



Consolidated Financial Statements for the Term Ending December 2002

February 21, 2003

Name of Listed Company: Global Media Online Inc. Registered issues
 Code: 9449 Head Office Address : Tokyo
 (URL <http://www.gmo.jp>)
 Location: 26-1 Sakuragaoka-cho, Shibuya-ku, Tokyo
 Contact: Position: Director and General Manager of Management Headquarters
 Name: Yoshihiro Himeji Telephone: 81+3+5456+2555
 Date of Board Meeting: February 21, 2003
 Whether US GAAP is applied: None

1. Consolidated business results for the term ending December 2002 (January 1, 2002 to December 31, 2002)

(1) Consolidated financial results

	Sales		Operating profit		Ordinary profit	
	Million Yen	%	Million Yen	%	Million Yen	%
FY2002	12,313	(34.2)	1,186	(331.6)	1,011	(505.5)
FY2001	9,174	(14.9)	274	(79.8)	167	(85.8)

	Current net profit		Current net profit per share		Shareholders' equity Current net profit ratio	Ratio of ordinary profit to net worth	Ratio of ordinary profit to sales
	Million Yen	%	Yen	Sen	%	%	%
FY2002	207	(-)	7	51	2.4	7.4	8.2
FY2001	113	(109.4)	4	36	1.3	1.2	1.8

Note

- Equity in earnings or loss of investees: Term ending December 2002 156 million yen
Term ending December 2001 80 million yen
- Average number of shares during term (consolidated): Term ending December 2002 27,665,517 shares
Term ending December 2001 25,952,035 shares
- Change in accounting policies: None
- Percentages shown for sales, operating profit, ordinary profit and current net profit denote the rate of increase or decrease compared to the previous year

(2) Consolidated financial conditions

	Total assets	Shareholders' equity	Shareholders' equity ratio	Shareholders' equity per share	
	Million Yen	Million Yen	%	Yen	Sen
FY2002	13,052	8,714	66.8	314	95
FY2001	14,107	8,850	62.7	326	18

Note

1. Number of outstanding shares at end of term (on a consolidated basis): Term ending December 2002 28,364,394 shares, Term ending December 2001 27,308,794 shares
2. Number of company-held shares at end of term: Term ending December 2002 694,993 shares, Term ending December 2001 175,744 shares

(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	
FY2002	1,372	967	820	5,519	
FY2001	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: 3

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

Number of newly consolidated companies: 1, number of companies excluded from consolidation: 4, 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 first half of 2003 (from January 1, 2003 to June 30, 2003)

	Sales	Ordinary profit	Current net profit
	Million Yen	Million Yen	Million Yen
The first half 2003	7,850	650	200

Note: Since the business environment surrounding the Group is subject to significant change in a short period of time, the results that will actually be released may differ from the projections.

Status of the Corporate Group

The Company Group consists of Global Media Online Inc. (hereinafter referred to as the “Company”), eight subsidiaries and three affiliated companies. Under the corporate slogan, “Internet for Everyone” we have concentrated our management resources on providing Internet infrastructure services, or provision of an Internet “Platform”.

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 and Hosting operations	Company ISLE Co., Ltd. (*1)
	(3) Domain Registration operations	Company
	(4) Others	Payment-One, Inc.
Internet Ads Media Business	E-mail advertisement distribution service, in which mail magazines are the major media for ads	Mag Click Co., Ltd.
	Management of mailing lists and e-mail advertisement distribution service, in which mailing lists are the major media for ads	GME Media and Solutions Co., Ltd.
	Opt-in mail service and agency operations for communications carriers	Daiichi Tsushin Co., Ltd. (*2)
	Development and operation of the information/ads distribution system for desktops	U Cast Communications Inc. (*3)
	Service to provide “wallpaper” displayed on desktop computer screens	Kabegami .com Co., Ltd.
	E-mail advertisement distribution service, in which mobile phone terminals are the major media for ads	Mag Force Co., Ltd.
	Operation of mail magazines, websites and advertisement distribution services	Idea Cube Co., Ltd.
	Media content business and e-commerce business	GMO Magazines Inc. (*4)
	Management of one of the largest websites in Japan which offers information on new condominiums	e-sumai. Inc.

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

(*2) Daiichi Tsushin Co., Ltd. changed its name to “GMO Communications Co., Ltd.” on January 1, 2003.

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

(*4) Click Mail Inc., which had been dormant, restarted operations on August 1, 2002, changing its name to “GMO Magazines Inc.”

List of consolidated subsidiaries and affiliated companies

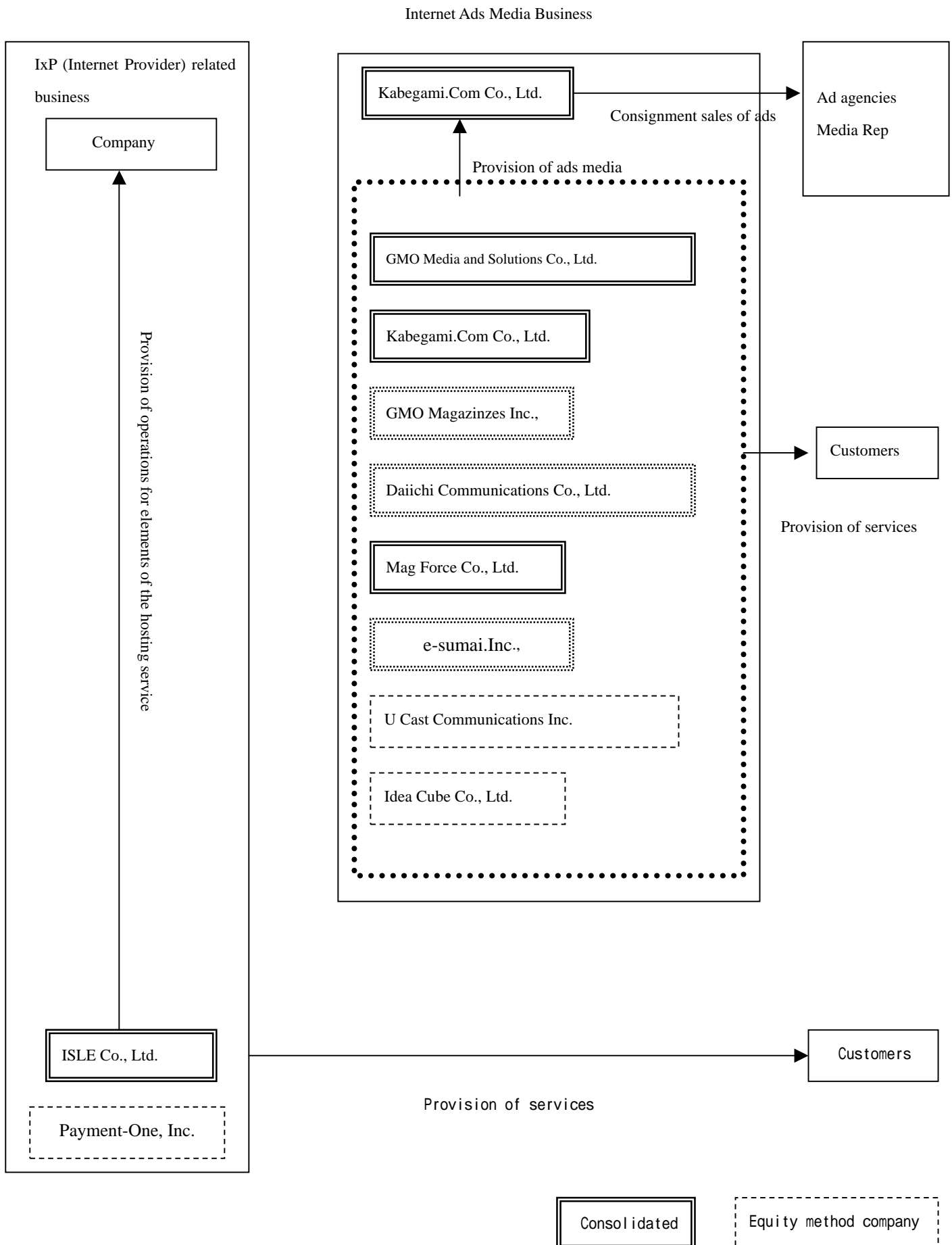
Company Name	Percentage of voting rights or equity share held	Category	Business Details
ISLE Co., Ltd. (*1)	82.6%	Consolidated subsidiary	Server Business
Mag Click Co., Ltd. (*2)	37.0% [25.2]	Consolidated subsidiary	Electronic mail and advertisement distribution services using mail magazines as the major media for advertising
GMO Media and Solutions Co., Ltd. (*3)	81.5%	Consolidated subsidiary	Electronic mail and advertisement distribution services using opt-in mail/ mailing lists as the major media for advertising
Kabegami .com Co., Ltd.	100.0%	Consolidated subsidiary	Services to provide a “Wallpaper” displayed on desktop personal computers
GMO Magazines Inc. (*4)	100.0%	Consolidated subsidiary	Media content business and e-commerce business
Daiichi Tsushin Co., Ltd. (*5)	100.0%	Consolidated subsidiary	Opt-in mail services and communications company agency business
Mag Force Co., Ltd.	96.0% (96.0%)	Consolidated subsidiary	Electronic mail and advertisement distribution services using cellular phones as the major media for advertising
e-sumai. Inc. (*6)	50.9% (50.9%)	Consolidated subsidiary	Management of one of the largest websites in Japan which offers information on new condominiums
U Cast 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% (35.0%)	Equity method company	Operations of mail magazines, websites and advertisement distribution services
Payment-One, Inc. (*8)	40.6%	Equity method company	Credit card transaction services for commercial transactions on the Internet.

(*)

1. ISLE Co., Ltd. and Rapid Site Co., Ltd. merged in July 2002, with ISLE Co., Ltd. the surviving company. ISLE Co., Ltd. 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.
2. The company’s equity share in Mag Click Co., Ltd. is 37.0%. However, Mag Click Co., Ltd. is treated as a subsidiary because the relationship between the Company and Mag Click is acknowledged as a being one of effective control.
Mag Click Co., Ltd. merged with Media Rep.Com Co., Ltd. in January 2002, with Mag Click Co., Ltd. the surviving company.
Mag Click lists its stocks on Nippon New Market “Hercules” of the Osaka Securities Exchange.
3. As Free MI.com Co., Ltd., Mail In Co., Ltd., and Mag Promotion Co., Ltd. merged in April 2002, with Free MI.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 GEO Media and Solutions Co., Ltd.
4. Click Mail Inc., which had been dormant, restarted operations from August 1, 2002, by changing the company name to “GMO Magazines Inc.”
5. Daiichi Tsushin Co., Ltd became a wholly-owned subsidiary of the Company in February 2002 with an equity swap. Daiichi Tsushin Co., Ltd. changed its company name to “GMO Communications Co.,Ltd.” on January 1, 2003.
6. e-sumai.Inc became a consolidated subsidiary when Mag Click Co., Ltd acquired its stocks in December, 2002.
7. As U Cast Communications Inc. requires greater financial support, the company has been made an affiliated company, to which the equity method is applied, starting in the current period.
8. Payment-One, Inc. became an affiliated equity method company in October 2002, after the additional acquisition of equity.
9. 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:

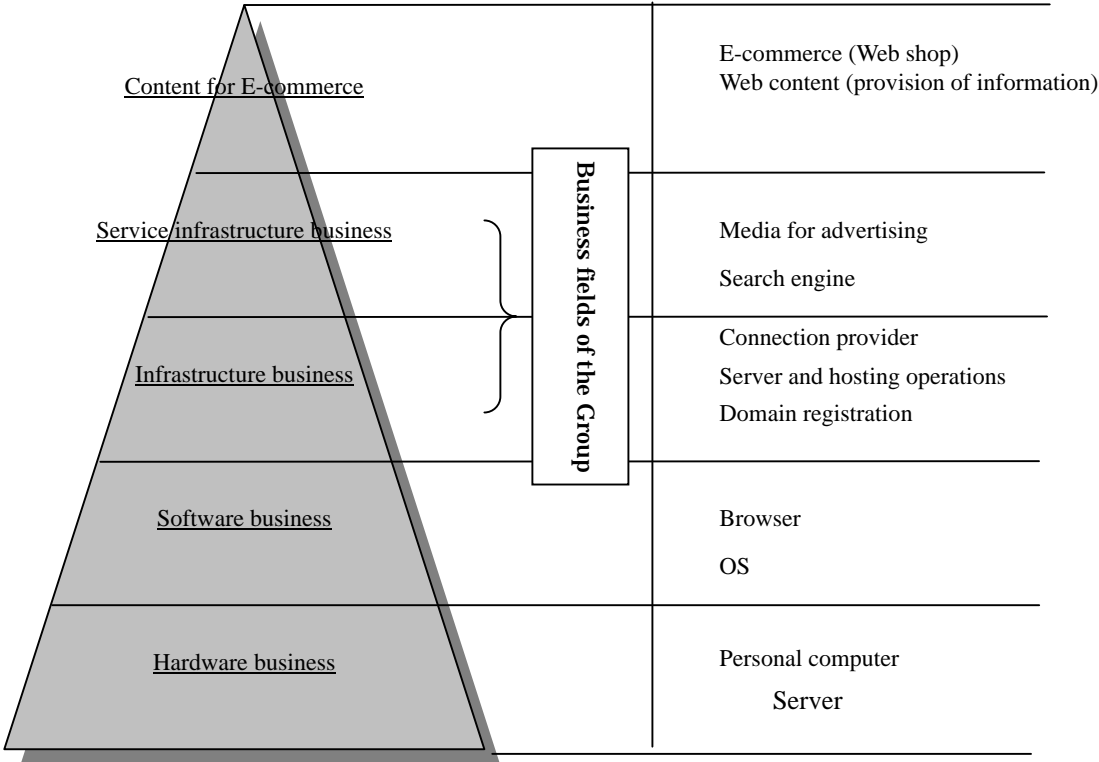


Management Policy

1. Basic management policy

The Company Group aims to carry out corporate activities that contribute to society, under the corporate slogan, “Internet for Everyone.” The Group concentrates its management resources on providing Internet infrastructure services, or providing Internet “Platform” services, linking to IxP (Internet Provider) related businesses organically with the Internet advertising media business to establish an Internet media group in which each party demonstrates synergy, thereby creating an 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.

With respect to the dividend of this term, a dividend of 4 yen per share is scheduled to be paid. Bearing in mind the need to continue to create company value, we aim at a stable dividend and substantial improvement in value for shareholders.

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 a differentiation strategy including product line-up and support services, we will proceed with an “Only One Strategy.”

In the Internet advertising media business, focusing our management resources on the opt-in e-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 “information distribution with a second browser”), we will continue to consolidate our business foundation 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 accountability, 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 agency systems, traditional external sales activities and call center operations.

(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 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 enhanced communications with customers as a company-wide issue. For the future, “9199 Declaration, Quick Response 2003” will be turned into a slogan as the key measure, reflecting the aim of faster response to customers as a company-wide initiative.

Business Results and Financial Conditions

We report here the business results and financial situation for the fiscal year ending December 2002 (from January 1, 2002 to December 31, 2002) as follows.

1. Business results and financial conditions of the the fiscal year ending December 2002 (from January 1, 2002 to December 31, 2002)

A rise in exports and other factors were expected to support the domestic economy. However, there was anxiety over the future of the U.S. economy, and stock prices remained weak. Consequently, the economic environment continues to be severe.

In this environment, the number of Internet users in Japan reached 46,000,000 persons in February 2002, and the growth rate for the year was 41.6% (*1). Moreover, the percentage of Internet users who were constantly operating in a broadband environment exceeded 30% (*2). Thus, the growth of time spent on the Internet was encouraged by the improvement in connections. Further, the market scale of data centers grew favourably, with an annual average growth rate of 31.3% (*3).

With respect to the domain enterprise, the number of the registered jp domains exceeded 500,000 (*4). For the general-purpose jp domain, although only two years have passed since the start of registration, the number has already exceeded 200,000 (*4).

On the other hand, connection fees are trending downwards because of competition between contractors, and enterprise restructuring is progressing throughout the industry.

In this environment, under a corporate philosophy of "Internet for Everyone," the Company aims to be a leader in providing an array of Internet based platforms. To achieve this objective, the Company has been developing the following businesses.

While terminating the provision of "interQ ORIGINAL," a service provided since 1995, preparation for a new enterprise domain has advanced with the establishment of GMO Magazines Inc., in August, and also gearing up for the development of a media content enterprise or an e-commerce enterprise. Payment-One, Inc., which is developing a credit card transaction service enterprise, became an equity method application company when our company took a 40.6% stake in November.

Meanwhile, to demonstrate the effect of the M&A strategy the Company had implemented in the previous year, we proceeded with the reorganization of the group. We merged 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 also merged ISLE Co., Ltd. and Rapid Site Co., Ltd. in July in the Internet providers business, 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 fiscal year ending December 2002 were as follows:

*1: Survey by Access Media International and Inc.

*2: The ratio of PC users. Survey by Access Media International and Inc.

*3: Numerical prediction by International Data Corporation Japan. As of June 2002.

*4: Japan Registry Service Co. and Ltd. announced in January 2003.

(1) Business results

Consolidated sales were 12,313 million yen, consolidated operating profit was 1,186 million yen and consolidated ordinary profit was 1,011 million yen

Because of the appropriation of closure costs for access points (93 million yen) and the appropriation of a loss on appraisal of an investment in securities (167 million yen), consolidated net profit for this term was 207 million yen.

<Condition by the segment>

• IxP (Internet Provider) related business

In the access business, we succeeded in reducing the costs of access points and connections to our server for which we formerly had our own facilities, by outsourcing them. We terminated the service of interQ ORIGINAL, a non-membership connection service provided since establishment, on January 22, 2002.

Turning to the server business, the fact that ISLE Co., Ltd. became a consolidated subsidiary 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 8,336 million yen and operating profit was 783 million yen.

• 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 Mag Click Co., Ltd., GMO Media and Solutions Co., Ltd., and DAIICHI Communication Co., Ltd., which are consolidated subsidiaries, has improved, making a contribution to consolidated business results. As a result, sales were 4,015 million yen, and operating profit was 402 million yen.

(2) Financial conditions

<Assets, liabilities and shareholders' equity>

Of assets, liabilities and shareholders' equity as of December 31, 2002, in comparison with those as of December 31, 2001, the items showing a significant change are as follows:

Of fixed assets, goodwill increased by 148 million yen. This originates in the inheritance of goodwill mainly at GMO Media and Solutions Co., Ltd., a consolidated subsidiary.

Of fixed liabilities, long-term loans payable decreased by 538 million yen. This mainly reflected the repayment of loans from banks.

(3) The situation of cash flow

While the current net profit before adjustment of taxes, etc. was 811 million yen (compared to a loss of 285 million yen in the previous year), cash and cash equivalents (hereinafter referred to as the "cash") on a consolidated basis for the consolidated accounting period this year declined to 5,519 million yen, a 415 million yen decrease from the previous year, reflecting an increase in accounts receivable, expenses for the acquisition of shares, repayment of loans, and other factors.

The status of each item cash flow and the related factors are as follows.

Cash flow from operating activities in the accounting period was up 1,372 million yen, owing to an increase in accounts receivable of 405 million yen and a decrease in corporate tax to 266 million yen.

Cash flow from investment activities was down 967 million yen (down 40.7% from the year-ago level), mainly because of the acquisition of a 733 million yen investment in securities and the purchase of intangible fixed assets of 578 million yen.

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

2. Forecast of the first half of the year ending December 31, 2003

The forecast for the first half of the year ending December 31, 2003 is as follows. (Since the business environment surrounding the Group is subject to significant change over short time periods, the results actually released may differ from the projections.)

• Forecast of consolidated results (from January 1, 2003 to June 30, 2003)

	First half of fiscal 2003	Change from year-ago level	First half of fiscal 2002
	Million Yen	%	Million Yen
Sales	7,850	132.4	5,925
Ordinary profit	650	141.1	459
Current net profit	200	152.5	131

• Forecast of the non-consolidated results (from January 1, 2003 to June 30, 2003)

	First half of fiscal 2003	Change from year-ago level	First half of fiscal 2002
	Million Yen	%	Million Yen
Sales	3,600	108.0	3,333
Ordinary profit	272	119.0	228
Current net profit	130	198.5	65

(Reference)

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

(unit: one million yen)

	4 th quarter of 2001	1 st quarter of 2002	2 nd quarter of 2002	3 rd quarter of 2002	4 th quarter of 2002
Operating revenue	2,641	2,893	3,032	3,076	3,311
Operating profit	33	202	333	320	329
Ordinary profit	87	189	269	281	271
Current net profit	62	39	91	111	34
Total assets	14,107	13,792	13,279	13,205	13,052
Shareholders' equity	8,850	9,096	9,046	9,019	8,714

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

(unit: one million yen)

	4 th quarter of 2001	1 st quarter of 2002	2 nd quarter of 2002	3 rd quarter of 2002	4 th quarter of 2002
Operating revenue	1,685	1,624	1,708	1,631	1,683
Operating profit	163	87	155	122	113
Ordinary profit	151	75	153	118	114
Current net profit	112	27	37	95	37
Total assets	9,628	9,924	9,382	9,233	9,075
Shareholders' equity	8,355	8,586	8,461	8,421	8,155

(Reference)

Breakdown of Revenues by Service (on an individual basis)

In the non-consolidated account closing of the Company, operating revenue was 6,648 million yen (down 4.0% from the level a year ago), operating profit was 479 million yen (down 21.8% from the level a year ago), and ordinary profit was 461 million yen (down 18.7% from the level a year ago), resulting in 123 million yen of current net profit (up 106.3% from the level a year ago).

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

Term		Previous accounting term (From January 1, 2001 to December 31, 2001)		This accounting term (From January 1, 2002 to December 31, 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 (*)121,983	1,000 yen 3,117,061	people (*)119,720	1,000 yen 2,779,716	people 2,263	1,000 yen 337,345
interQ ORIGINAL		1,000 calls 1,947	1,000 yen 420,335	1,000 calls (Note) 97	1,000 yen 21,190	1,000 calls 1,850	1,000 yen 399,136
interQ OFFICE · OEM · BroadServer		cases (*)12,015	1,000 yen 1,412,638	cases (*)12,934	1,000 yen 1,565,003	cases 919	1,000 yen 152,365
Onamae .com	Registratio n of the domain	cases 105,902	1,000 yen 1,009,752	cases 79,071	1,000 yen 838,151	cases 26,831	1,000 yen 171,601
	Rental server	cases (*)26,285	1,000 yen 513,970	cases (*)32,684	1,000 yen 687,877	cases 6,399	1,000 yen 173,907
Marugoto server		cases (*)813	1,000 yen 398,572	cases (*)958	1,000 yen 659,693	cases 145	1,000 yen 261,121
Subtotal			1,000 yen 6,872,332		1,000 yen 6,551,641		1,000 yen 320,690
Others			1,000 yen 52,790		1,000 yen 96,396		1,000 yen 43,606
Total			1,000 yen 6,925,122		1,000 yen 6,648,037		1,000 yen 277,085

Term		4 th quarter in previous year (From October 1, 2001 to December 31, 2001)		4 th quarter this year (From October 1, 2002 to December 31, 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 (*)121,983	1,000 yen 750,837	people (*)119,720	1,000 yen 657,205	people 2,263	1,000 yen 93,632
interQ ORIGINAL		1,000 calls 397	1,000 yen 83,430	1,000 calls (Note)	1,000 yen	1,000 calls 397	1,000 yen 83,430
interQ OFFICE · OEM · BroadServer		cases (*)12,015	1,000 yen 331,750	cases (*)12,934	1,000 yen 420,586	cases 919	1,000 yen 88,836
Onamae .com	Registratio n of the domain	cases 23,633	1,000 yen 217,465	cases 22,970	1,000 yen 211,337	cases 663	1,000 yen 6,128
	Rental server	cases (*)26,285	1,000 yen 152,195	cases (*)32,684	1,000 yen 182,805	cases 6,399	1,000 yen 30,610
Marugoto server		cases (*)813	1,000 yen 133,703	cases (*)958	1,000 yen 184,054	cases 145	1,000 yen 50,351
Subtotal			1,000 yen 1,669,383		1,000 yen 1,655,989		1,000 yen 13,394
Others			1,000 yen 16,523		1,000 yen 27,269		1,000 yen 10,746
Total			1,000 yen 1,685,907		1,000 yen 1,683,258		1,000 yen 2,649

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

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

(Production, orders and sales)

(1) Actual production

Not applicable

(2) Actual purchase result

(Unit : 1,000yen)

Items	Amount of goods purchased	Yearly Change (%)
Internet advertising media business	374,976	97.8
Total	374,976	97.8

Note1. Consumption tax etc. is not included.

2. Expressed as price of purchase.

3. Not applicable to Internet provider business

(3) Actual orders received

(Unit : 1,000yen)

Items	Order volume	Yearly Change (%)	Orders in hand	Yearly Change (%)
Internet advertising media business	374,976	97.8	288,125	271.8
Total	374,976	97.8	288,125	271.8

Note1. Consumption tax etc. is not included.

2. Not applicable to Internet provider business

(4) Sales performance

(Unit : 1,000yen)

Items	Sales volume	Yearly Change (%)
About Internet provider business	8,313,350	108.4
Internet advertising media business	4,000,418	265.6
Total	12,313,769	134.2

Note1. Consumption tax, etc. is not included

2. Expressed as price of purchase.

1. Consolidated financial statements, etc.

(1) Consolidated balance sheet

(unit : 1,000 yen)

Term Item	As of December 31, 2001 End of the consolidated accounting period of the previous fiscal year		As of December 31, 2002 End of the consolidated accounting period of this fiscal year	
	Amount	Composition	Amount	Composition
(Assets)		%		%
I Current Assets				
1 Cash and deposits	6,059,988		5,656,524	
2 Notes receivable and accounts receivable - trade	1,884,987		1,985,672	
3 Inventory assets	5,753		9,638	
4 Deferred tax asset	431,430		369,566	
5 Other assets	567,255		410,656	
Allowance for doubtful debts	357,429		482,698	
Total Current Assets	8,591,985	60.9	7,949,359	60.9
Fixed assets				
1 Tangible fixed assets				
(1) Buildings and structures	56,387		55,000	
(2) Tools and equipment	184,228		118,002	
(3) Other tangible fixed assets	338		53	
Total Tangible Fixed Assets	240,953	1.7	173,056	1.3
2 Intangible fixed assets				
(1) Goodwill	22,207		170,332	
(2) Software	559,161		649,294	
(3) Account for consolidated adjustments	457,981		194,362	
(4) Other intangible fixed assets	275,252		379,855	
Total of intangible fixed assets	1,314,602	9.3	1,393,843	10.7
3 Investments and other assets				
(1) Investments in securities	2,586,038		2,050,743	
(2) Investments	132,107		116,992	
(3) Guarantee money	621,540		571,286	
(4) Deferred tax asset	606,872		768,401	
(5) Others	31,182		47,083	
(6) Allowance for doubtful debts	17,879		17,959	
Total of investments and other assets	3,959,862	28.1	3,536,547	27.1
Total of fixed assets	5,515,418	39.1	5,103,448	39.1
Total of assets	14,107,404	100.0	13,052,807	100.0

(unit : 1,000 yen)

Term Item	As of December 31, 2001 End of the consolidated accounting period of the previous fiscal year		As of December 31, 2002 End of the consolidated accounting period of this fiscal year	
	Amount	Composition	Amount	Composition
		%		%
(L i a b i l i t i e s)				
Current liabilities				
1 Notes payable and accounts payable - trade	230,484		137,780	
2 Short-term borrowings	193,984		-	
3 Bonds redeemable within one year	500		-	
4 Accrued amount payable	807,423		676,717	
5 Accrued corporate tax, etc	152,866		198,318	
6 Allowance for bonuses	7,951		11,227	
7 Advance money	-		535,804	
8 Other liabilities	588,273		277,567	
Total of current liabilities	1,981,484	14.0	1,837,417	14.1
Fixed liabilities				
1 Long-term borrowing	538,103		-	
2 Other fixed liabilities	17,514		20,271	
Total of fixed liabilities	555,617	4.0	20,271	0.1
Total of liabilities	2,537,102	18.0	1,857,688	14.2
(M i n o r i t y e q u i t y)				
Minority equity	2,719,903	19.3	2,480,668	19.0
(S h a r e h o l d e r s ' e q u i t y)				
Capital stock	3,311,130	23.5	-	
Capital reserve	4,160,091	29.5	-	
Consolidated surplus	1,487,421	10.5	-	
	8,958,643	63.5	-	
Own stocks	108,274	0.8	-	
Capital stock	-		3,311,130	25.4
Capital reserve	-		4,432,990	33.6
Earned surplus	-		1,658,922	12.7
Other gaps in appraisal of securities	-		323,747	2.5
Own stocks	-		364,844	2.8
Total of shareholders' equity	8,850,369	62.7	8,714,450	66.8
Total of liabilities, minority equity and shareholders' equity	14,107,404	100.0	13,052,807	100.0

(2) Consolidated profit and loss statement

(unit: 1,000 yen)

Term Item	Consolidated accounting period in the previous term From January 1, 2001 to December 31, 2001			Consolidated accounting period in this term From January 1, 2002 to December 31, 2002		
	Amount		Percentage	Amount		Percentage
			%			%
Operating revenue		9,174,289	100.0		12,313,769	100.0
Business expenses		4,456,943	48.6		5,175,531	42.0
Sales and general administrative expenses		4,442,492	48.4		5,951,874	48.4
Operating profit		274,854	3.0		1,186,363	9.6
Non-operating revenue						
1. Interest received	10,180			7,548		
2. Fees received	5,396			10,563		
3. Gains on foreign exchange				711		
4. Subsidy for employment development	6,280					
5. Others	23,967	45,823	0.5	23,719	42,543	0.3
Non-operating expenses						
1. Interest paid	22,192			8,381		
2. New share issuing expense	14,722			4,169		
3. Loss from sales of own stocks	2,098					
4. Loss from investments by the equity method	80,426			156,691		
5. Transferred from allowance for doubtful debts	17,662			606		
6. Other operating expenses	16,499	153,600	1.7	47,429	217,277	1.7
Ordinary profit		167,076	1.8		1,011,629	8.2
Extraordinary profit						
1. Gain on sales of fixed assets				3,318		
2. Gain on sale of investments in securities	92,492	92,492	1.0	74,154	77,473	0.6
Extraordinary loss						
1. Loss on revision of profit/loss in preceding term				7,556		
2. Loss on sale of fixed assets	5,964			16		
3. Loss on retirement of fixed assets	123,343			7,854		
4. Loss on withdrawal of Aps				93,877		
5. Loss on appraisal of investment in securities	309,965			167,808		
6. Loss on sale of investment in securities	10,176					
7. Loss on appraisal of capital subscription	30,000					
8. Deemed loss on sale with change to equity method	38,391					
9. Settlement of cancellation	27,536	545,378	5.9		277,114	202
Current net loss before adjustment of taxes () or net profit before adjustment of taxes		285,309	3.1		811,987	6.6
Corporate tax, residential tax and business tax	308,035			365,248		
Adjustment of corporate taxes, residential tax and business tax in previous fiscal year	28,524					
Amount of adjustment, such as corporate tax	391,587	112,076	1.2	177,075	542,324	4.4
Profit or loss () of minority shareholders		60,426	0.7		61,803	0.5
Current net profit or net loss ()		113,306	1.2		207,860	1.7

(3) Statement of consolidated surplus

(unit: 1,000 yen)

Term Item	Consolidated accounting period in the previous term From January 1, 2001 to December 31, 2001		Consolidated accounting period in this term From January 1, 2002 to December 31, 2002	
	Amount		Amount	
I. Balance of consolidated surplus at the beginning of term		1,695,375		-
II. Increase in consolidated surplus				
1. Increase in surplus due to decreased number of equity method companies	72,413	72,413	-	-
III. Decrease in consolidated surplus				
1. Dividends	125,484		-	
2. Bonuses for directors	10,000		-	
3. Decrease in surplus due to increased number of equity method companies	1,193		-	
4. Decrease in surplus due to increased number of consolidated subsidiaries	23,698		-	
5. Unappropriated loss in merger and succession	6,685	167,060	-	-
IV. Current net profit or net loss ()		113,306		-
V. Balance of consolidated surplus at end of the term		1,487,421		-
(Capital Surplus)				
I. Balance of capital surplus at beginning of term				
Balance of capital reserve at 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 end of the term				4,432,990
(Earned Surplus)				
I. Balance of earned surplus at beginning of term				
Balance of consolidated surplus at beginning of term		-		1,487,421
II. Increase in earned surplus				
1. Interim net profit			207,860	
2. Increase in surplus due to merger	-	-	140,233	348,093
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 on merger and succession	-	-	78,454	176,592
IV. Balance of consolidated surplus at end of term.				1,658,922

(4) Statement of consolidated cash flow

(unit : 1,000 yen)

Term Item	Consolidated accounting period in the previous term From January 1, 2001 to December 31, 2001	Consolidated accounting period in this term From January 1, 2002 to December 31, 2002
	Amount	Amount
Cash flow from operating activities		
Current net profit before adjustment of taxes, etc. (denotes net loss.)	285,809	811,987
Depreciation charge	186,287	309,226
Amortization of the consolidated adjustment account	77,650	63,326
Increase in allowance for doubtful debts	74,953	432,320
Loss from sales of own stocks	2,098	-
Gain on sale of investments in securities	92,492	74,154
Loss on sale of investments in securities	10,176	-
Interest received and dividend received	15,576	7,548
Interest paid	22,192	8,381
Gain on foreign exchange	369	711
New share issuing expense	14,722	4,169
Appraisal loss on investments in securities	309,965	167,808
Appraisal loss of capital subscription	30,000	-
Loss on retirement of fixed assets	123,343	7,854
Loss on sales of fixed assets	5,964	16
Gain on sales of fixed assets	-	3,318
Loss on withdrawal of APs	-	53,179
Loss from investments by the equity method	80,426	156,691
Deemed profit/loss on sale due to change in equity	38,391	-
Increase (decrease) in accounts receivable	543,311	405,280
Increase (decrease) in other assets	140,071	163,792
Increase (decrease) in purchase debts	22,353	92,704
Increase (decrease) in other liabilities	303,166	43,335
Payment of bonuses for directors	10,000	-
Subtotal	620,204	1,638,374
Interest and dividend received	17,830	5,134
Interest paid	24,096	5,203
Payment of corporate tax, etc.	778,919	266,058
Cash flow from operating activities	164,981	1,372,247
Cash flow from investing activities		
Expenditure incurred by deposit of fixed deposit	206,776	138,768
Revenue accrued by repayment of fixed deposit	188,557	126,244
Expenditure incurred by acquisition of tangible fixed assets	143,050	38,085
Revenue accrued by sales of tangible fixed assets	764	3,740
Expenditure incurred by acquisition of intangible fixed assets	520,822	578,494
Revenue accrued by sales of intangible fixed assets	408	139
Expenditure incurred on acquisition of investment in securities	2,437,523	733,375
Revenue accrued from sale of investment in securities	1,273,026	384,546
Expenditure incurred by acquisition of shares of subsidiaries resulting from changes in scope of consolidation	97,132	-
Revenue accrued by acquisition of stock of new consolidated subsidiary	-	7,739
Receipt of capital of subsidiaries through equity swap	432,021	-
Expenditure by acquisition of an investment	41,649	-
Expenditure incurred by loans	20,600	910,000
Revenue accrued by collection of loans	8,800	858,700
Revenue accrued from other investing activities	125,096	123,964
Expenditure incurred by other investing activities	387,625	73,670
Cash flow from investing activities	1,632,240	967,318

(Unit:1,000 yen)

Item	Term	Consolidated accounting period in the previous term From January 1, 2001 to December 31, 2001	Consolidated accounting period in this term From January 1, 2002 to December 31, 2002
		Amount	Amount
III	Cash flow from financial activities		
	Revenue accrued by long-term loans payable	1,850,000	-
	Expenditure by repayment of long-term loans payable	1,285,000	732,087
	Revenue accrued by issue of stocks	14,722	4,169
	Balance owing to acquisition/sales of own stocks	107,214	31,345
	Payment of dividends	124,411	53,315
	Cash flow from financial activities	318,652	820,917
IV	Gap in conversion related to cash and cash equivalents	-	-
V	Increase (Decrease) in cash and cash equivalents	1,478,569	415,988
VI	Balance of cash and cash equivalents at the beginning of term	7,284,892	5,935,243
VII	Increase in cash and cash equivalents with increase in the number of consolidated subsidiaries	116,767	-
	Increase in cash and cash equivalents with merger	12,153	-
IX	Balance of cash and cash equivalents at the end of term	5,935,243	5,519,255