

Summary of Business and Financial Results for the First Three Quarters of the Fiscal Year ending March 31, 2007 (Consolidated)

February 15, 2007

Company name: Advanced Media, Inc. Listing: TSE Mothers
 Code number: 3773 Headquarters: Tokyo
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1. Matters bearing on the preparation of consolidated quarterly financial information

(1) Standard used for preparation of consolidated quarterly financial statements:

Standard for preparation of interim quarterly financial statements

(2) Changes in accounting method: None

(3) Changes in scope of consolidation and application of equity method: Yes

Newly consolidated subsidiaries: 2

Removed from the scope of consolidation: 1

Newly included under the equity method: None

Removed from the scope of the equity method: None

(4) Independent auditor involvement: Yes

Regarding consolidated quarterly financial statements, the Company has prepared them in accordance with the required procedures for expressing opinions, based on the Standard for Expression of Opinions in Quarterly Financial Statements, which is an attachment to the Tokyo Stock Exchange's Rules for Timely Disclosure of Corporate Information by Issuers of Listed Securities.

2. Summary of Business and Financial results for the first three quarters of the fiscal year ending March 31, 2007 (April 1, 2006 through December 31, 2006)

(1) Consolidated business results

Note: Figures are rounded down to the nearest million yen.

	Net sales		Operating income		Ordinary income		Net income for the first 3Qs of FY	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
First 3Qs of FY ending March 31, 2007	2,099	(63.8)	-958	(-)	-1,003	(-)	-1,064	(-)
First 3Qs of FY ended March 31, 2006	1,282	(-)	-386	(-)	-385	(-)	-409	(-)
(Reference) FY ended March 31, 2006	2,566	(-)	-107	(-)	-59	(-)	-131	(-)

	Earnings per share for the first 3Qs of FY	Diluted earnings per share for the first 3Qs of FY
	¥	¥
First 3Qs of FY ending March 31, 2007	-9,340.28	- -
First 3Qs of FY ended March 31, 2006	-3,994.13	- -
(Reference) FY ended March 31, 2006	-1,257.27	- -

Notes:

1. Because preparation of the consolidated financial statements commenced in the third quarter of the FY ended March 31, 2006, comparisons with the first three quarters of the fiscal year ended March 31, 2006 are not shown.

2. Figures shown above do not include consumption taxes.
3. Diluted earnings per share are not shown because the earnings per share for the first three quarters of current fiscal year and the earnings per share for the whole fiscal year were negative.

Qualitative information on changes in consolidated business results

For the first three quarters of the current fiscal year, net sales were ¥2,099 million, on which an operating loss of ¥958 million, an ordinary loss of ¥1,003, and a net loss of ¥1,064 were posted. Performance by segment was as follows:

(1) Speech recognition business

Efforts to increase the contract value per client that began in the first half were continued in the third quarter, focusing on Solution Support Business sales with speech recognition solutions for corporate users. However, Licensing Business sales with package products were held to a low level in comparison with the same period of the previous fiscal year.

In the medical area, the AmiVoice Ex series of speech input software packages for pharmacology technical terms gained 139 new users among pharmacology-related institutions, primarily hospitals, clinics, and dispensing pharmacies. This brought the installed base for this software package to 1,931 institutions as of December 31, 2006, again primarily consisting of hospitals, clinics, and dispensing pharmacies.

In the area of Entertainment & Education, the Company is developing various language-related e-Learning systems using speech recognition for language schools and other technical schools.

Consequently, while net sales in the speech business for the first three quarters of the fiscal year declined to ¥886 million, the selling, general, and administrative expenses stood above forecast levels, as they were in the first half, reflecting efforts to expand the speech recognition business, including the addition of personnel and continuous anticipatory investment in the field of mobile communications. This resulted in an operating loss of ¥769 million in the speech business.

(2) Telemarketing business

Performance was solid in this business's core operation, sales of telephone lines, and also remained strong in office-supply mail order retailing, continuing the trend established in the first half. This is the area the Company is focusing on with the goal of stabilizing future earnings. At the same time, though, the selling, general, and administrative expenses were higher than initially forecast, owing to an increase in sales promotion costs. As a result of the foregoing, net sales for the telemarketing business for the first three quarters of this fiscal year were ¥1,245 million, and an operating loss of ¥175 million was posted.

(3) Other

In December 2006 Voice Domain Service, Inc. completed development of a tool for a bonus point program service using Advanced Media's speech recognition technology. The service, with which consumers can collect bonus points by using their mobile phones and inputting voice information, is run by Global Value Corporation, which specializes in the development and marketing of ASP services as well as bonus point programs for retailer customers.

Consequently, net sales of other businesses for the first three quarters of the fiscal year ending March 31, 2007, were ¥13 million, and an operating loss of ¥58 million was posted.