

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS
FOR THE 3rd QUARTER OF THE FISCAL YEAR ENDED MARCH 2024**

Balance Sheet & Income Statements

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.
We will post the full version as soon as it is available.

February 14, 2024

Faith, Inc. (Stock code 4295, TSE Standard section) (URL <https://www.faith.co.jp/>)
Period: from April 1, 2023 to December 31, 2023

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1 Consolidated Financial Statements and Main Explanatory Notes
(1) Consolidated Balance Sheet

(Thousands of yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|--|----------------------|-------------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 11,024,018 | 10,125,776 |
| Notes receivable - trade | 6,873 | 5,672 |
| Accounts receivable - trade | 1,992,323 | 1,904,430 |
| Contract assets | 920 | 150 |
| Marketable Securities | 218,509 | 216,491 |
| Merchandise and finished goods | 290,769 | 348,048 |
| Work in process | 373,434 | 380,306 |
| Raw materials and supplies | 62,796 | 40,824 |
| Income taxes refund receivable | 175,393 | 401 |
| Other | 796,954 | 902,190 |
| Allowance for doubtful accounts | △23,801 | △22,455 |
| Total current assets | 14,918,191 | 13,901,837 |
| Non-current assets | | |
| Property, plant and equipment | 3,581,540 | 3,523,211 |
| Intangible assets | | |
| Goodwill | 1,149,180 | 1,058,612 |
| Other | 359,067 | 379,442 |
| Total intangible assets | 1,508,248 | 1,438,055 |
| Investments and other assets | | |
| Investment securities | 3,621,214 | 2,104,279 |
| Deferred tax assets | 210,402 | 64,229 |
| Other | 1,064,557 | 396,094 |
| Allowance for doubtful accounts | △677,703 | △109,238 |
| Total investments and other assets | 4,218,470 | 2,455,364 |
| Total non-current assets | 9,308,259 | 7,416,631 |
| Total assets | 24,226,451 | 21,318,469 |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 765,755 | 758,127 |
| Short-term borrowings | 390,000 | 387,501 |
| Current portion of long-term borrowings | 495,350 | 433,200 |
| Accounts payable - other | 906,621 | 666,810 |
| Accrued expenses | 3,141,533 | 3,150,883 |
| Income taxes payable | 27,201 | 82,912 |
| Provision for bonuses | 295,468 | 188,121 |
| Contract liabilities | 48,216 | 33,156 |
| Other | 742,554 | 859,178 |
| Total current liabilities | 6,812,700 | 6,559,890 |
| Non-current liabilities | | |
| Long-term borrowings | 924,800 | 599,900 |
| Retirement benefit liability | 504,822 | 466,272 |
| Provision for share awards for directors (and other officers) | 47,158 | 36,146 |
| Asset retirement obligations | 39,333 | 39,333 |
| Deferred tax liabilities | 482,410 | 192,355 |
| Other | 29,335 | 9,357 |
| Total non-current liabilities | 2,027,860 | 1,343,365 |
| Total liabilities | 8,840,561 | 7,903,256 |

(Thousands of yen)

| | As of March 31, 2023 | As of December 31, 2023 |
|---|----------------------|-------------------------|
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 3,218,000 | 3,218,000 |
| Capital surplus | 2,840,496 | 2,840,416 |
| Retained earnings | 9,851,724 | 8,886,840 |
| Treasury shares | △2,422,510 | △2,414,581 |
| Total shareholders' equity | 13,487,710 | 12,530,675 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,848,510 | 855,184 |
| Foreign currency translation adjustment | △8,879 | △8,903 |
| Remeasurements of defined benefit plans | 58,547 | 38,255 |
| Total accumulated other comprehensive income | 1,898,179 | 884,537 |
| Non-controlling interests | — | — |
| Total net assets | 15,385,889 | 13,415,213 |
| Total liabilities and net assets | 24,226,451 | 21,318,469 |

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

(Thousands of yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2023 |
|---|--|--|
| Net sales | 11,419,587 | 10,087,158 |
| Cost of sales | 7,113,276 | 6,247,892 |
| Gross profit | 4,306,310 | 3,839,265 |
| Selling, general and administrative expenses | 4,518,834 | 4,332,930 |
| Operating loss | △212,523 | △493,664 |
| Non-operating income | | |
| Interest income | 138 | 57 |
| Dividend income | 4,825 | 6,628 |
| Interest on securities | 132 | 393 |
| Gain on investments in investment partnerships | 569 | 7,064 |
| Foreign exchange gains | — | 415 |
| Subsidy income | 42,984 | 755 |
| Gain on reversal of reserve for directors' stock benefits | — | 6,853 |
| Miscellaneous income | 23,253 | 21,464 |
| Total non-operating income | 71,903 | 43,631 |
| Non-operating expenses | | |
| Interest expenses | 5,919 | 6,564 |
| Share of loss of entities accounted for using equity method | 22,172 | 72,899 |
| Loss on investments in investment partnerships | 10,457 | 6,003 |
| Loss on valuation of securities | 8,840 | 2,913 |
| Foreign exchange losses | 614 | — |
| Settlement payments | — | 11,155 |
| Miscellaneous expenses | 594 | 12,909 |
| Total non-operating expenses | 48,598 | 112,447 |
| Ordinary loss | △189,217 | △562,480 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 4,882 | 2,327 |
| Gain on sale of businesses | — | 25,000 |
| Total extraordinary income | 4,882 | 27,327 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 1,901 | 0 |
| Loss on valuation of investment securities | — | 1,784 |
| Total extraordinary losses | 1,901 | 1,784 |
| Loss before income taxes | △186,236 | △536,937 |
| Income taxes - current | 83,768 | 48,460 |
| Income taxes - deferred | △15,646 | 268,602 |
| Loss | △254,358 | △854,001 |
| Loss attributable to owners of parent | △254,358 | △854,001 |

(Consolidated Statement of Comprehensive Income)

(Thousands of yen)

| | Nine months ended December 31, 2022 | Nine months ended December 31, 2023 |
|--|--|--|
| Loss | △254,358 | △854,001 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 753,273 | △993,325 |
| Foreign currency translation adjustment | — | △23 |
| Remeasurements of defined benefit plans, net of tax | 3,649 | △20,292 |
| Total other comprehensive income | 756,922 | △1,013,641 |
| Comprehensive income | 502,564 | △1,867,643 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 502,564 | △1,867,643 |
| Comprehensive income attributable to non-controlling interests | — | — |