



# **Supplemental Data for the Consolidated Financial Results for the 3rd Quarter of the Fiscal Year Ending March 2015 (FY 2014 Q3)**

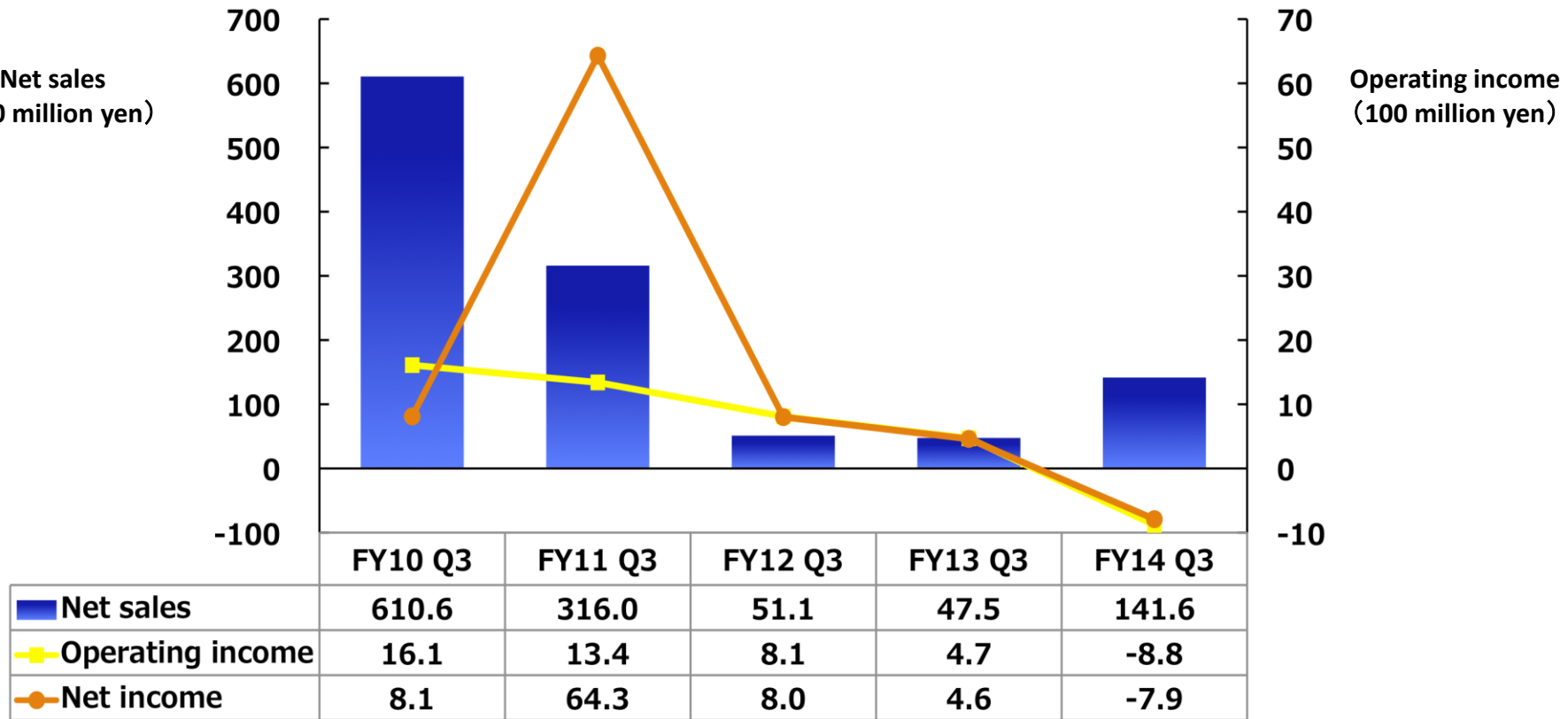
株式会社フェイス

**Consolidated Financial Results for  
the 3<sup>rd</sup> Quarter of the Fiscal Year  
Ending March 2015 (FY 2014 Q3)**

# Consolidated Financial Result Highlights for FY 2014 Q3



Including the Columbia Business Segment's sales and operating loss, the Group recorded net sales of ¥14,163 million (up 198.0% year on year), an operating loss of ¥888 million, an ordinary loss of ¥864 million, and a net loss for the quarter of ¥797 million.

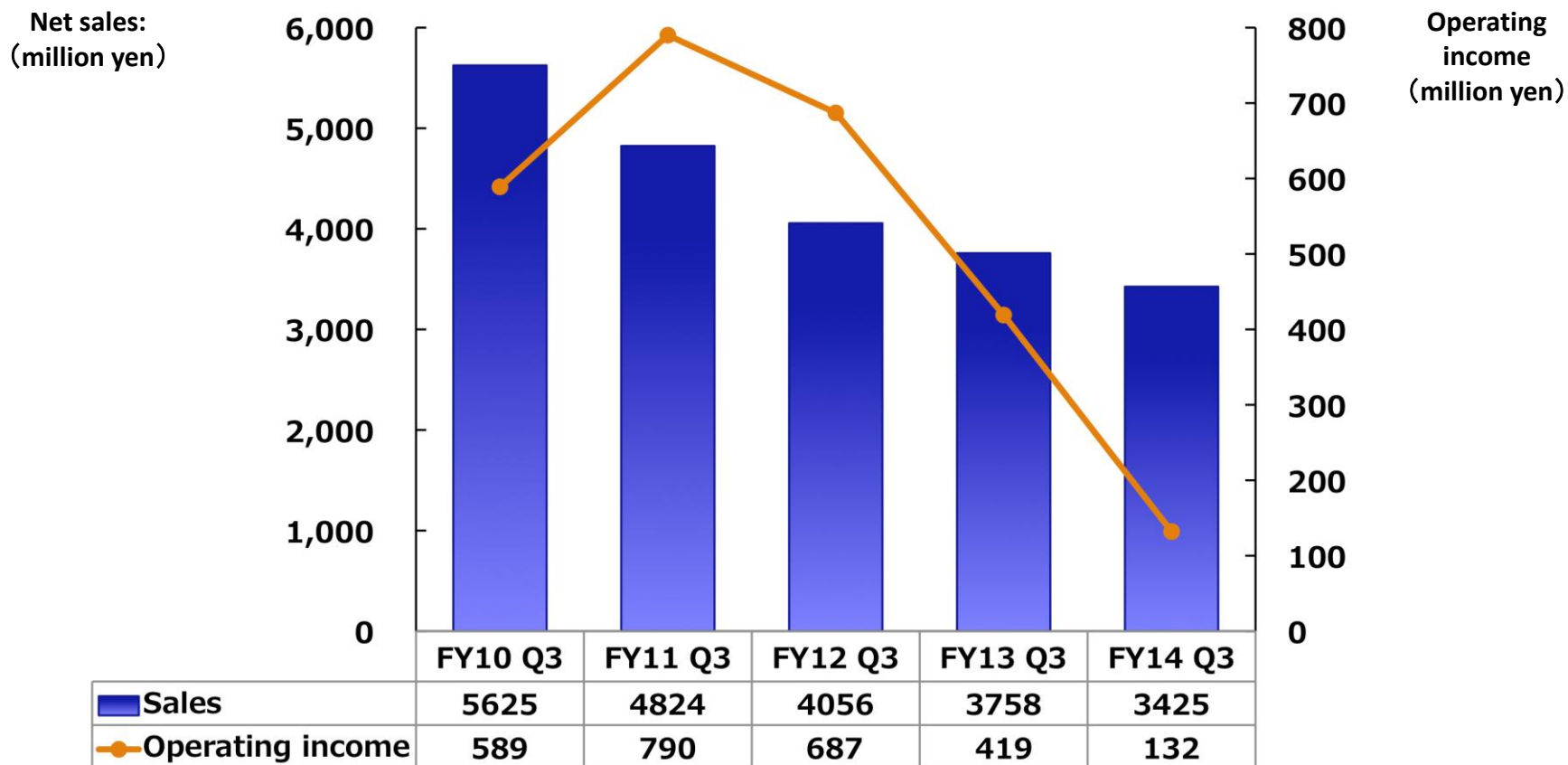


※Following the disposal of the Company's consolidated subsidiary WebMoney Corporation in July 2011, the Electronic Money Business was eliminated and sales revenue has not been recorded in this segment since FY 2012 Q2.

# Results of the Content Business During FY 2014 Q3



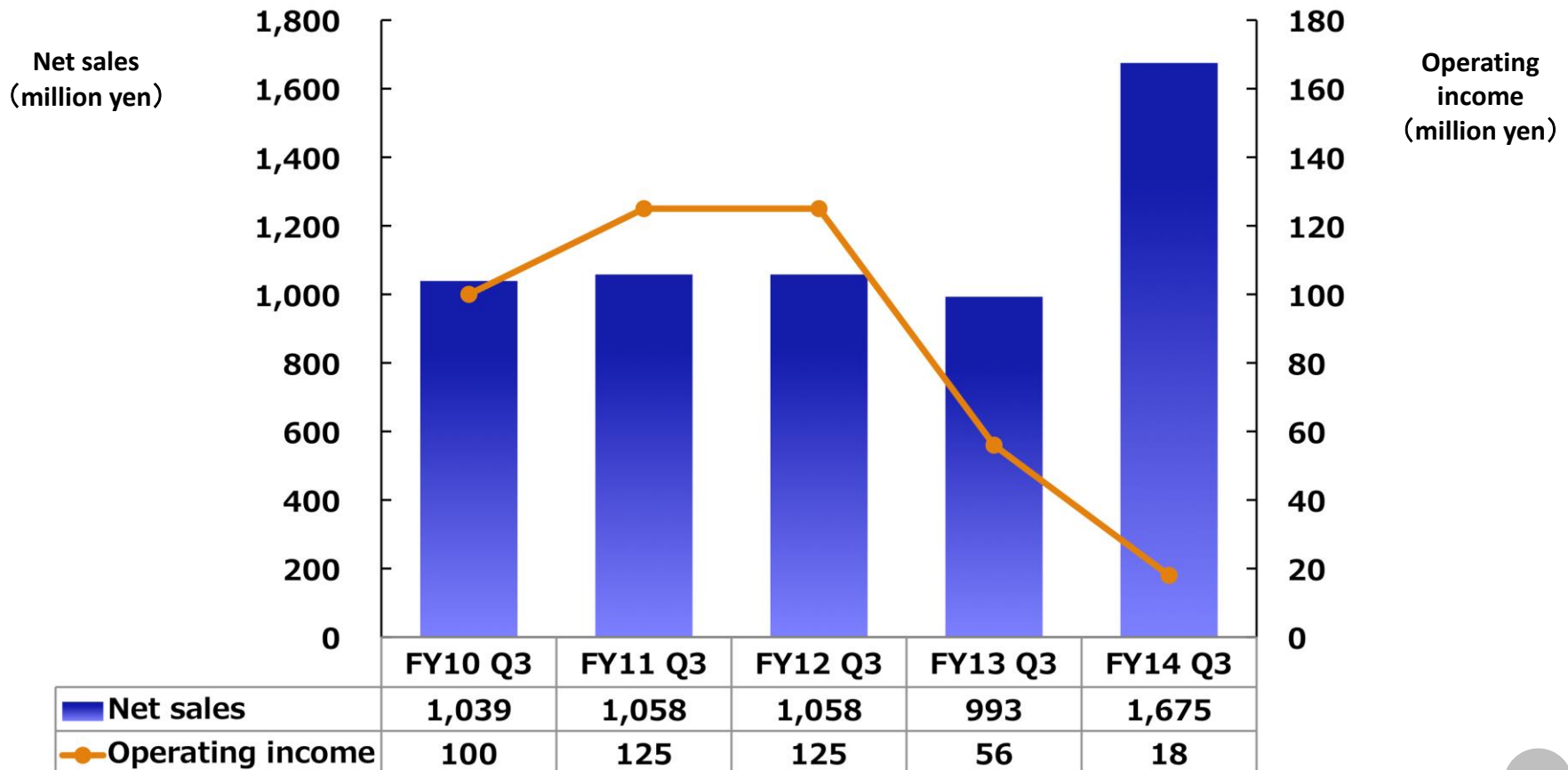
In line with the changing market environment and declining sales of feature phone services, the Content Business recorded net sales of ¥3,425 million (a decline of 8.9% year on year). Also, due to increasing costs in connection with the start up of new smartphone-user services, etc., in addition to the decline in sales, this business recorded an operating income of ¥132 million (a decline of 68.4% year on year).



# Results of the Point Service Business During FY 2014 Q3



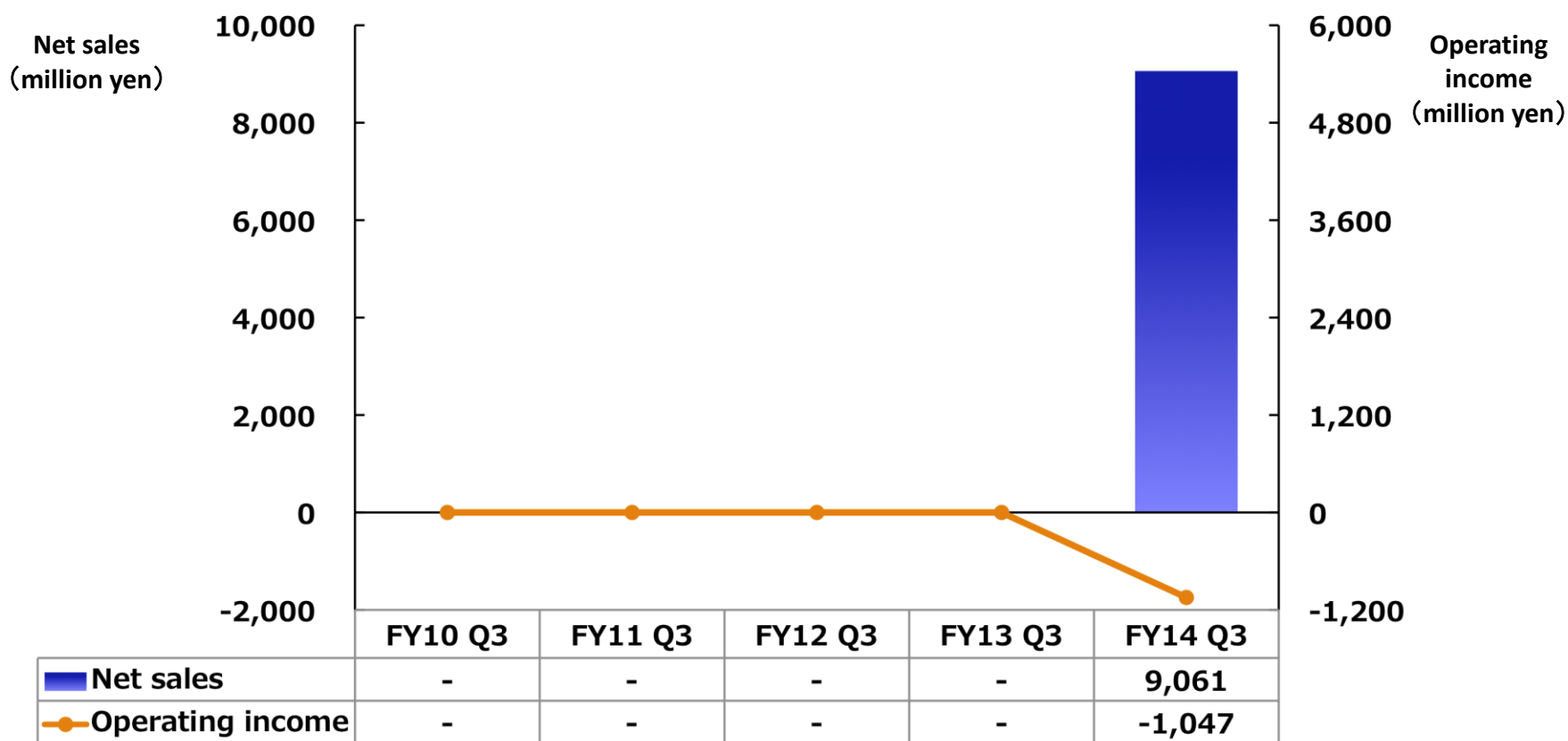
Sales of points increased in line the opening of new point member stores and sales promotion, taking net sales to ¥1,675 million (up 68.6% year on year). However, the the profit ratio declined due to redemptions of former points in line with the shift to server-based management and to an increase in initial costs in line with new business startups, resulting in operating income of ¥18 million (down 66.5% year on year).



# Results of the Columbia Business During FY 2014 Q3



In line with the continuing shrinking of the music market, the Columbia Business experienced an overall decline in sales of music CDs and digital distribution titles, resulting in net sales of ¥9,061 million. Also, due to declines in sales of high-margin titles released in past years and in transactions utilizing past sound sources, this business reported an operating loss of ¥1,047 million.



※Because the Columbia Business Segment's sales and operating loss have been included in the Faith Group's business performance only since the start of the current fiscal year, no comparisons with the 3rd quarter of the previous fiscal year are given.

# FY 2014 Q3 Consolidated Business Performance by Segment

(Compared with the Previous Fiscal Year)



(Unit: million yen)

	FY13 Q3	FY14 Q3	Year-on-year	Year-on-year
			change (amount)	change (%)
Net Sales	<b>4,752</b>	<b>14,163</b>	<b>▲ 9,410</b>	<b>-198.0%</b>
Content Business	<b>3,758</b>	<b>3,425</b>	<b>333</b>	<b>8.9%</b>
Point Service Business	<b>993</b>	<b>1,675</b>	<b>681</b>	<b>68.6%</b>
Columbia Business	<b>0</b>	<b>▲ 9,061</b>	<b>▲ 9,061</b>	<b>—</b>
Operating Income	<b>476</b>	<b>888</b>	<b>▲ 1,356</b>	<b>—</b>
Content Business	<b>419</b>	<b>132</b>	<b>▲ 286</b>	<b>-68.4%</b>
Point Service Business	<b>56</b>	<b>▲ 18</b>	<b>▲ 37</b>	<b>66.5%</b>
Columbia Business	<b>0</b>	<b>1,047</b>	<b>1,047</b>	<b>—</b>
Adjustment amount*	<b>0</b>	<b>▲ 7</b>	<b>▲ 6</b>	<b>—</b>
Ordinary Income	<b>509</b>	<b>▲ 864</b>	<b>▲ 1,373</b>	<b>—</b>
Net Profit	<b>464</b>	<b>797</b>	<b>1,262</b>	<b>—</b>

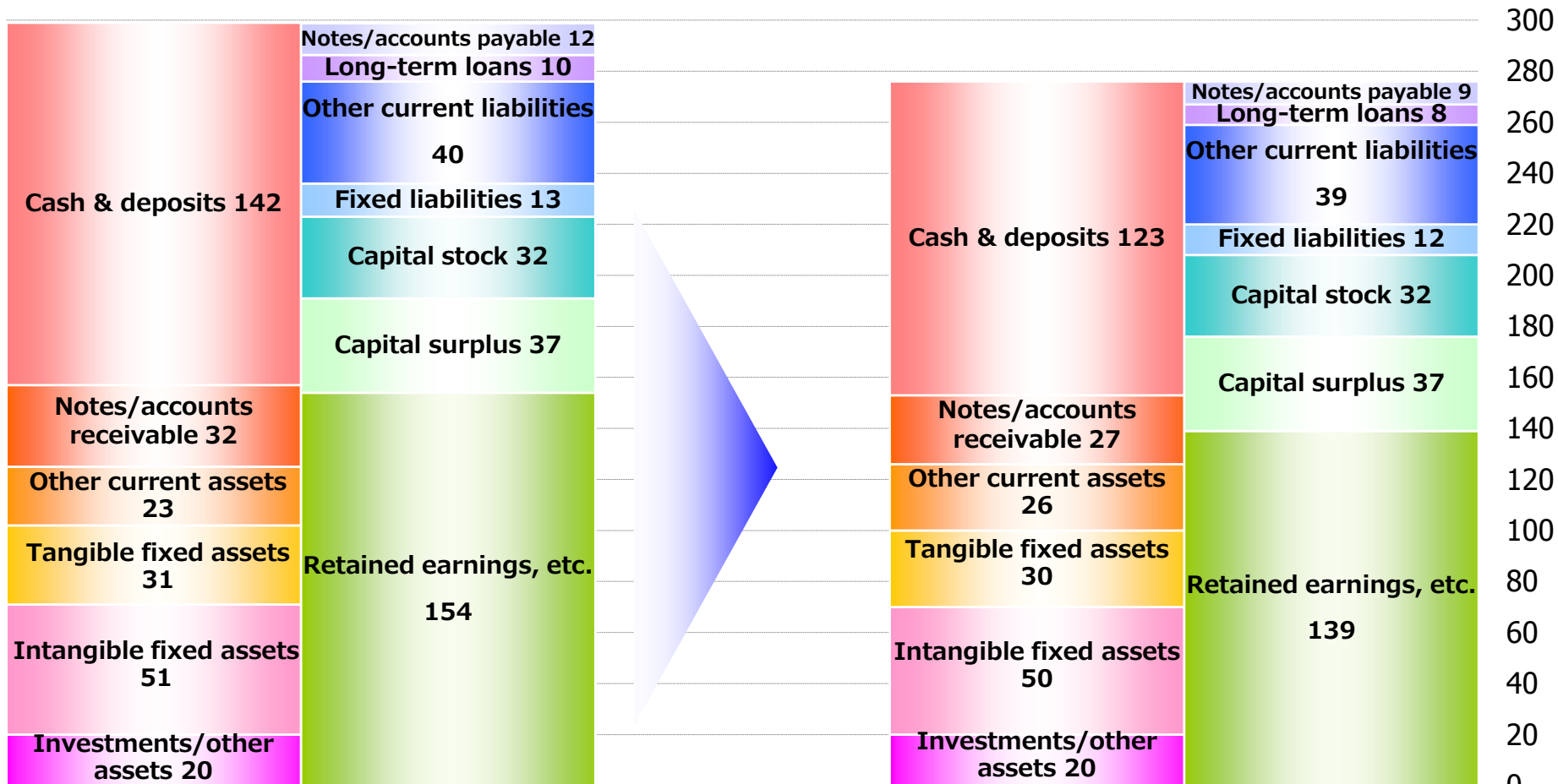
\*The adjustment amount is due to the elimination of inter-segment transactions.

# FY 2014 Q3 Consolidated Balance Sheet

(Compared with the End of the Previous Fiscal Year)



(Unit: 100 million yen)



End of March 2014:

Total assets: ¥29.9 billion

Equity capital: ¥20.8 billion  
(Capital ratio: 69.6%)

End of December

2014: Total assets: ¥27.6 billion

Equity capital: ¥19.8 billion  
(Capital ratio: 71.7%)

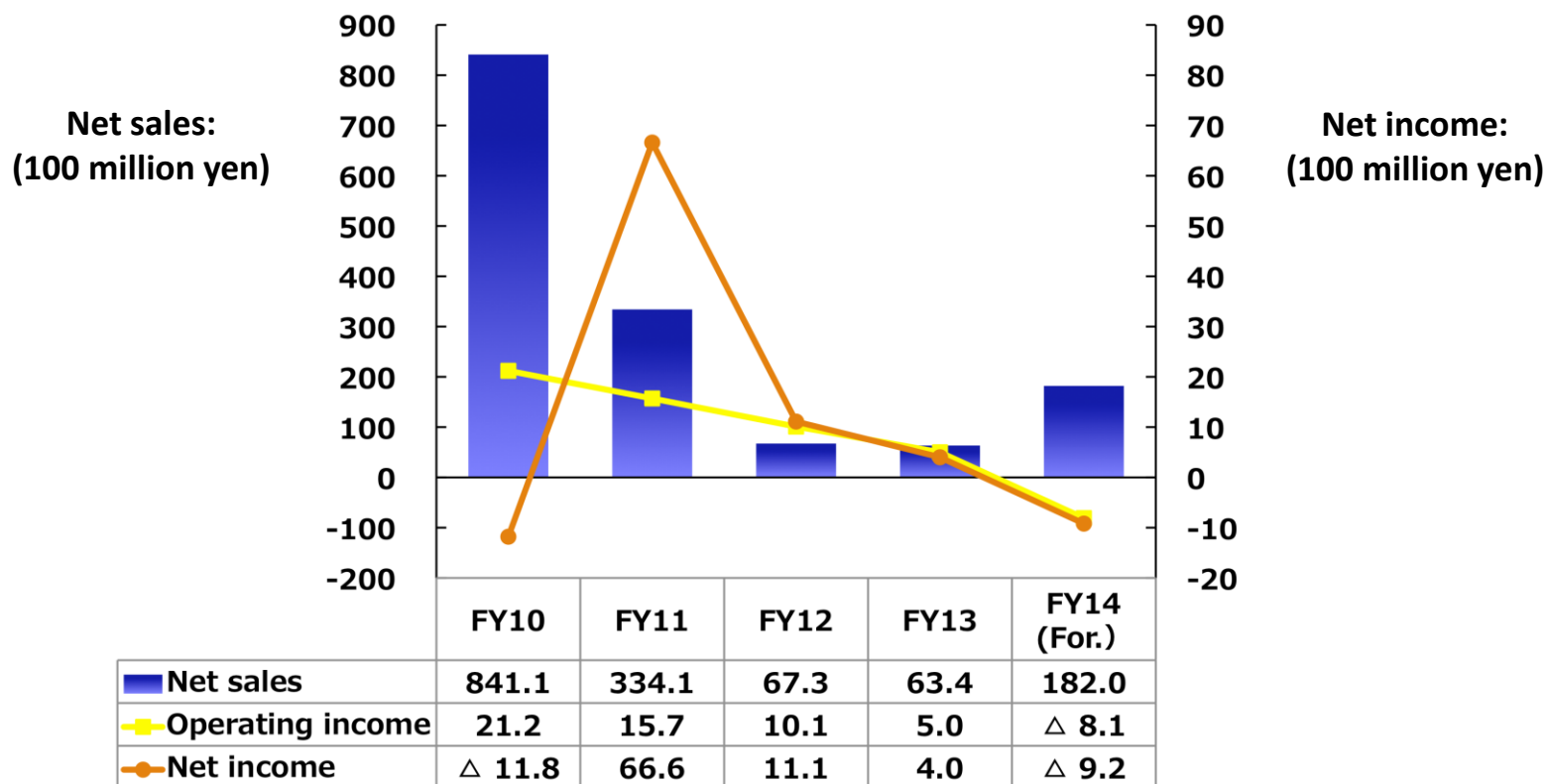


# **FY 2014 Business Performance Forecast**

# FY 2014 Full Year Business Performance Forecast



With the inclusion of Nippon Columbia as a consolidated subsidiary, the Faith Group's net sales are forecast to rise. However, due to a decline in income in the Contents Business and to a steep drop in sales and the booking of an extraordinary loss in the Columbia Business, etc., net income is forecast to fall substantially below the level of the previous year.



※Upon receipt of the additional implementation of career development support measures taken by Nippon Columbia Co., Ltd. on January 6, 2014, the Company issued a "Notice Concerning the Forecast of the Occurrence of an Extraordinary Loss by the Company and a Subsidiary". The extraordinary loss in question is forecast to be a maximum of approx. ¥360 million. At the present time, since the number of retirees and the total amount of retirement benefits remain to be determined, the current performance forecast for the full financial year is unchanged from the revised forecast issued on October 28, 2014.

# FY 2014 Consolidated Business Performance Forecast by Segment



(Unit: million yen)

	FY13	FY14 (forecast)	Year-on-year	Year-on-year
			change (amount)	change (%)
Net Sales	<b>6,340</b>	<b>18,200</b>	<b>11,860</b>	<b>187.1%</b>
Content Business	<b>5,025</b>	<b>4,700</b>	<b>▲ 325</b>	<b>-6.5%</b>
Point Service Business	<b>1,332</b>	<b>2,200</b>	<b>868</b>	<b>65.1%</b>
Columbia Business	—	<b>▲ 11,500</b>	<b>▲ 11,500</b>	—
Adjustment amount*	<b>18</b>	<b>▲ 200</b>	<b>▲ 182</b>	—
Operating Income	<b>508</b>	<b>▲ 810</b>	<b>▲ 1,318</b>	—
Content Business	<b>467</b>	<b>70</b>	<b>▲ 397</b>	<b>-85.0%</b>
Point Service Business	<b>40</b>	<b>▲ 10</b>	<b>▲ 50</b>	<b>-75.3%</b>
Columbia Business	—	<b>▲ 880</b>	<b>▲ 880</b>	—
Adjustment amount*	<b>1</b>	<b>▲ 11</b>	<b>▲ 12</b>	—
Ordinary Income	<b>586</b>	<b>▲ 770</b>	<b>▲ 1,356</b>	—

※The adjustment amount is due to the elimination of inter-segment transactions.

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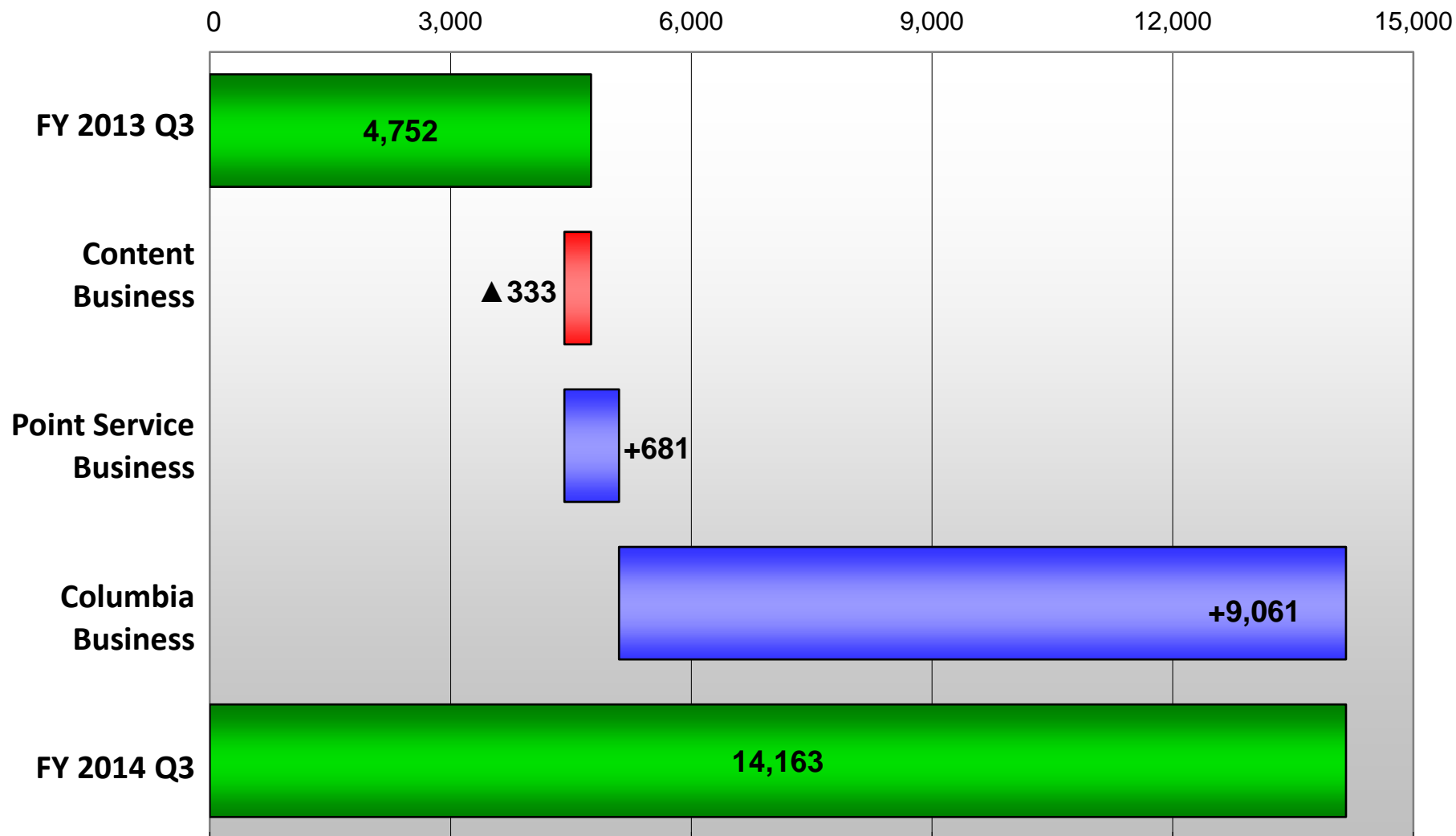
# Reference Materials

# FY 2014 Q3 Consolidated Net Sales

(Compared with Previous Fiscal Year)



(Unit: million yen)



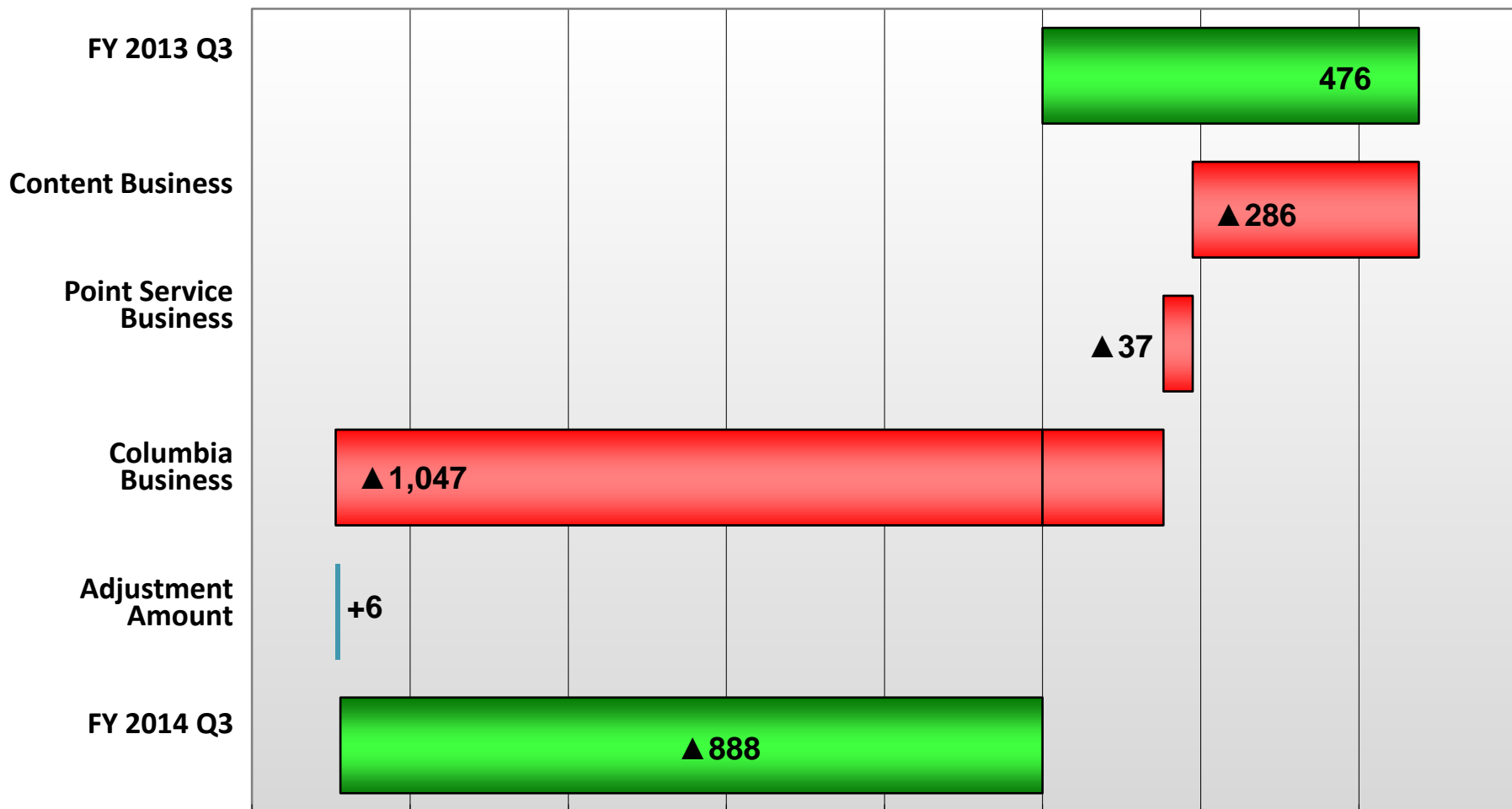
# FY 2014 Q3 Consolidated Operating Income

(Compared with Previous Fiscal Year)



(Unit: million yen)

(1,000) (800) (600) (400) (200) 0 200 400 600



※The adjustment amount is due to the elimination of inter-segment transactions.

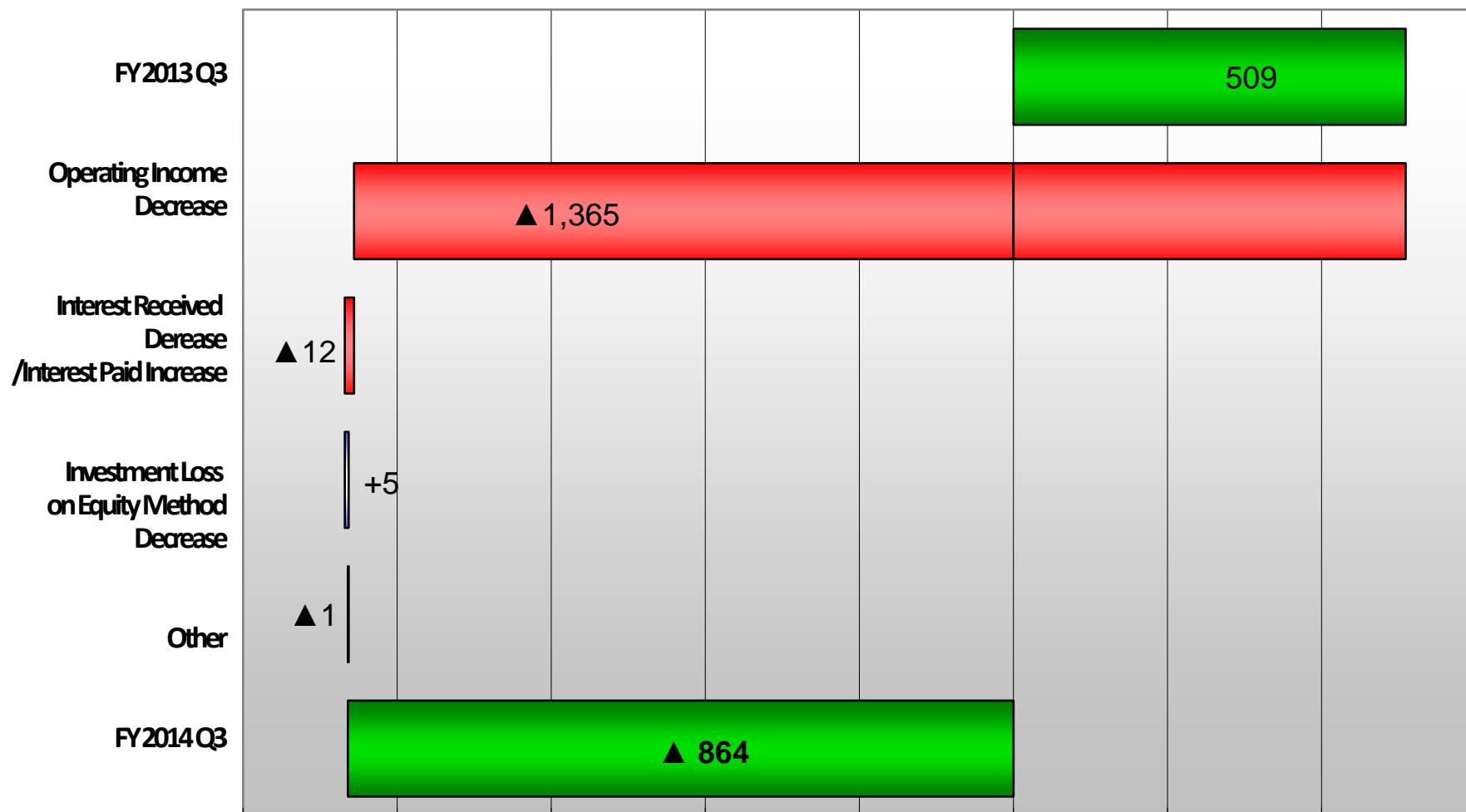
# FY 2014 Q3 Consolidated Ordinary Income

(Compared with Previous Fiscal Year)



(Unit: million yen)

(1,000) (800) (600) (400) (200) 0 200 400 600

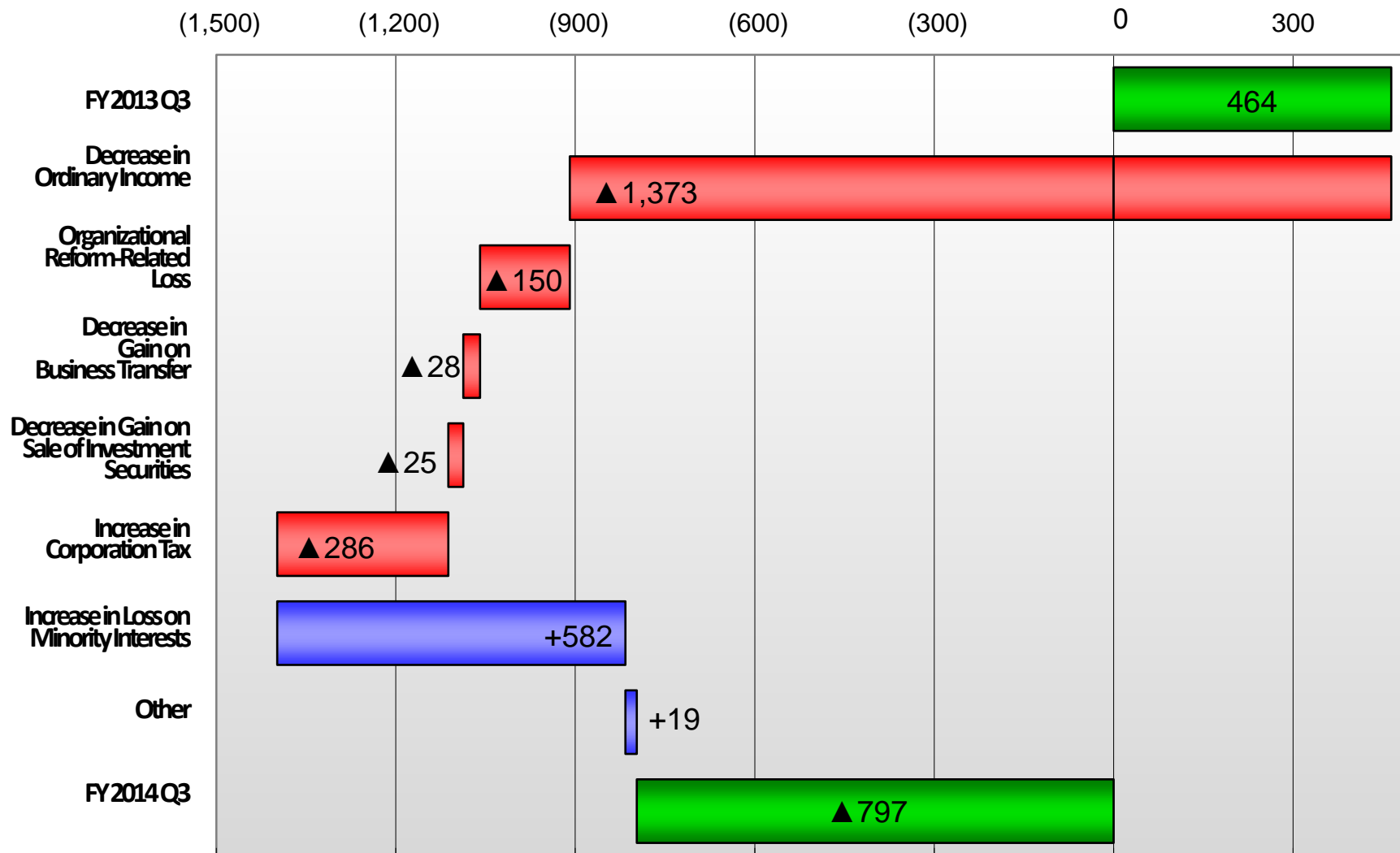


# FY 2014 Q3 Consolidated Net Income

(Compared with Previous Fiscal Year)



(Unit: million yen)





## Notice

**This document and its supporting documents contain projections of our company's future performance. These are estimates by the management of Faith based on currently available information. There are potential risks and uncertainties that may affect the results. Please be advised that actual performance may differ significantly from the forecast.**