

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS
FOR THE 3rd QUARTER OF THE FISCAL YEAR ENDING MARCH 2023**

This is an English translation of summarized consolidated financial results prepared for the convenience of non-resident shareholders. Should there be any inconsistency between the translation and the official Japanese text, the latter shall prevail.

February 14, 2023

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

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

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Date of Submission of Securities Report: February 14, 2023

Starting Date of the Dividend Payment: —

Preparation of Supplementary Materials for Quarterly Financial Results: None

Information Meeting for Quarterly Financial Results to be Held: None

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the 3rd Quarter of the Fiscal Year Ending March 2023

(From April 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ending March 2023 Q3	11,419	△0.2	△212	—	△189	—	△254	—
Year ending March 2022 Q3	11,444	△24.2	△8	—	256	△63.0	△8	—

(Note) Comprehensive income: 3rd quarter of fiscal year ending March 2023: ¥502 million (△11.8%); 3rd quarter of fiscal year ending March 2022: ¥569 million (△46.0%)

	Net Income per Share	Diluted Net Income per Share
	Millions of yen	Millions of yen
Year ending March 2023 Q3	△23.05	—
Year ending March 2022 Q3	△0.68	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Equity Capital
	Millions of yen	Millions of yen	%
Year ending March 2023 Q3	25,621	16,200	63.2
Year ending March 2022	25,291	17,117	67.7

(Reference) Equity capital: 3rd quarter of fiscal year ending March 2023: ¥16,200 million; fiscal year ending March 2022: ¥17,117 million

2. Dividends

	Dividends per Share				
	1 st Quarter	Interim	3 rd Quarter	Year-end	Total
Year ending March 2022	yen —	yen 5.00	yen —	yen 5.00	yen 10.00
Year ending March 2023	—	5.00	—		
Year ending March 2023 (Forecast)				5.00	10.00

(Note) These figures have not been modified since the time of the most recently announced dividend forecast.

3. Forecast for the Consolidated Results for the Year Ending March 2023 (from April 1, 2022 to March 31, 2023)

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

	Net Sales		Operating Income		Ordinary Income		Net Income Attributable to the Shareholders of the Parent Company		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	15,000	△2.0	△200	—	△180	—	△290	—	△26.40

(Note) These figures have been modified since the time of the most recently announced business result forecast.

* Notes

(1) Changes in significant subsidiaries (accompanying changes in scope of consolidation): None

Newly added subsidiaries: 0 companies (subsidiary's name:)

Removed subsidiaries: 0 companies (subsidiary's name:)

(2) Adoption of simplified accounting practices or specific procedures in preparation of the quarterly consolidated financial reports: Not applicable

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

(i) Changes accompanying revisions of accounting standards, etc.: Applicable

(ii) Changes other than the above: None

(iii) Changes in accounting estimates: None

(iv) Restatements: None

(4) Outstanding shares (common shares)

(i) Outstanding shares at the end of the term (including treasury shares):

The 3rd quarter of the fiscal year ending March 2023: 13,831,091 shares

The fiscal year ending March 2022: 13,831,091 shares

(ii) Treasury shares at the end of the term:

The 3rd quarter of the fiscal year ending March 2023: 2,999,722 shares

The fiscal year ending March 2022: 1,198,938 shares

(iii) Average number of shares during the interim accounting period:

The 3rd quarter of the fiscal year ending March 2023: 11,031,626 shares

The 3rd quarter of the fiscal year ending March 2022: 12,632,690 shares

(Note) The number of shares of treasury stock at the end of the period includes the Company's shares (257,200 shares in Q3 of the fiscal year ending March 2023, 257,200 shares in the fiscal year ending March 2022) contributed as trust assets in the performance-based stock compensation plan). In addition, such shares are also included in the treasury shares that are deducted in calculating the average number of shares during the accounting period (257,200 shares in Q3 of the fiscal year ending March 2023, 257,200 shares in Q3 of the fiscal year ending March 2022)

* This financial results report is exempt from quarterly review procedures.

* 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 "1. Qualitative Information Concerning the Settlement of Accounts for the 3rd Quarter, (3) Explanation Concerning Future Forecast Information on the Consolidated Financial Results, etc." on page 4 of the accompanying material.

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1. Qualitative Information Concerning the Settlement of Accounts for the 3rd Quarter

(1) Explanation Concerning the Operating Results

In the Japanese information and communications field in 2021, the Internet penetration rate remained high at 82.9%, while the percentage of households owning one or more smartphones increased to 88.6%, greatly exceeding the 69.8% of households owning one or more personal computers ^{(*)1}. In addition, while the movement away from television has continued since the year 2000, mainly centered on the young, advertising expenses for the Internet in Japan increased by 21.4% in 2021 from the previous year to ¥2,705.2 billion, exceeding the combined advertising expenses for the four largest mass media sectors (newspapers, magazines, radio, and television) of ¥2,453.8 billion ^{(*)2}. This trend is also evident worldwide, where in 2022 global spending on digital advertising is expected to reach approximately ¥54 trillion (US\$409.9 billion), an increase of 14.2% from the previous year, with spending on digital advertising exceeding 55.5% of total spending on advertising ^{(*)3}.

*1. Source: Ministry of Internal Affairs and Communications, *2021 Telecommunications Usage Trend Survey Results*

*2. Source: Dentsu Inc., *2021 Advertising Expenditures in Japan*

*3. Source: Dentsu Group Inc., *Global Ad Spend Forecasts (2022-2024)*

In the entertainment market in 2021, sales in the global music market centered on streaming services grew by 18.5% year over year to approximately ¥3,367 billion (US\$25.9 billion), marking its seventh consecutive year of growth and recording its highest sales total since the beginning of this century ^{(*)4}. In Japan, the production value of music software including music videos was almost unchanged from the previous year at ¥193.6 billion, and while sales of packaged products continued to decline, paid music distribution sales increased by 14% to ¥89.5 billion. In the paid music distribution sales category, subscription audio streaming increased by 26% year over year to ¥74.4 billion, accounting for 83% of total paid music distribution sales ^{(*)5}.

The impact of the novel coronavirus infection forced the postponement or cancellation of major events and live concerts, causing the live entertainment market to shrink by 82.4% from its 2019 level to ¥110.6 billion in 2020. In 2021, music events in real venues began to resume in line with the government's guidelines for infection prevention measures, and the market size showed signs of recovery to ¥307.2 billion, although this was still 51.2% below the 2019 level ^{(*)6}. Meanwhile, new ways of enjoying live entertainment are taking root, with many artists streaming live performances via the Internet, the scale of the pay-per-view online live performance market was estimated at ¥44.8 billion in 2020, rising to an estimated ¥51.2 billion in 2021 ^{(*)7}.

*4. Source: IFPI, *Global Music Report 2022*

*5. Source: Recording Industry Association of Japan (RIAJ), *The Recording Industry in Japan 2022*

*6. Source: PIA Research Institute, *Japanese Live Entertainment Market Size Confirmed Report* (published June 15, 2021)

*7. Source: PIA Research Institute, *Japanese Online Live Entertainment Market Survey* (published June 15, 2022)

Founded in 1992, Faith was the first company in the world to commercialize ringtones, and has steadily grown centered on the music distribution business and in step with the popularization of mobile phones. However, in the current music market, with the spread of smartphones, the music industry is facing a situation in which all manner of activities, including content distribution methods, consumption styles, and content production methods, are changing as media such as streaming, user upload content (UUC) that allows general users to easily transmit information to society, and social media become more diverse.

In this environment, the Faith Group is continuing to utilize the results of the efforts it has been pouring into digital content distribution ever since its establishment, and is forging ahead with its Multi-Content and Multi-Device Strategy of creating environments in which people can enjoy a wide diversity of contents whenever and wherever they choose. We are also strengthening the development of new services in response to the changing market environment, which include platforms that collect and organize the information flooding the Internet and provide this to users after increasing its added value.

A new kind of live-streaming platform that offers a novel kind of live experience, Thumva includes features for group viewing, comment posting, and gifting, allowing users to share a sense of excitement and togetherness as if they were attending a live concert. And in the future, we will continue to expand Thumya's diverse lineup of contents. In addition, we have launched Thumva BIZ as a new online store service utilizing Thumya's resources that allows customers who want to make inquiries or seek consultations online to begin business negotiations with a single click. Our proposal is for an online retail store service that meets the needs of the age of digital transformation.

The Faith Group will reorganize its content business with effect from April 1, 2023, with the goal of establishing an organization that is better adapted to the needs of the present era. By building a system capable of quickly responding to the fast-changing tastes and trends in the music market, we will enhance our ability to create appealing content and improve our competitiveness. We are aiming to further develop synergies within the Group by consolidating the major labels, reinforcing and streamlining the administrative and sales functions, and integrating the assets belonging to each label using the Group's own technology.

The Faith Group has consolidated its office functions into the Minami-Aoyama Office, and has established a permanent telework work system in anticipation of changes in behavioral patterns and the establishment of new values. By making a company-wide effort to reestablish and activate cross-sectional communication between departments, we will continue to pursue more flexible workstyles and realize new, diverse, and efficient working styles.

Regarding the Faith Group's business performance for the cumulative third quarter of the current fiscal year ending March 2023, the Group reported an decrease in net sales of 0.2% year over year to ¥11,419 million, an operating loss of ¥212 million (compared with an operating loss of ¥8 million for the same period of the previous year), an ordinary loss of ¥189 million (compared with an ordinary income of ¥256 million for the same period of the previous year), and a net loss attributable to the owners of the parent of ¥254 million (compared with a net loss attributable to the owners of the parent of ¥8 million for the same period of the previous fiscal year).

Information on each business segment is as follows.

Historically, the Faith Group has had three reportable segments: the Content Business, the Point Service Business, and the Label Business. However, after reassessing its business management decision-making and performance classifications, with effect from the first quarter of the current fiscal year, the Group has begun operate under two reportable segments: the Platform Business and the Content Business.

Please note the comparative analysis with the cumulative third quarter of the previous fiscal year is based on the segment classifications adopted following the change.

Platform Business

In the Platform Business, as sales in existing distribution businesses continue to decline, we will continue to invest in new growth areas by linking and platforming each of our services with the aim of developing new and innovative products and grasping diversified profit opportunities.

Through FaRao PRO, we are focusing not only on providing BGM for commercial use, but also on actively developing sales activities centered on the expansion of functions necessary for store operations, such as solutions that propose store branding as well as announcement functions. In the future, we will continue to aim at the creation and activation of a new BGM market.

In Fans', our platform of services for artists based on the D2C ^(*8) business model, which is expected to expand further in future, we are enhancing the functions essential to artists' musical activities such as official website construction, music and video distribution, sales of artists' goods, and fan club operation. By improving linkage with SNS, we have introduced a system that allows fans to contribute to the creation of a community by spreading the information that creators send out. Furthermore, by offering a service that allows more artists to freely disseminate their work and information, we are aiming to expand our user base and improve the quality of the service by pursuing enhanced convenience.

*8. Abbreviation of "Direct to Consumer"
—a business model for delivering services and products planned and manufactured by Faith directly to users

In addition, the Retail Point System Operation Platform allows retailers to operate point issuing systems and other services, and also offers total support from planning to operation as a series of cycles of point issuance data acquisition, analysis, and sales promotion utilization, as well as providing outsourcing services to maximize sales promotion efficiency in the retail industry.

Regarding the performance of this segment for the cumulative third quarter of the current fiscal year, due

to decreases in sales of carrier official website services and in the number of performances available for distribution services in the mobile phone content distribution field and a decrease in point issuance to existing member stores in the Retail Point System Operation Platform, net sales decreased by 20.7% year over year to ¥1,068 million, and the segment recorded a loss of ¥219 million (compared with a segment income of ¥90 million in the same period of the previous fiscal year).

Content Business

In the Content Business, we are strengthening new businesses with an eye on the future in order to overcome our dependence on sales of packaged products in the severe environment faced by the music and video-related industries due to the changing music market.

In an effort to create new hits, the three label companies, Nippon Columbia, DREAMUSIC, and KSR, are developing and nurturing content compatible with the next-generation music business. In addition, they are actively utilizing their extensive catalog assets in new projects, with the goal of expanding their IP domains both domestically and globally.

Regarding the performance of this segment, in response to an increase in activities by affiliated artists, a recovery of sales related to the use of sound sources, and an increase in sales of exclusive mail-order products amid signs of recovery in the entertainment market, net sales increased by 4.2% year over year to ¥9,810 million and net income increased by 91.0% year over year to ¥287 million.

*Product and service names appearing in this document are trademarks or registered trademarks of Faith, Inc. either in Japan or in other countries.

(2) Explanation Concerning the Financial Position

As of the end of the third quarter of the current fiscal year ending March 2023 (December 31, 2022), total assets increased by ¥329 million yen compared to the end of the previous fiscal year to ¥25,261 million. This result was mainly due to an increase in investment securities, while cash and deposits decreased.

Total liabilities increased by ¥1,247 million compared to the end of the previous fiscal year to ¥9,421 million. This result was mainly due to long-term borrowings.

Net assets decreased by ¥917 million compared to the end of the previous fiscal year to ¥176,200 million. This was mainly due to an increase in the valuation difference on other marketable securities, which was partially offset by a decrease due to the acquisition of treasury stock.

The equity ratio decreased by 4.5 percentage points to 63.2% from the end of the previous fiscal year.

(3) Explanation Concerning Future Forecast Information on the Consolidated Financial Results, etc.

For details of the full-year consolidated performance forecast for the fiscal year ending March 31, 2023, please refer to the “Notice of Revision of Performance Forecast,” which was separately disclosed on February 14, 2023 ([in Japanese](#)).

Performance forecasts are made based on information currently available to the Company, but there is a possibility that the actual performance figures will differ significantly from the forecast figures due to a variety of factors.

2. Consolidated Financial Statements and Important Explanatory Notes

(1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	11,536,650	10,390,076
Notes and accounts receivable - trade	2,046,903	2,401,813
Contract assets	370	320
Marketable securities	224,003	215,990
Merchandise and finished goods	336,103	353,454
Work in process	499,421	368,189
Raw materials and supplies	104,241	41,934
Income taxes refundable	141,976	0
Other	639,337	1,448,617
Allowance for doubtful accounts	△18,325	△23,359
Total current assets	15,510,681	15,197,036
Non-current assets		
Property, plant and equipment	3,454,136	3,660,613
Intangible assets		
Goodwill	1,270,938	1,179,370
Other	386,399	370,392
Total intangible assets	1,657,338	1,549,763
Investments and other assets		
Investment securities	3,528,354	4,561,723
Deferred tax assets	705,202	262,543
Other	1,071,430	1,080,379
Allowance for doubtful accounts	△635,348	△690,452
Total investments and other assets	4,669,638	5,214,193
Total non-current assets	9,781,112	10,424,569
Total assets	25,291,794	25,621,606
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,401,065	722,066
Short-term borrowings	340,000	390,000
Current portion of long-term borrowings	217,700	536,625
Accounts payable - other	678,160	624,687
Accrued expenses	2,888,759	3,045,025
Income taxes payable	119,451	115,167
Provision for bonuses	238,261	204,648
Contract liabilities	49,569	44,855
Other	689,109	1,455,713
Total current liabilities	6,622,077	7,138,788
Non-current liabilities		
Long-term borrowings	162,150	1,033,100
Retirement benefit liabilities	542,544	524,092
Provision for share awards for directors (and other officers)	39,691	45,216
Asset retirement obligations	39,283	39,283
Deferred tax liabilities	765,118	637,998
Other	3,191	2,814
Total non-current liabilities	1,551,979	2,282,505
Total liabilities	8,174,057	9,421,294

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	3,218,000	3,218,000
Capital surplus	2,840,498	2,840,496
Retained earnings	10,393,392	10,019,143
Treasury shares	△1,122,330	△2,422,428
Total shareholders' equity	15,329,560	13,655,211
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,740,714	2,493,988
Foreign currency translation adjustment	△8,881	△8,881
Accumulated retired benefit adjustment	56,343	59,992
Total accumulated other comprehensive income	1,788,177	2,545,100
Non-controlling interests	—	—
Total net assets	17,117,737	16,200,311
Total liabilities and net assets	25,291,794	25,621,606

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

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	11,444,650	11,419,587
Cost of sales	7,065,011	7,113,276
Gross profit	4,379,639	4,306,310
Selling, general and administrative expenses	4,388,262	4,518,834
Operating income (loss)	△8,622	△212,523
Non-operating income		
Interest income	60	138
Dividend income	4,258	4,825
Interest on securities	7	132
Share of profit of entities accounted for using equity method	27,412	—
Gain on investments in investment partnerships	125,308	569
Foreign exchange gains	634	—
Subsidy income	193,549	42,984
Miscellaneous income	10,162	23,253
Total non-operating income	361,394	71,903
Non-operating expenses		
Interest expenses	3,428	5,919
Share of loss of entities accounted for using equity method	—	22,172
Loss on investments in investment partnerships	90,538	10,457
Loss on valuation of securities	1,660	8,840
Foreign exchange losses	—	614
Miscellaneous expenses	668	594
Total non-operating expenses	96,295	48,598
Ordinary income (loss)	256,476	△189,217
Extraordinary income		
Gain on sale of investment securities	34,114	—
Gain on sale of non-current assets	141	4,882
Total extraordinary income	34,255	4,882
Extraordinary losses		
Loss on disposal of non-current assets	42	1,901
Loss on liquidation of subsidiaries	29,756	—
Loss on valuation of investment securities	27,214	—
Total extraordinary losses	57,013	1,901
Net income (loss) before income taxes	233,719	△186,236
Income taxes - current	163,479	83,768
Income taxes - deferred	78,861	△15,646
Net income (loss)	△8,622	△254,358
Net income attributable to noncontrolling interests	—	—
Net income (loss) attributable to owners of parent	△8,622	△254,358

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit (loss)	△8,622	△254,358
Other comprehensive income		
Valuation difference on available-for-sale securities	540,781	753,273
Foreign currency translation adjustment	21,925	—
Retirement benefit adjustment (before any applicable tax effect)	15,472	3,649
Total other comprehensive income	578,179	756,922
Comprehensive income	569,557	502,564
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	569,557	502,564
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes Concerning the Consolidated Financial Statements

(Note Concerning the Premise of a Going Concern)

Not applicable

(Note in the Case of Significant Changes in the Amount of Shareholders' Equity)

Faith repurchased 1,800,000 shares of treasury stock based on a resolution of the Board of Directors meeting held on May 17, 2022. Accordingly, the Company's holdings of treasury stock increased by ¥1,299,600 thousand during the cumulative third quarter of the current fiscal year. As a result of this acquisition, the total amount of treasury stock was ¥2,422,428 at the end of the current third quarter.

(Changes in Accounting Policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

With effect from the beginning of the first quarter of the current fiscal year, Faith has begun to apply the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Guidance No. 31, June 17, 2021, hereinafter the "Implementation Guidance. The Company has decided to apply the new accounting policies set forth in the Implementation Guidance prospectively in accordance with the transitional treatment stipulated in Section 27-2 of the Implementation Guidance. Application of the Implementation Guidance has no impact on the Company's consolidated financial results.

(Additional Information)

(Application of Accounting Treatment and Disclosure When Adopting the Group Tax Sharing System)

With effect from the beginning of the first quarter of the current fiscal year, Faith and some of its domestic consolidated subsidiaries have transitioned from a non-consolidated taxation system to the group tax sharing system. In accordance with this change, the Company is applying the Practical Solution on the Accounting and Disclosure under the Group Tax Sharing System (Practical Issues Task Force Report No. 42, August 12, 2021), which provides for the accounting treatment and disclosure of income taxes, local income taxes, and tax-effect accounting.

(Segment Information)

I 3rd quarter of the previous consolidated fiscal year/FY 2021 (April 1, 2021 through Dec. 31, 2021)

1. Information on sales and profit or loss by reportable segment

(Unit: thousands of yen)

	Platform	Content	Total	Adjustment amount (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
Net sales					
Goods transferred at a single point in time	2,028,344	9,390,402	11,418,746	—	11,418,746
Goods transferred over a period of time	—	25,904	25,904	—	25,904
Revenue from contracts with customers	2,028,344	9,416,306	11,444,650	—	11,444,650
Sales to external customers	2,028,344	9,416,306	11,444,650	—	11,444,650
Intersegment sales or transfer amount	234,045	18,470	252,516	△252,516	—
Total	2,262,390	9,434,776	11,697,167	△252,516	11,444,650
Segment income or segment loss (△)	90,567	150,784	241,352	△249,974	△8,622

Notes: 1. The segment income or loss adjustment amount of △¥249,974 thousand consists of ¥1,072 thousand in eliminated intersegment transactions and △¥251,046 thousand in companywide expenses not allocated to reportable segments.
2. Segment income amounts are adjusted with operating income in the quarterly consolidated profit and loss statement.

2. Information regarding impairment loss on fixed assets or goodwill by segment reported

This information is omitted since there is no critical impairment loss on fixed assets or significant change in amount of goodwill.

II 3rd quarter of the current consolidated fiscal year/FY 2022 (April 1, 2022 through Dec. 31, 2022)

1. Information on sales and profit or loss by reportable segment

(Unit: thousands of yen)

	Platform	Content	Total	Adjustment amount (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
Net sales					
Goods transferred at a single point in time	1,608,809	9,737,415	11,346,225	—	11,346,225
Goods transferred over a period of time	—	73,362	73,362	—	73,362
Revenue from contracts with customers	1,608,809	9,810,777	11,419,587	—	11,419,587
Sales to external customers	1,608,809	9,810,777	11,419,587	—	11,419,587
Intersegment sales or transfer amount	292,552	42,307	334,859	△334,859	—
Total	1,901,361	9,853,084	11,754,446	△334,859	11,419,587
Segment income or segment loss (△)	△219,046	287,953	68,907	△281,430	△212,523

Notes: 1. The segment income or loss adjustment amount of △¥281,430 thousand consists of ¥9,348 thousand in eliminated intersegment transactions and △¥290,779 thousand in companywide expenses not allocated to reportable segments.

2. Segment income amounts are adjusted with operating income in the quarterly consolidated profit and loss statement.

2. Information regarding impairment loss on fixed assets or goodwill by segment reported

This information is omitted since there is no critical impairment loss on fixed assets or significant change in amount of goodwill.

3. Matters related to changes in reportable segments, etc.

Historically, the Faith Group has had three reportable segments: the Content Business, the Point Service Business, and the Label Business. However, after reassessing its business management decision-making and performance classifications, with effect from the first quarter of the current fiscal year, the Group has begun operate under two reportable segments: the Platform Business and the Content Business. Moreover, since Faith Inc. now manages the entire Faith Group following the integration of the Group's offices, the personnel and other expenses of the Company's Administration Department, which were previously included under the Content Business, are now included in the adjustment amount as companywide expenses effective from the first quarter of the current fiscal year. In addition, segment information for the cumulative third quarter of the previous fiscal year is disclosed based on the reporting segment classifications resulting from this change.