

## Brief Announcement of the Interim Financial Statements of the Term Ending December 2002 (consolidated)

August 28, 2002

Name of Listed Company: Global Media Online Inc. Registered issues  
 Code: 9449 Head Office Address : Tokyo  
 Contact: Position: Director and General Manager of Management Headquarters  
 Name: Yoshihiro Himeji Telephone: (03) 5456 - 2555  
 Date of Board Meeting: August 28, 2002  
 Are U. S. accounting standards adopted: No

1. Consolidated interim business results of the accounting term ending December 2002 (from January 1, 2002 to June 30, 2002)

### (1) Consolidated financial results

	Sales	Operating profit	Ordinary profit
	Million Yen %	Million Yen %	Million Yen %
Interim closing period to June 2002	5,925 (40.6)	536 (137.7)	459 (196.6)
Interim closing period to June 2001	4,215 ( - )	225 ( - )	154 ( - )
Accounting term to December 2001	9,174	274	167

	Current profit for interim closing period (full year)	Current profit per share for interim closing period (full year)	Current profit per share for interim closing period after adjustment of potential shares (full year)
	Million Yen %	Yen Sen	Yen Sen
Interim closing period to June 2002	131 ( - )	4 74	-
Interim closing period to June 2001	61 ( - )	2 44	-
Accounting term to December 2001	113	4 36	-

### Note

- 1: Profit/loss based on the equity-method investment balance: interim closing period to end of December 2002: minus 69 million yen, interim closing period to end of December 2001: minus 5 million yen, accounting term ended December 2001: minus 80 million yen
2. Average outstanding shares during the term (consolidated): interim closing period to end of December 2002: 27,609,564 shares, interim closing period to end of December 2001: 25,263,326 shares, accounting term ended December 2001: 25,952,035 shares
3. Change in accounting treatment: Nil
4. Percentages shown for sales, operating profit, ordinary profit and current profit for interim closing period (full year) indicate the rate of increase or decrease from the previous interim closing period (accounting term).

(2) Consolidated financial conditions

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	
	Million Yen	Million Yen	%	Yen	Sen
As of end of June 2002	13,279	9,046	68.2	326	95
As of end of June 2001	14,693	8,800	59.9	342	76
As of end of December 2001	14,107	8,850	62.7	326	18

Note: Number of total outstanding shares (consolidated): 28,364,394 shares in the interim closing period to the end of December 2002, 25,673,694 shares in the interim closing period to the end of December 2001, 27,308,794 shares in the accounting term ended December 2001

Number of company-held shares: 694,844 shares in the interim closing period to the end of December 2002, 144 shares in the interim closing period to December 2001, 175,744 shares in the accounting term ended December 2001

(3) Consolidated cash flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Closing balance of cash and cash equivalents	
	Million Yen	Million Yen	Million Yen	Million Yen	
As of end of June 2002	476	511	820	5,079	
As of end of June 2001	29	2,596	1,724	6,486	
As of end of December 2001	164	1,632	318	5,935	

(4) Matters concerning the scope of consolidation and the application of the equity method

Number of consolidated subsidiaries: 8, number of non-consolidated equity method companies: 0, number of affiliated equity method companies: 2

(5) Change in the scope of consolidation and the application of the equity method

Number of newly consolidated companies: 0, Number of companies excluded from consolidation: 3, Number of companies newly subject to the equity method: 1, Number of companies excluded from application of the equity method: 0

2. Projections of consolidated business results for the third quarter of 2002 (from July 1, 2002 to September 30, 2002)

	Sales	Operating profit	Ordinary profit	Current profit
	Million Yen	Million Yen	Million Yen	Million Yen
Third quarter of 2002	3,000	280	230	80

Note: There is the possibility that the circumstances surrounding the Company's group will change markedly in a short period. Therefore, the Company has decided to disclose its business forecasts quarterly. It is possible that the actual business results will differ from the forecast.

## Status of the Corporate Group

The Company Group consists of Global Media Online Inc. (hereinafter referred to as the “Company”), eight subsidiaries and two affiliated company. Under the corporate slogan, “Make the Internet accessible to all,” we have concentrated our management resources on providing Internet infrastructure services, or provision of “venues” on the Internet.

The mainstay businesses of this Group are businesses related to IxP (Internet Provider), the Internet advertising media business and incidental businesses.

The businesses of the Group and the positioning of those businesses are as follows, and the business classification is the same as the business classification used in the segment information by business type.

Business classification	Major operations	Major company
IxP (Internet Provider) related business	(1) Access operations	Company
	(2) Server operations	Company iSLE Inc.. Rapid Site Co., Ltd. (*1)
	(3) Domain operations	Company
Internet Ads Media Business	E-mail advertisement distribution service, in which mail magazines are the major media for ads	Magclick Inc..
	Management of mailing lists and e-mail advertisement distribution service, in which mailing lists are the major media for ads	GMO Media and Solutions Inc..
	Service to provide the “wallpaper” displayed on desktop computer screens	KabeGami.Com, Inc.
	Ads distribution service targeting e-mails sent by individuals	Click Mail Inc. (*2)
	Opt-in mail service and agency operations for communications carriers	Daiichi Tsushin Co., Ltd.
	E-mail advertisement distribution service, in which mobile phone terminals are the major media for ads	Mag Force Co., Ltd.
	Development and operation of the information/ads distribution system for desktops	Ucast Communications Inc. (*3)
	Distribution of mail magazines for Internet members, operation of website for members Planning, implementation, analysis and other businesses for marketing planning using the Internet	Idea Cube Co., Ltd.

(\*1) iSLE Inc. and Rapidsite Co., Ltd. merged in July 2002, with iSLE Inc. as the surviving company.

(\*2) Although Click Mail Inc. had been dormant, the company name was changed to GMO Magazine Inc., and the company restarted its operation from August 1, 2002.

(\*3) As Ucast Communications Inc. requires greater financial significance, the company has been made an affiliated company, to which the equity method is applied, starting in the current interim period.

List of consolidated subsidiaries and affiliated companies

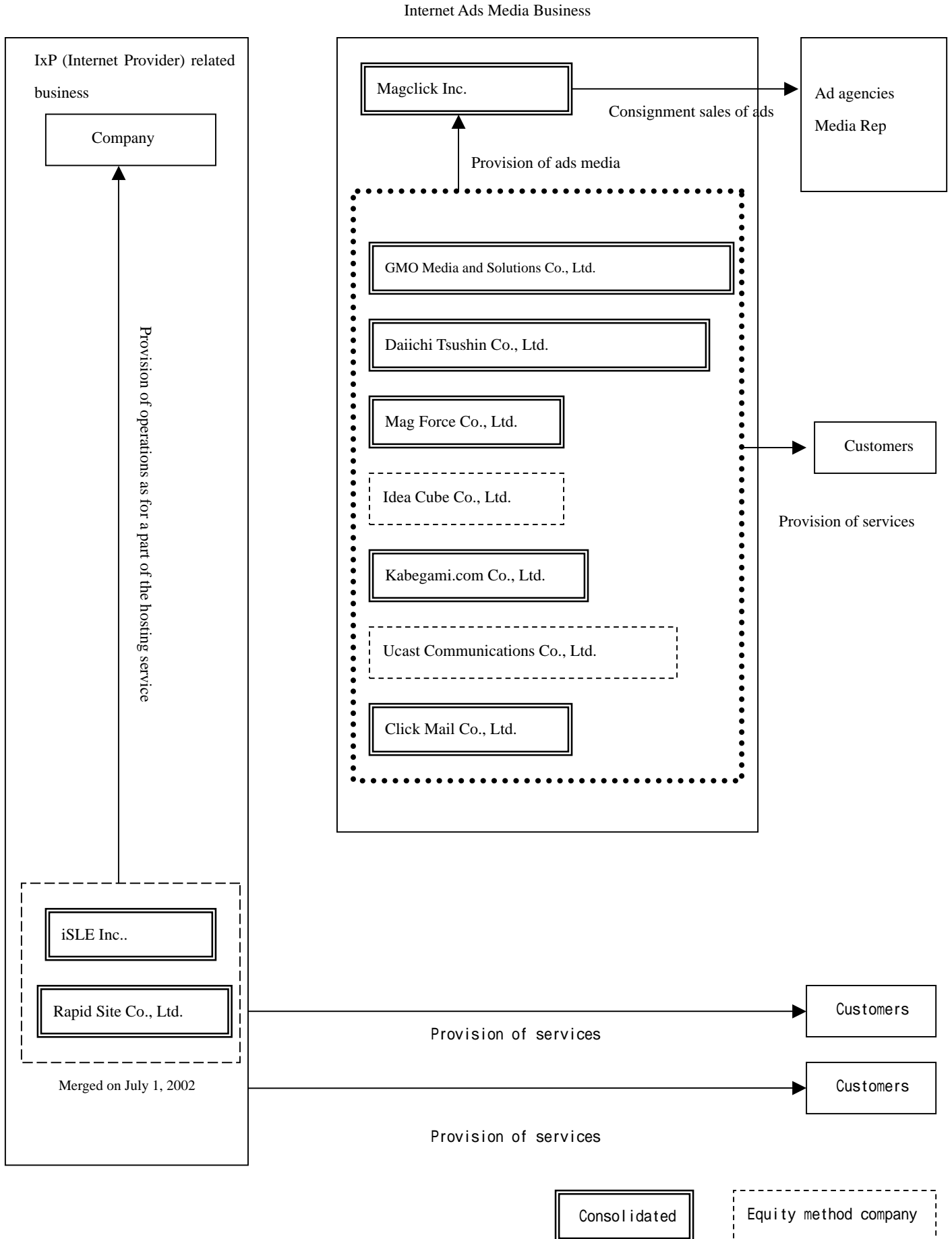
Company Name	Percentage of voting rights or equity share held	Category	Business Details
iSLE Inc.. (*1)	100.0%	Consolidated subsidiary	Server Business
Rapid Site Co., Ltd (*2)	100.0%	Consolidated subsidiary	Server Business
Magclick Inc. (*3,5)	37.0% [ 25.2 ]	Consolidated subsidiary	Electronic mail and advertisement distribution services using mail magazines as the major media for advertising
GMO Media and Solutions Inc. (*4)	81.5%	Consolidated subsidiary	Electronic mail and advertisement distribution services using mail magazines as the major media for advertising
KabeGami.Com, Inc.	100.0%	Consolidated subsidiary	Services to provide a “screen page” displayed on desktop personal computers
Click Mail Inc.	100.0%	Consolidated subsidiary	Ads distribution service targeting e-mails sent by individuals
Daiichi Tsushin Co., Ltd. (*6)	100.0%	Consolidated subsidiary	Opt-in mail services and communications company agency business
Mag Force Co., Ltd.	(51.0%)	Consolidated subsidiary	Electronic mail and advertisement distribution services using cellular phones as the major media for advertising
Ucast Communications Inc. (*7)	47.6%	Equity method company	Development and operation of the information/ads distribution system for desktops
Idea Cube Co., Ltd.	(35.0%)	Equity method company	Operations of mail magazines, websites and advertisement distribution services

(\*)

- iSLE Inc. and Rapid Site Co., Ltd. merged in July 2002, with iSLE Inc.. the surviving company.
- iSLE Inc. acquired 65% of the outstanding shares of Rapid Site Co., Ltd. in May 2001. Furthermore, in April 2002, Rapid Site Co., Ltd. became a wholly-owned subsidiary of the Company through an equity swap.
- The company’s equity share in Magclick Inc.. is 37.0%. However, Magclick Inc.. is treated as a subsidiary because the relationship between the Company and Magclick is acknowledged as a being one of effective control.  
Magclick lists its stocks on the NASDAQ JAPAN market of the Osaka Securities Exchange.
- As Free Ml.com Co., Ltd., Mail In Co., Ltd., and Mag Promotion Co., Ltd. merged in April 2002, with Free Ml.com Co., Ltd. the surviving company, the shareholding was increased to 81.5%. Further, as of the date of the merger, the company name of the surviving company was changed to GMO Media and Solutions Co., Ltd.
- Magclick Inc.. merged with Media Rep.Com Co., Ltd. in January 2002, with Magclick Inc.. the surviving company.
- DAIICHI Tsushin Co., Ltd. became a wholly-owned subsidiary of the Company in February 2002 with an equity swap.
- Ucast Communications Inc.. became an equity method company during the current interim term.
- Figures in square brackets in the column of “percentage of voting rights or equity share held” denote the percentage ownership by closely related parties, and those in parentheses denote the percentage of indirect ownership.

[ Business Organization Chart ]

The organization chart of the businesses is as follows:

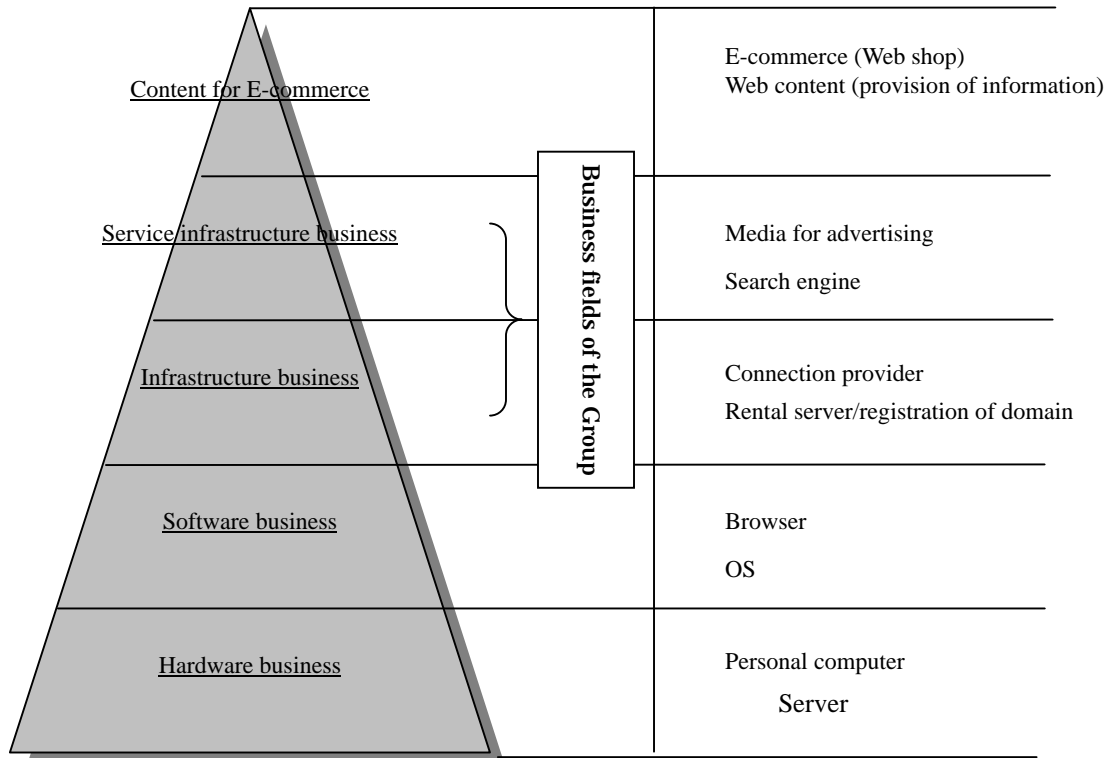


# Management Policy

## 1. Basic management policy

The Company Group aims to carry out corporate activities that contribute to people in society, under the corporate slogan, “Make the Internet accessible to all.” The Group concentrates its management resources on providing Internet infrastructure services, or providing “venues” over the Internet, linking business related to IXP (Internet Provider) organically with the Internet advertising media business and founding an Internet media group in which each party demonstrates synergy, and thereby creating Internet culture and industry.

(Areas of business of the Group)



## 2. Basic policy concerning distribution of profits

For the distribution of profits, while our basic policy is to return profits according to the earnings situation, we have adopted a policy of deciding on the distribution of profits, focusing on a continuation of long-term, stable dividends as well as giving consideration to improving retained earnings to enable us to bolster our corporate stamina and prepare for future business developments in a comprehensive way.

Further, in terms of other returns of profits, we intend to follow a policy of actively dealing with share splits and capital increases, etc. given updates of business results, etc.

## 3. Medium to long-term management strategy

While the Group has an overwhelming share in the rental server market and the domain market, we are determined to more firmly entrench this position in the years to come, aiming to bolster our selling power to generate stable operating cash flow for the long-term and to improve services. In the access business, with the differentiation of the support system and product line-ups, we will proceed with the "Only One Strategy."

In the Internet advertising media business, focusing our management resources on the opt-in mail business, we will establish a position as a mainstay business by bolstering opt-in mail media and enhancing our selling power.

In terms of desktop media ("wallpaper" on the desk top and "pop-up ads"), we will continue development with the aim of further expanding our business portfolio.

Meanwhile, we aim to improve profitability through initiatives to cut expenses by outsourcing costs, etc.

## 4. Measures concerning arrangement of the business management organization

While the Company group businesses are growing, setting up a business management structure has become a critical issue. Aiming at continuous and stable growth in results in the coming years, the Group will build an efficient organization that maximizes corporate value by putting in place a personnel evaluation system and management accounting, and establishing a business management structure which has the goal of sound corporate governance.

## 5. Issues to be addressed by the Company

### (1) Improving management efficiency through reorganization of the corporate group

Although the businesses of the Group have expanded significantly with the acquisition of management resources through M&A strategy in the previous fiscal year, we believe that a future issue for us is to efficiently use the management resources that we acquired. Consequently, since the previous fiscal year, we have proceeded with efforts to improve our management efficiency by reorganizing and consolidating the group. We also intend to get full use from our management resources by eliminating operational redundancies and pursuing synergy effect between businesses, to demonstrate the synergy of group management in the coming years.

### (2) Improving selling power through diversification of the sales channel

The Group's marketing is conducted with a focus on "pull-type marketing" (the method of attracting customers primarily through Internet advertising), and we benefit from our accumulated expertise in this field.

We will continue to use "pull-type marketing" as our primary marketing technique, but we also plan to enhance our selling power by further diversifying our sales channels through the use of the agency policy, visit-style sales activities and a call center, etc.

### (3) Improving customer satisfaction

Given a future in which competition in the Internet sector will become even tougher, we believe that improving the level of customer satisfaction is essential for us so if we are to encourage customers to use our services continuously. Therefore, we will look to achieve further improvements in the level of customer satisfaction by improving quality, enhancing the customer support system, and promoting communications with customers as a company-wide issue.

## Business Results and Financial Conditions

We report here the business results and financial situation for the interim accounting term (from January 1, 2002 to June 30, 2002) as follows.

### 1. Business results and financial conditions of the interim accounting term (from January 1, 2002 to June 30, 2002)

When reviewing the economic conditions in the interim consolidated accounting period, we observe that activity in the global economy has decelerated, particularly in the United States. In Japan, the economy has continued to flounder, as evidenced by the deterioration in employment, declining capital investment by corporations and the continued sluggish personal spending.

Despite these economic conditions, the use rate by household of the Internet in Japan reached 50.1% in April 2002, while the number of Internet users is estimated to be 53.1 million (according to a survey by Video Research Net Com). These figures clearly show that the use of the Internet is steadily growing despite the difficult environment.

In this environment, under the corporate philosophy, "Make the Internet accessible to all," the Company aims to be a leader in providing venues over the Internet. To achieve these objectives, the Company has been engaged in the following business development.

While terminating the provision of "interQ ORIGINAL," a service provided since 1995, the Company has been creating the foundations for a new business, reaching an agreement for a business alliance in the production of websites for corporate customers with Creek & River Co., Ltd., Japan's largest creator agency with an excellent track record in the production of websites, and launching the "Omakase Web" business, in which it provides a complete Internet business environment from production of a website to operations of the site.

Meanwhile, to demonstrate the effect of the M&A strategy, which the Company had implemented in the previous year, we proceeded with the reorganization of the group. We conducted a merger of three group companies in the Internet ad media business, namely Free MI.Com Co., Ltd., Mail In Co., Ltd. and Mag Promotion Co., Ltd., in April, and turned DAIICHI Communication Co., Ltd. and Rapid Site Co., Ltd. into wholly-owned subsidiaries through a share swap in February and April respectively, with the aim of concentrating our management resources and improving profitability. Further, in the existing businesses, as a result of initiatives taken to bolster our selling power and achieve continuous improvement in services, the business results and financial conditions for the interim term concerned turned out to be as follows:

#### (1) Business results

Consolidated sales were 5,925 million yen (up 40.6% from the level a year ago), consolidated operating profit was 536 million yen (up 137.7% from the level a year ago) and consolidated ordinary profit was 459 million yen (up 196.6% from the level a year ago).

Due to appropriation of withdrawal costs for access points (93 million yen), consolidated interim net profit was 131 million yen.

#### <Condition by the segment>

##### • IxP (Internet Provider) related business

Because of the influence of the termination of the "interQ ORIGINAL" service and the slowdown in the growth in the number of members for "interQ MEMBERS," sales declined slightly in the access business. On the other hand, in the server business, the fact that iSLE Inc. and Rapid Site Co., Ltd. became consolidated subsidiaries has contributed to the revenue of the server business. In the domain business, the business has achieved satisfactory growth thanks to the tie-up with a major portal site and sales of the new gTLD domain, etc. As a result, sales were 4,147 million yen (up 15.5% from the level a year ago) and operating profit was 368 million yen (up 5.3% from the level a year ago).

##### • Internet advertising media business

In the Internet advertising media business, the profit base of the opt-in mail business has been established. The profitability of Magclick Inc., GMO Media and Solutions Inc., and DAIICHI Tsushin Co., Ltd., which are consolidated subsidiaries, has improved, making a contribution to consolidated business results. As a result, sales were 1,797 million yen (up 185.8% from the level a year ago), and operating profit was 168 million yen. (In the previous interim accounting period, an operating loss of 124 million yen was posted.)

#### (2) Financial conditions

##### <Assets, liabilities and shareholders' equity>

Of assets, liabilities and shareholders' equity as of June 30, 2002, in comparison with those as of June 30, 2001, the items showing a significant change are as follows:

Of current assets, short-term loans receivable increased by 329 million yen. This is mainly attributable to an increase in loans receivable at Magclick Inc., a consolidated subsidiary.

Of investments and other assets, investments in securities decreased by 986 million yen. This is mainly the result of the disposal of shares in Cyber Agent Co., Ltd.

Of fixed liabilities, long-term loans payable decreased by 1,480 million yen. This mainly reflected the repayment of loans from banks.



<Cash flow>

While net profit before adjustment of taxes for the interim term concerned was 363 million yen, cash flow from operating activities in the interim accounting period was up 476 million yen (up 1,493.4% from the level a year ago), owing to an increase in accounts receivable of 173 million yen and a decrease in corporate tax to 159 million yen.

Cash flow from investment activities was down 511 million yen (down 80.3% from the level a year ago), mainly because of investments and loans, as well as the purchase of intangible fixed assets of 208 million yen.

Cash flow from financial activities was down 820 million yen, mainly because of the repayment of loans payable of 732 million yen.

As a result, the closing balance of cash and cash equivalents was 5,079 million yen.

3. Forecast of 3<sup>rd</sup> quarter of the term ending December 2002

The forecast for the following quarter is as follows. (We changed our policy for disclosing settlement results each quarter since the business environment surrounding the Group is subject to significant change in a short period of time. However, the results that will actually be released may differ from the projections.)

- Forecast of consolidated results (from July 1, 2002 to September 30, 2002)

	3 <sup>rd</sup> quarter of the term ending December 2002	Change from the level a year ago	3 <sup>rd</sup> quarter of the term ended December 2001
	Million Yen	%	Million Yen
Sales	3,000	29.5	2,316
Operating profit	280	1766.6	15
Ordinary profit	230	130.0	100
Current net profit	80	700.0	10

- Forecast of the non-consolidated results (from July 1, 2002 to September 30, 2002)

	3 <sup>rd</sup> quarter of the term ending December 2002	Change from the level a year ago	3 <sup>rd</sup> quarter of the term ended December 2001
	Million Yen	%	Million Yen
Sales	1,630	1.0	1,646
Operating profit	110	5.8	104
Ordinary profit	110	13.4	97
Current net profit	60	15.4	52

(Reference)

**Changes in business results and financial conditions for each quarter (consolidated basis)**

(unit: one million yen)

	2 <sup>nd</sup> quarter of 2001	3 <sup>rd</sup> quarter of 2001	4 <sup>th</sup> quarter of 2001	1 <sup>st</sup> quarter of 2002	2 <sup>nd</sup> quarter of 2002
Operating revenue	2,030	2,316	2,641	2,893	3,032
Operating profit	5	15	33	202	333
Ordinary profit	70	100	87	189	269
Current net profit	144	10	62	39	91
Total assets	14,693	14,490	14,107	13,792	13,279
Shareholders' equity	8,800	8,926	8,850	9,096	9,046

**Changes in business results and financial conditions for each quarter (by individual)**

(unit: one million yen)

	2 <sup>nd</sup> quarter of 2001	3 <sup>rd</sup> quarter of 2001	4 <sup>th</sup> quarter of 2001	1 <sup>st</sup> quarter of 2002	2 <sup>nd</sup> quarter of 2002
Operating revenue	1,755	1,646	1,685	1,624	1,708
Operating profit	84	104	163	87	155
Ordinary profit	51	97	151	75	153
Current net profit	30	52	112	27	37
Total assets	10,933	10,894	9,628	9,924	9,382
Shareholders' equity	8,359	8,557	8,355	8,586	8,461

( Reference )

### Breakdown of Revenues by Service (on an individual basis)

In the non-consolidated account closing of the Company, operating revenue was 3,333 million yen (down 7.2% from the level a year ago), operating profit was 243 million yen (down 29.4% from the level a year ago), and ordinary profit was 228 million yen (down 28.3% from the level a year ago), resulting in 65 million yen of current net profit (down 45.6% from the level a year ago).

Further, the breakdown of operating revenue by each service is as follows:

Product item		2 <sup>nd</sup> quarter of the previous term ( From April 1, 2001 to June 30, 2001 )		2 <sup>nd</sup> quarter of this term ( From April 1, 2002 to June 30, 2002 )		Increase/Decrease ( denotes decrease.)	
		Number of calls or number of members	Amount	Number of calls or number of members	Amount	Number of calls or number of members	Amount
interQ MEMBERS · B B online		people (* )122,579	1,000 yen 784,603	people (* )121,986	1,000 yen 714,220	people 593	1,000 yen 70,383
interQ ORIGINAL		1,000 calls 534	1,000 yen 104,102	1,000 calls (Note) -	1,000 yen	1,000 calls 534	1,000 yen 104,102
interQ OFFICE · OEM · BroadServer		cases (* )11,345	1,000 yen 365,707	cases (* )13,021	1,000 yen 392,639	cases 1,676	1,000 yen 26,932
Onamae .com	Registration of the domain	cases 31,348	1,000 yen 287,926	cases 21,557	1,000 yen 247,702	cases 9,791	1,000 yen 40,224
	Rental server	cases (* )19,223	1,000 yen 121,493	cases (* )32,351	1,000 yen 169,632	cases 13,128	1,000 yen 48,139
Marugoto server		cases (* )577	1,000 yen 88,042	cases (* )974	1,000 yen 160,416	cases 397	1,000 yen 72,374
Subtotal			1,000 yen 1,751,876		1,000 yen 1,684,611		1,000 yen 67,265
Others			1,000 yen 4,057		1,000 yen 23,578		1,000 yen 19,521
Total			1,000 yen 1,755,934		1,000 yen 1,708,189		1,000 yen 47,745

Product item		Interim period of the previous term ( From January 1, 2001 to June 30, 2001 )		Interim period of this term ( From January 1, 2002 to June 30, 2002 )		Increase/Decrease ( denotes decrease.)	
		Number of calls or number of members	Amount	Number of calls or number of members	Amount	Number of calls or number of members	Amount
interQ MEMBERS · B B online		people (* )122,579	1,000 yen 1,580,921	people (* )121,986	1,000 yen 1,446,356	people 593	1,000 yen 134,565
interQ ORIGINAL		1,000 calls 1,102	1,000 yen 243,160	1,000 calls (Note) 97	1,000 yen 21,199	1,000 calls 1,005	1,000 yen 221,961
interQ OFFICE · OEM · BroadServer		cases (* )11,345	1,000 yen 727,526	cases (* )13,021	1,000 yen 730,442	cases 1,676	1,000 yen 2,916
Onamae .com	Registratio n of the domain	cases 65,407	1,000 yen 630,678	cases 42,193	1,000 yen 455,218	cases 23,214	1,000 yen 175,460
	Rental server	cases (* )19,223	1,000 yen 226,408	cases (* )32,351	1,000 yen 332,411	cases 13,128	1,000 yen 106,003
Marugoto server		cases (* )577	1,000 yen 156,456	cases (* )974	1,000 yen 302,491	cases 397	1,000 yen 146,035
Subtotal			1,000 yen 3,565,152		1,000 yen 3,288,119		1,000 yen 277,033
Others			1,000 yen 27,340		1,000 yen 44,945		1,000 yen 17,605
Total			1,000 yen 3,592,492		1,000 yen 3,333,065		1,000 yen 259,427

(\* )The number of members with continuous transactions as of the end of the quarter concerned.

(Note) We terminated the service of interQ ORIGINAL as of January 22, 2002.

Conditions relating to Production, Orders and Sales

(1) Production

No items are applicable.

(2) Purchase

(unit : 1,000 yen)

Product item	Purchase amount	Compared to the level a year ago (%)
Internet Advertising Media Business	247,629	175.2
Total	247,629	175.2

- (Note) 1. The amount does not include consumption tax.  
 2. The amount indicates the purchase price.  
 3. No items are applicable to the IxP-related business.

(3) Orders received

(unit : 1,000 yen)

Product item	Orders received	Compared to the level a year ago (%)	Outstanding orders	Compared to the level a year ago (%)
Internet Advertising Media Business	1,987,812	349.2	334,349	434.1
Total	1,987,812	349.2	334,349	434.1

- (Note) 1. The amount does not include consumption tax.  
 2. No items are applicable to the IxP-related business.

(4) Sales

(unit: 1,000 yen)

Product item	Sales volume	Compared to the level a year ago (%)
IxP-related Business	4,135,942	115.2
Internet Ads Media Business	1,789,798	285.6
Total	5,925,741	140.6

- (Note) 1. The amount does not include consumption tax.

2. As sales by major counterparty and the ratio of sales concerned to aggregate sales in the consolidated accounting term concerned is less than 10% (10/100), they are not mentioned in this document.

1 Interim consolidated financial statements, etc.

(1) Interim consolidated financial statements, etc.

(1) Interim consolidated balance sheet

(unit : 1,000 yen)

Term Item	As of June 30, 2001 End of the consolidated interim accounting period of the previous fiscal year		As of June 30, 2002 End of the consolidated interim accounting period of this fiscal year		As of December 31, 2001 Summary consolidated balance sheet in the previous fiscal year	
	Amount	Composi tion %	Amount	Composi tion %	Amount	Composi tion %
(Assets)						
I Current Assets						
1 Cash *2	5,483,665		5,176,976		6,059,988	
2 Notes receivable and accounts receivable - trade	1,756,896		1,897,715		1,884,987	
3 Negotiable securities	1,130,649		-		-	
4 Inventory assets	4,596		5,613		5,753	
5 Deferred tax asset	199,244		410,328		431,430	
6 Short-term loans receivable	-		329,800		-	
7 Other assets	511,932		478,740		567,255	
Allowance for doubtful debts	379,628		381,657		357,429	
Total Current Assets	8,707,355	59.3	7,917,515	59.6	8,591,985	60.9
Fixed assets						
1 Tangible fixed assets						
(1) Buildings and structures *1	66,761		53,793		56,387	
(2) Tools and equipment *1	197,019		133,343		184,228	
(3) Other tangible fixed assets	40,620		125		338	
Total Tangible Fixed Assets	304,402	2.0	187,263	1.4	240,953	1.7
2 Intangible fixed assets						
(1) Goodwill	27,141		17,272		22,207	
(2) Software	462,073		641,151		559,161	
(3) Account for consolidated adjustments	468,847		260,352		457,981	
(4) Other intangible fixed assets	189,794		366,076		275,252	
Total of intangible fixed assets	1,147,857	7.8	1,284,852	9.7	1,314,602	9.3
3 Investments and other assets						
(1) Investments in securities *2	3,672,525		2,686,490		2,586,038	
(2) Guarantee money	545,611		582,253		621,540	
(3) Deferred tax asset	193,771		480,450		606,872	
(4) Others	121,996		161,085		163,289	
Allowance for doubtful debts	-		20,589		17,879	
Total of investments and other assets	4,533,904	30.9	3,889,690	29.3	3,959,862	28.1
Total of fixed assets	5,986,164	40.7	5,361,805	40.4	5,515,418	39.1
Total of assets	14,693,520	100.0	13,279,321	100.0	14,107,404	100.0

(unit : 1,000 yen)

Term Item	As of June 30, 2001 End of the consolidated interim accounting period of the previous fiscal year		As of June 30, 2002 End of the consolidated interim accounting period of the this fiscal year		As of December 31, 2001 Summary consolidated balance sheet in the previous fiscal year	
	Amount	Compos ition	Amount		Amount	Compos ition
( L i a b i l i t i e s )		%		%		%
Current liabilities						
1 Notes payable and accounts payable - trade	110,879		116,855		230,484	
2 Long-term loans payable within one year *2	370,000		-		193,984	
3 Bonds redeemable within one year	-		500		500	
4 Accrued amount payable	453,317		781,483		807,423	
5 Accrued corporation tax, etc	214,081		142,133		152,866	
6 Allowance for bonuses	23,545		39,633		7,951	
7 Other liabilities	606,752		661,898		588,273	
Total of current liabilities	1,778,577	12.1	1,742,504	13.1	1,981,484	14.0
Fixed liabilities						
1 Corporate bonds	500		-		-	
2 Long-term loans payable *2	1,480,000		-		538,103	
3 Other fixed liabilities	14,919		17,678		17,514	
Total of fixed liabilities	1,495,419	10.2	17,678	0.1	555,617	4.0
Total of liabilities	3,273,996	22.3	1,760,182	13.2	2,537,102	
( M i n o r i t y e q u i t y )						
Minority equity	2,619,473	17.8	2,472,531	18.6	2,719,903	19.3
( S h a r e h o l d e r s ' e q u i t y )						
Capital stock	3,229,375	22.0	-		3,311,130	23.5
Capital reserve	4,076,647	27.7	-		4,160,091	29.5
Consolidated surplus	1,494,213	10.2	-		1,487,421	10.5
Own stocks	185	0.0	-		108,274	0.8
Capital stock	-		3,311,130	25.0	-	
Capital reserve	-		4,432,990	33.4	-	
Earned surplus	-		1,582,199	11.9	-	
Other gaps in appraisal ( ) securities	-		85,064	0.6	-	
Own stocks	-		364,777	2.7	-	
Total of shareholders' equity	8,800,050	59.9	9,046,607	68.2	8,850,369	62.7
Total of liabilities, minority equity and shareholders' equity	14,693,520	100.0	13,279,321	100.0	14,107,404	100.0

## (2) Interim consolidated profit and loss statement

(unit: 1,000 yen)

Term Item	Interim consolidated accounting period in the previous term From January 1, 2001 to June 30, 2001			Interim consolidated accounting period in this term From January 1, 2002 to June 30, 2002			Summary of consolidated profit and loss statement in the previous consolidated fiscal term From January 1, 2001 to December 31, 2001		
	Amount		Percent age	Amount		Percent age	Amount		Percent age
			%			%			%
Operating revenue	4,215,934		100.0	5,925,741		100.0	9,174,289		100.0
Business expenses *1	2,051,423		48.6	2,482,460		41.9	4,456,943		48.6
Sales and general administrative expenses *2	1,938,760		46.0	2,906,659		49.1	4,442,492		48.4
Operating profit	225,750		5.4	536,622		9.0	274,854		3.0
Non-operating revenue									
1 Interest received	8,332			4,467			10,180		
2 Fees received				3,515			5,396		
3. Gains on foreign exchange				2,621					
4. Subsidy for employment development							6,280		
5. Others	12,530	20,862	0.5	15,488	26,092	0.4	23,967	45,823	0.5
Non-operating expenses									
1 Interest paid	2,354			7,939			22,192		
2 New share issuing expense	7,781			4,169			14,722		
3 Loss from sales of own stocks	2,098						2,098		
4 Loss from investments by the equity method	50,222			69,430			80,426		
5 Transferred from allowance for doubtful debts	18,650			1,683			17,662		
6. Other operating expenses	10,703	91,811	2.2	20,348	103,572	1.7	16,499	153,600	1.7
Ordinary profit		154,801	3.7		459,142	7.7		167,076	1.8
Extraordinary profit									
1 Gain on sales of fixed assets				195					
2 Gain on sales of stocks of affiliated companies				15,395					
3. Gain on return of allowance for doubtful debts	450								
4. Gain on sales of investments on securities		450	0.0		15,590	0.3	92,492	92,492	1.0
Extraordinary loss									
1 Loss on revision of profit/loss in the preceding term				3,959					
2. Loss on sales of fixed *3 assets				16			5,964		
3. Loss on retirement of fixed *4 assets	11,469			4,549			123,343		
4. Loss on withdrawal of APs *5				93,877					
5. Loss on appraisal of investment in securities	68,064			9,066			309,965		
6. Loss on sales of investment in securities							10,176		
7. Loss on appraisal of capital subscription	30,000						30,000		
8. Deemed loss on sales along with change to the equity method	38,391						38,391		
9. Settlement of cancellation		147,924	3.5		111,470	1.9	27,536	545,378	5.9
Current net loss before adjustment of taxes ( ) or interim net profit before adjustment of taxes		7,326	0.2		363,263	6.1		285,309	3.1
Corporate tax, residential tax and business tax	147,942			130,331			308,035		
Adjustment of corporate taxes, residential tax and business tax in the previous fiscal year							28,524		
Profit of minority shareholders or loss of minority shareholders ( )	44,302	103,640	2.5	78,543	208,875	3.5	391,587	112,076	1.2
		34,636	0.8		23,249	0.4		60,426	0.7
Current net loss ( ), interim net profit or interim net loss ( )		61,676	1.5		131,138	2.2		113,306	1.2

## (3) Statement of interim consolidated surplus

(unit: 1,000 yen)

Item	Term	Interim consolidated accounting period in the previous term From January 1, 2001 to June 30, 2001		Interim consolidated accounting period in this term From January 1, 2002 to June 30, 2002		Summary of consolidated profit and loss statement in the previous consolidated fiscal term From January 1, 2001 to December 31, 2001	
		Amount		Amount		Amount	
I	Balance of consolidated surplus at the beginning of term		1,695,375		-		1,695,375
II	Increase in consolidated surplus						
	1. Increase in surplus due to increased number of consolidated subsidiaries	3,877		-		-	
	2. Increase in surplus due to decreased number of equity method companies	-	3,877	-		72,413	72,413
III	Decrease in consolidated surplus						
	1. Dividends	125,484		-		125,484	
	2. Bonuses for directors	10,000		-		10,000	
	3. Decrease in surplus due to increased number of equity method companies	1,193		-		1,193	
	4. Decrease in surplus due to increased number of consolidated subsidiaries	-		-		23,698	
	5. Unappropriated loss in merger and succession	6,685	143,363	-	-	6,685	167,060
IV	Current net profit or interim net loss ( )		61,676		-		113,306
V	Balance of consolidated surplus at the end of interim term (end of the term)		1,494,213		-		1,487,421
(Capital Surplus)							
I	Balance of capital surplus at the beginning of term						
	Balance of capital reserve at the beginning of term		-		4,160,091		-
II	Increase in capital surplus						
	1. Issuance of new shares through equity swap	-	-	272,898	272,898	-	-
III	Balance of capital surplus at the end of interim term		-		4,432,990		-
(Earned Surplus)							
I	Balance of earned surplus at the beginning of term						
	Balance of consolidated surplus at the beginning of term		-		1,487,421		-
II	Increase in earned surplus						
	1. Interim net profit			131,138			
	2. Increase in surplus due to merger	-	-	140,233	271,371	-	-
III	Decrease in earned surplus						
	1. Dividend	-		54,266		-	
	2. Decrease in surplus due to increased number of equity method companies	-		43,872		-	
	3. Unappropriated loss in merger and succession	-	-	78,454	176,592	-	-
IV	Balance of consolidated surplus at the end of interim term (end of term)		-		1,582,199		-



## (4) Statement of interim consolidated cash flow

(unit : 1,000 yen)

Term Item	Interim consolidated accounting period in the previous term From January 1, 2001 to June 30, 2001	Interim consolidated accounting period in this term From January 1, 2002 to June 30, 2002	Summary of cash flow statement in the previous consolidated fiscal term From January 1, 2001 to December 31, 2001
	Amount	Amount	Amount
Cash flow from operating activities			
Interim (current) net profit before adjustment of taxes, etc. (   denotes net loss.)	7,326	363,263	285,809
Depreciation costs	72,441	137,614	186,287
Loss on retirement of fixed assets	11,469	4,549	123,343
Loss on sales of fixed assets	-	16	5,964
Amortization of the consolidated adjustment account	27,931	37,504	77,650
Loss on withdrawal of APs	-	53,179	-
Increase in allowance for doubtful debts	83,250	188,152	74,953
Loss from sales of own stocks	2,098	-	2,098
Gain on sales of investments in securities	-	15,395	92,492
Loss from sales of investments in securities	-	-	10,176
Interest received and dividend received	8,332	4,467	15,576
Interest paid	2,354	7,939	22,192
Gain on foreign exchange	1,862	2,621	369
New share issuing expense	-	4,169	14,722
Appraisal loss of investments in securities	68,064	9,066	309,965
Appraisal loss of capital subscription	30,000	-	30,000
Gain on sales of fixed assets	-	195	-
Loss from investments by the equity method	50,222	69,430	80,426
Deemed profit/loss on sales due to change in equity	38,391	-	38,391
Increase (decrease) in accounts receivable	526,254	173,941	543,311
Increase (decrease) in other assets	90,334	97,860	140,071
Increase (decrease) in purchase debts	574	113,629	22,353
Increase (decrease) in other liabilities	257,377	24,207	303,166
Payment of bonuses for directors	10,000	-	-
Other cash flow from operating activities	-	-	10,000
Subtotal	552,473	638,289	620,204
Interest and dividend received	11,582	2,189	17,830
Interest paid	8,248	4,761	24,096
Payment of corporate tax, etc.	525,911	159,354	778,919
Cash flow from operating activities	29,896	476,362	164,981
Cash flow from investing activities			
Expenditure incurred by deposit of fixed deposit	111,697	98,757	206,776
Revenue accrued by repayment of fixed deposit	93,534	126,244	188,557
Expenditure incurred by acquisition of tangible fixed assets	155,518	18,075	143,050
Revenue accrued by sales of tangible fixed assets	-	395	764
Expenditure incurred by acquisition of intangible fixed assets	181,056	208,555	520,822
Revenue accrued by sales of intangible fixed assets	-	50	408
Expenditure incurred by acquisition of securities	2,018,945	290,160	2,437,523
Revenue accrued by sales of securities	-	235,633	1,273,026
Expenditure incurred by acquisition of shares of subsidiaries resulting from the changes in the scope of consolidation	-	-	97,132
Receipt of capital of subsidiaries through equity swap	59,516	-	432,021
Expenditure incurred by acquisition of capital subscription	22,219	-	41,649
Expenditure incurred by loans	5,000	550,000	20,600
Revenue accrued by collection of loans	-	252,550	8,800
Revenue accrued from other investing activities	127,385	109,962	125,096
Expenditure incurred by other investing activities	382,058	70,635	387,625
Cash flow from investing activities	2,596,058	511,348	1,632,240

(unit: 1,000 yen)

Item	Term	Interim consolidated accounting period in the previous term From January 1, 2001 to June 30, 2001	Interim consolidated accounting period in this term From January 1, 2002 to June 30, 2002	Summary of cash flow statement in the previous consolidated fiscal term From January 1, 2001 to December 31, 2001
		Amount	Amount	Amount
	Cash flow from financial activities			
	Revenue accrued by long-term loans payable	1,850,000	-	1,850,000
	Expenditure incurred by repayment of long-term loans payable	-	732,087	1,285,000
	Revenue accrued by issuance of shares	-	4,169	14,722
	Balance owing to acquisition/sales of own stocks	304	31,233	107,214
	Payment of dividends	125,484	53,048	124,411
	Cash flow from financial activities	1,724,211	820,537	318,652
	IV Gap in conversion related to cash and cash equivalents	1,862	-	-
	V Increase (Decrease) in cash and cash equivalents	840,088	855,523	1,478,569
	VI Balance of cash and cash equivalents at the beginning of term	7,284,892	5,935,243	7,284,892
	VII Increase in cash and cash equivalents along with increase in the number of consolidated subsidiaries	30,000	-	116,767
	Increase in cash and cash equivalents along with merger	12,153	-	12,153
	IX Balance of cash and cash equivalents at the end of interim period (end of the term)	6,486,957	5,079,719	5,935,243

Fundamental and Significant Matters in Production of the Interim Consolidated Financial Statements

Item	Interim consolidated accounting period in the previous term From January 1, 2001 to June 30, 2001	Interim consolidated accounting period in this term From January 1, 2002 to June 30, 2002	Previous consolidated fiscal year From January 1, 2001 to December 31, 2001
<p>1 Matters concerning the scope of consolidation</p>	<p>Of 11 subsidiaries, six companies, namely Magclick Inc., Free MI.Com Co., Ltd., Click Mail Co., Ltd., KabeGami.Com, Inc., iSLE Inc. and Rapid Site Co., Ltd. are included in the scope of consolidated accounting.</p> <p>KabeGami.Com, Inc. became a subsidiary when it was founded.</p> <p>iSLE Inc. became a subsidiary when equity swap was implemented on May 8, 2001.</p> <p>Non-consolidated subsidiaries, namely Onamae.Com Co., Ltd., Patent Incubation Capital Co., Ltd., Net Card Co., Ltd. and Mag Promotion Co., Ltd. (former Text Click Co., Ltd.) are all small in scale, and their total aggregate assets, sales, interim net profit/loss and surplus (the amount equivalent to the Company's share) have not had any significant impact on the interim consolidated financial statements.</p>	<p>Of 12 subsidiaries, eight companies, namely Magclick Inc., GMO Media and Solutions Inc. (Free MI.Com Co., Ltd.), Click Mail Co., Ltd., KabeGami.Com, Inc., iSLE Inc., Rapid Site Co., Ltd., DAIICHI Communication Co., Ltd. and Mag Force Co., Ltd., are included in the scope of consolidated accounting.</p> <p>Three companies that were excluded from the scope of consolidated accounting because of a merger with the consolidated subsidiary</p> <ul style="list-style-type: none"> <li>• Media Rep.Com Co.,Ltd.,whichmerged with Magclick Inc..</li> <li>• Mag Promotion Co., Ltd. and Mail In Co., Ltd., which merged with GEO Media and Solutions Co., Ltd.</li> </ul> <p>Non-consolidated subsidiaries, namely Onamae.Com Co., Ltd., Patent Incubation Capital Co., Ltd., Net Card Co., Ltd. and GMO Research Institute (GMO Sogo Kenkyusho) are all small in scale, and their total aggregate assets, sales, interim net profit/loss and surplus (the amount equivalent to the Company's share) have not had any significant impact on the interim consolidated financial statements.</p>	<p>Of 14 subsidiaries, eleven companies, namely Magclick Inc., Free MI.Com Co., Ltd., Click Mail Co., Ltd., KabeGami.Com, Inc., iSLE Inc., Rapid Site Co., Ltd., Mag Promotion Co., Ltd. (former Text Click Co., Ltd.), Media Rep Dot Com., Co., Ltd., DAIICHI Communication Co., Ltd. and Mag Force Co., Ltd., are included in the scope of consolidated accounting.</p> <ul style="list-style-type: none"> <li>• One company that became a consolidated subsidiary as it was established in the consolidated fiscal year concerned <ul style="list-style-type: none"> <li>Kagegami.Com Co., Ltd.</li> </ul> </li> <li>• Two companies that changed from affiliated equity method companies to consolidated subsidiary due to additional acquisition of shares <ul style="list-style-type: none"> <li>Mag Force Co., Ltd.</li> <li>Mail In Co., Ltd.</li> </ul> </li> <li>• One company that was included in the scope of consolidation as its significance had increased <ul style="list-style-type: none"> <li>Mag Promotion Co., Ltd.</li> </ul> </li> <li>• Four companies that became consolidated subsidiaries due to acquisition of shares <ul style="list-style-type: none"> <li>iSLE Inc.</li> <li>Media Rep.Com Co., Ltd.</li> <li>Rapid Site Co., Ltd.</li> <li>DAIICHI Tsushin Co., Ltd.</li> </ul> </li> </ul> <p>Non-consolidated subsidiaries, namely Onamae.Com Co., Ltd., Patent Incubation Capital Co., Ltd. and Net Card Co., Ltd. are all small in scale, and their total aggregate assets, sales, interim net profit/loss and surplus (the amount equivalent to the Company's share) have not had any significant impact on the consolidated financial statements.</p>

Item	Interim consolidated accounting period in the previous term From January 1, 2001 to June 30, 2001	Interim consolidated accounting period in this term From January 1, 2002 to June 30, 2002	Previous consolidated fiscal year From January 1, 2001 to December 31, 2001
2 Matters concerning application of the equity method	<p>Of six affiliated companies, the equity method is applied to four companies, namely, Mail In Co., Ltd., Ad Market Place Co., Ltd. (formerly Cyber Com Co., Ltd.), Cyber Agent Co., Ltd. and Mag Force Co., Ltd.</p> <p>Cyber Agent Co., Ltd. became an affiliated equity method company with the acquisition of its shares.</p> <p>Given its relative significance, Mag Force Co., Ltd. became an affiliated equity method company from this interim consolidated accounting period.</p> <p>The impact on interim consolidated net profit/loss and interim consolidated surplus of the five non-consolidated subsidiaries (Onamae.Com Co., Ltd., Patent Incubation Capital Co., Ltd., Net Card Co., Ltd. Mag Promotion Co., Ltd. and Webkeepers Inc.) and one affiliated company (Web Garage Co., Ltd.) is minor, and they are not particularly significant as a whole. Consequently, they are excluded from application of the equity method.</p> <p>Further, of companies to which the equity method is applied, for those with a different interim account closing day, the financial statements for the applicable interim account closing day are prepared.</p>	<p>Of four affiliated companies, the equity method is applied to two companies, namely, Idea Cube Co., Ltd. and Ucast Communications Inc. (formerly I Web Technology Japan Inc.).</p> <p>The impact on interim consolidated net profit/loss and interim consolidated surplus of the four non-consolidated subsidiaries (Onamae.Com Co., Ltd., Patent Incubation Capital Co., Ltd., Net Card Co., Ltd. and GMO Research Institute Co., Ltd.) and two affiliated companies (Webkeepers, INC., and Skyley Networks Inc.) is minor, and they are not particularly significant as a whole. Consequently, they are excluded from application of the equity method.</p> <p>Further, of companies to which the equity method is applied, for those with a different interim account closing day, the financial statements for the applicable interim account closing day are prepared.</p>	<p>Of three affiliated companies, the equity method is applied to one company, namely, Idea Cube Co., Ltd.</p> <p>As for Ad Market Place Co., Ltd. (formerly Cyber Com Co., Ltd.), which had been an affiliated equity method company, as a part of its shares was sold, the company was excluded from the scope of application of the equity method at the end of the current fiscal year.</p> <p>The impact on consolidated net profit/loss and consolidated surplus of the three non-consolidated subsidiaries (Onamae.Com Co., Ltd., Patent Incubation Capital Co., Ltd. and Net Card Co., Ltd) and two affiliated companies (Webkeepers, INC., and I Web Technology Japan, Inc.) is minor, and they are not particularly significant as a whole. Consequently, they are excluded from application of the equity method.</p>
3 Matters concerning the account closing day (interim), etc. of the consolidated subsidiaries	<p>Of the consolidated subsidiaries, the account closing day for iSLE Inc.. and Rapid Site Co., Ltd. is June 30.</p> <p>Therefore, the financial statements are prepared in accordance with the account closing day of each consolidated subsidiary.</p>	Same as at the left	<p>Of the consolidated subsidiaries, the account closing day for iSLE Inc.. and Rapid Site Co., Ltd. is June 30, and that for Mail In Co., Ltd. is September 30.</p> <p>In producing the consolidated financial statements, the necessary tentative settlement for production of the consolidated financial statements are made on the account closing day.</p>
4 Matters concerning the accounting standards	<p>(1) Important appraisal standards and appraisal method for assets</p> <p>(1) Negotiable securities Other securities Securities with a market price We adopt the cost method using the moving average method.</p>	<p>(1) Important appraisal standards and appraisal method for assets</p> <p>(1) Negotiable securities Other securities Securities with a market price We adopt the market value method in accordance with the market price on the interim accounts closing day, etc. (gaps in appraisal are handled using the method of including the total of the gaps</p>	<p>(1) Important appraisal standards and appraisal method for assets</p> <p>(1) Negotiable securities Other securities Securities with a market price We adopt the cost method using the moving average method.</p>

	<p>Securities without a market price The cost method using the moving average method is adopted.</p> <p>(2) Inventory assets Stores The cost method using the gross average method is adopted.</p>	<p>in shareholders' equity, and the cost of products sold are calculated using the moving average method).</p> <p>Securities without a market price Same as at the left.</p> <p>(2) Inventory assets Stores Same as at the left.</p>	<p>Securities without a market price Same as at the left.</p> <p>(2) Inventory assets Stores Same as at the left.</p>
	<p>(2) Important method of depreciation of fixed assets (1) Tangible fixed assets The constant percentage method is adopted.</p> <p>(2) Intangible fixed assets As for software (used by the Company), the fixed amount method is adopted according to the expected usable period within the Company (five years).</p> <p>(3) Important method of earmarking of deferred assets New share issuing expense All expenses are earmarked when the expenses are paid</p> <p>(4) Important standards for appropriation of allowances</p> <p>(1) Allowance for bad debts To prepare for losses arising from the loan loss of credits, we appropriate the expected uncollectable amount giving consideration to the actual ratio of loan loss as for general credits and to individual collectability as for specific credits, such as credits with a concern to be loan loss, etc.</p> <p>(2) Allowance for bonuses To prepare for the payment of bonuses to employees, the amount is appropriated in accordance with the standard of expected payment.</p>	<p>(2) Important method of depreciation of fixed assets (1) Tangible fixed assets The constant percentage method is adopted. Further, the principal years of effective life are as follows: Buildings 8 ~ 22 years Tools and Fixtures 6 ~ 8 years</p> <p>(2) Intangible fixed assets Same with the left</p> <p>(3) Important method of earmarking of deferred assets New share issuing expenses Same with the left</p> <p>(4) Important standards for appropriation of allowances</p> <p>(1) Allowance for bad debts To prepare for losses arising from the loan loss of accounts receivable, we appropriate the expected uncollectable amount giving consideration to the actual ratio of loan loss as for general credits and to individual collectability as for specific credits, such as credits with a concern to be loan loss, etc.</p> <p>(2) Allowance for bonuses To prepare for the payment of bonuses to employees, of the expected amount of payment, the amount that should be paid in this interim consolidated fiscal term is appropriated.</p>	<p>(2) Important method of depreciation of fixed assets (1) Tangible fixed assets Same with the left</p> <p>(2) Intangible fixed assets Same with the left</p> <p>(3) Important method of earmarking of deferred assets New share issuing expense Same with the left</p> <p>(4) Important standards for appropriation of allowances</p> <p>(1) Allowance for bad debts To prepare for losses arising from the loan loss of credits, we appropriate the expected uncollectable amount giving consideration to the actual ratio of loan loss as for general credits and to individual collectability as for specific credits, such as credits with a concern to be loan loss, etc.</p> <p>(2) Allowance for bonuses To prepare for the payment of bonuses to employees, the amount is appropriated in accordance with the standard of expected payment.</p>

Item	Interim consolidated accounting period in the previous term From January 1, 2001 to June 30, 2001	Interim consolidated accounting period in this term From January 1, 2002 to June 30, 2002	Previous consolidated fiscal year From January 1, 2001 to December 31, 2001
	<p>(5) Important method to handle leasing transactions Finance leasing transactions other than those in which the ownership of the leased property is transferred to a lessee follow the accounting method that is in accordance with the method used for ordinary lease transactions.</p> <p>(6) Important method of hedge accounting (1) Method of hedge accounting For liabilities denominated in foreign currencies, for which exchange contracts are set, the appropriation treatment is adopted. Further, for interest swaps that meet the requirement for hedge accounting, exceptional treatment is adopted.</p> <p>(2) Method of hedge and subjects for hedge Method Exchange contract transaction Interest swap transaction Subject Transactions denominated in foreign currencies Interest transactions accompanying financing</p> <p>(3) Hedge policy The purpose of hedging is to avoid risks that may arise from exchange fluctuations and interest fluctuations.</p> <p>(4) Method for evaluation of validity of hedging Each applicable derivatives transaction and hedging Validity is evaluated with an evaluation/judgment of the amount of credits/debts and the conditions for hedge transactions, etc. for each derivatives transaction and the subject for a hedge whenever any hedge is made.</p> <p>(7) Other important matters for production of the interim consolidated financial statements Accounting handling of consumption tax, etc. The method of excluding tax is adopted.</p>	<p>(5) Important method to handle leasing transaction Same as at the left.</p> <p>(6) Important method of hedge accounting (1) Method of hedge accounting Same as at the left.</p> <p>(2) Method of hedge and subjects for hedge Method Exchange contract transaction Subject Transactions denominated in foreign currencies Same as at the left.</p> <p>(3) Hedge policy Same as at the left.</p> <p>(4) Method for evaluation of validity of hedging Each applicable derivatives transaction and hedging Same as at the left.</p> <p>(7) Other important matters for production of the interim consolidated financial statements Accounting handling of consumption tax, etc. Same as at the left.</p>	<p>(5) Important method to handle leasing transaction Same as at the left.</p> <p>(6) Important method of hedge accounting (1) Method of hedge accounting Same as at the left.</p> <p>(2) Method of hedge and subjects for hedge Method Exchange contract transaction Interest swap transaction Subject Transactions denominated in foreign currencies Interest transactions accompanying financing Same as at the left.</p> <p>(3) Hedge policy Same as at the left.</p> <p>(4) Method for evaluation of validity of hedging Each applicable derivatives transaction and hedging Same as at the left.</p> <p>(7) Other important matters for production of the interim consolidated financial statements Accounting handling of consumption tax, etc. Same as at the left.</p>
5 Scope of capital in statement of interim consolidated cash flow (statement of consolidated cash flow)	Capital (cash and cash equivalents, etc.) in the statement of interim consolidated cash flow consists of cash on hand, deposits withdrawable at any time, and short-term investments, which carry only a minor risk of fluctuating in value and which are redeemable within three months of the date of acquisition.	Same as at the left.	Capital (cash and cash equivalents, etc.) in the statement of consolidated cash flow consists of cash on hand, deposits withdrawable at any time, and short-term investments, which carry only a minor risk of fluctuating in value and which are redeemable within three months of the date of acquisition.