

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS
FOR THE 3rd QUARTER OF THE FISCAL YEAR ENDING MARCH 2013
[Japanese Standards]**

February 12, 2013

Company name: Faith, Inc. (Stock code 4295, Listed on TSE 1st section)
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 Date of Submission of Securities Report: February 14, 2013
 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 ¥1 million.

1. Consolidated Results for the 3rd Quarter of the Fiscal Year Ending March 2013
 (From April 1, 2012 to December 31, 2012)

(1) Consolidated Operating Results

Percentages indicate increased/decreased ratio compared with the same 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 2013	5,115	△83.8	813	△39.7	918	△35.7	808	△87.4
Q3 of the year ending March 2012	31,600	△48.2	1,349	△16.4	1,429	△11.2	6,435	692.2

Note: Comprehensive income: 3rd quarter of the fiscal year ending March 2013: ¥785 million (△88.3%); 3rd quarter of the fiscal year ending March 2012: ¥6,732 million (498.8%)

	Net Profit per Share		Diluted Net Profit per Share	
	Yen		Yen	
Q3 of the year ending March 2013	703.82		—	
Q3 of the year ending March 2012	5,605.74		5,603.07	

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Equity Capital	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
Q3 of the year ending March 2013	22,381	20,289	90.6	17,670.07
Year ending March 2012	23,518	19,618	83.3	17,066.74

(Reference) Equity capital: 3rd quarter of the fiscal year ending March 2013: ¥20,286 million; the fiscal year ending March 2012: ¥19,593 million

2. Dividends

(Record dates)	Dividends per Share				
	1st Quarter	Interim	3rd Quarter	Year-end	Total
Year ending March 2012	yen —	yen 50.00	yen —	yen 50.00	yen 100.00
Year ending March 2013	—	50.00			
Year ending March 2013 (Forecast)				50.00	100.00

Note: Revisions of recently announced dividend forecasts: none

3. Forecast for the Consolidated Results for the Year Ending March 2013 (from April 1, 2012 to March 31, 2013)

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

	Net Sales		Operating Profit		Recurring Profit		Net Profit		Net Profit per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year ending March 2013	6,800	△79.7	900	△42.9	970	△44.8	800	△88.0	696.83

Note: Revisions of recently announced dividend forecasts: none

※ 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: Applicable
 * For details, please refer to "2. Summary Information, (2) Adoption of Simplified Accounting Methods in the Preparation of Quarterly Financial Statements" on page 3 of the accompanying material.
- (3) Changes in accounting policy, changes in accounting estimates, and restatements
 - (3)-1. Changes accompanying revisions of accounting standards, etc.: Applicable
 - (3)-2. Changes other than the above: None
 - (3)-3. Changes in accounting estimates: Applicable
 - (3)-4. Restatements: None
 * Changes are subject to Article 10, Clause 5 of "Ordinance on Terminology, Forms and Preparation Methods of Quarterly Consolidated Financial Statements". For details, please refer to "2. Summary Information, (3) Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements" on page 3 of the accompanying material.
- (4) Outstanding shares (common shares)
 - (4)-1. Outstanding shares at the end of the fiscal years (including treasury shares):
 The 3rd quarter of the fiscal year ending March 2013: 1,196,000 shares
 The fiscal year ending March 2012: 1,196,000 shares
 - (4)-2. Treasury shares at the end of the fiscal year:
 The 3rd quarter of the fiscal year ending March 2013: 47,950 shares
 The fiscal year ending March 2012: 47,950 shares
 - (4)-3. Average number of shares at the interim accounting period
 The 3rd quarter of the fiscal year ending March 2013: 1,148,050 shares
 The 3rd quarter of the fiscal year ending March 2012: 1,148,050 shares

* Indication of quarterly review procedures implementation status

This financial results report is exempt from quarterly review procedures under Japan's Financial Instruments and Exchange Law. As of the time of disclosure of this report, the auditing procedure based on the Financial Instruments and Exchange Law has not been completed.

* 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. Such statements do not represent promises by the Company with respect to their attainment. 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".

(To obtain supplemental documents relating to financial results)

Supplemental documents related to the Company's quarterly and other financial results are posted on the company website.
(URL: <http://www.faith-inc.com/ir/library.html>)

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1. Qualitative Information Regarding Quarterly Performance and Financial Position

(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 128,300,000 ^(*1) as of the end of November 2012. Moreover, the shipment volume of tablet devices up to the end of September 2012 totaled over 1,930,000 units, an increase of 82.1% compared with the same period of the previous year ^(*2). The growth of the smartphone and tablet device markets is expected to continue in future, with forecasts of 91,000,000 smartphone subscriptions and 32,000,000 tablet devices in operation by the end of 2017. ^(*3) In the background of the ongoing popularization of smartphones and tablet devices is the diversification and complexity of social networking services (SNS), mobile social games, video-sharing sites, etc, and the demand for the creation of new services and contents distribution systems to meet user needs.

(*1) Research by the Telecommunications Carriers Association,

(*2) Research by MM Research Institute, Ltd., (*3) Research by Impress R&D

In this environment, 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 consolidating high quality contents and creating new distribution systems for delivering them to users.

Following the disposal of its consolidated subsidiary WebMoney Corporation in July 2011, the Faith Group's net sales for end of the 3rd quarter of the fiscal year ending March 2013 decreased by 83.8% compared with the same period of the previous fiscal year to ¥5,115 million, operating profit decreased by 39.7% year on year to ¥813 million, recurring profit decreased by 35.7% year on year to ¥918 million, and the Group recorded a net profit of ¥808 million, an decrease of 87.4% year on year.

Information on each business segment is as follows. In addition, from the current first quarter consolidated accounting period, changes have been made to the composition of the reported segments. Accordingly, regarding year-on-year comparisons, figures for the same period of the previous fiscal year have been changed to reflect the new reported segments and allow comparisons with figures for the present fiscal year.

<Content 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.

Concerning the Content Business, sales of ringtone melodies are declining in line with the shift of mobile users to smartphones, but we have been improving the profitability of this business through cost cutting. Under circumstances in which the diversification and segmentation of information communication media and user needs have been accelerating through the continuing appearance of new services utilizing mobile terminal devices, the Faith Group is attempting to "create new content distribution" and "build a new business base". In November 2012, the Group's PicMix Letter service, which can be used to create original video letters, began to employ Kumamoto's popular local mascot character Kumamon for congratulatory letters, following the earlier use of the Hello Kitty character. Moreover, the companies of the Faith Group are actively cooperating with other companies in the entertainment-related business field. For example, we have taken a financial stake in LYNC ENTERTAINMENTS, which is engaged in the discovery, nurturing and management of voice actors, actors and artists, and we have entered into a partnership with CreofUGA Inc., which operates the world's largest music contest community website.

In line with of the above developments and due to a decrease in income in the ringtone melody business, the Group recorded net sales in the Content Business for the 3rd quarter of the fiscal year ending March 2013 of ¥4,056 million, a decrease of 15.9% compared with the same period of the previous fiscal year, and an operating profit of ¥687 million, a decrease of 13.1% year on year.

<Point Service Business>

In the Point Service Business, although the supply of goods associated with the approaching deadline for applications for exchanges of home appliance eco-points continued to decline, sales of point-card systems remained strong, with the result that this business recorded net sales of ¥1,058 million, an increase of 0.0% year on year, and an operating profit of ¥125 million, an increase of 0.4% year on year.

(2) Qualitative Information Regarding the Consolidated Financial Position

Total assets as of the end of the 3rd quarter of the fiscal year ending March 2013 decreased by ¥1,137 million compared to the end of the previous consolidated fiscal year to ¥22,318 million. This result was due mainly to decreases in cash and deposits.

Total liabilities decreased by ¥1,808 million compared to the end of the previous consolidated fiscal year to ¥2,091 million. This result was due mainly to decreases in income taxes payable following the payment of income taxes and to the repayment of long-term debt.

Total net assets increased by ¥670 million compared to the end of the previous consolidated fiscal year to ¥20,289 million. This result was due mainly to the recording of a net profit for the 3rd quarter under review despite the payment of a dividend. In line with this result, the equity capital ratio increased by 7.3 percentage points to 90.6%.

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

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. In addition, the current performance forecast for the full financial year is unchanged from the revised forecast issued on February 8, 2013.

2. Summary Information

(1) Changes in Major Subsidiaries During the 3rd Quarter

None

(2) Adoption of Simplified Methods in the Preparation of Quarterly Financial Statements

Tax expenses are calculated by making a reasonable estimate of the effective tax rate after applying tax effect accounting to the amount of quarterly net profit before tax deduction for the consolidated financial year including the 3rd quarter under review, and then multiplying the amount of quarterly net profit before tax deduction by the current estimated effective tax rate.

(3) Changes in Accounting Policy, Changes in Accounting Estimates, and Restatements

(Changes in Accounting Policy that are Difficult to Distinguish from Changes in Accounting Estimates)

In accordance with the revision of the Corporation Tax Act, from the current fiscal year's 1st quarter consolidated accounting period the Company and its consolidated subsidiaries have changed the method of depreciation based on the revised law and applied the new method to tangible fixed assets obtained on or after April 1, 2012.

The effects of this change on the Company's operating profit, recurring profit and net profit before taxes and other adjustment for the current 3rd quarter consolidated accounting period are minimal.

3. Consolidated Financial Statements for the 3rd Quarter

(1) Consolidated Balance Sheet for the 3rd Quarter

	(Unit: thousands of yen)	
	End of FY2011 (As of March 31, 2012)	3rd Quarter of FY2012 (As of December 31, 2012)
(Assets)		
Current assets		
Cash and deposits	13,712,005	12,129,389
Accounts and notes receivable	1,106,836	1,038,706
Marketable securities	239,790	539,502
Commercial products	2,580	6,079
Products in progress	8,199	4,385
Primary materials and inventory goods	7,817	6,371
Deferred tax assets	28,269	28,269
Others	260,218	760,198
Allowance for doubtful accounts	△29,816	△26,432
Total current assets	15,335,901	14,486,471
Fixed assets		
Tangible fixed assets	3,007,786	2,902,365
Intangible fixed assets		
Goodwill	40,599	22,351
Others	382,135	398,301
Total intangible fixed assets	422,734	420,653
Investment and other assets		
Investment securities	4,644,916	4,500,415
Others	121,294	72,202
Allowance for doubtful receivable	△13,734	△538
Total investments and other assets	4,752,477	4,572,079
Total fixed assets	8,182,998	7,895,098
Total assets	23,518,900	22,381,570
(Liabilities)		
Current liabilities		
Trade notes and accounts payable	187,933	173,078
Short-term loans	399,984	399,984
Income taxes payable	1,424,393	77,668
Allowance for points	208,142	184,900
Allowance for bonus payments	73,566	78,337
Others	614,625	477,450
Total current liabilities	2,908,644	1,391,419
Fixed liabilities		
Long-term liabilities	733,384	433,396
Deferred tax liabilities	125,729	123,974
Allowance for retirement benefits	109,389	123,237
Others	22,846	19,911
Total fixed liabilities	991,350	700,519
Total liabilities	3,899,995	2,091,938

	(Unit: thousands of yen)	
	End of FY2011 (As of March 31, 2012)	3rd Quarter of FY2012 (As of December 31, 2012)
(Net assets)		
Shareholders' equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earnings	13,106,638	13,799,854
Treasury stock	△651,377	△651,377
Total shareholders' equity	19,381,616	20,074,832
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	227,124	223,997
Foreign currency translation adjustments	△15,270	△12,706
Total accumulated other comprehensive income	211,853	211,290
Minority interests	25,435	3,508
Total net assets	19,618,905	20,289,631
Total liabilities and net assets	23,518,900	22,381,570

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income
(Statement of Income for the Consolidated Cumulative 3rd Quarter)

	(Unit: thousands of yen)	
	3rd Quarter of FY 2011 (April 1-Dec. 31, 2011)	3rd Quarter of FY 2012 (April 1-Dec. 31, 2012)
Net sales	31,600,210	5,115,433
Cost of sales	26,448,442	2,551,719
Gross profit	5,151,767	2,563,713
Selling, general and administrative expenses	3,802,482	1,749,976
Operating profit	1,349,285	813,737
Non-operating profit		
Interest income	16,918	23,507
Dividend income	5,560	6,395
Interest securities	12,236	2,575
Exchange gain	-	7,306
Equity method investment gain	63,605	71,283
Miscellaneous receipts	5,601	3,870
Total non-operating profit	103,923	114,939
Non-operating expenses		
Interest expense	12,439	5,588
Loss on investment partnership	-	4,165
Exchange loss	10,208	-
Miscellaneous expense	1,472	103
Total non-operating expenses	24,119	9,857
Recurring profit	1,429,088	918,819
Extraordinary profit		
Gain on sale of fixed assets	-	316
Gain on sale of investment securities	28,795	51,400
Gain on sale of shares of affiliated company	6,899,538	-
Others	76,665	-
Total extraordinary profit	7,004,999	51,716
Extraordinary loss		
Loss on disposal of fixed assets	14,734	9,140
Loss on investment securities valuation	-	2,573
Loss on sale of shares of affiliated company	79,565	-
Overseas taxation-related losses	-	11,892
Total extraordinary loss	94,299	23,606
Quarterly net profit before income taxes	8,339,788	946,928
Corporate, local, and business taxes	1,762,736	160,834
Income before minority interests	6,577,051	786,093
Income or loss on minority shareholders (△)	141,379	△21,927
Quarterly net profit	6,435,672	808,021

(Statement of Comprehensive Income for the Consolidated Cumulative 3rd Quarter)

(Unit: thousands of yen)

	3rd Quarter of FY 2011	3rd Quarter of FY 2012
	(April 1-Dec. 31, 2011)	(April 1-Dec. 31, 2012)
Income before minority interests	6,577,051	786,093
Other comprehensive income		
Valuation difference on available-for-sale securities	△24,197	△3,406
Share of other comprehensive income of associates accounted for using the equity method	179,237	2,844
Total other comprehensive income	155,040	△562
Total comprehensive income	6,732,092	785,531
Total comprehensive income attributable to		
Equity shareholders of the parent company	6,590,712	807,458
Minority interests	141,379	△21,927

(3) Explanatory Note Regarding Premise of a Going Concern

Not applicable

(4) Note for Significant Changes in Amount of Shareholders' Equity

Not applicable

(5) Segment Information

I. Previous 3rd Quarter Accumulated Period (April 1, 2011 through December 31, 2011)

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

(Unit: thousands of yen)

	Content Business	Electronic Money Business	Point Service Business	Total	Adjustment (Note 1)	Consolidated statement amount (Note 2)
Net sales						
Sales to outside customers	4,824,701	25,717,225	1,058,282	31,600,210	—	31,600,210
Intersegment sales and transfers	57,619	400	—	58,019	△58,019	—
Total	4,882,321	25,717,625	1,058,282	31,658,229	△58,019	31,600,210
Segment profit	790,763	430,774	125,349	1,346,887	2,398	1,349,285

Notes: 1. The segment profit adjustment of ¥2,398 thousand refers to the elimination of intersegment transactions.

2. Segment profit is adjusted with the operating profit in the quarterly consolidated profit and loss statement.

2. Information Concerning Assets by Reportable Segment

Since the sale in July 2011 of the Company's entire shareholding in WebMoney Corporation, which is engaged in the electronic money business, the company in question is no longer a consolidated subsidiary of the Faith Group.

As a result of this, in comparison with the end of the previous consolidated fiscal year, there has been a reduction in the amount of assets recorded in the reportable segments for the current consolidated 3rd quarter period for "the Electronic Money Business" of ¥18,161,901.

3. Information Concerning Impairment Loss on Fixed Assets or Goodwill by Reportable Segment

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

II. Current 3rd Quarter Accumulated Period (April 1, 2012 through December 31, 2012)

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

(Unit: thousands of yen)

	Content Business	Point Service Business	Total	Adjustment (Note 1)	Consolidated statement amount (Note 2)
Net sales					
Sales to outside customers	4,056,775	1,058,658	5,115,433	—	5,115,433
Intersegment sales and transfers	12,409	—	12,409	△12,409	—
Total	4,069,185	1,058,658	5,127,843	△12,409	5,115,433
Segment profit	687,562	125,869	813,431	306	813,737

Notes: 1. The segment profit adjustment of ¥306 thousand refers to the elimination of intersegment transactions.

2. Segment profit is adjusted with the operating profit in the quarterly consolidated profit and loss statement.

2. Information Concerning Changes in Reportable Segment

From the current 1st quarter consolidated accounting period, the reportable segments have been changed from the previous two segments of the “Content Business” and “Electronic Money Business” to the two segments of the “Content Business” and the “Point Service Business”. This change was made because the Company’s involvement in the Electronic Money Business ceased following the sale of the Company’s shareholding in its consolidated subsidiary WebMoney Corporation on July 19, 2011, and also in view of the growing importance of the Point Service Business, which was previously included in the “Others” segment.

In addition, segment information relating to the previous year’s 3rd quarter consolidated accounting period has been produced based on the reportable segments for the current year’s 3rd quarter consolidated accounting period.

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

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

(6) Significant Subsequent Event

Acquisition of All Shares in Entermedia Inc.

After making the decision to purchase a 100% equity stake in Entermedia Inc., Faith Inc. included a share transfer agreement with Entermedia’s parent company J-Stream Inc. On February 12, 2013.

(1) Purpose of equity stake acquisition

Entermedia Inc. is engaged in the production and operation of official fan club websites for a large number of major artists and in the e-commerce business, which includes the selling of these artists’ goods, CDs, DVDs etc. Working in partnership with the artists and agencies who are its clients, Entermedia has built up the fan club business to the point where it has attracted a total of approximately

190,000 members, and this company is anticipated to continue exhibiting strong growth. As a member of the Faith Group, Entermedia will work together with Faith including on the development of new customer layers, and this cooperation is expected to generate wide-ranging business synergies for both companies.

(2) Outline of acquired company

Name: Entermedia Inc.

Business contents: Fan club website operation for mobile phone users and product sales

Capital: ¥1 million

(3) Date of share acquisition: April 1, 2013

(4) No. of shares acquired, cost of acquisition and ownership ratio after acquisition:

No. of acquired shares: 21,650; cost of acquisition: ¥45 million; ownership ratio after acquisition: 100%

(5) Acquired voting rights ratio: 100%

(6) Method of procuring funds for payment: Lump sum payment from own funds