets 665,596
*2. Line items for non-consolidated subsidiaries and affiliated companies are as follows: Investment securities (stocks) 356,686 Investment and other assets "Others" (Investment in capital) 17,348	*2. Line items for non-consolidated subsidiaries and affiliated companies are as follows: Investment securities (stocks) 359,194 Investment and other assets "Others" (Investment in capital) 23,631

Thousand yen	March 31, 2009	March 31, 2010
Current liabilities		
Trade accounts payable	6,350,292	4,005,097
Short-term borrowings	300,000	-
Lease obligations	-	7,145
Income taxes payable	1,463,798	26,372
Deferred tax liabilities	-	488
Reserve for directors' bonuses	22,500	12,180
Allowance for sales return	69,457	28,027
Others	940,353	572,399
Total current liabilities	9,146,401	4,651,709
Long-term liabilities		
Lease obligations	-	21,276
Employees' retirement benefits	619,787	660,611
Reserve for directors' retirement allowances	46,665	16,472
Others	83,199	164,993
Total long-term liabilities	749,652	863,353
Total liabilities	9,896,053	5,515,063
Net assets		
Shareholders' equity		
Common stock	1,587,825	1,587,825
Capital reserves	1,694,890	1,694,890
Retained earnings	8,943,475	7,775,838
Treasury stock	(17,974)	(22,771)
Total shareholders' equity	12,208,215	11,035,782
Valuation/translation gains (losses)		
Valuation difference on other securities	63,143	37,326
Foreign currency translation adjustments	(137,650)	(134,941)
Total valuation/translation gains (losses)	(74,507)	(97,615)
Minority interests	332,314	241,176
Total net assets	12,466,022	11,179,344
Total liabilities and net assets	22,362,076	16,694,407

Consolidated statement of income

Thousand yen	Year ended March 31, 2009	Year ended March 31, 2010
Operating revenue	32,185,589	28,740,831
Cost of operation	*1 24,463,997	*1 23,466,419
Gross operating income	7,721,592	5,274,411
Provision for sales returns	28,193	-
Reversal of provision for sales returns	-	41,430
Gross operating income after deductions	7,693,399	5,315,841
Selling, general and administrative expenses	*2 4,411,175	*2 4,047,616
Operating income	3,282,223	1,268,225
Nonoperating income		
Interest income	18,005	8,521
Refunded consumption tax	8,705	-
Amortization of negative goodwill	-	20,053
Commissions received	6,781	3,962
Others	12,845	17,254
Total nonoperating income	46,337	49,791
Nonoperating expenses		
Interest expenses	19,496	4,466
Foreign exchange gain	50,084	49,869
Amortization of business commencement expenses	-	39,232
Commissions	13,291	12,159
Others	9,607	6,972
Total nonoperating expenses	92,479	112,699
Ordinary profit	3,236,082	1,205,317
Extraordinary income		
Gain on sales of fixed assets	32,991	12,402
Gain on sales of investment in securities	601,275	6,504
Others	129,330	-
Total extraordinary income	763,597	18,907

Thousand yen	Year ended March 31, 2009	Year ended March 31, 2010
Extraordinary losses		
Loss on devaluation of investment securities	84,970	-
Loss on liquidation of business	*3 259,706	-
Loss on withdrawal from business	*4 152,052	-
Loss on revaluation of inventories	*1 278,690	-
Restructuring loss	-	*5 1,579,368
Others	15,051	24,043
Total extraordinary losses	790,471	1,603,411
Income (loss) before taxes and other adjustments	3,209,208	(379,187)
Corporate, inhabitant and enterprise taxes	1,629,843	649,185
Deferred taxes	20,849	(159,965)
Total income taxes	1,650,692	489,220
Minority interests in income of consolidated companies	5,633	12,485
Net income (loss) for the term	1,552,882	(880,893)

(Thousand yen)

Year ended March 31, 2009	Year ended March 31, 2010
*1. Ending inventories show the amounts after writing down the book value as a result of declining profitability, and the following losses on revaluation of inventories are included in the cost of operation and extraordinary losses. Cost of operation 407,746 Extraordinary losses 278,690	*1. Ending inventories show the amounts after writing down the book value as a result of declining profitability, and the following losses on revaluation of inventories are included in the cost of operation. Cost of operation 183,220
*2. Major account titles and amounts in selling, general and administrative expenses are as follows: Salary 580,694 Provision for directors' bonuses 22,500 Retirement benefit expenses 33,597 Provision for directors' retirement benefits 11,563 Provision of allowance for doubtful accounts 119,655 Advertising expenses 818,471 Promotion expenses 528,760	*2. Major account titles and amounts in selling, general and administrative expenses are as follows: Salary 602,022 Provision for directors' bonuses 12,180 Retirement benefit expenses 34,104 Provision for directors' retirement benefits 4,826 Provision of allowance for doubtful accounts 243,508 Advertising expenses 772,974
*3. Breakdown of loss on business liquidation is as follows: Loss on withdrawal from label business 146,926 Loss on cancellation of events 112,780	*3. _____
*4. Breakdown of loss on withdrawal from business is as follows: Loss on withdrawal from video sales business 152,052	*4. _____
*5. _____	*5. Restructuring loss is related to radical business restructuring in the Media-visual business. The breakdown is as follows: Loss on disposal and valuation of inventories 1,511,931 Extra retirement payments 67,436

Consolidated statement of changes in net assets

Thousand yen	Year ended March 31, 2009	Year ended March 31, 2010
Shareholders' equity		
Common stock		
Balance at the end of the previous fiscal year	1,587,825	1,587,825
Changes during the fiscal year		
Total changes during the fiscal year	-	-
Balance at the end of the 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 fiscal year		
Total changes during the fiscal year	-	-
Balance at the end of the fiscal year	1,694,890	1,694,890
Retained earnings		
Balance at the end of the previous fiscal year	7,537,977	8,943,475
Changes during the fiscal year		
Cash dividends paid	(155,021)	(286,742)
Net income	1,552,882	(880,893)
Change in the scope of consolidation	7,636	-
Total changes during the fiscal year	1,405,497	(1,167,636)
Balance at the end of the fiscal year	8,943,475	7,775,838
Treasury stock		
Balance at the end of the previous fiscal year	(17,737)	(17,974)
Changes during the fiscal year		
Purchases of treasury stock	(236)	(4,796)
Total changes during the fiscal year	(236)	(4,796)
Balance at the end of the fiscal year	(17,974)	(22,771)
Total shareholders' equity		
Balance at the end of the previous fiscal year	10,802,954	12,208,215
Changes during the fiscal year		
Cash dividends paid	(155,021)	(286,742)
Net income for the term	1,552,882	(880,893)
Change in the scope of consolidation	7,636	-
Purchases of treasury stock	(236)	(4,796)
Total changes during the fiscal year	1,405,260	(1,172,432)
Balance at the end of the fiscal year	12,208,215	11,035,782

Thousand yen	Year ended March 31, 2009	Year ended March 31, 2010
Valuation/translation gains (losses)		
Valuation difference on other securities		
Balance at the end of the previous fiscal year	57,797	63,143
Changes during the fiscal year		
Net changes in items other than those in shareholders' equity (net)	5,345	(25,816)
Total changes during the fiscal year	5,345	(25,816)
Balance at the end of the fiscal year	63,143	37,326
Foreign currency translation adjustments		
Balance at the end of the previous fiscal year	(61,450)	(137,650)
Changes during the fiscal year		
Net changes in items other than those in shareholders' equity (net)	(76,199)	2,708
Total changes during the fiscal year	(76,199)	2,708
Balance at the end of the fiscal year	(137,650)	(134,941)
Total valuation/translation gains (losses)		
Balance at the end of the previous fiscal year	(3,653)	(74,507)
Changes during the fiscal year		
Net changes in items other than those in shareholders' equity (net)	(70,853)	(23,107)
Total changes during the fiscal year	(70,853)	(23,107)
Balance at the end of the fiscal year	(74,507)	(97,615)
Minority interests		
Balance at the end of the previous fiscal year	133,757	332,314
Changes during the fiscal year		
Net changes in items other than those in shareholders' equity (net)	198,557	(91,137)
Total changes during the fiscal year	198,557	(91,137)
Balance at the end of the fiscal year	332,314	241,176
Total net assets		
Balance at the end of the previous fiscal year	10,933,058	12,466,022
Changes during the fiscal year		
Cash dividends paid	(155,021)	(286,742)
Net income for the term	1,552,882	(880,893)
Change in the scope of consolidation	7,636	-
Purchases of treasury stock	(236)	(4,796)
Net changes in items other than those in shareholders' equity (net)	127,703	(114,245)
Total changes during the fiscal year	1,532,964	(1,286,678)
Balance at the end of the fiscal year	12,466,022	11,179,344

Consolidated statement of cash flows

Thousand yen	Year ended March 31, 2009	Year ended March 31, 2010
Net cash provided by (used in) operating activities		
Income (loss) before taxes and other adjustments	3,209,208	(379,187)
Depreciation expenses	144,462	174,594
Amortization of negative goodwill	-	(20,053)
Increase (decrease) in allowance for doubtful accounts	51,491	228,856
Increase (decrease) in reserve for directors' bonuses	22,500	(10,320)
Increase (decrease) in allowance for sales return	28,193	(41,430)
Increase (decrease) in retirement benefits	(12,890)	40,823
Increase (decrease) in reserve for directors' retirement allowances	(312,504)	(30,193)
Interest and dividend income	(20,822)	(12,276)
Interest expenses	19,496	4,466
Loss (gain) on sales of investment securities	(597,415)	(6,504)
Loss (gain) on valuation of investment securities	84,970	-
Loss (gain) on sales of tangible fixed assets	(32,991)	(12,402)
Decrease (increase) in operating receivables	(3,244,808)	2,623,860
Decrease (increase) in inventories	1,593,232	2,376,229
Increase (decrease) in payables	2,669,880	(2,345,194)
Increase (decrease) in accrued consumption taxes	-	(250,328)
Decrease (increase) in other current assets	(192,179)	(29,256)
Increase (decrease) in other current liabilities	156,065	(178,488)
Others	49,011	355,002
	3,614,900	2,488,195
Interest and dividend income	19,911	13,803
Interest expenses	(17,944)	(4,466)
Income tax and others	(399,870)	(2,077,935)
	3,216,996	419,597

Thousand yen	Year ended March 31, 2009	Year ended March 31, 2010
Net cash provided by (used in) investing activities		
Payments for acquisition of tangible fixed assets	(935,713)	(526,027)
Proceeds from sales of tangible fixed assets	39,841	100,070
Payments for investment in securities	(2,000)	-
Proceeds from sales of investments in securities	814,442	14,251
Payments for acquisition of intangible fixed assets	(130,358)	(80,719)
Proceeds from sales of intangible fixed assets	134,443	39,434
Payments for acquisition of subsidiaries' stock	(295,000)	(74,508)
Proceeds from sales of subsidiaries' stock	143,344	-
Payments for loans and advances	(534,156)	(11,350)
Proceeds from collection of loans and advances	336,913	27,007
Others	272,010	202,729
	(156,232)	(309,111)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(800,000)	(300,000)
Payments for acquisition of treasury stock	(232)	(4,796)
Dividends	(152,864)	(281,849)
Proceeds from minority shareholders	153,000	-
Dividend payment to minority shareholders	(1,044)	(11,570)
Others	(25,216)	(18,891)
	(826,357)	(617,107)
Effect of exchange rate changes on cash and cash equivalents	(12,924)	659
Increase (decrease) in cash and cash equivalents	2,221,481	(505,962)
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	4,144,782	3,638,819

Segment information

a. Type of business

Thousand yen	Artist management	Media-visual	Contents	Total	Eliminations	Consolidated
Year ended March 31, 2009						
Revenues and operating income						
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)	-
Total	17,500,197	12,104,120	2,709,335	32,313,653	(128,063)	32,185,589
Operating expenses	13,628,598	12,478,062	1,741,207	27,847,867	1,055,498	28,903,366
Operating income (loss)	3,871,598	(373,941)	968,128	4,465,786	(1,183,562)	3,282,223
Assets, depreciation and capital expenditures						
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
Thousand yen	Artist management	Media-visual	Contents	Total	Eliminations	Consolidated
Year ended March 31, 2010						
Revenues and operating income						
External customers	18,889,885	7,780,691	2,070,253	28,740,831	-	28,740,831
Intersegment transactions and eliminations	170,624	180,631	141,500	492,756	(492,756)	-
Total	19,060,510	7,961,323	2,211,754	29,233,587	(492,756)	28,740,831
Operating expenses	16,122,289	9,160,267	1,733,777	27,016,334	456,271	27,472,606
Operating income (loss)	2,938,221	(1,198,944)	477,976	2,217,252	(949,027)	1,268,225
Assets, depreciation and capital expenditures						
Identifiable assets	7,462,985	5,672,890	930,738	14,066,614	2,627,793	16,694,407
Depreciation	131,284	22,537	16,386	170,208	4,385	174,594
Capital expenditures	576,425	19,442	10,879	606,747	-	606,747

(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 planning, production, marketing, sales and other tasks associated with artist goods and bundled products. 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. 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 2009 was 3,151,574 thousand yen, and as of the end of March 2010, the total amount was 3,075,053 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 1,209,995 thousand yen in the fiscal year ended March 2009, and 941,914 thousand yen in the fiscal year ended March 2010.
5. Changes in accounting method

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 thousand 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 thousand yen, and operating income declined by the same amount in Media-Visual.

Fiscal 2010

No corresponding item existed.

b. Information by geographic segment

Previous consolidated fiscal year (from April 1, 2008 to March 31, 2009) and consolidated fiscal year under review (from April 1, 2009 to March 31, 2010)

Information by geographic segment is omitted because total revenues and total amounts of assets for Japan account for more than 90% of revenues and assets, respectively, for all geographic segments.

c. Overseas revenues

Previous consolidated fiscal year (from April 1, 2008 to March 31, 2009) and consolidated fiscal year under review (from April 1, 2009 to March 31, 2010)

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

Information on Related Party

Previous consolidated fiscal year (from April 1, 2008 to March 31, 2009)

Amuse Inc. adopted the "Accounting Standards for Related Party Disclosures" (Accounting Standards for Business Enterprises No. 11, October 17, 2006) and the "Application Guideline of the Business Accounting Principles for Related Party Disclosures" (Application Guideline No. 13

of the Business Accounting Principles, October 17, 2006) in the consolidated fiscal year under review.

Consequently, disclosure of such information is omitted because the Company considers that there is no material necessity for disclosure in this summary of consolidated financial results.

Consolidated fiscal year under review (from April 1, 2009 to March 31, 2010)

Disclosure of such information is omitted because the Company considers that there is no material necessity for disclosure in this summary of consolidated financial results.