

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS
FOR THE THIRD QUARTER OF THE FISCAL YEAR ENDING MARCH 2012
[Japanese Standards]**

February 10, 2012

Company name: Faith, Inc. (Stock code 4295, Listed on TSE 1st section)

URL: <http://www.faith.co.jp/>

Representative: Hajime Hirasawa, CEO/President

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Date of Submission of Securities Report: February 13, 2012

Starting Date of the Dividend Payment: —

Preparation of Supplementary Materials for Quarterly Financial Results: Applicable

Information Meeting for Quarterly Financial Results to be Held: None

Amounts are rounded down to the nearest JPY 1 million.

1. Consolidated Results for the Third Quarter of the Fiscal Year Ending March 2012
(from April 1, 2011 to December 31, 2011)

(1) Consolidated Operating Results

(Percentages indicate changes compared with the third quarter of the previous fiscal year.)

	Net Sales		Operating Profit		Recurring Profit		Net Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q3 of the year ending March 2012	31,600	Δ48.2	1,394	Δ16.4	1,429	Δ11.2	6,435	692.2
Q3 of the year ending March 2011	61,061	48.0	1,614	88.1	1,609	107.0	812	41.0

Note: Comprehensive income: third quarter of the year ending March 2012: ¥6,732 million (498.8%); third quarter of the year ending March 2010: ¥1,124 million (—%)

	Net Profit per Share	Diluted Net Profit per Share
	Yen	Yen
Q3 of the year ending March 2012	5,605.74	5,603.07
Q3 of the year ending March 2011	707.60	700.80

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Equity Capital
	Millions of yen	Millions of yen	%
Q3 of the year ending March 2012	23,535	19,401	82.3
Year ending March 2011	32,726	14,544	39.4

(Reference) Equity capital: third quarter of the fiscal year ending March 2012: 19,373 million yen; third the fiscal year ending March 2011: 12,897 million yen

2. Dividends

(Record dates)	Dividends per Share				
	First Quarter	Interim	Third Quarter	Year-end	Total (Annual)
Year ending March 2011	yen —	yen 50.00	yen —	yen 50.00	yen 100.00
Year ending March 2012	yen —	yen 50.00			
Year ending March 2012 (Forecast)				yen 50.00	yen 100.00

Note: Revisions of recently announced dividend forecasts: none

3. Forecast for the Consolidated Results for the Year Ending March 2012 (from April 1, 2011 to March 31, 2012)

(Percentages indicate changes compared with the third quarter of the previous fiscal year.)

	Net Sales		Operating Profit		Recurring Profit		Net Income		Net Income per Share
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Yen</i>
Year ending March 2012	33,560	△60.1	1,150	△46.0	1,280	42.2	6,300	433.1	5,487.57

Note: Revisions of recently announced dividend forecasts: none

4. Others

- (1) Material changes in significant subsidiaries (associated with changes in scope of the consolidation) in the current quarter: **Applicable**

Newly added subsidiaries: 1 company (subsidiary's name: Future RECORDS, Inc.)

Removed subsidiaries: 1 company (subsidiary's name: WebMoney Corporation)

Note: For details, please refer to page 3 of the accompanying material, "Changes in Significant Consolidated Subsidiaries During the Current Third Quarter".

- (2) Adoption of specific accounting procedures in preparation of the quarterly consolidated financial reports: **Applicable**

Note: For details, please refer to page 3 of the accompanying material, "Adoption of Specific Accounting Procedures in Preparation of the Quarterly Consolidated Financial Reports".

- (3) Changes in accounting policy, changes in accounting estimates, and restatements

(3)-1. Changes accompanying revisions of accounting standards, etc.: None

(3)-2. Changes other than the above: None

(3)-3. Changes in accounting estimates: None

(3)-4. Restatements: None

- (4) Outstanding shares (common shares)

(4)-1. Outstanding shares at the end of the fiscal years (including treasury shares):

The third quarter of the fiscal year ending March 2012: 1,196,000 shares

The fiscal year ending March 2011: 1,196,000 shares

(4)-2. Treasury shares at the end of the fiscal year:

The third quarter of the fiscal year ending March 2012: 47,950 shares

The fiscal year ending March 2011: 47,950 shares

(4)-3. Average number of shares at the interim accounting period

The third quarter of the fiscal year ending March 2012: 1,148,050 shares

The third quarter of the fiscal year ending March 2011: 1,148,050 shares

* Indication of quarterly review procedures implementation status

This quarterly financial results report is exempt from quarterly review procedures under Japan's Financial Instruments and Exchange Law. It is under the review procedure process at the time of disclosure of this report.

* Statement regarding the proper use of financial forecasts and other special remarks

(Notice regarding statements concerning the future)

Statements concerning the future, such as performance forecasts, etc., described in the present material are based on information currently available to the Company and on certain assumptions judged as reasonable by the Company. The Company's actual performance may differ substantially from these forecasts as a result of various factors beyond the Company's control. For details of cautions, etc., employed in making performance forecasts and the assumptions underlying performance forecasts, please refer to page 3 of the accompanying material, "Qualitative Information Regarding Forecast of Consolidated Financial Results".

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1. Qualitative Information Regarding Financial Statements in the Current Quarter

(1) Qualitative Information Regarding the Consolidated Operating Results

The mobile phone and smartphone market in Japan has now reached maturity with the number of individual subscriptions exceeding 120 million in 2011. In line with the progress of new smartphone product launches and the further development of the smartphone-use environment, it is forecast that annual shipments of smartphone units will reach 21 million units in FY 2011, accounting for over half of all mobile terminals sold during that period, and that the demand for smartphones will continue to increase in future. Moreover, in the contents market, the popularity of social networking services (SNS), mobile social games, video-sharing sites, etc., that require a wide range of mobile terminal functions, is leading to an acceleration in the diversification and complexity of user needs, and this in turn is driving demand for the creation of new contents distribution.

Against this background, based on its Multi-Content and Multi-Platform Strategy of creating an environment that allows people to enjoy a wide diversity of contents whenever and wherever they choose, the Faith Group has been pouring its energies into creating high value-added contents and establishing a new system for delivering them to users. In August 2011, we opened Future SEVEN as a real-world space for showcasing and dispatching music, fashion, video, etc., and in September of the same year, in a joint venture with Nippon Columbia Co., Ltd., we established a new company for delivering music to users in a new style that has never been previously attempted.

As a result of the above factors, and in line with the elimination of our consolidated subsidiary WebMoney Corporation from the Group's consolidated financial results, net sales for end of the third quarter of the fiscal year ending March 2012 decreased by 48.2% compared with the same term of the previous fiscal year to ¥31,600 million, operating profit decreased by 16.4% year on year to ¥1,349 million, and recurring profit decreased by 11.2% year on year to ¥1,429 million. Moreover, as a result of extraordinary profits totaling ¥7,004 million from the sale of the Company's shareholding in WebMoney Corporation, etc., the Group recorded a net profit of ¥6,435 million, an increase of 692.2% year on year.

Information on each business segment is as follows:

<Contents Business>

During the period under review, the Faith Group continued its efforts to establish a new framework for content distribution and expand and strengthen its new business operations base.

The Group strengthened its diversified approach by implementing its New 360° Strategy, which is aimed at providing excellent contents to users by all available methods. As a part of this effort, in August 2011, under the concept of "sending out Japanese entertainment to the world", on the first floor of the Company's Minami Aoyama Office in Tokyo, we opened the showroom Future SEVEN as a base for the live distribution of music, fashion, art, movies, videos, etc., worldwide in seven languages. We are making maximum use of Future SEVEN as a real-world space for announcing and showcasing work by excellent artists and creators and for cultivating their talents.

In September 2011, the Company established Future RECORDS, Inc., in a joint venture with Nippon Columbia Co., Inc. This new company is engaged in discovering and cultivating excellent world-class artists by making use of the facilities of Future SEVEN in planning and producing music and visual works, producing and operating fan clubs, live event production and management, etc. Moreover, unlike conventional record companies that center their business on package sales of CDs, etc., Future RECORDS is creating new music businesses such as, for example, planning various kinds of works involving its artists and using these to connect the artists with users.

Furthermore, December 2011 marked the pre-opening of an epoch-making new application introduction portal service named aivie, which is dedicated to improving user convenience and solving the problems of a wide range of users from smartphone beginners to application developers by creating a new communication forum through applications.

As a result of the above developments, the Group recorded net sales in the Content Business for the third quarter of the fiscal year ending March 2012 of ¥4,824 million, a decrease of 14.2% compared with the same period of the previous fiscal year, and an operating profit of ¥790 million, an increase of 34.2% year on year.

<Electronic Money Business>

The Electronic Money Business saw a continuing expansion of the online game market, a major sector in which electronic money is used, as well as a steady increase in the settlement amount of WebMoney Corporation.

Moreover, in line with the sale of the Company's shareholding in its consolidated subsidiary WebMoney Corporation, which is engaged in the Electronic Money Business, the company in question was excluded from the Faith Group's consolidated financial results from the second quarter consolidated accounting period, so its business performance as recorded in the results for the current third quarter remains at the level recorded for the first quarter consolidated accounting period.

In line with the above factors, net sales in the Electronic Money Business totaled ¥25,717 million, a decrease of 52.7% compared with the same period of the previous fiscal year, and operating profit in this business decreased by 53.6% year on year to ¥430 million.

<Other Businesses>

Revenues from other businesses including the Point-Card System Business resulted in sales of ¥1,058 million, an increase of 1.8% compared with the same period of the previous fiscal year, and an operating profit of ¥125 million, an increase of 24.4% year on year.

(2) Qualitative Information Regarding the Consolidated Financial Position

<Assets, Liabilities and Net Assets>

Total assets as of the end of the third quarter of the fiscal year ending March 2012 decreased by ¥9,191 million compared to the end of the previous consolidated fiscal year to ¥23,535 million. This result was due mainly to decreases in bills receivable, accounts receivable and investment securities following the elimination of the Company's consolidated subsidiary WebMoney Corporation from the consolidated financial results as well as to a decrease in goodwill caused by amortization.

Total liabilities decreased by ¥14,048 million compared to the end of the previous consolidated fiscal year to ¥4,133 million yen. This result was due mainly to decreases in bills receivable, accounts receivable and the allowance for utilized costs following the elimination of the Company's consolidated subsidiary WebMoney Corporation from the consolidated financial results, despite an increase in income tax payable due to the recording of corporation tax, etc.

Total net assets increased by ¥4,857 million compared to the end of the previous consolidated fiscal year to ¥19,401 million. This result was due mainly to an increase in retained earnings in line with the recording of a net profit for the third quarter under review, despite the payment of a dividend and a decrease in minority shareholders' equity following the elimination of the Company's consolidated subsidiary WebMoney Corporation from the consolidated financial results. In line with this result, the equity capital ratio increased by 42.9 percentage points to 82.3%.

(3) Qualitative Information Regarding the Forecast of Consolidated Financial Results

The present forecast is based on information available to the Company at the present time. However, it is possible that the Company's actual financial results will differ from the forecast due to various factors that may arise in the future. Moreover, regarding the forecast of consolidated financial results for the full year, as of the present time, the Company has not made any changes to the revised figures issued on August 10, 2011.

2. Items Related to Summary Information (Others)

(1) Changes in Significant Subsidiaries During the Current Third Quarter

During the second quarter consolidated cumulative period, the Company sold its shareholding in WebMoney Corporation, with the result that this subsidiary was eliminated from the scope of consolidation. Also, because the Company has newly established Future RECORDS, Inc., this subsidiary has been included within the scope of consolidation.

(2) Adoption of Specific Accounting Procedures in Preparation of the Quarterly Consolidated Financial Reports

Tax expenses are calculated by multiplying the amount of quarterly net profit before tax deductions and the estimated effective tax rates, which are estimated as the effective tax rates applied after tax effect accounting to the amount of net profit before tax deduction for the current consolidated accounting year, including the third quarter consolidated accounting period.

(3) Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements
Not applicable

(4) Additional Information

Following the accounting changes and the correction of past errors implemented from the beginning of the first quarter consolidated cumulative period, the Company has applied the “Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standard No. 24; December 4, 2009) and the “Application Guideline for the Accounting Standard for Accounting Changes and Error Corrections” (Accounting Standard Application Guideline No. 24; December 4, 2009).

3. Third Quarter Consolidated Financial Statements

(1) Third Quarter Consolidated Balance Sheet

	(Unit: thousands of yen)	
	End of previous fiscal year (March 31, 2011)	End of period under review (December 31, 2011)
(Assets)		
Current assets		
Cash and deposits	12,001,893	13,490,544
Accounts and notes receivable	8,356,029	1,142,539
Marketable securities	339,676	439,266
Commercial products	3,110	1,532
Products in progress	1,038	5,792
Primary materials and inventory goods	8,892	8,488
Deferred tax assets	344,125	278,514
Others	368,465	250,540
Allowance for doubtful accounts	△49,258	△30,041
Total current assets	21,373,972	15,587,177
Fixed assets		
Tangible fixed assets	2,893,215	3,039,505
Intangible fixed assets		
Goodwill	435,363	49,182
Others	371,487	395,708
Total intangible fixed assets	806,851	444,890
Investment and other assets		
Investment securities	7,405,341	4,377,149
Others	396,115	175,085
Allowance for doubtful receivable	△148,792	△88,156
Total investments and other assets	7,652,664	4,464,077
Total fixed assets	11,352,731	7,948,473
Total assets	32,726,703	23,535,650
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	9,948,110	165,242
Short-term loans	399,984	399,984
Income taxes payable	390,631	1,618,931
Allowance for utilized costs	4,835,100	-
Allowance for points	230,979	218,703
Allowance for bonus payments	77,608	78,181
Others	882,358	574,851
Total current liabilities	16,764,771	3,055,895
Fixed liabilities		
Long-term liabilities	1,133,368	833,380
Deferred tax liabilities	183,204	134,564
Allowance for retirement benefits	91,824	104,555
Others	8,909	5,361
Total fixed liabilities	1,417,306	1,077,860
Total liabilities	18,182,078	4,133,755

	(Unit: thousands of yen)	
	End of previous fiscal year (March 31, 2011)	End of period under review (December 31, 2011)
(Net assets)		
Shareholders' equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earnings	6,556,212	12,077,079
Treasury stock	△651,377	△651,377
Total shareholders' equity	12,831,189	19,152,056
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	268,011	243,316
Foreign currency translation adjustments	△201,693	△21,958
Total accumulated other comprehensive income	66,317	221,357
Minority interests	1,647,118	28,480
Total net assets	14,544,625	19,401,894
Total liabilities and net assets	32,726,703	23,535,650

(2) Third Quarter Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

• Consolidated Statement of Income (Third Quarter Accumulated Period)

	(Thousands of yen)	
	End of third quarter of previous fiscal year (December 31, 2010)	End of period under review (December 31, 2011)
Net sales	61,061,099	31,600,210
Cost of sales	52,954,473	26,448,442
Gross profit	8,106,626	5,151,767
Selling, general and administrative expenses	6,491,968	3,802,482
Operating profit	1,614,658	1,349,285
Non-operating profit		
Interest income	5,723	16,918
Dividend income	4,701	5,560
Interest securities	34,449	12,236
Equity method investment gain	59,918	63,605
Miscellaneous receipts	5,100	5,601
Total non-operating profit	109,892	103,923
Non-operating expenses		
Interest expense	28,032	12,439
Exchange loss	50,924	10,208
Transfer to allowance for bad debt	30,018	-
Miscellaneous expense	5,811	1,472
Total non-operating expenses	114,786	24,119
Recurring profit	1,609,764	1,429,088
Extraordinary profit		
Gain on disposal of investment securities	19,479	28,795
Gain on sale of shares of affiliated company	2,528	6,899,538
Others	5,077	76,665
Total extraordinary profit	27,085	7,004,999
Extraordinary loss		
Loss on disposal of fixed assets	4,897	14,734
Loss on investment securities valuation	14,750	-
Loss on sale of shares of affiliated company	-	79,565
Loss on changes in shareholder equity	11,537	-
Effect of asset retirement obligations	17,253	-
Others	37	-
Total extraordinary loss	48,476	94,299
Quarterly net profit before income taxes	1,588,372	8,339,788
Corporate, local, and business taxes	455,307	1,762,736
Income before minority interests	1,133,065	6,577,051
Income or loss on minority shareholders	320,702	141,379
Quarterly net profit	812,362	6,435,672

• Consolidated Statement of Comprehensive Income (Third Quarter Accumulated Period)

(Thousands of yen)

	End of third quarter of previous fiscal year (December 31, 2010)	End of period under review (December 31, 2011)
Income before minority interests	1,133,065	6,577,051
Other comprehensive income		
Valuation difference on available-for-sale securities	△17,184	△24,197
Share of other comprehensive income of associates accounted for using the equity method	8,401	179,237
Total other comprehensive income	△8,782	155,040
Total comprehensive income	1,124,282	6,732,092
Total comprehensive income attributable to		
Equity shareholders of the parent company	803,580	6,590,712
Minority interests	320,702	141,379

(3) Explanatory Note Regarding Premise of a Going Concern

Not applicable

(4) Segment Information

I. Previous Third Quarter Accumulated Period (April 1, 2010 through December 31, 2010)

1. Information Concerning Sales and Profit/Loss by Reportable Segment

(Unit: thousands of yen)

	Reportable segment			Others (Note 1)	Grand total	Adjustments (Note 2)	Consolidated Profit/Loss Statement amount (Note 3)
	Content services	Electronic Money	Total				
Net sales							
Sales to outside customers	5,625,789	54,395,439	60,021,228	1,039,871	61,061,099	–	61,061,099
Intersegment sales and transfers	222,691	2,200	224,891	–	224,891	△224,891	–
Total	5,848,480	54,397,639	60,246,119	1,039,871	61,285,991	△224,891	61,061,099
Segment profit	589,185	929,081	1,518,266	100,728	1,618,994	△4,336	1,614,658

Note 1: The “Other Business” category incorporates operations not included in the business segments reported, including the Point Service Business and other business.

Note 2: Adjustment of segment profit of △¥3,336 thousand refers to elimination of intersegment transactions.

Note 3: Segment profit is adjusted with the operating profit in the quarterly consolidated profit and loss statement.

2. Information Regarding Impairment Losses on Fixed Assets or Goodwill by Reportable Segment

Since there are no critical impairment losses on fixed assets or significant change in the amount of goodwill, this information is omitted.

II. Current Third Quarter Accumulated Period (April 1, 2011 through December 31, 2011)

1. Information Concerning Sales and Profit/Loss by Reportable Segment

(Unit: thousands of yen)

	Reportable segment			Other businesses (Note 1)	Grand total	Eliminations (Note 2)	Quarterly P/L Statement amount (Note 3)
	Content services	Electronic Money	Total				
Net sales							
Sales to outside customers	4,824,701	25,717,225	30,541,927	1,058,282	31,600,210	–	31,600,210
Intersegment sales and transfers	57,619	400	58,019	–	58,019	△58,019	–
Total	4,882,231	25,717,625	30,599,947	1,058,282	31,658,229	△58,019	31,600,210
Segment profit	790,763	430,774	1,221,537	125,349	1,346,887	2,398	1,349,285

Note 1: The “Other Business” category incorporates operations not included in the business segments reported, including the Point Service Business and other business.

Note 2: Adjustment of segment profit of ¥2,398 thousand refers to elimination of intersegment transactions.

Note 3: Segment profit is adjusted with the operating profit in the quarterly consolidated profit and loss statement.

2. Information Concerning Assets by Reportable Segment

In July 2011, the Company sold its shareholding in WebMoney Corporation, which is engaged in the Electronic Money Business, with the result that the company in question is no longer a consolidated subsidiary of the Faith Group. Consequently, compared with the last day of the previous fiscal year, the amount of assets in respect of the Electronic Money Business in the report segment for the current third quarter consolidated accounting period has decreased by ¥18,161,901 thousand

3. Information Regarding Impairment Losses on Fixed Assets or Goodwill by Reportable Segment

Since there are no critical impairment losses on fixed assets or significant change in the amount of goodwill, this information is omitted.

(5) Notes in Case of Significant Changes in Shareholders' Equity

Not applicable