

**Digital Garage, Inc.**  
**Second Quarter FYE 2009**  
**Financial Report**

**February 13, 2009**



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# Mission & Business Model



# Context Company

Digital Garage creates innovative business "context" for the new internet age and provides unique business solutions for Japan's new lifestyles, society and industries by linking:

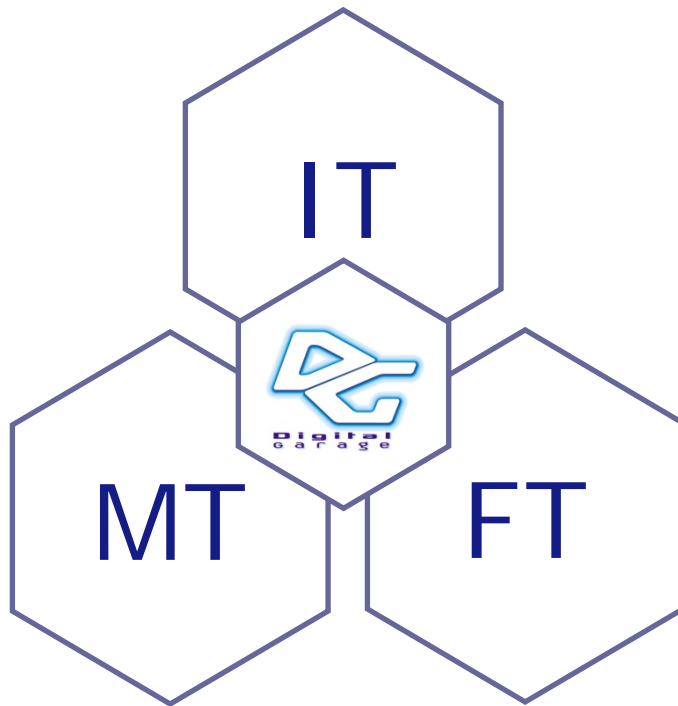
**Real** & **Cyber**  
**Local** & **International**  
**Marketing** & **Technology**  
**Present** & **Future**



A black and white photograph of a man in a suit standing in a narrow alleyway, looking thoughtful with his hand to his chin. A blue square with a white ampersand is overlaid on the wall to his left. The text 'Context Company' is written in a serif font across the bottom of the image.

C o n t e x t   C o m p a n y

Produce and incubate Japan's Internet businesses  
with optimal use of our three core strengths: IT, MT and FT



- ★ Information Technology
- ★ Marketing Technology
- ★ Financial Technology

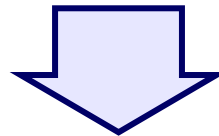
## Operating Holding Company system starting 27/10/2008

- 2nd stage of Group management in ever-changing business environment -

- ◆ Consolidate 17 Group subsidiaries into 10 and restructure them into 3 groups (i.e., To B / To C / Future)  
*<Solutions> <Portal/B> <Incubation>*
- ◆ 5 companies in "To B Solutions" to be consolidated into DG, which will evolve into a next-generation "Hybrid Solution Partner"
- ◆ In addition, prevent profit slide for minority shareholders and promote internal management cost reduction and tax efficiency

Further focus on:

Centrifugal force  Centripetal force



Move to 2<sup>nd</sup> phase of federation management

Functional restructuring within Group/optimal allocation of management resources

# Group Financial Performance Review

\*About business segments

With the Finance segment being absorbed, the group business now consists of three segments as of FYE 2009. In the interest of comparability, however, this report was prepared using the four previous segments.



# Cumulative Period Performance Summary for Second Quarter FYE 2009 (Consolidated)



context company

Interim period FYE 2008 (Actual)	Cumulative Q2 FYE 2009		Compared to Plan		Year-on-Year	(Reference) FYE 2008
	(Plan)	(Actual)				
Net sales	19,093	19,350	18,051	-1,298	-1,042	39,582
Operating income	-181	1,500	691	-808	+872	-172
Ordinary income	-287	1,360	563	-796	+850	-375
Net income	-884	-300	-1,255	-955	-371	-2,430

- Loss from securities write-down included in extraordinary loss (DGI) : 320 million yen
- Loss from securities write-down included in extraordinary loss (DGC) : 50 million yen

- Loss on operating investment securities : 150 million yen
- Loan loss included in selling, general and administrative expenses (DGC): 90 million yen

- ◆ Sales down 5.5% year-on-year, operating income up 872 million yen (Q2 FYE 2009 691 million yen vs. Q2 FYE 2008 -181 million yen)
- ◆ Quarterly net income down 371 million yen year-on-year due to extraordinary loss totaling 490 million yen (including loss from securities write-down of 389 million yen).

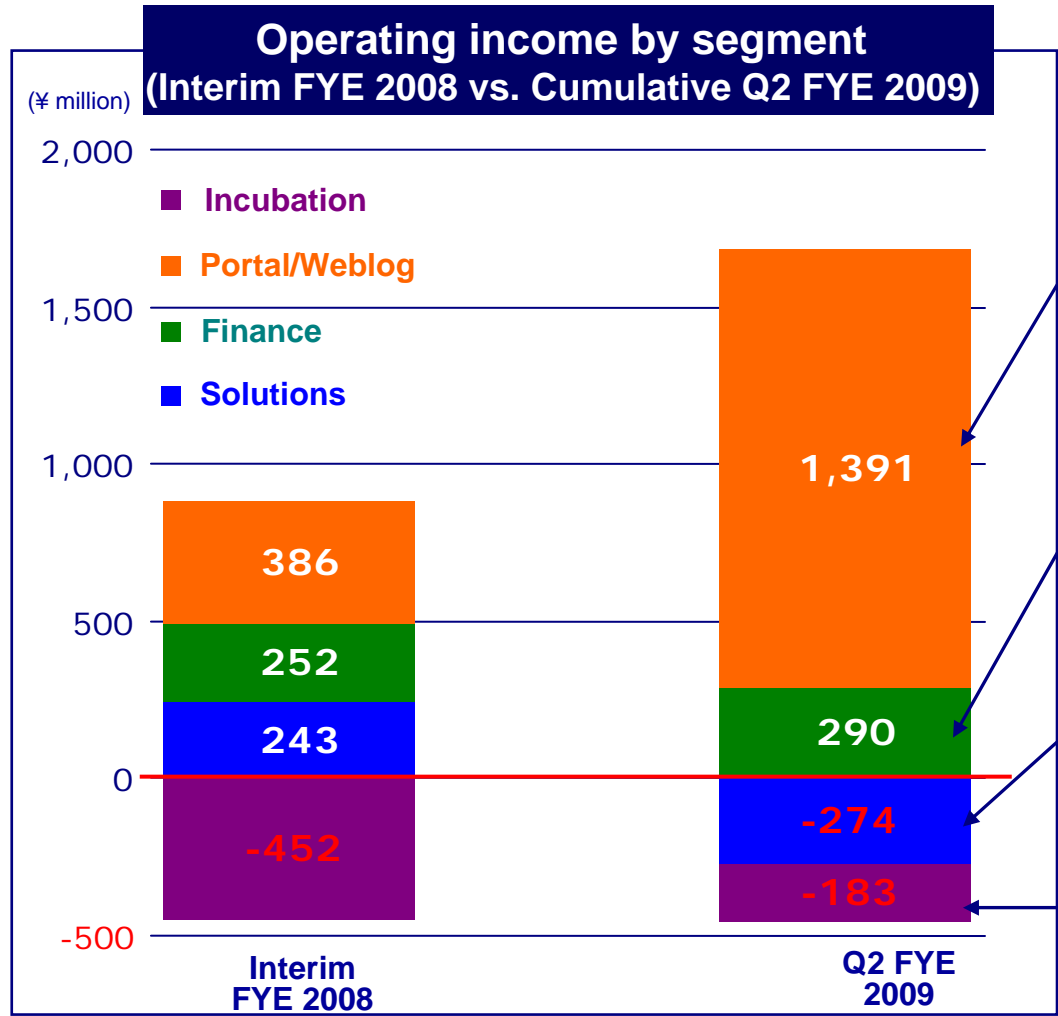
**Key factors for second quarter performance forecast revision**

Sales - DG Communications (formerly Sogei): Sales target unattained (profit target was met)

Profit - Incubation segment: sale of investment shares expected in Q2 has been delayed

- Loan losses incurred by real estate clients
- Business merger-related expenses temporarily incurred





**Portal/Weblog**  
 +1,005 million yen (year-on-year)  
 Positive impact from strong performance of Kakaku.com group

**Finance**  
 +38 million yen (year-on-year)  
 Despite business merger expenses

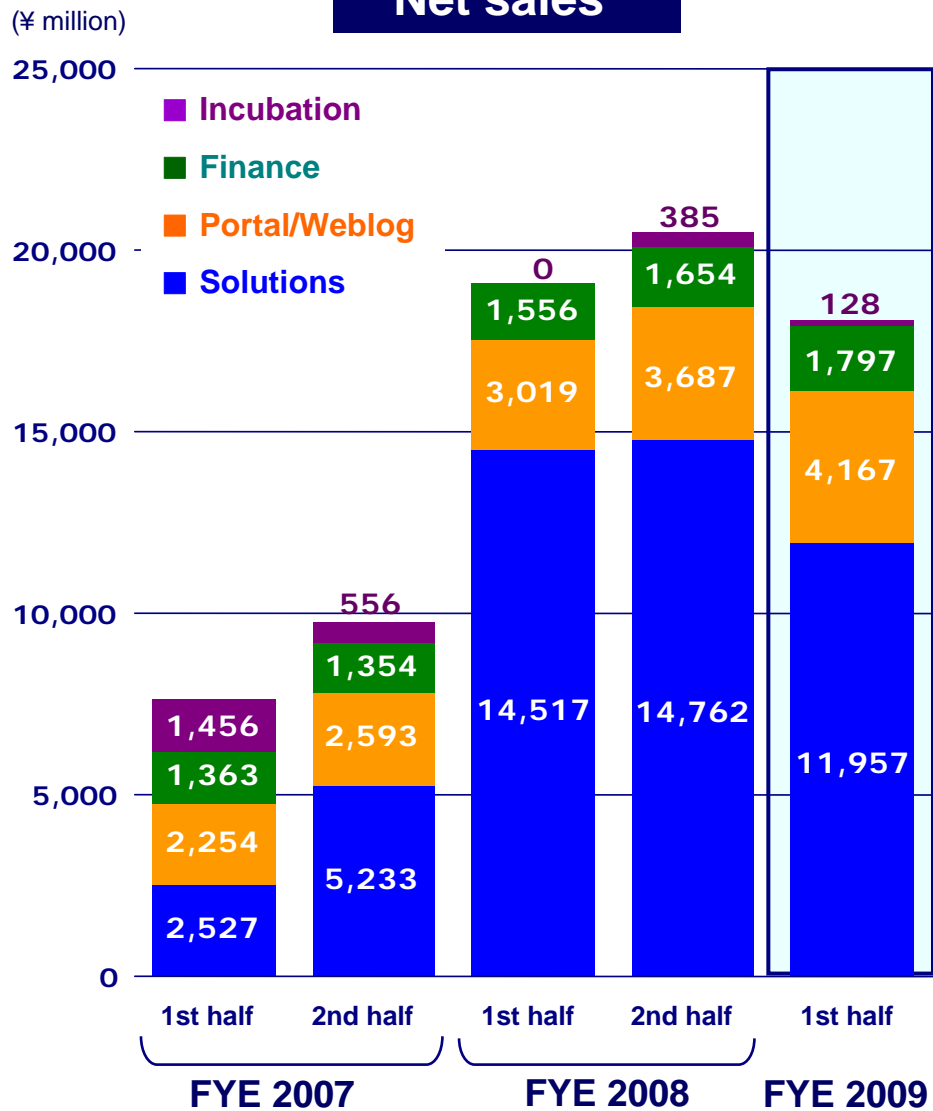
**Solutions**  
 -517 million yen (year-on-year)  
 Deterioration of real estate market; loan losses incurred

**Incubation**  
 +269 million yen (year-on-year)  
 Scheduled sale delayed

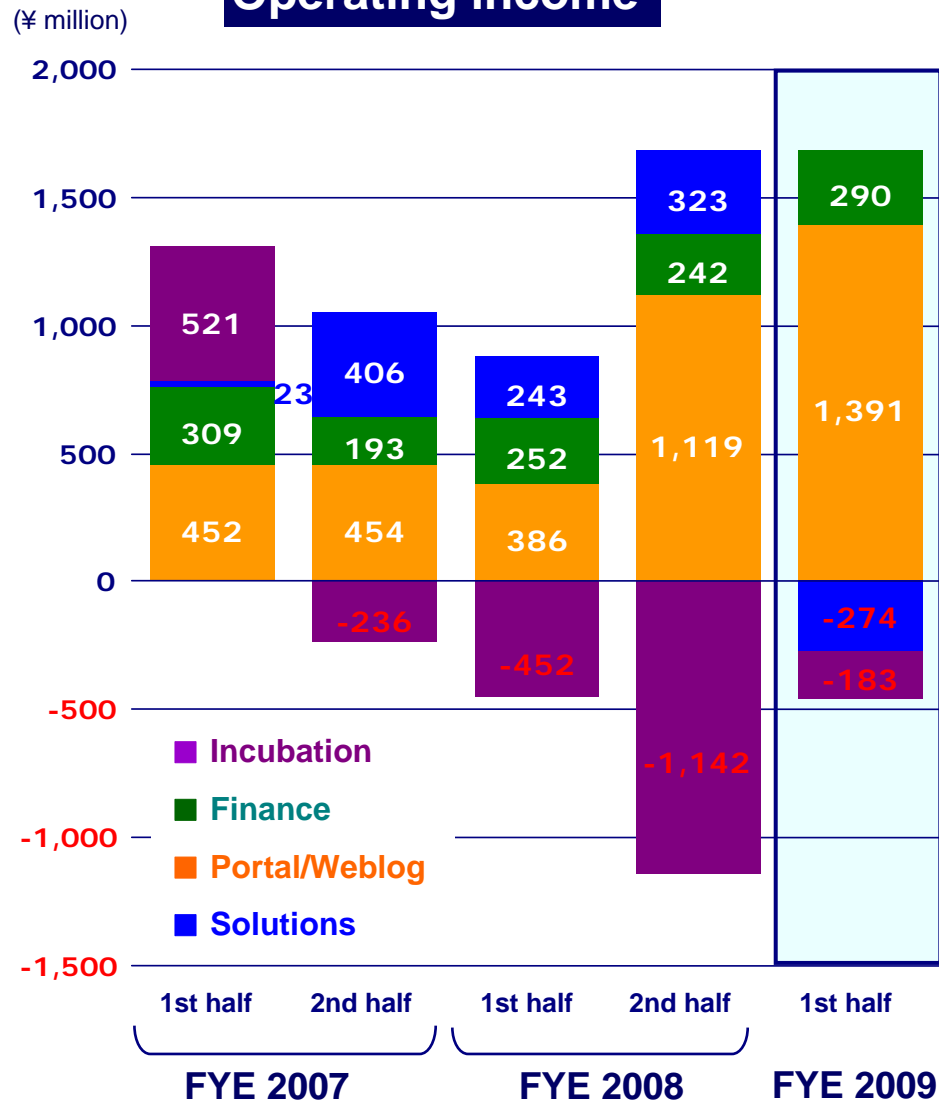
Operating income by segment  
**429 million yen** → **1,224 million yen**  
 (up 795 million yen year-on-year)



## Net sales



## Operating income



# Business Merger Review



Up to October 26, 2008

Transition

Since October 27, 2008

## Pure Holding Company



### Solutions



### Finance



### Portal/Weblog



### Incubation



Operating Holding Company/Solutions

Portal/Weblog

Incubation

## “To B”

Solutions Segment

Operating Holding Company  
Digital Garage



DG Communications  
(formerly Sogeti)

価格.com



DG INCUBATION

Joi Ito's Lab

## “To C”

Portal/Weblog Segment

## “Future”

Incubation Segment

## Preparation for full-scale promotion efforts for “Hybrid Solution” completed

Establishment of post-merger “Hybrid Solution” promotion framework close to completion  
Further efforts to reflect “Hybrid Solution” activities in tangible results to be accelerated

### *Acceleration of group collaboration*

- ◆ Systemic restructuring for facilitating group collaboration completed
- ◆ Collaboration projects partially commenced  
[ MS Store: e-context Company/lbex Company (/Kakaku.com)  
YOSHIMOTO TOMONOKAI: e-context Company/lbex Company  
IKKO Style: CGMM/lbex Company (/e-context Company) ]
- ◆ Further collaboration projects being pursued

### *Reduction of internal management cost*

- ◆ System transition implemented (e.g., management consolidation of group subsidiaries)  
(Temporary merger-related expenses incurred in first half; expected to decrease in second half)
- ◆ Operational standardization completed  
(Acquisition of privacy mark and standardization in compliance with J-SOX already implemented)

### *Optimal reallocation of resources*

- ◆ Resource reallocation among group subsidiaries implemented  
(e.g., functional consolidation for sales enhancement)
- ◆ Group-wide measures applied to complex issues for individual subsidiaries

Second Quarter FYE 2009  
Segment Performance Review



## I Solutions segment

IT system design and development, design/plan/implement marketing activities

## II Portal/Weblog segment

Portal business (e.g., Kakaku.com, CGM and weblog services)

## III Incubation segment

Investment promotion for Internet enterprises (business incubation)

## IV Finance segment

Internet financial services for settlement, currency exchange and insurance, etc.

## I Solutions Segment <To B Solution Businesses>

- ◆ Offering one-stop solution as “Hybrid Solution Partner” since business merger on October 27, 2008
  - ◆ Engages in commissioned businesses (To B) for IT solutions and marketing solutions
  - ◆ Integrates real media and web media, including advertising solicitation gateway operation for the Group's media business
- Launches ROI-oriented next-generation marketing solution business
- ◆ Sogei to be called "DG Communications" (November 1, 2008)

Consolidated companies	Establishment/Subsidiary dates	Investment ratio	Descriptions
➤ Digital Garage	95.8/ -	-	
➤ DG&Ibex Company	83.9/08.10 merged with DG	-	<b>Next-generation solutions provider for sales-focused business</b>
➤ Creative Garage Headquarters	03.2/08.10 merged with DG	-	<b>Comprehensive media services (graphics, video, etc.)</b>
➤ DG Media Marketing Headquarters	06.3/08.10 merged with DG	-	Group's media business operation and comprehensive web advertising solicitation
➤ DG Communications, Inc. (formerly Sogei)	62.11/07.4	100%	Comprehensive advertising agency for real estate and general consumer products



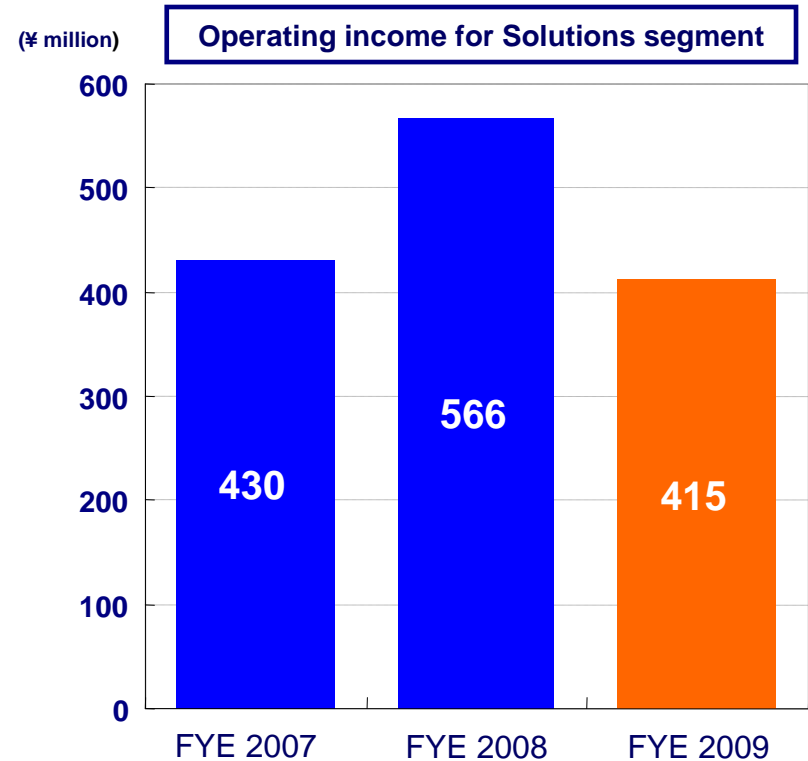
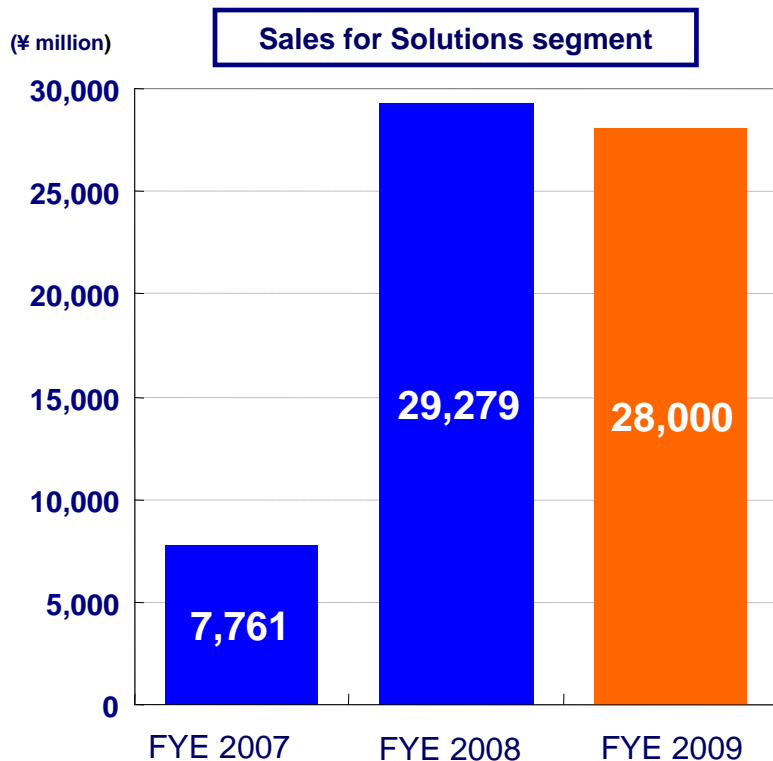


# Business Overview: Solutions Segment Performance



context company

	Net sales	Operating income	EBITDA
<b>FYE 2007 Actual</b>	7,761 million yen	430 million yen	643 million yen
<b>FYE 2008 Actual</b>	29,279 million yen (277% increase year-on-year)	566 million yen (32% increase year-on-year)	861 million yen (34% increase year-on-year)
<b>FYE 2009 Forecast</b>	28,000 million yen (4% decrease year-on-year)	415 million yen (27% decrease year-on-year)	720 million yen (16% decrease year-on-year)



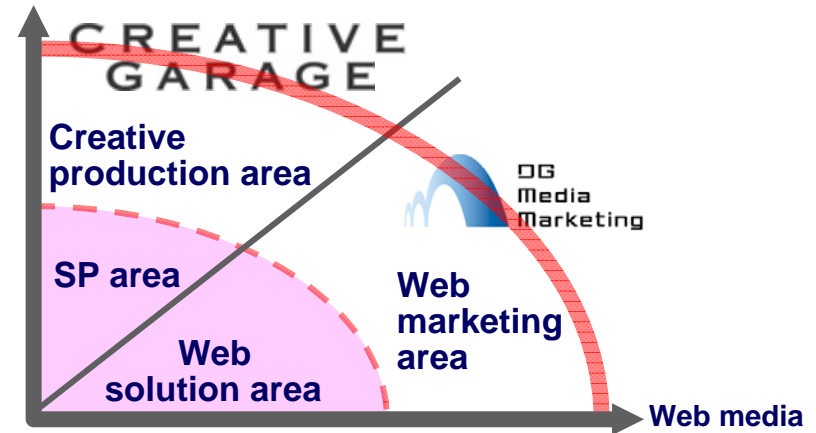


(Digital Garage DG&Ibex Company)

## FYE 2009 First Half Highlights

- Launched **MS Store**, online shopping platform for Microsoft products, as group-wide collaboration project
- Increased profit of digital media business
- Maintained stable level of orders for ongoing projects from major telecommunications carriers
- Started sales activities for newly-opened, innovative e-shop, @cosme store
- Expanded range of internal operation for creative media business as a result of merger
- Awarded gold prize for fifth straight year at J-POP Exhibition

Real media



Evolve into business entity that offers multi-directional client support by integrating MM (formerly DG Media Marketing) and CRG (formerly Creative Garage) headquarters

## Establish new business direction as Hybrid Solution Partner

Mid- and long-term strategy

Aim to become “solutions company for advanced consumer experience” through introduction of innovative business solutions

- ◆ *Further expand consolidation synergy and enhance solution offerings that integrate IT and real media*



## (DG&Ibex Company Media Marketing Headquarters)

### FYE 2009 First Half Highlights

- Achieved first half-year profit since beginning of operation in March 2006 (also expected to post full-year profit)
- Significantly expanded ROI-type advertising and listing of affiliate program services
- Maintained stable growth of group media business



Mid- and long-term strategy

Focus on ROI-type services and enhance DHC contents by utilizing group resources

## CREATIVE GARAGE (DG&Ibex Company Creative Garage Headquarters)

### FYE 2009 First Half Highlights

- Made solid progress on graphic-related projects
- Increased orders for cross-media projects

Mid- and long-term strategy

Enhance cross-media solutions > increase orders for Web-and-graphic interlocking promotion business



## DG COMMUNICATIONS DG Communications (formerly Sogei)

### FYE 2009 First Half Highlights

- Offset negative impact of ongoing decline in condominium market with achievement of cost reductions and high gross margin ratio (New listings in Tokyo area: 61,000 units in 2007 → 43,000 units in 2008 (72% of previous year))
  - Posted overall profit due to healthy turnaround achieved by last year's loss-making branch offices
  - Incurred loss due to collapses of some second-tier developers
- Performed ongoing full credit inquiries by filtering advertisement placements for Mansion DB
- Expanded new unique services for Mansion DB and SADM

Capably managed profit and credit exposure thanks to re-engineering efforts made well ahead of competitors since acquisition by DG



Increasing number of exclusive contracts with major business enterprises

Mid- and long-term strategy

### Firm positioning as communication partner across industry

All companies in search of new business in light of current recession

Goal: optimize DG group's assets in becoming comprehensive communication partner for continuously-restructuring real estate industry

- ◆ *Further enhance lean business structure in advertising area and develop innovative solutions that satisfy industry needs*

## II Portal/Weblog Segment <To C Solution Businesses>

- ◆ Anticipate further growth of robust Kakaku.com group
- ◆ Swiftly establish next-generation CGM (Consumer Generated Media) business
- ◆ Achieve business expansion for DG Mobile through boosting e-book market share and providing video advertising services
- ◆ Acquired Japanese IP from U.S.-based Technorati and moved into 7:3 (DG:TRUS) joint venture stage

Consolidated companies	Establishment/Subsidiary dates	Investment ratio	Descriptions
> <b>Kakaku.com, Inc.</b>	97.12/02.6	40%	Price comparison website "Kakaku.com"
> <b>4Travel, Inc.</b>	03.10/03.10	73%	Word-of-mouth travel information website "4Travel"
> <b>Technorati Japan, Inc.</b>	05.1/05.1	70%	Blog search engine "Technorati Japan"
> <b>DG Mobile, Inc.</b>	04.2/04.2	80%	Mobile e-book distribution platforms and content
> <b>CGM Marketing, Inc.</b>	06.8/06.8	51%	Advertisement matching service between bloggers and advertisers "AD-Butterfly"

[Kakaku.com's investment ratio]

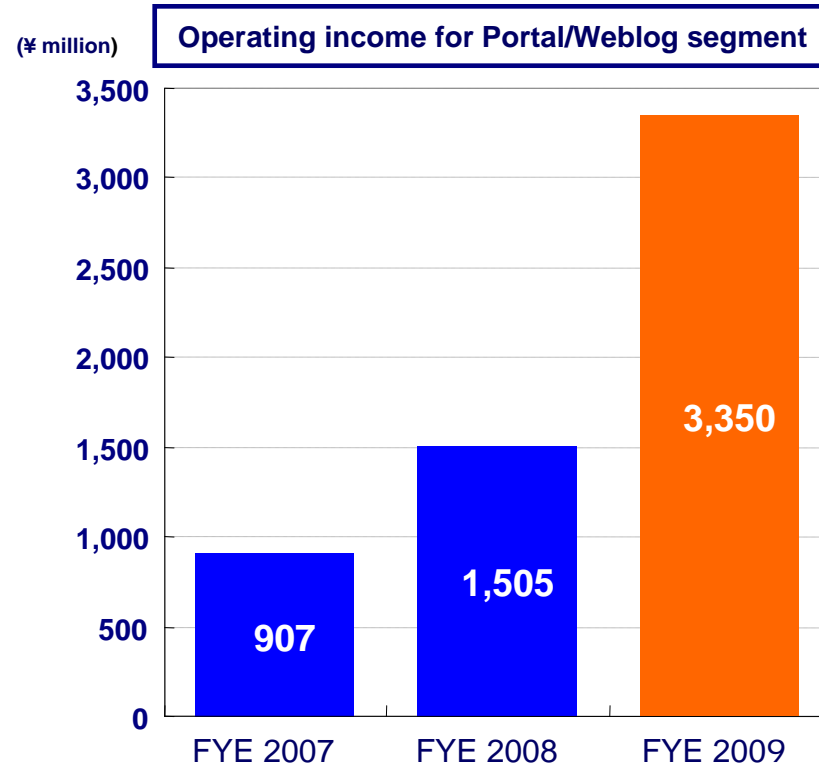
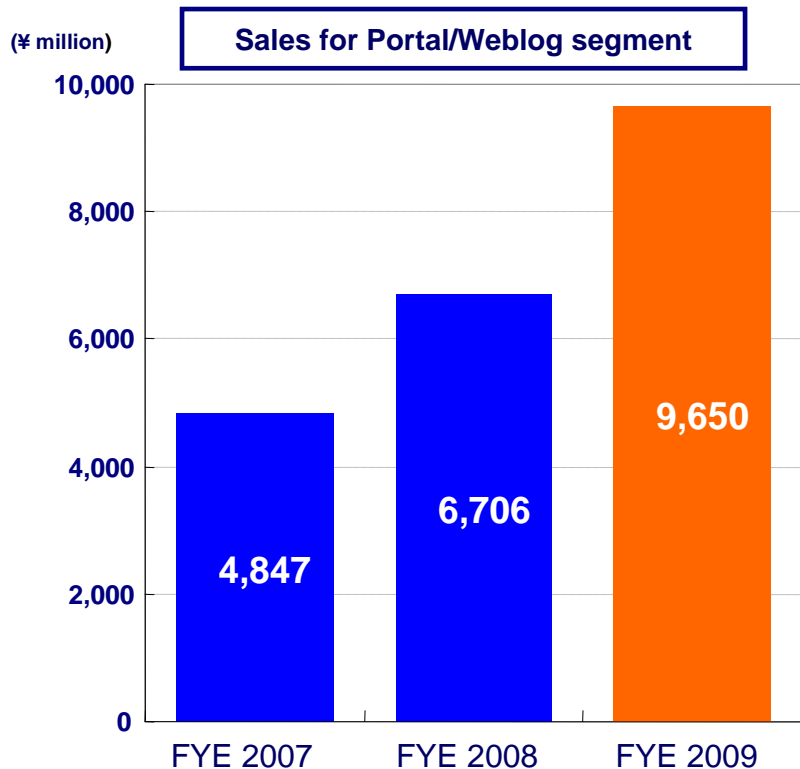


# Business Overview: Portal/Weblog Segment Performance



context company

	Net sales	Operating income	EBITDA
<b>FYE 2007 Actual</b>	4,847 million yen	907 million yen	1,348 million yen
<b>FYE 2008 Actual</b>	6,706 million yen (38% increase year-on-year)	1,505 million yen (66% increase year-on-year)	1,885 million yen (40% increase year-on-year)
<b>FYE 2009 Forecast</b>	9,650 million yen (43% increase year-on-year)	3,350 million yen (122% increase year-on-year)	3,880 million yen (106% increase year-on-year)





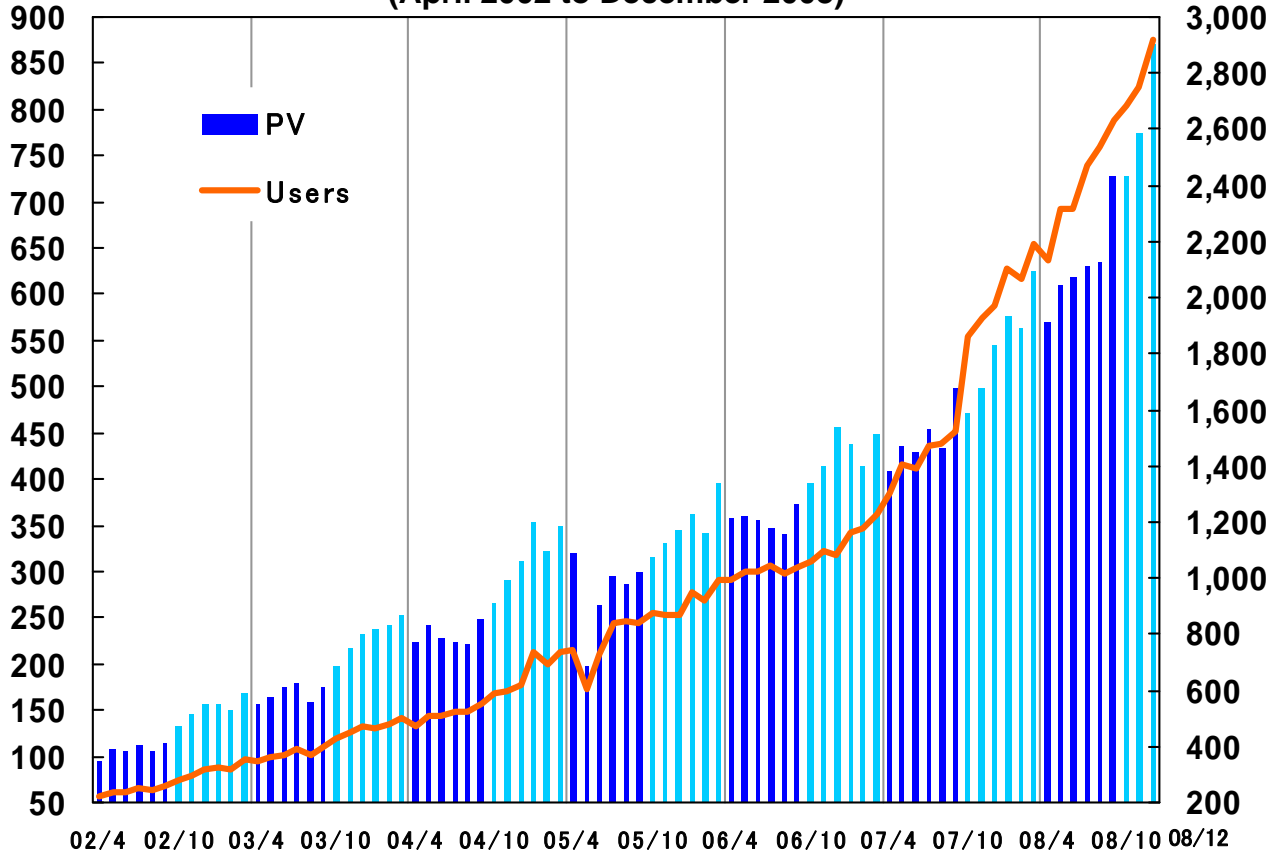
## 価格.com Kakaku.com, Inc.

Kakaku.com's capability as media vehicle rapidly strengthening due to boosted website traffic for affiliated businesses

### Monthly access data (April 2002 to December 2008)

(millions of PV)

(in tens of thousands of people)



**Affiliated websites  
Monthly users \***

**29,180,000**

**Affiliated websites  
Monthly PV \***

**869,920,000**

(As of December 2008)

\* Monthly unique users per website  
Calculation: kakaku.com, yoyaq.com, e.yoyaq.com, 4travel.jp, tabelog.com, mansion-db.com, eiga.com, tv.eiga.com, photohito.com, okyuu.com, sumaity.com are browser-based and fx-rashinban.com, kakakufx.com are IP-based.

\* Calculation methods have been revised: 4travel.jp since April 2007 and kakaku.com, yoyaq.com and e.yoyaq.com since October 2007.

#### Website history

May 97: launched <b>価格.com</b>	Oct 04: succeeded <b>yoyaq.com</b>	Jan 05: acquired <b>4travel.jp</b>	Mar 05: launched <b>食ベログ</b>	Apr 05: began sales activities <b>価格.com insurance</b>	Nov 06: launched <b>外為羅鈔盤</b>
Apr 07: acquired <b>eiga.com</b>	Apr 07: launched <b>mansion DB</b>	May 07: launched <b>kakakuFX</b>	Feb 08: launched <b>PHOTOHITO</b>	May 08: launched <b>okyuu.com</b>	Sep 08: launched <b>スマイティ</b>



## Word-of-mouth travel information website "4Travel"

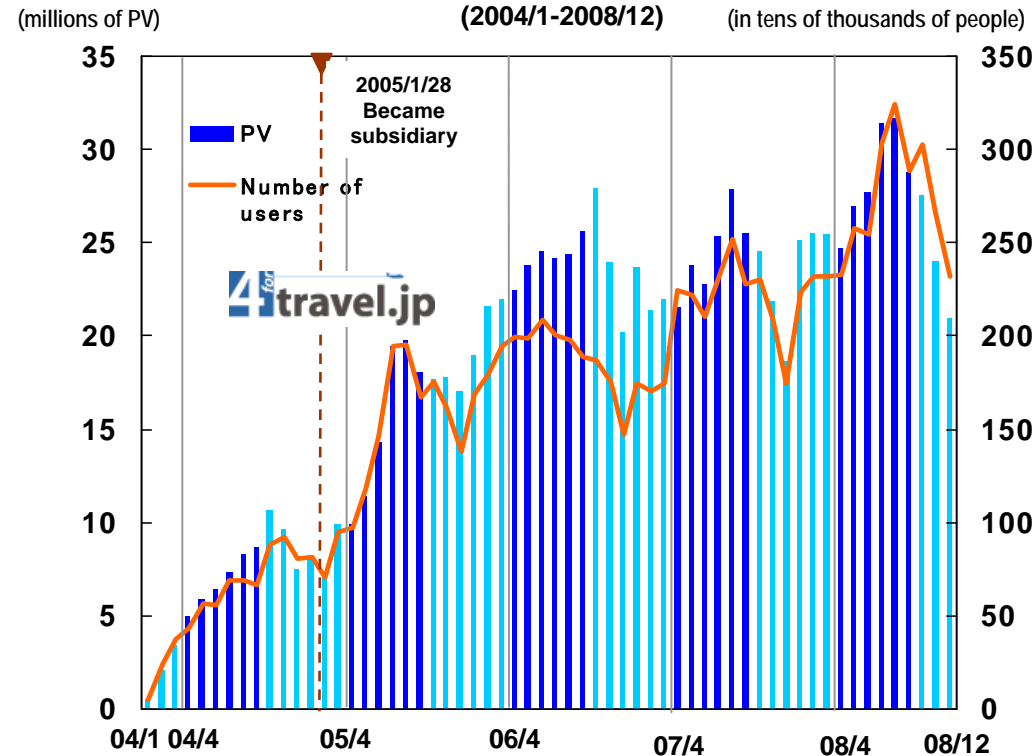
Monthly users *1	2,320,000 users
Monthly PV	20,910,000 PV
User postings *2	860,000
Traveler members	62,838 users
Travel photos	4,720,000
Advertised businesses	1,183

\*1 Date based on browsers (as of December 2008)

\*2 Total postings for word-of-mouth/travel journals/BBS/Q&A columns



## Monthly access data

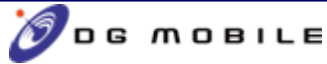


\* Data collected is browser-based (prior to April 2007, it was based on web server log file analysis)

	Traffic rankings of travel information websites	URL	Reach (%)
1	Global Trotter	arukikata.co.jp	2.2
2	4travel	4travel.jp	1.9
3	ab-road	ab-road.net	1.5
4	rurubu.com	rurubu.com	1.4
5	Travel.co.jp	travel.co.jp	1.3
6	Travelko-chan	tour.ne.jp	0.9

(Nielsen/Netratings: excerpt from December 2008 survey)





## DG Mobile, Inc.

### FYE 2009 First Half Highlights

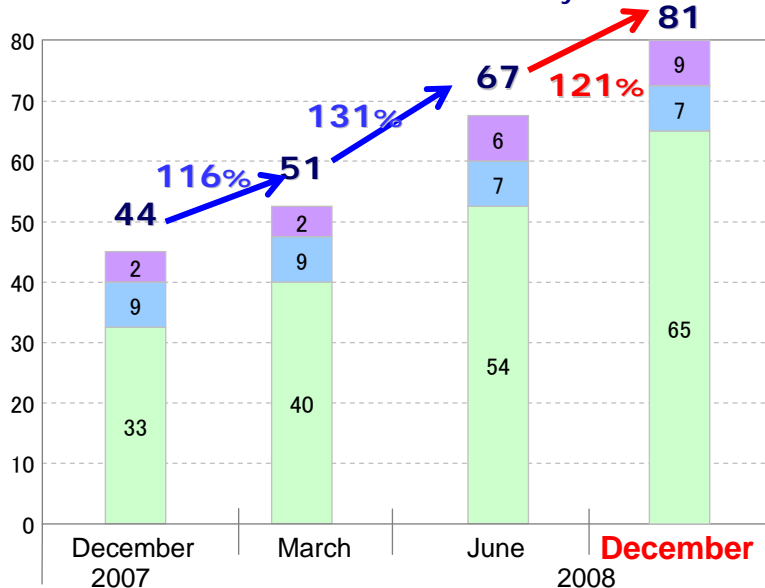
- Expanded fee-based web business due to synergetic effect of growing e-book market for mobile devices (“28.3 billion yen in 2007: 200% increase from previous year” announced by Impress R&D)
- Launched video content site for widely-adopted 3G mobiles and began offering fee-based services (e.g., “Wake-up Videos” official service for three carriers)
- Launched community site with CGM contents such as “Fanroad Mobile” and increased advertising revenue

Mid- and long-term strategy

Accommodate every type of digital content by implementing self-developed website system for 3G mobiles  
Strengthen revenue-generating product lines through development of affiliate system for mobile devices



<Number of e-book websites launched by DG Mobile>



→ Steady increase in number of websites launched  
Number of media-type websites also increased

Anime/comic/game-related illustration posting site  
“Fanroad Mobile” launched (December 15)

Magazine



Most popular open-contribution magazine

90% of contents subscriber contributions

\* Introduced creators of popular anime and manga characters Keroro Gunso and Mushishi

Fanroad Mobile



Launched as official service of DoCoMo



## CGM Marketing, Inc.

### FYE 2009 First Half Highlights

- Promoted CGM-based media development for contents holders
- Provided promotional services for blog utilization through AD-Butterfly, advertising marketplace for advertisers and bloggers
- Preparation underway for new high-profit business using blogs

Mid- and long-term strategy

**Facilitate service contracts/business collaboration using CGM utilization expertise for media development for mass-media content holders and monetization services**

### <Existing CGM solution area>

➔ Existing CGM solution business to be promoted on ongoing basis

#### FANCL's "HTC Collagen" promotion



Use the "real voices of people who have experienced products" as website contents in order to facilitate mindset changes in website visitors (potential users) and to induce them to acquire products

### <Upcoming focus area: Twitter & content holders>

➔ Promote collaborative membership-type business opportunities to content holders/media with user bases using Twitter

**twitter**  
World's largest mini-blog community



Content holders who have user bases but are unable to engage in commercial operation

Capitalize user bases and develop offshoot businesses

- User fees
- Advertising revenue
- EC sales revenue

**Profit sharing**





## Technorati JAPAN

## Technorati Japan, Inc.

### FYE 2009 First Half Highlights

- Introduced blog advertising network in Japan as service offering for consumers based on popular U.S. blogger model

IP licensing contract with U.S. Technorati last year enabled Japan-specific business operation

Developed advertising network in partnership with other media outlets (e.g., lateral operation of Hyobans with Impress) rather than original network created in U.S.

Expanded service range by integrating ad-marketing activities for CGM Marketing's AD-Butterfly users

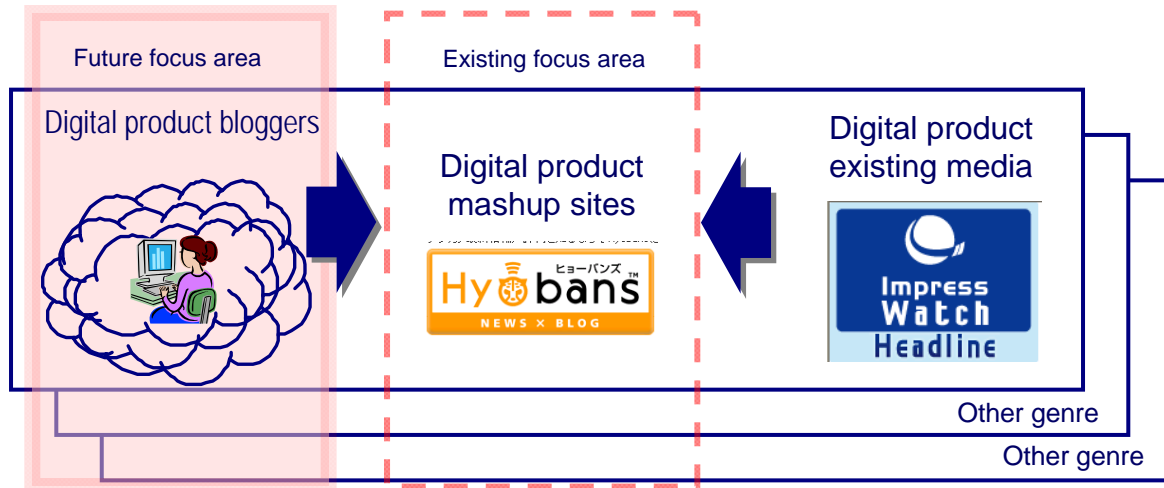
DG functional competitiveness as medium declined amid upsurge of blog search engines



Separate technology and consumer services and individually re-develop stimulation plans

Mid- and long-term strategy

Envisage creation of advertising network through mashup with existing media outlets





## Incubation Segment

- ◆ Create new Internet business that reflects DG's corporate philosophy
- ◆ Play supportive role for further growth for each DG segment and achieve steady profit contribution to Group. Investment operations through international business angel scheme centering on Joi Ito's Lab are steadily expanding
- ◆ Actively engaged in localization and incubation developments with focus on Silicon Valley-area Internet businesses

Consolidated companies	Establishment/Subsidiary dates	Investment ratio	Descriptions
➤ <b>DG Incubation, Inc.</b>	05.7/05.7	100%	<b>Venture business investment</b>
➤ <b>DG&amp;Partners, Inc.</b>	05.9/05.9	80%	<b>Investment fund management</b>
➤ <b>DG New Context Fund</b>	05.10/05.10	62%	<b>Stock management</b>

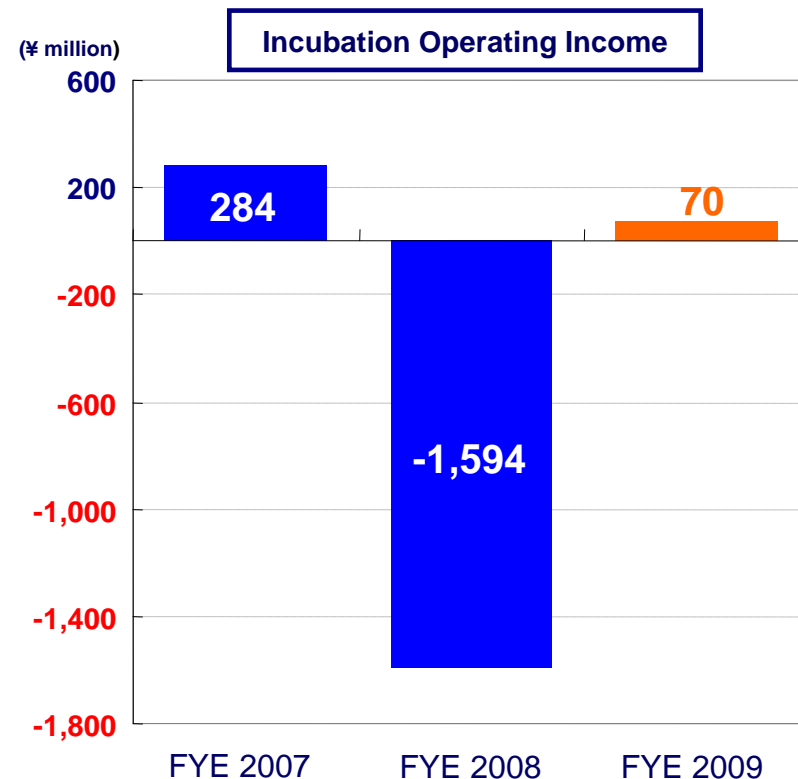
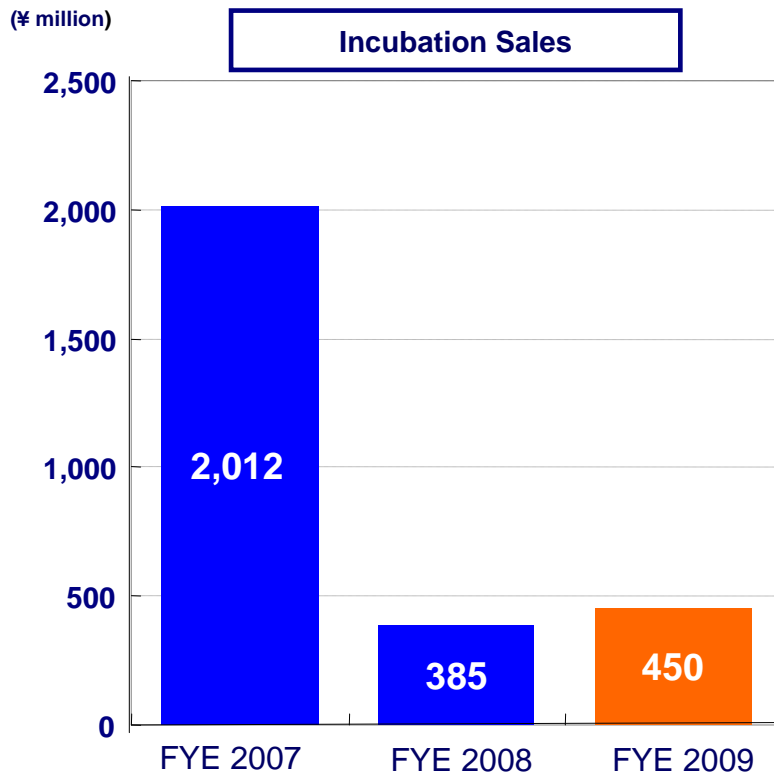


# Business Overview: Solutions Segment Performance



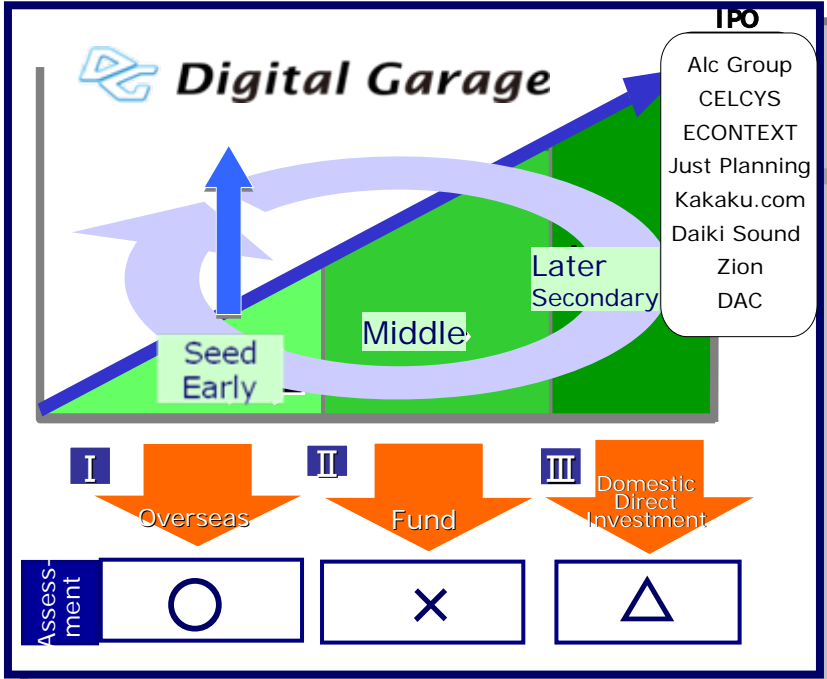
context company

	Net sales	Operating income	EBITDA
<b>FYE 2007 Actual</b>	2,012 million yen	284 million yen	284 million yen
<b>FYE 2008 Actual</b>	385 million yen	-1,594 million yen	-1,594 million yen
	(81% decrease year-on-year)		
<b>FYE 2009 Forecast</b>	450 million yen	70 million yen	70 million yen
	(17% increase year-on-year)		

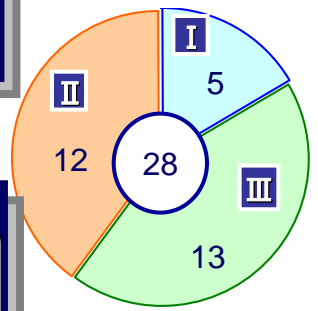


- ◆ Further solidify internationally-recognized “DG” brand and engage in strategic collaboration and investment
- ◆ Expand domestic investment with emphasis on synergy with group subsidiaries (business investment)

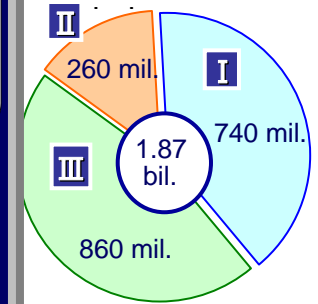
- ◆ Investment strategy revised to reflect current severe business environment
- ◆ Active business investment with focus on Silicon Valley



Number of invested companies



Investment



■ : Overseas  
■ : Domestic direct investment  
■ : Fund

## Joi Ito's Lab

Company name	Business area
 Twitter, Inc.	➤ Mini-blog service pioneer, No. 1 in global market share
 FON Wireless Limited	➤ Global WiFi community provider
 Technorati, Inc.	➤ Largest U.S. blog search engine
 Etology, Inc.	➤ One of the top online providers in the ad marketplace
 Fotonauts, Inc.	➤ (details on next page)
 LinkedIn Corporation	➤ Largest developer and provider of SNS services for business users worldwide

## ◆ Steady progress in investment focused on Silicon Valley-area businesses



260,000 users followed President Obama's in real-time

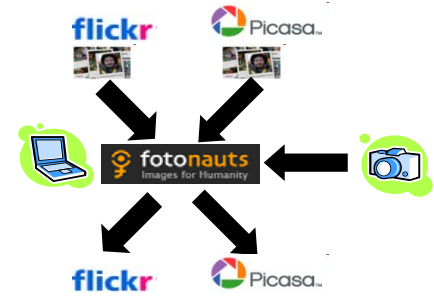
### Status

- Began to gain wider recognition as communication tool linking celebrities and general public since being used for President Obama's election campaign
- Gained wider user base among artists, including Britney Spears
- **Twitter** recorded annual growth rate of **343%, biggest traffic increase among social media** over one-year period since last fall and dramatically higher than Facebook and MySpace (source: SNS usage report released by Nielsen in fall 2008)



### Wikipedia for photos

- Provides user-oriented platform for organizing, uploading, synchronizing and sharing of digital images
- Follow list allows user to expand their own networks and build up circle of friends



### Flexible collaboration with external sources

- Upload and download using special applications available in Windows and MacOSX versions
- Interface with many photo-sharing sites including popular Flickr and Picasa

### Status

- Transition from  $\alpha$  to  $\beta$  version announced at Le Web, largest Internet conference in Europe, held in December 2008
- TechCrunch named fotonauts as a **top 10** venture business at the TechCrunch50 conference, despite fotonauts being a "submarine project"

## IV Finance Segment

- ◆ With ECONTEXT at the core, achieve interim growth of insurance/finance/securities businesses by utilizing Kakaku.com's traffic
- ◆ ECONTEXT to support Group's settlement-related solutions in order to respond to increasingly competitive settlement industry and ever-changing market conditions
- ◆ Anticipate rapid expansion of Kakaku.com Financial (foreign exchange marginal transaction services) and Kakaku.com Insurance achieving surplus

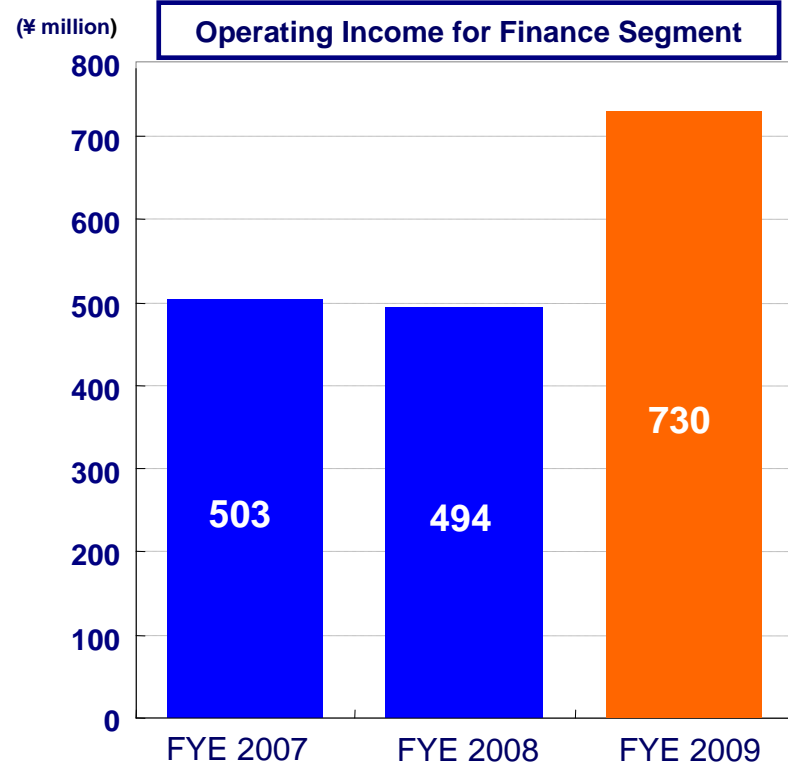
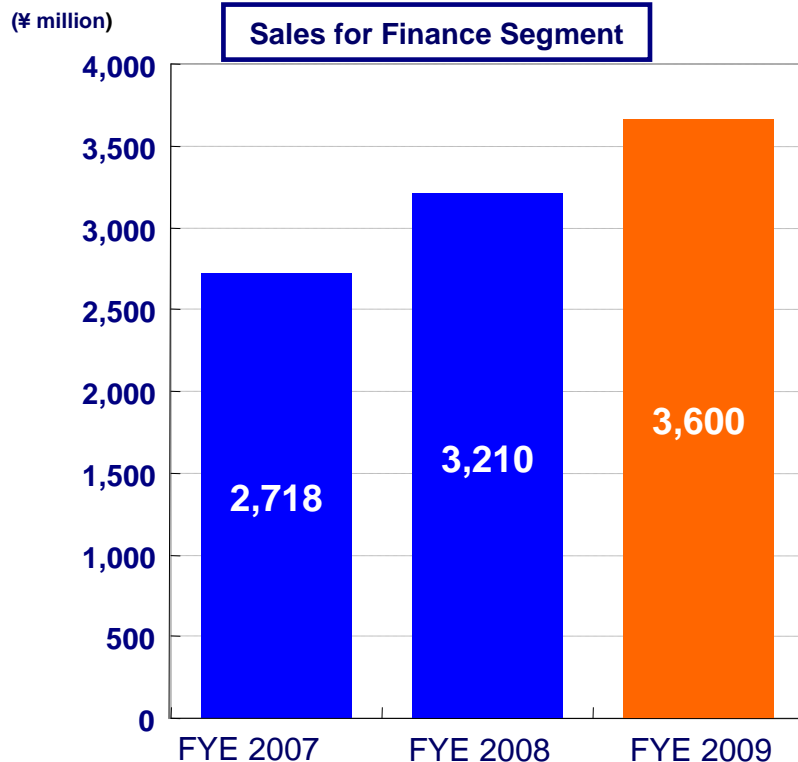
Consolidated companies	Establishment/Subsidiary dates	Investment ratio	Descriptions
<ul style="list-style-type: none"> <li>➤ <b>Digital Garage</b></li> <li>➤ <b>e-context Company</b></li> </ul>	00. 5/08.10 merged with DG	-	<b>Settlement/logistics platforms</b>
<ul style="list-style-type: none"> <li>➤ <b>Kakaku.com Financial</b></li> </ul>	05.12/05.12	100%	<b>Foreign exchange services</b>
<ul style="list-style-type: none"> <li>➤ <b>Kakaku.com Insurance</b></li> </ul>	01.3/01.3	100%	<b>Insurance brokerage</b>





# Business Overview: Finance Segment Performance

	Net sales	Operating income	EBITDA
<b>FYE 2007 Actual</b>	2,718 million yen	503 million yen	635 million yen
<b>FYE 2008 Actual</b>	3,210 million yen (18% increase year-on-year)	494 million yen (1% decrease year-on-year)	651 million yen (2% increase year-on-year)
<b>FYE 2009 Forecast</b>	3,600 million yen (12% increase year-on-year)	730 million yen (47% increase year-on-year)	910 million yen (39% increase year-on-year)



<Actual (current half year)>



## Overview

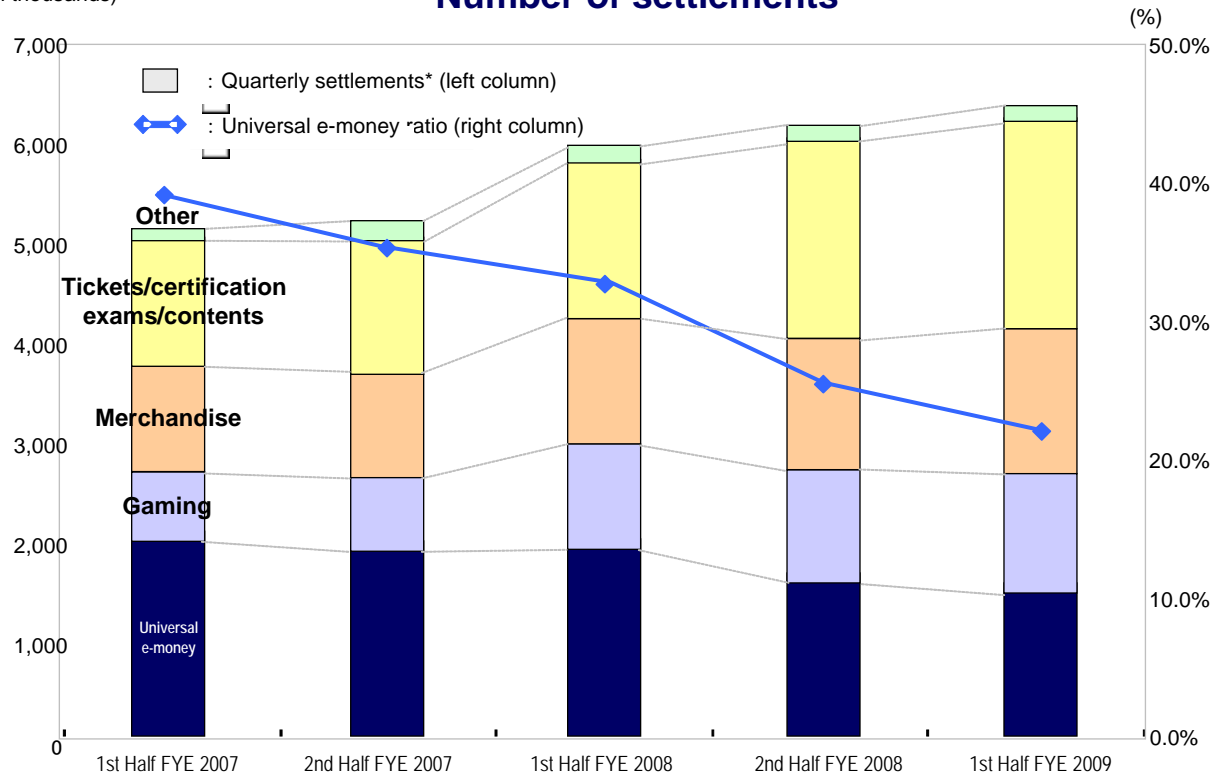
- Number of affiliated websites steadily increased as e-commerce market grew
- Strong ticket/game-related transactions gained bigger foothold
- Move to reduce traditionally-high dependency on universal e-money progressed as planned

## Future focus areas

- Development and implementation of new services for real-business
- Stronger collaboration with external partners

(in thousands)

## Number of settlements





(Digital Garage e-context Company)

## FYE 2009 Highlights

July 2008: Provided services for new collaborative project with Yamato Financial, “Kuroneko Web Collect”

July 2008: Developed settlement platform for Microsoft’s Windows Media Center

September 2008: Provided collaborative services for ticket distribution and membership administration to Yoshimoto Kyogo and PIA

November 2008: Given administration contract for Microsoft’s online store “Microsoft® Store”

January 2009: Fully-compliant with PCI DSS, international information security standards for payment card industry

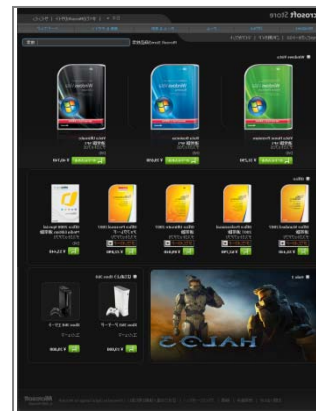
### YOSHIMOTO TOMONOKAI



Provided client data management services and use-specific recommend functions for fan community site “YOSHIMOTO TOMONOKAI”

Membership base of YOSHIMOTO TOMONOKAI steadily growing

### Microsoft® Store



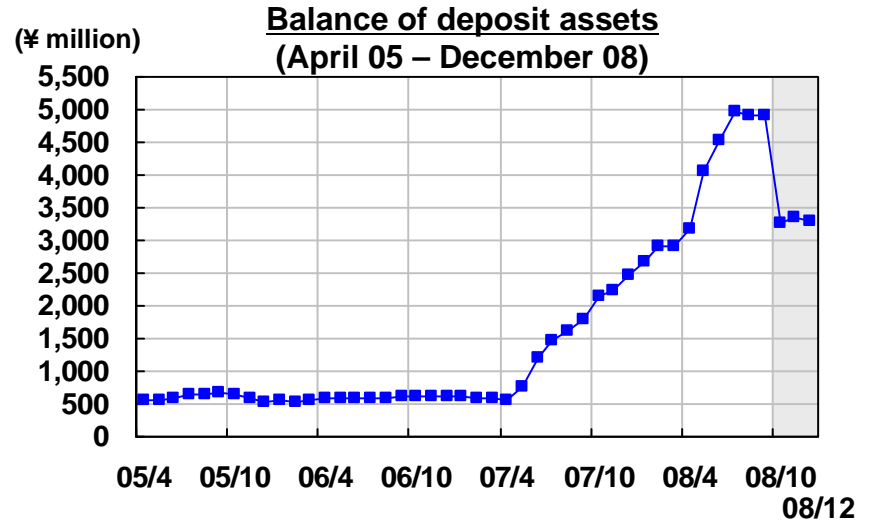
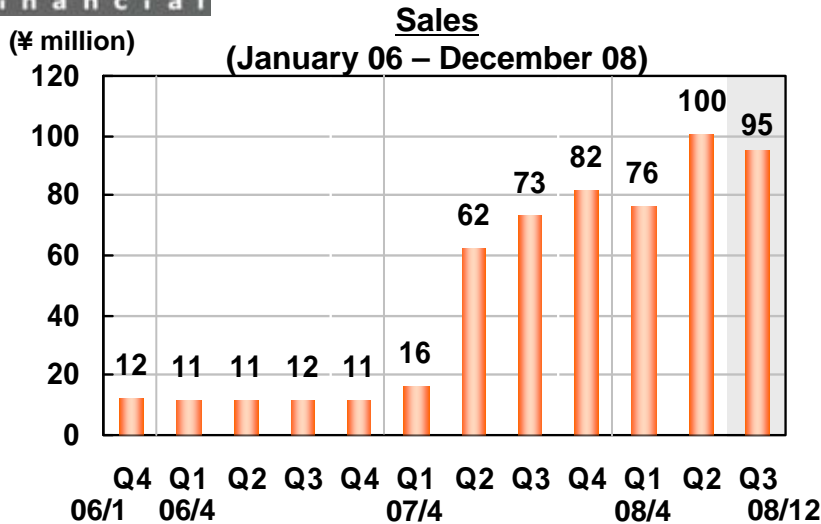
Signed comprehensive contract for Microsoft’s first online download store for software products to provide services from site development to administration (site opened in November)

Number of sales and downloads steadily increasing

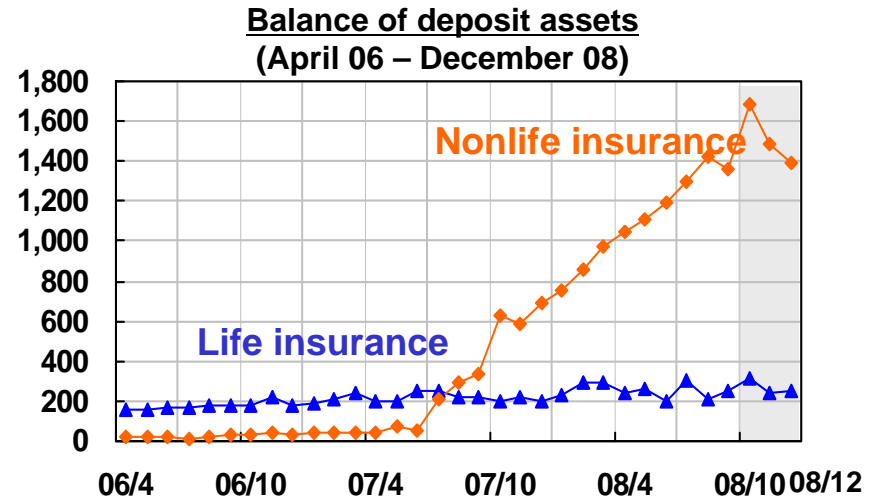
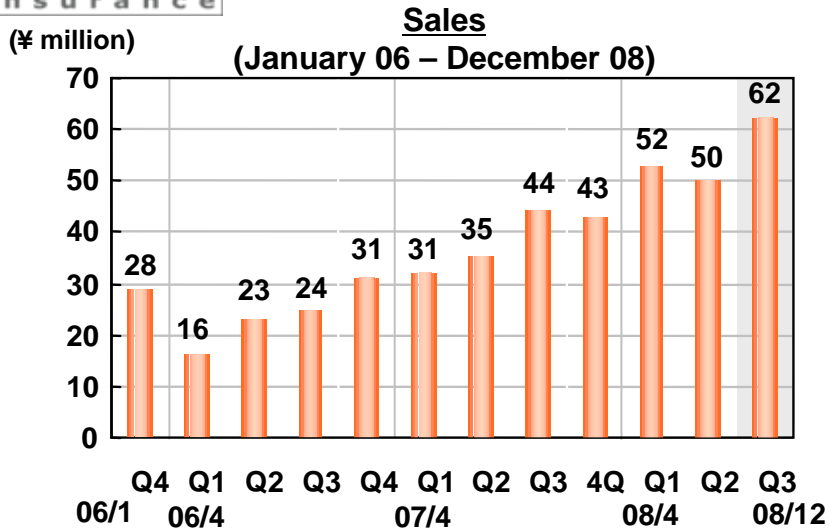




## Kakaku.com Financial, Inc.



## Kakaku.com Insurance, Inc.



\* Kakaku.com Insurance, Inc.: consolidated as of April 2006



# FYE 2009 Business Plan





(Consolidated)	FYE 2008	FYE 2009 (forecast)	Year-on-Year	
Net sales	39,582	42,350	+ 2,768	+ 7%
Operating income	-172	3,950	+ 4,122	Profit turnaround
Ordinary income	-375	3,660	+ 4,035	Profit turnaround
Net income	-2,430	500	+ 2,930	Profit turnaround

(¥ million)

■ Solutions:

**DG&Ibex:** expected to generate large portion of revenues for second half through spring campaigns and e-business projects for domestic companies  
**DGC:** plans to secure inventory-reducing promotion projects for condominium developers and to improve gross margin in period ending March

■ Portal/Weblog:

**Kakaku.com group:** plans to increase revenues  
**CGM-related business:** plans to achieve profit turnaround in second half

■ Incubation:

**Stock sale:** Originally set for first half, proceeding with plan to sell one overseas project (to external company) and three domestic projects (to IPO company)

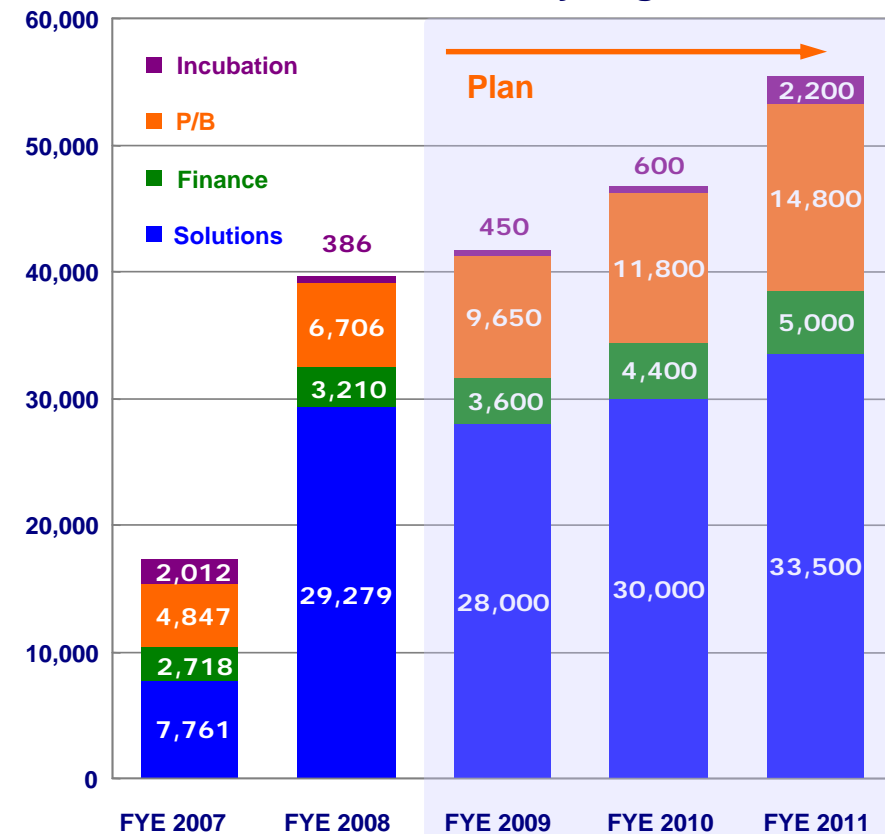
■ Finance:

**e-context Company:** after posting merger expenses in first year, resuming regular business to meet e-commerce growth trend with aim to swiftly establish new profit base by optimizing comprehensive solution capabilities generated by business merger

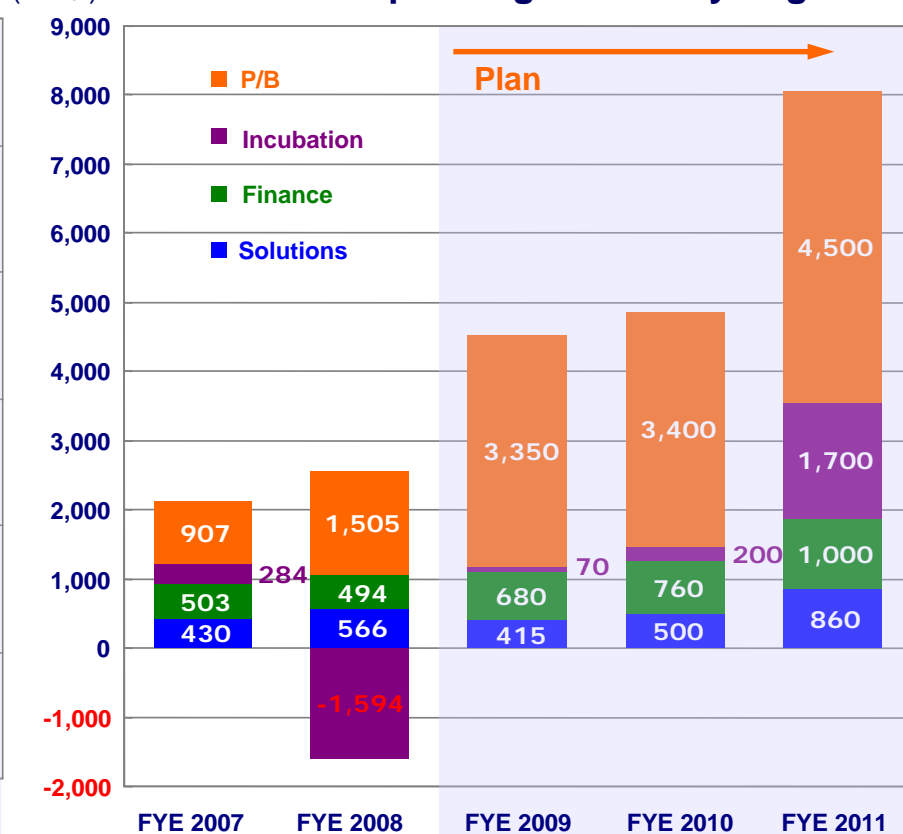


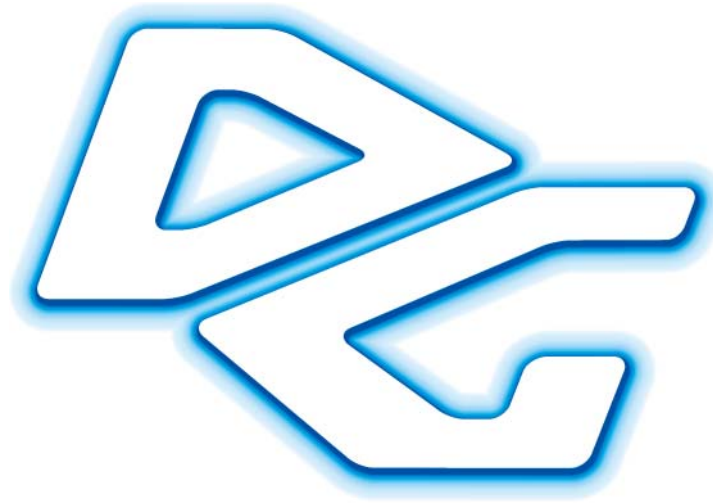


## Consolidated Sales by Segment



## Consolidated Operating Income by Segment





## ***Digital Garage***

Please note that the business forecasts and strategies covered in this presentation are based on our current evaluation and future results may vary significantly depending on unforeseeable events or circumstances.