



March 19, 2014

To Press Representatives

Company name: Faith, Inc.
Representative: Hajime Hirasawa, CEO/President
(Stock code 4295, listed on TSE 1st section)
Contact: Jiro Saeki, CFO/Director
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Faith, Inc. Announces the Result of its Tender Offer for Nippon Columbia Co., Ltd. (Stock code 6791) and Concerning a Change Subsidiary

Faith, Inc. (hereinafter “Faith” or “the Company”) today announced that at its Board of Directors meeting held on February 3, 2014, it resolved to obtain shares of common stock (hereinafter “Shares”) of Nippon Columbia Co., Ltd. (Stock code 6791, listed on 1st section of the Tokyo Stock Exchange, Inc. (hereinafter “the TSE”), hereinafter “Columbia” or “the Target Company”), through a tender offer (hereinafter: “the Tender Offer”) pursuant to the Financial Instruments and Exchange Act (Act No. 25 of 1948, including subsequent revisions (hereinafter, “the Act”). The Tender Offer commenced on February 4, 2014 and was completed on March 18, 2014.

The Company also announced that as a result of the Tender Offer, Columbia is scheduled to become a consolidated subsidiary of Faith as of March 26, 2014 (the commencement date of the settlement of the Tender Offer).

I. Outcome of the Tender Offer

1. Outline of the Tender Offer

(1) Company Name and Location of the Tender Offeror

Faith, Inc.
Imon Meiji Yasuda Seimei Building, 566-1 Karasumadori-Oike-Sagaru, Toraya-cho, Nakagyo-ku, Kyoto

(2) Name of Target Company

Nippon Columbia Co., Ltd.

(3) Class of Stock Involved in the Tender Offer

Common stock

(4) Planned Number of Shares to be Purchased

Planned number of shares to be purchased	Planned minimum number of shares to be purchased	Planned maximum number of shares to be purchased
3,692,500	—	3,692,500

Notes:

1. If the aggregate number of tendered share certificates and other securities through the Tender Offer (3,692,500 shares), is less than the minimum limit of number to be purchased, all of the tendered share certificates and other securities will be purchased. If the aggregate number of tendered share certificates and other securities through the Tender Offer (3,692,500 shares) is greater than the minimum limit of number to be purchased, the Company will not purchase some or all of the excess shares and the purchase of the tendered shares will be conducted using the method of proportional distribution provided in Article 27-13, Paragraph 5 of the Act and the provisions of Article 32 of the Cabinet Office Ordinance regarding disclosure of tender offers for shares, etc., by entities other than issuers (Ministry of Finance Ordinance No. 38 of 1990, as amended; hereinafter: “the Ordinance).
2. Shares constituting less than one trading unit (tangen) are also eligible for the Tender Offer. In addition, Columbia may purchase its own shares during the Tender Offer Period, pursuant to applicable laws and regulations, if shareholders owning less than one trading unit exercise their right to request purchase of their shares in accordance with the relevant provisions of the Companies Act (Act No. 86 of 2005).

3. The Company does not intend to acquire treasury shares held by Columbia through the Tender Offer.
4. It is possible for the Stock Acquisition Rights to be exercised up until the last day of the Tender Offer Period, and Columbia's Common Shares to be delivered as a result of such exercise will be subject to the Tender Offer.

(5) Duration of the Tender Offer

① Duration of the Tender Offer in the Initial Notification

From Tuesday, February 4, 2014 to Tuesday, March 18, 2014 (both inclusive) (30 business days)

② Possibility of Extending the Above Period at the Target Company's Request

Not applicable

(6) Price of the Tender Offer

¥780 per share of common stock

2. Result of the Tender Offer

(1) Outcome of the Tender Offer

Because the aggregate number of tendered shares (2,390,378 shares) did not exceed the upper limit of the number of shares to be purchased (3,692,500 shares), as described in the Public Notice Concerning the Registration Statement, the Company will purchase all of the tendered shares.

(2) Date of Public Notice of the Result of the Tender Offer and Name of Newspaper for Public Notice

The results of the Tender Offer were announced to the press on March 19, 2014, by the method provided in Article 9-4 of the Financial Instruments and Exchange Law Enforcement Order (Cabinet Order No. 321 of 1965, as amended) and Article 30-2 of the Cabinet Ordinance with respect to Disclosure of a Tender Offer for Share Certificates, etc. by an Offeror other than the Issuing Company (Ministry of Finance Ordinance No. 38 of 1990, as amended), pursuant to the provisions of Article 27-13, Paragraph 1 of the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended).

(3) Number of Shares Planned to be Purchased in the Tender Offer

Types of share certificates	① Number of tendered share certificates	② Number of share certificates to be purchased
Stock	2,390,378 shares	2,390,378 shares
Stock acquisition rights	—	—
Corporate bonds with stock acquisition rights	—	—
Beneficiary certificates for share certificates, etc. ()	—	—
Depository receipts for share certificates, etc. ()	—	—
Total	2,390,378 shares	2,390,378 shares
(Total dilutive shares, etc.)	—	(—)

(4) Changes in Shareholding Ratio After the Tender Offer

Number of voting rights represented by shares, etc., held by the Tender Offeror immediately before the Tender Offer	44,855 units	(Shareholding ratio before the Tender Offer: 32.91%)
Number of voting rights represented by shares, etc., held by Special Related Parties immediately before the Tender Offer	521 units	(Shareholding ratio before the Tender Offer: 0.38%)

Number of voting rights represented by shares, etc., held by the Tender Offeror immediately after the Tender Offer	68,759 units	(Shareholding ratio after the Tender Offer: 50.44%)
Number of voting rights represented by shares, etc., held by Special Related Parties immediately after the Tender Offer	521 units	(Shareholding ratio after the Tender Offer: 0.38%)
Number of voting rights held by all the shareholders in the Target Company	261,751 units	

Notes:

- The “number of voting rights represented by shares, etc., held by Special Related Parties immediately before the Tender Offer” and the “Number of voting rights represented by shares, etc., held by Special Related Parties immediately after the Tender Offer” are described as the total number of voting rights represented by shares, etc., held by Special Related Parties (however, among the Special Related Parties, shares held by those excluded from the category of Special Related Parties in accordance with Article 3, Paragraph 2, Item 1 of the Cabinet Office Ordinance regarding Disclosure of Tender Offers for Shares, etc., by Entities Other than Issuers are not included in calculating the shareholding ratios as set forth in the respected items of Article 27-2, Paragraph 1 of the Act).
- The “number of voting rights held by all the shareholders in the Target Company” is the number of voting rights of all shareholders as of September 30, 2013 (set out with one unit being equal to 100 shares) as stated in the Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2014 issued by Columbia on February 3, 2014. However, this number does not reflect the influence of ① the reverse share split carried out on October 1, 2013 in which Columbia carried out a stock split of its common shares and Class A preferred shares at a ratio of 20 shares per share (hereinafter: “the reverse share split”); ② the change in the trading unit that made the share unit number 100 shares for both common shares and Class A preferred shares, which was carried out by Columbia on October 1, 2013; and ③ the collective acquisition of Class A preferred shares and the issue of common shares, which were carried out by Columbia on October 3, 2013.
Furthermore, as the Tender Offer is objected at shares amounts of less than one share trading unit and at Columbia shares that may potentially be issued or transferred through the exercise of share acquisition rights, in the calculation of the “shareholding ratio before the Tender Offer” and the “shareholding ratio after the Tender Offer”, ① the number of Columbia shares (135,000 shares: the number of shares reflecting the influence of the present share consolidation) that became the object of share acquisition rights (2,700 units: in the Securities Report for the 162nd term issued by Columbia on June 24, 2013, the number of share acquisition rights listed as of May 21, 2013 [2,730 units] changed between June 1 and December 31, 2013 [according to Columbia, the number of share acquisition rights decreased by 30 units between June 1 and December 31, 2013]) were added to the total number of common shares issued as of December 31, 2013 (13,512,870 shares), as was stated in the Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2014 (Japanese standard) issued by Columbia on February 3, 2014; and ② the number of voting rights (136,306 units) on the number of shares (13,630,615 shares), deducting the number of common shares of treasury stock held by Columbia as of December 31, 2013 (17,255 shares), as was stated in the aforementioned Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2014 (Japanese standard) is used as the denominator for the calculation.
- The figures for the “shareholding ratio before the Tender Offer” and the “shareholding ratio after the Tender Offer” are rounded off to the second decimal place.

(5) Calculation Method for Settlement Matters on a Pro Rata Basis

Not applicable

(6) Method of Settlement

1) Name and Location of Head Office of Securities Companies/Banks, etc., in Charge of Settlement

Nomura Securities Co., Ltd. 9-1, Nihombashi 1-chome, Chuo-ku, Tokyo

2) Commencement Date of Settlement

Wednesday, March 26, 2013

3) Method of Settlement

Upon expiration of the Tender Offer Period, Faith will, without delay, send notice of Tender Offer purchases and other matters to the addresses of tendering shareholders (in the case of a foreign resident, to its standing proxy). In the case that the document’s delivery is permitted via Nomura Net & Call, it will be made available for electronic delivery on the Nomura Net & Call website (<https://nc.nomura.co.jp/>).

Purchases will be made in cash. Payment for purchased shares will be made by means of remittance, etc., in accordance with the instructions of tendering shareholders. (Fees may be incurred for remitting payment.)

4) Method of Returning Share Certificates, etc.

Not applicable

3. Management Policy and Outlook After Completion of the Tender Offer

The management policy after completion of the Tender Offer is the same as the Company's news release of February 3, 2014 entitled "Faith, Inc. Announces Commencement of Tender Offer for Shares in Nippon Columbia Co., Ltd. (Code Number: 6791)".

4. Location Where Tender Offer Report is Available

Faith, Inc. Aoyama Office (Faith Aoyama, 6-1-12 Minami Aoyama, Minato-ku, Tokyo)
Tokyo Stock Exchange, Inc. (2-1, Nihombashi Kabutocho, Chuo-ku, Tokyo)

II. Change in Status of Subsidiary

1. Reason and Method of the Change

As a result of the tender offer, Nippon Columbia will be a consolidated subsidiary of Faith from March 26, 2014.

2. Outline of the Subsidiary

①	Company Name	Nippon Columbia Co., Ltd.																				
②	Head Office Location	Edomizaka Mori Bldg., 4-1-40 Toranomom, Minato-ku, Tokyo																				
③	Name and Title of Representative	Representative Executive Officer/President & COO Yasuharu Hara																				
④	Business Contents	Production, advertising and sales of audio, video and game software, etc., and music artist management																				
⑤	Paid-in Capital	¥1,000,000,000																				
⑥	Date of Establishment	October 1, 1910																				
⑦	Major Shareholders and Shareholding Ratios (as of September 30, 2013)	<table> <tr> <td>Faith, Inc.</td> <td>31.20%</td> </tr> <tr> <td>Daiichikoshō Co., Ltd.</td> <td>4.75%</td> </tr> <tr> <td>Sumitomo Mitsui Trust Bank, Limited</td> <td>0.95%</td> </tr> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>0.94%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account 6)</td> <td>0.65%</td> </tr> <tr> <td>Kyokuto Securities Co., Ltd.</td> <td>0.63%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account 3)</td> <td>0.61%</td> </tr> <tr> <td>Fukoku Mutual Life Insurance Company</td> <td>0.59%</td> </tr> <tr> <td>Marumiya Corporation</td> <td>0.57%</td> </tr> <tr> <td>Credit Suisse Securities (USA) LLC SPCL. FOR EXCL. BEN (Standing Proxy: Credit Suisse Securities (Japan) Limited.)</td> <td>0.56%</td> </tr> </table>	Faith, Inc.	31.20%	Daiichikoshō Co., Ltd.	4.75%	Sumitomo Mitsui Trust Bank, Limited	0.95%	The Master Trust Bank of Japan, Ltd. (Trust Account)	0.94%	Japan Trustee Services Bank, Ltd. (Trust Account 6)	0.65%	Kyokuto Securities Co., Ltd.	0.63%	Japan Trustee Services Bank, Ltd. (Trust Account 3)	0.61%	Fukoku Mutual Life Insurance Company	0.59%	Marumiya Corporation	0.57%	Credit Suisse Securities (USA) LLC SPCL. FOR EXCL. BEN (Standing Proxy: Credit Suisse Securities (Japan) Limited.)	0.56%
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⑧	Relations between the listed company and Columbia																					
	Capital relations	Faith holds 4,485,538 shares of Columbia stock (shareholding ratio 32.91%), making Columbia an affiliate of Faith under the equity method.																				
	Personal relations	Two Faith directors (Hajime Hirasawa and Jiro Saeki) and a Faith Group advisor (Shinichi Yoshida) serve concurrently as Columbia directors. Also, one Faith employee is seconded to Columbia and 8 Columbia employees are seconded to Faith. In its upcoming proposals concerning the election of Columbia's directors, Faith is planning to include a request for Columbia to increase the number of Faith Group officers and employees serving as directors so that they make up half of the Board of Directors.																				

Business relations	Faith is carrying out mastering jointly with Columbia, and also providing Columbia with a registration system to allow it to obtain Faith's user information directly, and in the mail order business Faith is providing services such as and order reception and distribution system.		
Related party status	Because Columbia is an affiliate of Faith under the equity method, Columbia and Faith mutually fall under the category of related parties.		
⑨ Columbia's consolidated business performance and consolidated financial position for the most recent three years			
Accounting period / FY ending	March 31, 2011	March 31, 2012	March 31, 2013
Net assets	2,251 million yen	2,710 million yen	3,089 million yen
Gross assets	7,923 million yen	8,337 million yen	8,730 million yen
Net assets per share	Δ17.05 yen	Δ14.59 yen	Δ12.54 yen
Net sales revenue	16,446 million yen	14,681 million yen	14,311 million yen
Operating income	882 million yen	513 million yen	534 million yen
Ordinary income	989 million yen	534 million yen	591 million yen
Net income	876 million yen	463 million yen	359 million yen
Net income per share	3.25 yen	1.71 yen	1.33 yen
Dividend per share	—	—	—

Notes:

- The shareholding ratios listed in “⑦ Major Shareholders and Shareholding Ratios (as of September 30, 2013)” above, show the holding ratios of the numbers of Columbia shares held (rounded off to the second decimal place).
- In the calculation of shareholding ratios listed in ⑧ above, ① the number of Columbia shares (135,000 shares: the number of shares reflecting the influence of the present share consolidation) that became the object of share acquisition rights (2,700 units: in the Securities Report for the 162nd term issued by Columbia on June 24, 2013, the number of share acquisition rights listed as of May 21, 2013 [2,730 units] changed between June 1 and December 31, 2013 [according to Columbia, the number of share acquisition rights decreased by 30 units between June 1 and December 31, 2013]) were added to the total number of common shares issued as of December 31, 2013 (13,512,870 shares), as was stated in the Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2014 (Japanese standard) issued by Columbia on February 3, 2014; and ② the number of voting rights (136,306 units) on the number of shares (13,630,615 shares), deducting the number of common shares of treasury stock held by Columbia as of December 31, 2013 (17,255 shares), as was stated in the aforementioned Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2014 (Japanese standard) is used as the denominator for the calculation.
- Shareholding ratios are rounded off to the second decimal place.

3. Number of Shares Purchased, Purchase Price, Ratio to Number of Shares Issued and Share Ownership Prior to and After Purchase

(1) Share ownership prior to purchase	4,485,538 shares (Number of voting rights: 44,855 units) (Shareholding ratio to number of shares issued: 32.91%)
(2) Number of shares to be purchased	2,390,378 shares (Number of voting rights: 23,903 units) (Shareholding ratio to number of shares issued: 17.69%)
(3) Acquisition price	Nippon Columbia Co., Ltd.'s common stock 1,864 million yen
(4) Share ownership after purchase	6,875,916 shares (Number of voting rights: 68,759 units) (Shareholding ratio to number of shares issued: 50.44%)

Notes:

- In the calculation of shareholding ratios, ① the number of Columbia shares (135,000 shares: the number of shares reflecting the influence of the present share consolidation) that became the object of share acquisition rights (2,700 units: in the Securities Report for the 162nd term issued by Columbia on June 24, 2013, the number of share acquisition rights listed as of May 21, 2013 [2,730 units] changed between June 1 and December 31, 2013 [according to Columbia, the number of share acquisition rights decreased by 30 units between June 1 and December 31, 2013]) were added to the total number of common shares issued as of December 31, 2013 (13,512,870 shares), as was stated in the Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2014

(Japanese standard) issued by Columbia on February 3, 2014; and ② the number of voting rights (136,306 units) on the number of shares (13,630,615 shares), deducting the number of common shares of treasury stock held by Columbia as of December 31, 2013 (17,255 shares), as was stated in the aforementioned Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2014 (Japanese standard) is used as the denominator for the calculation.

2. Concerning the shareholding ratio to number of shares issued, the total number of common shares issued as of December 31, 2013 (13,512,870 shares) as was stated in the Third Quarter Consolidated Financial Results for the fiscal year ending March 31, 2014 (Japanese standard) issued by Columbia on February 3, 2014, is used as the denominator for the calculation.
3. The shareholding ratio and the shareholding ratio to number of shares issued are rounded off to the second decimal place.
4. Advisory expenses, etc., are not included in the acquisition price.

4. Scheduled Date of Change in Status of Subsidiary

Wednesday, March 26, 2013 (the commencement date of the settlement of the Tender Offer)

5. Outlook

The impact of the Tender Offer on the Company's performance forecast for the current fiscal year is currently under close examination. If there is any need to revise the performance forecast or any matters requiring disclosure arise, the Company will promptly issue an appropriate disclosure.

Note: This document is in English translation and is provided solely for reference purposes. In the event of any inconsistency between the Japanese version and any English translation of it, the Japanese version will govern.