

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS
FOR THE 2nd QUARTER OF THE FISCAL YEAR ENDING MARCH 2016**

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.

November 12, 2015

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: November 13, 2015

Starting Date of the Dividend Payment: December 10, 2015

Preparation of Supplementary Materials for Quarterly Financial Results: Applicable

Information Meeting for Quarterly Financial Results to be Held: Applicable (for Institutional Investors and Analysts)

Amounts are rounded down to the nearest JPY 1 million.

1. Results for the 2nd Quarter of the Fiscal Year Ending March 2016

(From April 1, 2015 to September 30, 2015)

(1) Consolidated Operating Results

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

Q2 of the year ending	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 2016	9,709	6.9	575	—	580	—	313	—
March 2015	9,082	186.3	△830	—	△791	—	△697	—

(Note) Comprehensive income: 2nd quarter of the fiscal year ending March 2016: ¥379 million (—%); 2nd quarter of fiscal year ending March 2015: △¥1,135 million (—%)

	Net Income per Share	Diluted Net Income per Share
Q2 of the year ending	<i>Yen</i>	<i>Yen</i>
March 2016	30.23	—
March 2015	△61.20	—

(2) Consolidated Financial Position

	Total Assets	Net Assets	Ratio of Equity Capital	Net Assets Per Share
Q2 of the year ending	<i>Millions of yen</i>	<i>Millions of yen</i>	%	<i>Yen</i>
March 2016	23,023	16,249	66.4	1,549.01
Year ending March 2015	25,835	17,723	65.5	1,540.23

(Reference) Equity capital: 2nd quarter of fiscal year ending March 2016: ¥15,288 million; fiscal year ending March 2015: ¥16,918 million

2. Dividends

(Record dates)	Dividends per Share				
	1 st Quarter	Interim	3 rd Quarter	Year-end	Total
Year ending March 2015	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>
Year ending March 2015	—	5.00	—	5.00	10.00
Year ending March 2016	—	5.00			
Year ending March 2016 (Forecast)			—	5.00	10.00

(Note) Forecasts for dividends have not been modified since the time of the most recently announced business forecast.

3. Forecast for the Consolidated Results for the Year Ending March 2016 (from April 1, 2015 to March 31, 2016)

(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	19,100	△2.5	730	—	720	—	360	—	36.47

(Note) Forecasts for dividends have not been modified since the time of the most recently announced business 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: Applicable
 * For details, please refer to "2. Summary Information, (2) Adoption of Simplified Accounting Methods in the Preparation of Quarterly Financial Statements" on page 5 of the accompanying material.
- (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
 * For details, please refer to "2. Summary Information, (3) Changes in Accounting Principles, Procedures, and Disclosure Methods" on page 5 of the accompanying material.
- (4) Outstanding shares (common shares)
 (i) Outstanding shares at the end of the fiscal years (including treasury shares):
 The 2nd quarter of the fiscal year ending March 2016: 11,960,000 shares
 The fiscal year ending March 2015: 11,960,000 shares
 (ii) Treasury shares at the end of the fiscal years:
 The 2nd quarter of the fiscal year ending March 2016: 2,089,920 shares
 The fiscal year ending March 2015: 975,480 shares
 (iii) Average number of shares at the interim accounting period
 The 2nd quarter of the fiscal year ending March 2016: 10,363,240 shares
 The 2nd quarter of the fiscal year ending March 2015: 11,390,115 shares

* Indication of auditing 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. 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. (3) Explanation Concerning Future Forecast Information on the Consolidated Financial Results, etc." on page 4 of the accompanying material.

(To obtain supplemental documents relating to financial results)

Supplemental materials related to the Company's quarterly and other financial results are posted on the company website.

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1. Qualitative Information Concerning the Settlement of Accounts for the 2nd Quarter

(1) Explanation Concerning the Operating Results

As high-performance mobile devices such as smartphones and tablets become increasingly widespread throughout the world in keeping with the continuing development of the Internet infrastructure, in the Japanese domestic information communication field, the ratio of smartphone contracts currently exceeds 60% of all contracts for mobile phone devices and the ongoing shift from feature phones to smartphones is continuing apace. Meanwhile, information and communications technology (ICT) utilization is expanding among people of all age groups. A comparison of Internet utilization rates between 2002 and 2014 classified according to user age shows increases in all age groups, with the rise among senior citizens aged over 60 being particularly pronounced (*1).

(*1) "Communications Usage Trend Survey" compiled by the Ministry of Internal Affairs and Communications

In the music contents market as well, in addition to the launch of a succession of subscription-type music distribution services that allow subscribers to listen to as much music as they like for a fixed monthly charge, both business models and styles of listening to music are changing, as exemplified by the continuing expansion of the market that utilizes high-resolution sound sources (audio data featuring a sound quality higher than that of a music CD), etc.

In future, a further switch to services that are in keeping with the digital era is expected against the background of an increasing Internet connection ratio and higher smartphone functionality. Accordingly, it is becoming even more important to promptly deploy services that match the changing environment and marketplace.

In the current environment, the Faith Group is continuing to utilize the results of the efforts it has been pouring into content digital distribution ever since its establishment, and is forging ahead with 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 Group is also strengthening the development of new services in response to the changing market environment such as platforms that collect and organize the information flooding the Internet and then provide this to users after increasing its added value. Moreover, we are proceeding with streamlining by deploying our human resources flexibly irrespective of organization, including through office and management departmental integration at the Group level, in response to the needs of the work progress situation, busy periods, etc. Recently, with effect from July 1, 2015, the Business Development Department of Faith Wonderworks, Inc., a 100% subsidiary of the Company, was integrated with the Company and centralized by means of a simplified absorption-type corporate split. This restructuring measure was conducted in the interests of system improvement aimed at more efficient operation and enhanced competitiveness through the integration and centralization of our production and development resources.

Regarding the Faith Group business performance for the second quarter of the fiscal year ending March 2016, although sales of distribution services for feature phone use—the Group's largest sales category—continued to decrease, as a consequence of launching new services in response to the environment and of the return to profitability of the Company's 100% consolidated subsidiary Nippon Columbia Co., Ltd., net sales increased by 6.9% compared with the same quarter of the previous fiscal year to ¥9,709 million while the Group recorded an operating income of ¥575 million (compared with an operating loss of ¥830 million for the same quarter of the previous fiscal year), an ordinary income of ¥580 million (compared with an ordinary loss of ¥791 million for the same quarter of the previous fiscal year), and net income attributable to the shareholders of the parent company for the quarter under review of ¥313 million (compared with a net loss attributable to the shareholders of the parent company of ¥697 million for the same period of previous fiscal year).

Information on each business segment is as follows.

Content Business

In the Content Business, the Faith Group is actively pursuing the development of new services in response to the market environment including the ongoing popularization of smartphones, changing lifestyles, etc. We have continuously worked to build up our music service platforms by utilizing

business synergies between the Group's member companies such as linking the various profit-generating functions, which are diversified in the artist business, and also through a program of scrap and build for those services for which expanding demand cannot be foreseen.

By equipping functions that make it possible to provide services essential for artistic activities centered on music artists, such as official site construction, fan club operation, music distribution, etc., the platform business Fans', which integrates a variety of the Company's services, began operating on a full scale from the end of April 2015. In future too, we will promote the activities of various artists both in Japan and overseas and we will work to expand the number of users by making efforts to offer a wider range of functions and services.

FaRao Pro is a store-use solution service for restaurants and retailers equipped with BGM functions in addition to essential functions for in-store operations such as sales promotion. In FaRao Pro, apart from strengthening the system of operations, acoustic construction, and maintenance in partnership with sales stores, we will attempt to expand the service's users by targeting offices that are expecting to use it for mental health purposes in addition to for switchover demand from existing stores employing professional BGM services. Also, we are moving forward with preparations for overseas development based on current services in Japan and are targeting the creation and activation of new BGM markets both in Japan and overseas.

In keeping with above developments, despite the decline in sales of existing distribution services, as a result of the ongoing positive deployment of new services in line with the changing market environment, the Content Business recorded net sales of ¥2,341 million (an increase of 3.3% year on year). Moreover, factoring in reductions in costs beginning with subcontracting costs and advertising and promotional expenses, operating income increased by 156.6% year on year to ¥117 million.

Point Service Business

In the Point Service Business, as a result of the end of the government-administered reconstruction support home appliance eco-point system, despite an increase in the number of new points issued by existing participating stores, this business recorded net sales of ¥1,112 million, a decrease of 4.8% compared with the same period of the previous fiscal year. On the other hand, due to a temporary decrease in the expense burden of recovering old points in accordance with the transfer to server management-based operation during the previous fiscal year and other factors, operating income for this business totaled ¥96 million (compared with ¥2 million for the same period of the previous fiscal year).

Columbia Business

Amid the severe environment facing the music and video-related industry in line with the continuing shrinking of the music market, the Columbia Business proceeded with its strategy of strengthening new future-oriented businesses in order to overcome the present situation in which it remains dependent on sales of package products for which the market remains sluggish.

Due mainly to improved sales of animation-related titles in the Sales/Digital Distribution Business and to a general increase in sales of products in the Direct Sales Business, overall sales by the Columbia Business totaled ¥6,254 million, an increase of 10.8% compared with the same quarter of the previous fiscal year. Regarding the profit and loss situation, the Sales/Digital Distribution Business achieved a general increase in product sales and the Direct Sales Business was buoyed particularly by favorable sales of products utilizing high-margin sound sources. In addition, due to a steep decline in overall fixed costs stemming from the implementation of career change support measures for the purpose of organizational reform during the previous fiscal year, this business segment recorded an operating income for the second quarter under review of ¥356 million (compared with an operating loss for the same period of the previous fiscal year: ¥883 million).

*The 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

(Analysis of Financial Position)

Total assets as of September 30, 2015 decreased by ¥2,811 million compared to March 31, 2015 to ¥23,023 million. This result was mainly due to decreases in cash and deposits, accounts and notes receivable, and merchandise and finished goods.

Total liabilities decreased by ¥1,337 million compared to the end of the previous consolidated fiscal year to ¥6,744 million. This result was mainly due to decreases in accounts and notes payable.

Total net assets decreased by ¥1,473 million compared to the end of the previous consolidated fiscal year to ¥16,249 million. This was mainly due to the recording of a quarterly net income attributable to the shareholders of the parent company, the payment of dividends, and an increase in the amount of treasury stock, etc.

As a result of the above, the equity ratio increased by 0.9 percentage points to 66.4%.

(Cash Flow Situation)

Cash and cash equivalents for the consolidated cumulative 2nd quarter of the current fiscal year increased by ¥543 million from the end of the previous consolidated fiscal year to ¥9,889 million. Details of cash flow for the consolidated cumulative 2nd quarter and its contributory factors are as follows:

(Cash flow from operating activities)

Cash flow from operating activities amounted to an inflow of ¥669 million (compared with an outflow of ¥123 million for the same period of the previous fiscal year), due mainly to the recording of net income before income taxes and other adjustments of ¥619 million for the previous quarter.

(Cash flow from investing activities)

Cash flow from investing activities amounted to an inflow of ¥1,659 million (compared with an outflow of ¥1,381 million for the same period of the previous fiscal year), due mainly to revenues of ¥4,032 million in respect of reimbursement of fixed-term deposits, despite outgoings of ¥2,008 million in respect of making fixed-term deposits.

(Cash flow from financing activities)

Cash flow from financing activities amounted to an outflow of ¥1,786 million (compared with an outflow of ¥161 million for the same period of the previous fiscal year), due mainly to outgoings of ¥1,581 million in respect of treasury stock acquisition, ¥170 million in respect of repayment of long-term loans, and ¥55 million in respect of dividend payments.

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

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 forecast issued on November 2, 2015.

2. Summary Information

(1) Changes in Major Subsidiaries during the 2nd Quarter

Not applicable

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

Tax expenses for the Company and a portion of its consolidated subsidiaries are calculated by making a reasonable estimate of the effective tax rate after applying tax effect accounting to the amount of quarterly net income before tax deduction for the consolidated financial year including the current 2nd quarter accounting period, and then multiplying the amount of quarterly net income before tax deduction by the current estimated effective tax rate.

(3) Changes in Accounting Principles, Procedures, and Disclosure Methods

(Changes in Accounting Principles)

(Adoption of the Accounting Standard for Business Combinations)

From the first quarter of the current consolidated accounting year, we have applied the Accounting Standard for Business Combinations (Accounting Standards Board of Japan (ABSJ) Statement No. 21, issued on September 13, 2013, hereinafter referred to as the Business Combinations Accounting Standard), the Accounting Standard for Consolidated Financial Statements (ABSJ Statement No. 22, issued on September 13, 2013, hereinafter referred to as the Consolidated Accounting Standard), and the Accounting Standard for Business Divestitures (ABSJ Statement No.7, September 13, 2013, hereinafter referred to as the Business Divestitures Accounting Standard). Also, the balance due to changes in the Company's equity with respect to the subsidiaries continuing under the Company's control is recorded as a capital surplus, and the accounting method has been changed to recording this as expenses during the consolidated accounting year in which acquisition-related costs arise. Moreover, for business combinations that take place after the beginning of the first quarter of the current consolidated accounting year, the method has been changed to reflect the revision of the proportional amount of the acquisition cost according to the settlement of the provisional accounting treatment in the quarterly consolidated financial statements for the consolidated quarterly accounting period to which the business combination date belongs. In addition, changes have been made in the method of presenting the quarterly net income, etc., and the method of presentation has been changed from "minority interests" to "non-controlling shareholders". In order to reflect the said presentation changes, we have also revised the Quarterly Consolidated Financial Statements and Consolidated Financial Statements accordingly.

Concerning the application of the Business Combinations Accounting Standard, etc. the Company is following the transitional measures decided in the Business Combinations Accounting Standard Section 58-2 (4), the Consolidated Accounting Standard Section 44-5 (4), and the Business Divestitures Accounting Standard Section 57-4 (4), and is applying them from the beginning of the 2nd quarter of the current consolidated fiscal year and for the foreseeable future.

These changes have no material impact on the Group's retained earnings or profitability in the first half of the current consolidated accounting year.

3. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Unit: thousands of yen)	
	FY 2014	2nd Quarter of FY 2015
	(As of March 31, 2015)	(As of Sept. 30, 2015)
(Assets)		
Current assets		
Cash and deposits	13,135,625	11,655,665
Accounts and notes receivable	2,868,673	2,204,076
Marketable securities	242,969	243,011
Commercial products	536,992	344,748
Products in progress	314,114	289,216
Primary materials and inventory goods	74,824	39,104
Corporation tax refund receivable, etc.	55,378	150
Deferred tax assets	21,503	14,540
Others	986,469	708,313
Allowance for doubtful accounts	△49,909	△55,838
Total current assets	18,186,640	15,442,988
Fixed assets		
Tangible fixed assets	2,983,139	2,951,916
Intangible fixed assets		
Goodwill	1,940,390	1,889,256
Others	793,911	851,491
Total intangible fixed assets	2,734,302	2,740,748
Investment and other assets		
Investment securities	1,571,280	1,590,066
Others	631,994	602,433
Allowance for doubtful accounts	△272,217	△304,242
Total investments and other assets	1,931,057	1,888,257
Total fixed assets	7,648,498	7,580,922
Total assets	25,835,139	23,023,910
(Liabilities)		
Current liabilities		
Accounts and notes payable	1,133,715	864,584
Short-term loans payable	546,120	551,120
Lease obligations	17,730	17,792
Accrued expenses payable	2,431,769	2,368,279
Income taxes payable	124,473	145,362
Reserve for bonuses	64,309	85,244
Reserve for point card certificates	39,828	41,747
Reserve for sales returns	160,593	73,046
Others	1,967,451	1,264,103
Total current liabilities	6,485,992	5,411,281
Fixed liabilities		
Long-term loans payable	739,020	593,460
Net defined retirement benefits	645,695	597,707
Lease obligations	23,793	14,852
Deferred tax liabilities	182,465	133,231
Others	35,003	23,620
Total fixed liabilities	1,625,977	1,362,871
Total liabilities	8,111,969	6,774,152

	(Unit: thousands of yen)	
	FY 2014	2nd Quarter of FY 2015
	(As of March 31, 2015)	(As of Sept. 30, 2015)
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	3,708,355	3,708,355
Retained earnings	10,938,929	11,197,329
Treasury stock	△1,254,787	△3,037,834
Total shareholder's equity	16,610,496	15,085,849
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	215,116	131,338
Foreign currency translation adjustments	5,399	△8,579
Cumulative adjustment for retirement benefit obligations	87,627	80,198
Total other accumulated comprehensive income	308,143	202,957
Stock acquisition rights	58,591	43,686
Holdings of non-controlling shareholders	745,938	917,265
Total net assets	17,723,169	16,249,757
Total liabilities and net assets	25,835,139	23,023,910

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

	(Unit: thousands of yen)	
	2nd Quarter of FY 2014 (April 1-Sept. 30, 2014)	2nd Quarter of FY 2015 (April 1-Sept. 30, 2015)
Net sales	9,082,895	9,709,264
Cost of sales	5,998,116	5,881,165
Gross profit	3,084,779	3,828,098
Selling, general and administrative expenses	3,915,230	3,252,492
Operating income or loss (△)	△ 830,451	575,606
Non-operating income		
Interest income	5,311	2,505
Dividend income	4,058	1,977
Interest on securities	72	72
Investment gain on equity method	4,765	—
Investment partnership operation gain	11,412	10,840
Foreign exchange gain	1,574	—
Gain on disposal of unpaid royalties	10,301	—
Miscellaneous receipts	13,725	12,443
Total non-operating income	51,222	27,840
Non-operating expenses		
Interest paid	5,713	7,337
Investment loss on equity method	—	10,461
Investment partnership operation loss	6,244	3,162
Foreign exchange loss	—	910
Miscellaneous expenses	523	1,058
Total non-operating expenses	12,480	22,929
Ordinary income or loss (△)	△ 791,709	580,516
Extraordinary income		
Gain on disposal of fixed assets	—	990
Gain on change in equity	—	36,228
Gain on step acquisitions	—	13,186
Gain on reversal of subscription rights to shares	2,406	14,906
Other extraordinary income	—	1,511
Total extraordinary income	2,406	66,823
Extraordinary losses		
Loss on disposal of fixed assets	4,308	3,949
Impairment losses	—	9,966
Loss on valuation of investment securities	—	3,176
Provision of reserve for copyright-related losses	—	10,000
Organizational reform-related losses	150,000	—
Other extraordinary losses	—	500
Total extraordinary losses	154,308	27,591
Net income or net loss before income taxes (△)	△ 943,611	619,748
Corporate, local, and business taxes	162,149	128,274
Corporate tax adjustment amount	106,040	360
Net income or net loss before minority interests (△)	△ 1,211,801	491,114
Minority interests in loss (△)	△ 514,720	177,787
Net income or loss for the current quarter (△)	△ 697,080	313,326

(Consolidated Statement of Comprehensive Income)

	(Unit: thousands of yen)	
	2nd Quarter of FY 2014	2nd Quarter of FY 2015
	(April 1-Sept. 30, 2014)	(April 1-Sept. 30, 2015)
Net income or loss for the current quarter (△)	△1,211,801	491,114
Other comprehensive income		
Valuation difference on other available-for-sale securities	7,539	△83,279
Foreign currency translation adjustments	7,896	△13,997
Retirement benefit adjustments	61,140	△14,576
Total other comprehensive income	<u>76,575</u>	<u>△111,853</u>
Comprehensive income	<u>△1,135,225</u>	<u>379,260</u>
(Details)		
Comprehensive income attributable to shareholders of the parent company	△655,044	208,139
Comprehensive income attributable to non-controlling shareholders	△480,181	171,121

(3) Consolidated Statement of Cash Flows

(Unit: thousands of yen)

(April 1-Sept. 30, 2014)	2nd Quarter of FY 2014 (April 1-Sept. 30, 2015)	2nd Quarter of FY 2015 (April 1-Sept. 30, 2014)
Cash flow from operating activities		
Gain or loss before income taxes and minority interests (△)	△943,611	619,748
Depreciation and amortization	176,622	168,802
Impairment losses	—	9,966
Amortization of goodwill	129,278	78,295
Increase/decrease in allowance for doubtful accounts (△ = decrease)	△7,318	37,916
Increase/decrease in reserve for bonus (△ = decrease)	12,147	20,072
Increase/decrease in allowance for unexercised sales promotion points (△ = decrease)	△169,733	1,919
Increase/decrease in liabilities for retirement benefits (△ = decrease)	19,298	△52,643
Increase/decrease in allowance for organizational reform (△ = decrease)	150,000	—
Interest and dividends income	△9,370	△4,483
Interest on securities	△72	△72
Interest paid	5,713	7,337
Gain or loss on foreign exchange (△ = gain)	△6,119	△943
Gain or loss on sale of investment securities (△ = gain)	—	3,176
Investment gain or loss on equity method (△ = gain)	△4,765	10,461
Gain or loss on change in equity (△ = gain)	—	△36,228
Gain or loss on sale of fixed assets (△ = gain)	—	△990
Gain or loss on disposal of fixed assets (△ = gain)	4,308	3,949
Gain or loss on step acquisitions (△ = gain)	—	△13,186
Increase/decrease in trade receivables (△ = increase)	765,388	619,479
Increase/decrease in inventory assets (△ = increase)	△84,023	252,862
Increase/decrease in trade payables (△ = decrease)	△252,429	△320,580
Others	76,691	△682,010
Sub-total	△137,995	722,845
Interest and dividends received	13,551	10,225
Interest paid	△5,897	△7,400
Income tax refunded	67,776	55,228
Income tax paid	△61,011	△111,228
Cash flow from operating activities	△123,577	669,671

	(Unit: thousands of yen)	
	2nd Quarter of FY 2014 (April 1-Sept. 30, 2014)	2nd Quarter of FY 2015 (April 1-Sept. 30, 2015)
Cash flow from investing activities		
Expenditure for opening of term deposits	△4,144,075	△2,008,740
Proceeds from withdrawal of term deposits	3,023,242	4,032,306
Expenditure for acquisition of tangible fixed assets	△49,134	△55,763
Expenditure for acquisition of software	△198,338	△191,367
Proceeds from sale of software	—	3,780
Expenditure for acquisition of investment securities	—	△61,360
Proceeds from sale of investment securities	—	14,032
Expenditure for acquisition of shares of affiliates	△0	△100,000
Expenditure for acquisition of goodwill	△15,600	△462
Proceeds from acquisition of subsidiary shares accompanying changes in the scope of consolidation	—	42,404
Expenditure for loans receivable	△15,000	—
Proceeds from collection of loans receivable	6,186	60
Expenditure for guaranteeing security deposits	△462	—
Proceeds from collection of security deposits	849	21,213
Others	11,071	△36,809
Net cash flow from investing activities	△1,381,261	1,659,291
Cash flow from financing activities		
Net increase/decrease in short-term loans payable (△ = decrease)	△300,000	30,000
Expenditure for repayment of financing and lease obligations	△31,055	△8,878
Proceeds from long-term loans payable	500,000	—
Expenditure for repayment of long-term borrowing	△236,292	△170,560
Expenditure for acquisition of treasury stock	△1,462	△1,581,408
Proceeds from sale of treasury stock	32	69
Payment of dividends	△57,349	△55,484
Payment of dividends to non-controlling shareholders	△25,521	△56
Others	△10,826	—
Net cash flow from financing activities	△161,044	△1,786,318
Effect of exchange rate on cash and cash equivalents	6,119	943
Net increase/decrease in cash and cash equivalents (△ = decrease)	△1,659,764	543,588
Cash and cash equivalents at beginning of year	11,415,340	9,346,285
Cash and cash equivalents at end of the quarter	9,755,576	9,889,873

(4) Notes Concerning the Consolidated Financial Statements

(Notes Concerning the Premise of a Going Concern)

Not applicable

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

1. Concerning the acquisition of treasury stock based on a resolution at the Board of Directors meeting:

Based on a resolution at the Board of Directors meeting held on December 5, 2014, the Company proceeded to acquire shares of its own stock.

(1) Type of treasury stock acquired

The Company's common stock

(2) Total number of shares of acquired stock

127,900 shares

(3) Total stock acquisition price

¥201,673,000

(4) Acquisition period

April 1, 2015 ~ April 30, 2015

(5) Acquisition method

Market purchasing by means of the trust method

2. Concerning the acquisition of treasury stock from shareholders opposed to the absorption-type corporate split involving a subsidiary

Effective from July 1, 2015, the Company inherited the contents distribution platform development and production business of its 100% subsidiary Faith Wonderworks Ltd. by means of the corporate split (absorption-type demerger) method. Regarding this absorption-type split, in response to a share purchase request from a shareholder opposed to the split based on Article 797, Paragraph 1 of the Companies Act, the Company carried out the treasury stock acquisition procedure outlined below.

(1) Number of shareholders to which share purchase requests were made

1

(2) Date of receipt of share purchase request

June 16, 2015

(3) Number of shares for which purchase was requested

985,650 shares (equal to 8.24% of the Company's total number of issued shares as March 31, 2015)

(4) Purchase price

¥1,579,996,000 (price per share: ¥1,603)

(5) Purchase date

July 10, 2015

(6) Acquisition method

Off-market trading

(Segment Information)

I 2nd quarter of the previous consolidated fiscal year/FY 2014 (April 1, 2014 through Sept. 30, 2014)

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

(Unit: thousands of yen)

	Content	Point Service	Columbia	Total	Adjustment amount (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
Net sales						
Sales to external customers	2,266,130	1,169,082	5,647,682	9,082,895	—	9,082,895
Intersegment sales or transfer amount	73,980	312	11,325	85,618	△85,618	—
Total	2,340,111	1,169,394	5,659,008	9,168,514	△85,618	9,082,895
Segment income/loss (△)	45,730	2,235	△883,810	△835,845	5,394	△830,451

Notes: 1. The segment income or loss (△) adjustment amount of ¥5,394 thousand is calculated by eliminating intersegment transactions.

2. Segment income or loss (△) is 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 2nd quarter of the current consolidated fiscal year/FY 2015 (April 1, 2015 through Sept. 30, 2015)

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

(Unit: thousands of yen)

	Content	Point Service	Columbia	Total	Adjustment amount (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
Net sales						
Sales to external customers	2,341,871	1,112,539	6,254,853	9,709,264	—	9,709,264
Intersegment sales or transfer amount	74,865	778	26,496	102,140	△102,140	—
Total	2,416,736	1,113,317	6,281,350	9,811,404	△102,140	9,709,264
Segment income/loss	117,344	96,207	356,073	569,625	5,980	575,606

Notes: 1. The segment income or loss (△) adjustment amount of ¥5,980 thousand is calculated by eliminating intersegment transactions.

2. Segment income or loss (△) is 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.