



Brief Announcement of the Interim Financial Statements for the Term Ending December 2003(consolidated)

August 20, 2003

Name of Listed Company: Global Media Online Inc.
Code: 9449
(URL <http://www.gmo.jp>)

Registered issues (Over-the-counter stocks)
Head Office Address : Tokyo

Representative Director

Contact: Name: Masatoshi Kumagai
Position: Executive Director

Name: Masashi Yasuda Telephone: 81+3+5456+2555

Date of Board Meeting: August 20, 2003

Whether US GAAP is applied: None

1. Consolidated business results for the term ending December 2003 (from January 1 to June 30, 2003)

(1) Consolidated financial results

	Sales		Operating profit		Ordinary profit	
	Million Yen	%	Million Yen	%	Million Yen	%
Interim closing period to June 2003	7,468	(26.0)	1,049	(95.7)	958	(108.7)
Interim closing Period thru June 2002	5,925	(40.6)	536	(137.7)	459	(196.6)
Accounting term to December 2002	12,313		1,186		1,011	

	Current profit for interim closing period		Current profit per share for interim closing period		Current net profit per share diluted for interim closing period	Shareholders' equity Current net profit ratio for interim closing period	Ratio of ordinary profit to net worth	Ratio of ordinary profit to sales	
	Million Yen	%	Yen	Sen	Yen	Sen	%	%	
Interim closing period to June 2003	394	(200.5)	14	24	-	-	4.4	7.1	12.8
Interim closing Period thru June 2002	131	(-)	4	74	-	-	1.5	3.4	7.7
Accounting term to December 2002	207		7	51	-	-	2.4	7.4	8.2

Note

1. Equity in earning or loss of investees: Interim closing period to December 2003 99 million yen
Interim closing period to December 2002 69 million yen
Accounting term to December 2002 156 million yen

2. Average outstanding shares during the term (consolidated):

- Interim closing period to December 2003 27,669,230 shares
Interim closing period to December 2002 27,609,564 shares
Accounting term to December 2002 27,655,517 shares

2. Change in accounting policies: None

3. Percentages shown for sales, operating profit, ordinary profit and current net profit for interim closing period (full year) indicate 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
Interim closing period to June 2003	14,018	9,174	65.5	331 59
Interim closing Period thru June 2002	13,279	9,046	68.2	326 95
Accounting term to December 2002	13,052	8,714	66.8	314 95

Note: Number of total outstanding shares (consolidated)

- Interim closing period to December 2003 27,669,101 shares
Interim closing period to December 2002 28,364,394 shares
Accounting term to December 2002 28,364,394 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
Interim closing period to June 2003	Million Yen 1,085	Million Yen 595	Million Yen 120	Million Yen 6,074
Interim closing Period thru June 2002	476	511	820	5,079
Accounting term to December 2002	1,372	967	821	5,519

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

Number of consolidated subsidiaries: 10, 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: 2, number of companies excluded from consolidation: 0, number of companies newly subject to the equity method: 0, number of companies excluded from application of the equity method: 0

2.Projections of consolidated business results for December 31,2003 (from January 1, 2003 to December 31, 2003)

	Sales	Ordinary profit	Current net profit
Accounting term ended December 2003(full year)	Million Yen 16,100	Million Yen 1,850	Million Yen 750

Note Anticipation current net profit per share(Full year)

27Yen 10Sen

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”), ten 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 Infrastructure), the Internet advertising media business and related 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 Infrastructure) related business	Access operations	Internet access service (Note 1)	Company
	Server and Hosting operations	Rental server service (hosting service) (Note 2)	Company GMO Hosting and Technologies, Inc.(*2) Onamae.com Co., Ltd.
	Domain Registration operations	Domain registration service (Note 3)	Company
	Computerization support and consulting operations	Computerization support service, website production and operation support service and consulting service	Company GMO Communications Co., Ltd.
	Settlement operations	Credit card billing service	Payment-One, Inc. (*1)
	Others	Organization aimed at information gathering, research and promotion of advanced Internet technologies	GMO Research Institute Inc.
Internet Ads Media Business	Mail advertising operations	Sale of e-mail advertisements in which mail magazines (Note 4), opt-in mail (Note 5) and suchlike are the major media for ads	Mag Click Co., Ltd.
		Development and management of various mail media, such as a mailing list (Note 6) and opt-in mail service	GMO Media and Solutions 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 (Note 7) and advertisement distribution services	Idea Cube Co., Ltd. (*1)
	Desktop advertising operations	Development and operation of the information/ads distribution system for desktops (Note 8) (Second browser operations)	U Cast communications Inc. (*1)
		Service to provide “wallpaper (Note 9)” displayed on desktop computer screens	Kabegami .com Co., Ltd.
	Others	Media content business (Web magazine service)	GMO Magazines Inc. (*1)
		Management of one of the largest websites in Japan which offers information on new condominiums	e-sumai.Inc.

(*1) Affiliated equity method companies

(*2) ISLE Co., Ltd. changed its name to “GMO Hosting and Technologies, Inc.” on May 1, 2003.

Note 1. The service is branded interQ MEMBERS and BB plus.

Note 2. This service leases part of the disk space of a server that provides information on the Internet. Currently, the service goes under such brand names as BROAD SERVER, interQ Office, Marugoto Server, ISLE, and Rapidsite.

Note 3. This service is branded as Onamae.com and covers procedures for registration and renewal of domain names. Domain names are identifiers for computers or networks on the Internet, such as “.com,” “.net,” and “.co.jp,” which serve as addresses.

Note 4. Mail magazines are reading material that publishers regularly distribute to subscribers by email.

Note 5. Opt-in mail is a kind of email advertisement. Under this system, users who wish to receive the opt-in mails subscribe to the service and register in advance for the categories of information that they wish to receive. Advertising companies directly distribute their advertisements directly to the subscribers in the categories that they specified. This service is distinguished from spam, as users make a prior agreement that the opt-in mail is addressed to them.

Note 6. It is a system on which information on a specific subject is exchanged between specific people by email.

Note 7. A website is a group of web pages published as an entity like a book.

Note 8. A desktop is the basic operation screen displayed when an operating system like Windows is booted. On the desktop, users are able to manipulate files and activate applications.

Note 9. Wallpaper is an image displayed as a background on the desktop. Users can freely change the image according to their preference.

Wallpaper featuring famous characters or celebrities is sold as a desktop accessory.

List of consolidated subsidiaries and affiliated companies

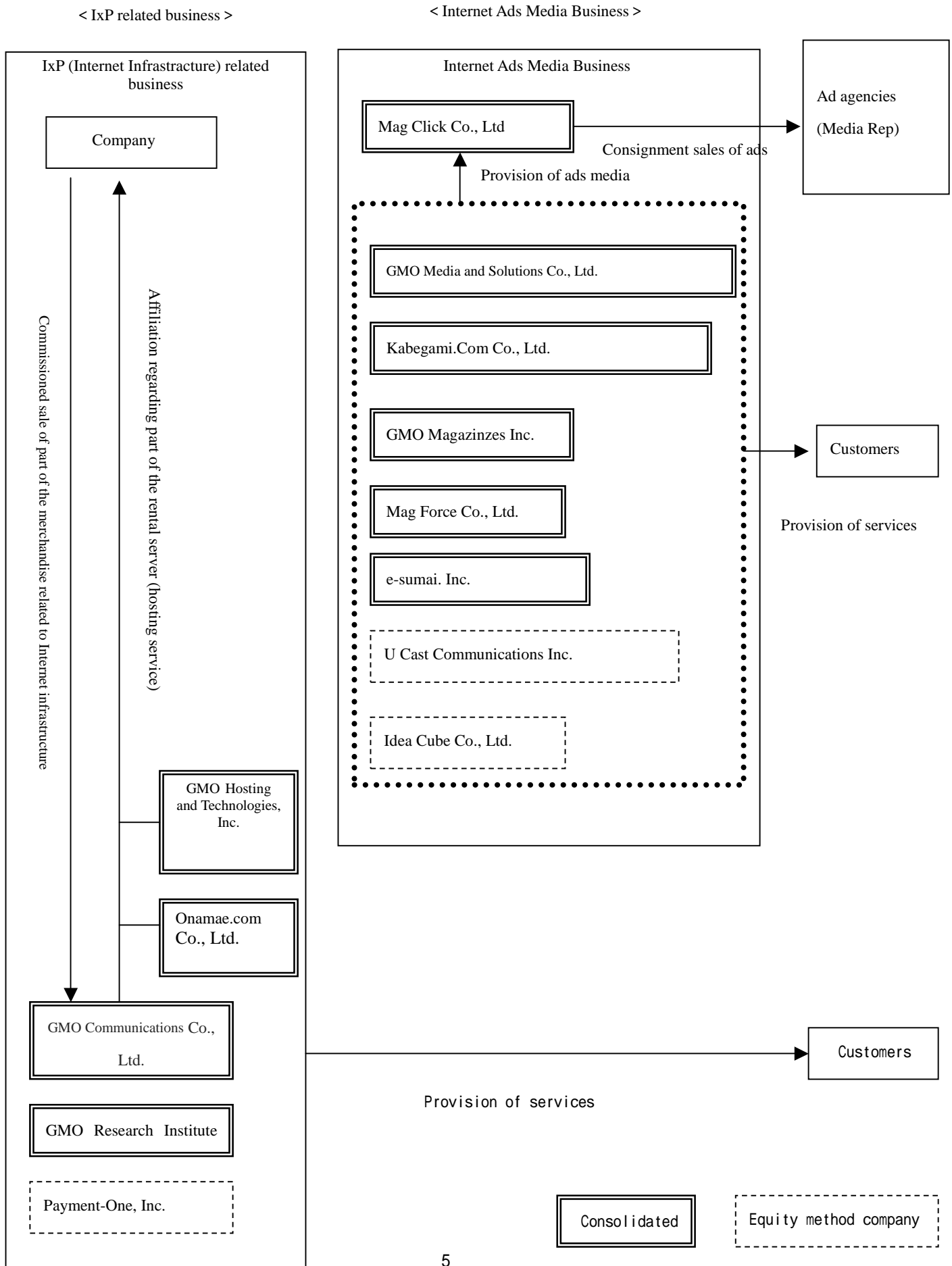
Company Name	Percentage of voting rights or equity share held	Category	Business Details
GMO Communications Co., Ltd.	100.0%	Consolidated subsidiary	Computer support and consulting business
GMO Magazines Inc.	100.0%	Consolidated subsidiary	Media content business
Kabegami .com Co., Ltd.	100.0%	Consolidated subsidiary	Service to provide “wallpaper” displayed on desktop computer screens
GMO Research Institute Inc.	100.0%	Consolidated subsidiary	Organization aimed at information gathering, research and promotion of advanced Internet technologies
GMO Media and Solutions Co., Ltd (*1)	84.6%	Consolidated subsidiary	Development and management of various mail media, such as mailing lists and Opt-in mail service
GMO Hosting and Technologies, Inc. (*2)	82.6%	Consolidated subsidiary	Server Business
Onamae.com Co., Ltd	82.0%	Consolidated subsidiary	Development and management related to the server business
Mag Click Co., Ltd. (*3)	40.6%	Consolidated subsidiary	Sale of e-mail advertisements in which mail magazines and opt-in mail are the major media for ads
Mag Force Co., Ltd. (*4)	100.0% (100.0%)	Consolidated subsidiary	Electronic mail and advertisement distribution services using cellular phones as the major media for advertising
e-sumai. Inc.	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.	47.6%	Equity method company	Development and operation of the information/ads distribution system for desktops (Second browser business)
Payment-One, Inc.	40.6%	Equity method company	Credit card settlement service for e-commerce (credit card billing service)
Idea Cube Co., Ltd.	35.0% (35.0%)	Equity method company	Operations of mail magazines, websites and advertisement distribution services

(*)

1. The ownership ratio of voting rights of GMO Media and Solutions Co., Ltd. increased from 81.5% to 84.6% following the merger and separation for takeover of the Point Mail business from GMO Communications Co., Ltd.
2. The percentage of our ownership of the voting rights of Mag Click Co., Ltd. increased from 37.4% to 40.6% as a result of stock acquisition. 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 lists its stocks on Nippon New Market “Hercules” of the Osaka Securities Exchange.
3. Due to stock acquisition, the ratio of indirect ownership of voting rights in Mag Force Co., Ltd. increased from 96.0% to 100%.
4. The figures 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

Under the slogan, “the Internet for Everyone” and with our tireless entrepreneurial imagination, our Company Group focuses its management resources on providing an Internet platform, including the Internet infrastructure and service infrastructure. With a view to creating sustainable corporate value, we provide an organic combination of the IxP (Internet infrastructure) business with the Internet advertising media business and strive to establish an Internet media group in which each party conducts their corporate activities in a synergy to contribute to society through the creation of the Internet culture and industry.

Managerial philosophy: We believe the following concepts are important to our staff, and are committed to sharing them.

Basic principle: The Internet for Everyone

1) Dream (To what are you dedicating your life?)

We will strive for domination of the business domain related to providing an Internet platform, namely the infrastructure for the Internet industry and the service infrastructure. We will strive to hold the largest market share or be the only service operator.

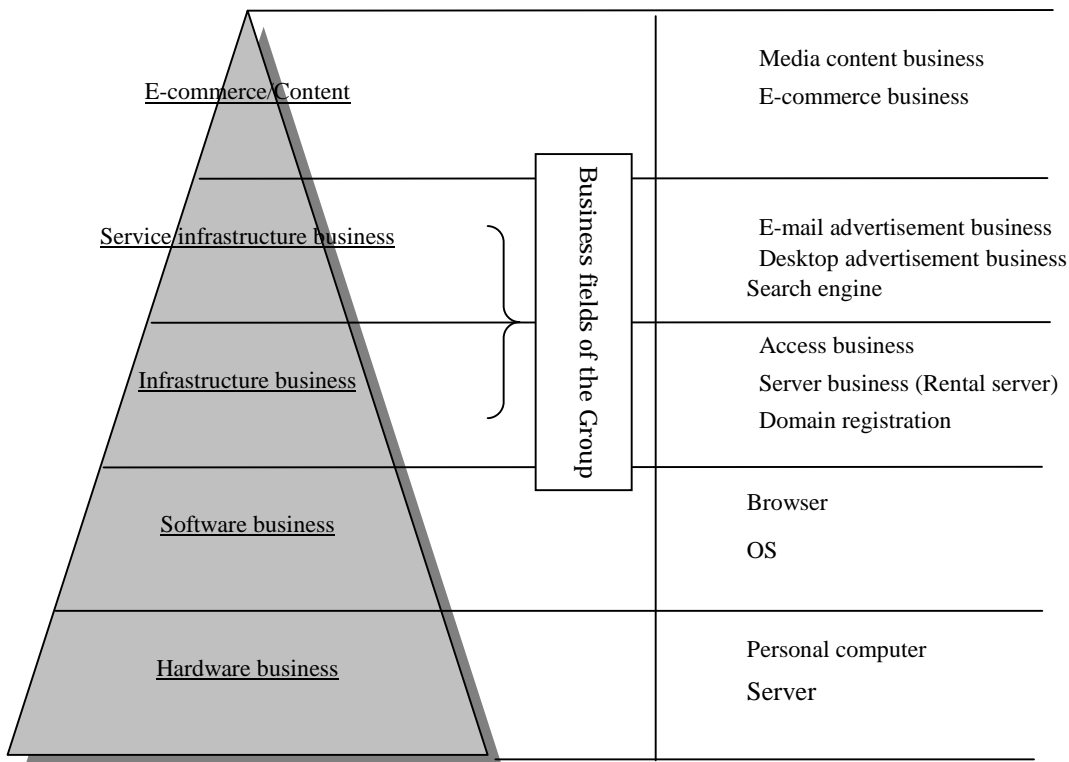
2) Vision (Where is the goldmine?)

In the ongoing digital revolution, we will concentrate our management resources on providing the Internet platform to make substantial profits.

3) Philosophy (Why are you here?)

Our activities create a new Internet culture and industry to contribute to society.

Business coverage of our Company Group: The star indicates the business categories in which our Group is engaged.



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.

3. Medium to long-term management strategy

While the Group has an overwhelming in the server business, the domain business, and e-mail advertisement business, 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 terms of desktop advertisement (“wallpaper” on the desk top and “information distribution with a second browser”), we will continue development with the aim of further expanding our business portfolio.

In addition, we will be engaged in the comprehensive development of Internet solution services for corporate customers to expand the range of corporate computer applications under our slogan, “GMO provides all kinds of Internet solutions.”

Before entering other new businesses, we will carefully evaluate the potential of each business in terms of the characteristics of the Internet industry, namely the rapid changes that are occurring, to ensure the optimum timing of our entry without losing any business opportunities.

4. Measures to improve the organization of management (corporate governance)

(Basic approach to corporate governance)

The Company recognizes that improving the integrity and transparency of management, as well as taking a flexible approach to managerial decision-making and then exercising appropriate management, are issues of the utmost importance in achieving a sustainable increase in corporate value.

(State of implementation of corporate governance measures)

The Company holds a meeting of the Board of Directors twice a month to decide on important managerial matters and to gain an understanding of business conditions, and under the strict scrutiny of the Board of Auditors, proper and prompt discussions are held. Additionally, a top-level decision-making meeting for the Group is held, which is also attended by the presidents of our affiliates, to establish significant policies for operating on a consolidated basis. Moreover, the Internal Audit Division conducts internal audits of work performance and management conditions, and then makes assessments and recommendations.

The Company aims to further bolster its level of information disclosure in the future, and is committed to enhancing the provision of information via the Internet and other means and disclosing information in a timely and appropriate manner.

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. “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.

6. Managerial index target

We emphasize the ratio of recurring profit to sales as a managerial index, which serves as a gauge of profitability. In the term ended December 31, 2002, we achieved a substantial year-on-year increase from 1.8% to 8.2%. In this Interim period, we reached 12.8%. We have not set or announced any short-term target at the moment but we will continue our efforts for further increases.

Business Results and Financial Conditions

We report here the business results and financial situation for the term period of the fiscal year ending December 2003 (from January 1, 2003 to June 30, 2003) as follows.

1. Business results

In the term period of the consolidated accounting term, the improvement of Japanese economic barometer was found in part. However, future prospects were overshadowed in part due to Iraq war and SARS.

Under these economic circumstances, the Internet market where we operate our businesses saw the number of subscriptions to broadband Internet connection in Japan reach 10,930,000 at the end of June 2003 (*1). This figure is indicating the Internet environment is steadily improving and becoming more diffuse.

The widespread use of the Internet promotes the use of service content and leads to continuous growth. In the domain name services market, the cumulative total number of "jp" domain names registered has exceeded 500,000 (*2).

The email advertising market is expected to grow from 28.1 billion yen in 2002 to 60.7 billion yen in 2006. Accordingly, the whole Internet advertising market is projected to grow significantly in size from 80.5 billion yen in 2002 to 328.6 billion yen (*3).

In this environment, the Group has remained committed to strengthening its sales abilities and improving its services in all business sectors to become the leading provider of the Internet platform in accordance with the corporate philosophy of "the Internet for Everyone." Consequently, our Group posted the following consolidated achievements in the first quarter: consolidated sales of 7,468 million yen (up 26.0% from the previous year), consolidated operating profit of 1,049 million yen (up 95.7%), consolidated recurring profit of 958 million yen (up 108.7%) and consolidated net profit in the current period of 394 million yen (up 200.5%).

In March, we transferred the Point Mail business, which is an opt-in mail business, from GMO Communications Co., Ltd. to GMO Media and Solutions Co., Ltd. This was achieved through a merger and separation to integrate the email media development and operation businesses to integrate and streamline operations. In conjunction with this change, the business classification of GMO Communications Co., Ltd. has been changed from an Internet advertising business to the IxP (Internet infrastructure) business.

<Condition by the segment>

• IxP (Internet Infrastructure) related business

The IxP business achieved sales of 5,339 billion yen, up 28.7% from the previous year, and an operating profit of 802 million yen, up 118.0% from the previous year.

In addition to the change in business segment of GMO Communications Co., Ltd. mentioned above, GMO Hosting and Technologies Inc. steadily increased the number of subscribers in its server business to increase its profit. In the domain name business, increased renewals as well as new registrations of domain names contributed to the profit.

• Internet advertising media business

The Internet advertising media business posted sales of 2,244 billion yen, up 24.9% from the same period last year, and an operating profit of 246 million yen, up 46.3% from the same period last year.

Despite the abovementioned change in the business segment of GMO Communications Co., Ltd., the profit of the opt-in mail service tracked upward. Mag Click Co., Ltd. and GMO Media and Solutions Co., Ltd., both of which are consolidated subsidiaries, both improved their profitability. All of these factors had a positive effect on the consolidated results.

*1 An announcement of the Ministry of Public Management, Home Affairs, Posts and Telecommunications on July 31, 2003

*2 Japan Registry Service Co. and Ltd. announced in the home page

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

Financial conditions

<Assets, liabilities and shareholders' equity>

Of assets, liabilities and shareholders' equity as of June 30, 2003, in comparison with those as of June 30, 2002, the items showing a significant change are as follows.

Of Current Assets, short-term loans decreased by 200 billion yen, due to recovery of a short-term loan receivable in Company and Mag Click Co., Ltd.

Of intangible fixed assets, goodwill increased by 137 million yen. This originates in the inheritance of goodwill mainly at GMO Media and Solutions Co., Ltd., a consolidated subsidiary.

The situation of cash flow

The cash flow in this term period increased by 555 million yen to 6,074 million yen due to the pre-tax-adjusted current net profit being excellent, 946 million yen, and 184 million increase in cash and cash equivalents following an increase in consolidated subsidiaries. Despite this, there is the payment of 494 million yen to acquisition of investment in securities.

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

The cash flow from operating activities increased 1,085 million yen, up 127.9% on a year-on-year basis, due to the pre-tax-adjusted current net profit of 946 million yen and 307 million yen in an increase in purchase debts. These results came despite a 186 million yen in an increased payment for corporate tax.

Cash flow from investment activities was down 595 million yen, representing a 16.5% decrease from the level one year ago, mainly because of the purchase of intangible fixed assets of 140 million yen and the payment of 494 million yen to acquisition of investment in securities.

Cash flow from financial activities was down 120 million yen, marking a 85.3% decline from the level one year ago, mainly because of the payment of 109 million yen for dividends.

2. Projections of consolidated business results for December 31, 2003 (from January 1, 2003 to December 31, 2003)
 (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 December 31, 2003)

	FY 2003	Change from year-ago level	FY 2002
	Million Yen	%	Million Yen
Sales	16,100	30.7	12,313
Ordinary profit	1,850	82.9	1,011
Current net profit	750	260.8	207

• Forecast of the non-consolidated results (from January 1, 2003 to December 31, 2003)

	First half of fiscal 2003	Change from year-ago level	First half of fiscal 2002
	Million Yen	%	Million Yen
Sales	7,200	8.3	6,648
Ordinary profit	720	56.0	461
Current net profit	250	101.9	123

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

(unit: one million yen)

	2 nd quarter of 2002	3 rd quarter of 2002	4 th quarter of 2002	1 st quarter of 2003	2 nd quarter of 2003
Operating revenue	3,032	3,076	3,311	3,584	3,883
Operating profit	333	320	329	533	516
Ordinary profit	269	281	271	468	489
Current net profit	91	111	34	192	201
Total assets	13,279	13,205	13,052	13,028	14,018
Shareholders' equity	9,046	9,019	8,714	8,722	9,174

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

(unit: one million yen)

	2 nd quarter of 2002	3 rd quarter of 2002	4 th quarter of 2002	1 st quarter of 2003	2 nd quarter of 2003
Operating revenue	1,708	1,631	1,683	1,788	1,843
Operating profit	155	122	113	226	235
Ordinary profit	153	118	114	210	258
Current net profit	37	95	37	106	102
Total assets	9,382	9,233	9,075	9,086	9,475
Shareholders' equity	8,461	8,421	8,155	8,113	8,386

(Reference)

Number of transactions by major service, etc.

Unit: transactions (rounded to the nearest hundred)

	Service	Product	2 nd quarter of 2002	3 rd quarter of 2002	4 th quarter of 2002	1 st quarter of 2003	2 nd quarter of 2003
IXP related business	Access operations	interQ MEMBERS and others (*)	122,100	121,100	119,700	118,400	117,500
	Server and hosting operations	interQ OFFICE, ISLE, Premier server and others (*)	72,800	90,800	93,400	96,900	100,700
	Domain registration operations	Onamae.com (Number of registration)	21,600	13,900	23,000	17,600	19,800
		Onamae.com (Number of updating)	18,100	6,100	7,800	14,200	19,600
Internet Ads Media Business	Opt-in mail service	Number of members (*) (unit: 10,000 people)	274	322	349	370	362
		Number of distributions (unit: 1000 mail items)	54,137	61,592	69,130	75,413	80,471

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

Table: The quarterly change by segment

Sales

(unit: million yen)

	2 nd quarter of 2002	3 rd quarter of 2002	4 th quarter of 2002	1 st quarter of 2003	2 nd quarter of 2003
IXP (Internet Infrastructure) related business					
Sales to external customers	2,115	2,067	2,109	2,504	2,766
Dealings between segments	7	6	4	63	5
Total	2,122	2,074	2,114	2,567	2,771
Internet Ads Media Business					
Sales to external customers	916	1,008	1,201	1,080	1,117
Dealings between segments	4	5	1	27	19
Total	921	1,014	1,203	1,108	1,136
Deduction of dealings between segments	(11)	(12)	(6)	(90)	(24)
Consolidated sales	3,032	3,076	3,311	3,584	3,883

Operating profit and loss

(unit: million yen)

	2 nd quarter of 2002	3 rd quarter of 2002	4 th quarter of 2002	1 st quarter of 2003	2 nd quarter of 2003
IXP (Internet Infrastructure) related business	224	218	196	391	410
Internet Ads Media Business	109	101	132	141	104
Subtotal	333	320	329	533	515
Deduction of dealings between segments	(0)	(0)	(0)	(0)	(0)
Consolidated operating profit and loss	333	320	329	533	516

Note: Business classification

The business run by GMO Communications Co., Ltd. was formerly classified as the Internet advertising media business. From this term, it is positioned as the IXP (Internet infrastructure) related business. In response to the divestiture on March 1 for transfer of the Point Mail business to GMO Media and Solutions Co., Ltd., we have made this decision in consideration of our continued business after separation of GMO Communications Co., Ltd. and our future business development.

Interim consolidated financial statements, etc.

(1) Interim consolidated financial statement, etc.

Interim consolidated balance sheet

(unit : 1,000 yen)

Term Item	As of June 30, 2002 End of the consolidated accounting period of the previous fiscal year		As of June 30, 2003 End of the consolidated accounting period of this fiscal year		As of December 31, 2002 Samary consolidated balancesheet in the previous fiscal year	
	Amount	Composition	Amount	Composition	Amount	Composition
(Assets)			%		%	%
I Current Assets						
1 Cash and deposits	5,176,976		6,211,940		5,656,524	
2 Accounts receivable	1,897,715		2,242,994		1,985,672	
3 Inventory assets	5,613		8,042		9,638	
4 Deferred tax asset	410,328		314,770		369,566	
5 Short-term loans receivable	329,800		129,450		72,400	
6 Other assets	478,740		393,704		338,256	
Allowance for doubtful debts	381,657		477,286		482,698	
Total Current Assets	7,915,515	59.6	8,823,617	62.9	7,949,359	60.9
Fixed assets						
1 Tangible fixed assets						
(1) Buildings and structures	53,793		55,095		55,000	
(2) Tools and equipment	133,343		104,194		118,002	
(3) Other tangible fixed asset	125		6,714		53	
Total Tangible Fixed Assets	187,263	1.4	166,003	1.2	173,056	1.3
2 Intangible fixed assets						
(1) Goodwill	17,272		154,695		170,332	
(2) Software	641,151		603,802		649,294	
(3) Account for consolidated adjustments	260,352		128,961		194,362	
(4) Other intangible fixed assets	366,076		418,305		379,855	
Total of intangible fixed assets	1,284,852	9.7	1,305,764	9.3	1,393,843	10.7
3 Investments and other assets						
(1) Investments in securities	2,686,490		2,664,299		2,050,743	
(2) Deposit	582,253		488,155		571,286	
(3) Deferred tax asset	480,450		345,796		768,401	
(4) Others	161,085		241,897		164,075	
Allowance for bad debt	20,589		16,868		17,959	
Total of investments and other asset	3,889,690	29.3	3,723,281	26.6	3,536,547	27.1
Total of fixed assets	5,361,805	40.4	5,195,049	37.1	5,103,448	39.1
Total of assets	13,279,321	100.0	14,018,666	100.0	13,052,807	100.0

(unit : 1,000 yen)

Term Item	As of June 30, 2002 End of the consolidated accounting period of the previous fiscal year		As of June 30, 2003 End of the consolidated accounting period of this fiscal year		As of December 31, 2002 Summary consolidated balancesheet in the previous fiscal year	
	Amount	Composition	Amount	Composition	Amount	Composition
			%		%	%
(Liabilities)						
Current liabilities						
1 Notes payable and account payable – trade	116,855		203,083		137,780	
2 Bonds redeemable within on year	500		-		-	
3 Accrued amount payable	781,483		827,390		676,717	
4 Accrued corporation tax, etc	142,133		264,386		198,318	
5 Allowance for bonuses	39,633		46,418		11,227	
6 Advance money	-		615,160		535,804	
7 Other liabilities	661,898		330,698		277,567	
Total of current liabilities	1,742,504	13.1	2,287,137	16.3	1,837,417	14.1
Fixed liabilities						
1 Other fixed liabilities	17,678		16,238		20,271	
Total of fixed liabilities	17,678	0.1	16,238	0.1	20,271	0.1
Total of liabilities	1,760,182	13.2	2,303,375	16.4	1,857,688	14.2
(Minority Equity)						
Minority equity	2,472,531	18.6	2,540,386	18.1	2,480,668	19.0
(Shareholder's Equity)						
Capital stock	3,311,130	25.0	3,311,130	23.6	3,311,130	25.4
Capital reserve	4,432,990	33.4	4,432,990	31.6	4,432,990	34.0
Earned surplus	1,582,199	11.9	1,909,270	13.6	1,658,922	12.7
Other gaps in appraisal of securities	85,064	0.6	113,547	0.8	323,747	2.5
Own stocks	364,777	2.7	364,939	2.6	364,844	2.8
Total of shareholders' equity	9,046,607	68.2	9,174,904	65.5	8,714,450	66.8
Total of liabilities, minority equity and shareholders' equity	13,279,321	100.0	14,018,666	100.0	13,052,807	100.0

(2) Quarterly consolidated profit and loss statement (unaudited)

(unit: 1,000 yen)

Term Item	Consolidated accounting period in the previous term From January 1, 2002 to June 30, 2002			Consolidated accounting period in this term From January 1, 2003 to June 30, 2003			Consolidated accounting period in the previous term From January 1, 2002 to December 31, 2002		
	Amount		Compo sition	Amount		Compo sition	Amount		Composi tion
Operating revenue		5,925,741	100.0	%	7,468,605	100.0	%	12,313,769	100.0
Business expenses		2,482,460	41.9		2,778,927	37.2		5,175,531	42.0
Sales and general administrative expenses		2,906,659	49.1		3,639,777	48.7		5,951,874	48.4
Operating profit		536,622	9.0		1,049,900	14.1		1,186,363	9.6
Non-operating revenue									
1. Interest received	4,467			3,664			7,548		
2. Fees received	3,515			1,798			10,563		
3. Foreign-exchange gain	2,621			2,567			711		
4. Others	15,488	26,092	0.4	26,776	34,807	0.4	23,719	42,543	0.3
Non-operating expenses									
1. Interest paid	7,939			507			8,381		
2. New share issuing expense	4,169						4,169		
3. Loss from investments by the equity method	69,430			99,828			156,691		
4. Loss from investment partnership				15,455					
5. Provision of allowance for bad debts	1,683						606		
6. Other operating expenses	20,348	103,572	1.7	10,812	126,603	1.7	47,429	217,277	1.7
Ordinary profit		459,142	7.7		958,104	12.8		1,011,629	8.2
Extraordinary profit									
1. Gain from the prior- term adjustment				7,211					
2. Gain on sales of fixed assets	195						3,318		
3. Gain on sales of investments on stocks of affiliated companies	15,395								
4. Gain on sales of investments on securities				34,414			74,154		
5. Gain on sales of Goodwill				8,716					
6. Gain on return of allowance for doubtful debts		15,590	0.3	509	50,852	0.7		77,473	0.6
Extraordinary loss									
1. Loss from the prior- term adjustments	3,959			-			7,556		
2. Loss on sales of fixed assets	16			11			16		
3. Loss on retirement of fixed assets	4,549			33,918			7,854		
4. Loss on withdrawal of APS	93,877						93,877		

5. Loss on appraisal of capital subscription	9,066			7,222			167,808	
6. Loss for closing bussiness		111,470	1.9	21,728	62,880	0.8	277,114	2.2
Interim (Current) net profit before adjustment of taxes		363,263	6.1		946,075	12.7	811,987	6.6
Corporate tax, residential tax and business tax	130,331			252,715			365,248	
Amount of adjustment, such as corporate tax	78,543	208,875	3.5	240,178	492,893	6.6	177,075	542,324
Profit of minority shareholders		23,249	0.4		59,124	0.8		61,803
Interim (Current) period net profit		131,138	2.2		394,057	5.3		207,860

(3) Statement of quarterly consolidated surplus

(unit: 1,000 yen)

Item	Term	Consolidated accounting period in the previous term From January 1, 2002 to June 30, 2002		Consolidated accounting period in this term From January 1, 2003 to June 30, 2003		Consolidated accounting period in the previous term From January 1, 2002 to December 31, 2002	
		Amount		Amount		Amount	
(Capital Surplus)							
I. Balance of capital surplus at beginning of term			4,160,091		4,432,990		4,160,094
II. Increase in capital surplus							
1. Issuance of new shares through equity swap		272,898	272,898			272,898	272,898
III. Balance of capital surplus at end of period: Interim period (at end of the term)			4,432,990		4,432,990		4,432,990
(Earned Surplus)							
I. Balance of earned surplus at beginning of term			1,487,421				1,487,421
II. Increase in earned surplus							
1. Intrim (current) net profit		131,138		394,057		207,860	
2. Increase in surplus due to merger		140,233				140,233	
3. Increase in surplus due to merger and separation			271,371	16,897	410,954		348,093
III. Decrease in earned surplus							
1. Dividend		54,266		110,677		54,266	
2. Decrease in surplus due to increased number of Affiliated equity method companies		43,872				43,872	
3. Decrease in surplus due to increased number of consolidated subsidiaries				49,929			
4. Difict succeeded by the merger		78,454	176,592		160,606	78,454	176,592
IV. Balance of earned surplus at end of period: Interim period (at end of the term)			1,582,199		1,909,270		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, 2002 to June 30, 2002	Consolidated accounting period in this term From January 1, 2003 to June 30, 2003	As of December 31, 2002 Samary consolidated cash flow in the previous fiscal year
	Amount	Amount	Amount
Cash flow from operating activities			
Current net profit before adjustment of taxes, etc.	363,263	946,075	811,987
Depreciation charge	137,614	156,128	309,226
Amortization of the consolidated adjustment account	37,504	32,541	63,326
Increase in allowance for doubtful debts	188,152	126,838	432,320
Gain on sales of investments in securities	15,395	34,414	74,154
Interest received and dividend received	4,467	3,664	7,548
Interest paid	7,939	507	8,381
Gain on foreign exchange	2,621	4,525	711
New share issuing expense	4,169	-	4,169
Appraisal loss on investments in securities	9,066	7,222	167,808
Loss on retirement of fixed assets	4,549	33,918	7,854
Loss on sales of fixed assets	16	11	16
Gain on sales of fixed assets	195	-	3,318
Loss on withdrawal of APs	53,179	-	53,179
Loss on accompanying enterprise arrangement	-	20,029	-
Loss from investments by the equity method	69,430	99,828	156,691
Increase (decrease) in accounts receivable	173,941	385,884	405,280
Increase (decrease) in other assets	97,860	97,771	163,792
Increase (decrease) in purchase debts	113,629	65,302	92,704
Increase (decrease) in other liabilities	24,207	307,371	43,835
Subtotal	638,289	1,269,514	1,638,874
Interest and dividend received	2,189	5,624	5,134
Interest paid	4,761	3,058	5,203
Payment of corporate tax, etc.	159,354	186,647	266,058
Cash flow from operating activities	476,362	1,085,432	1,372,747
Cash flow from investing activities			
Expenditure incurred by deposit of fixed deposit	98,757	97,277	138,768
Revenue accrued by repayment of fixed deposit	126,244	97,268	126,244
Expenditure incurred by acquisition of tangible fixed assets	18,075	33,326	38,085
Revenue accrued by sales of tangible fixed assets	395	100	3,740
Expenditure incurred by acquisition of intangible fixed assets	208,555	140,576	578,494
Revenue accrued by sales of intangible fixed assets	50	933	139
Expenditure incurred on acquisition of investment in securities	290,160	494,351	733,375
Revenue accrued from sale of investment in securities	235,633	87,779	384,546
Revenue accrued by acquisition of stock of new consolidated subsidiary	-	-	7,739
Expenditure incurred by loans	550,000	396,474	910,000
Revenue accrued by collection of loans	252,550	304,350	858,700
Revenue accrued from other investing activities	109,962	81,903	123,964
Expenditure incurred by other investing activities	70,635	6,102	73,670
Cash flow from investing activities	511,348	595,774	967,318

(unit:1,000 yen)

Term Item	Consolidated accounting period in the previous term From January 1, 2002 to June 30, 2002	Consolidated accounting period in this term From January 1, 2003 to June 30, 2003	As of December 31, 2002 Summary consolidated cash flow in the previous fiscal year
	Amount	Amount	Amount
Cash flow from financial activities			
Expenditure incurred by repayment of long-term loans payable	732,087	-	732,087
Revenue accrued by short-term loans payable	-	150,000	-
Expenditure incurred by repayment of short-term loans payable	-	150,000	-
Expenditure incurred by the redemption of bonds	-	-	500
Expenditure incurred by issue of stocks	4,169	-	4,169
Expenditure incurred by acquisition of own stocks	31,233	94	31,345
Payment of dividends	53,048	109,138	53,315
Payment of dividends for minority shareholders	-	11,638	-
Cash flow from financial activities	820,537	120,870	821,417
Gap in conversion related to cash and cash equivalents	-	1,957	-
Increase (Decrease) in cash and cash equivalents	855,523	370,745	415,988
VI Balance of cash and cash equivalents at the beginning of term	5,935,243	5,519,255	5,935,243
Increase in cash and cash equivalents with increase in the number of consolidated subsidiaries	-	184,662	-
Balance of cash and cash equivalents at the end of the term	5,079,719	6,074,663	5,519,255