

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS  
FOR THE 1st QUARTER OF THE FISCAL YEAR ENDING MARCH 2021**

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.

August 14, 2020

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: August 14, 2020

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 1st Quarter of the Fiscal Year Ending March 2021**

(From April 1, 2020 to June 30, 2020)

**(1) Consolidated Operating Results (cumulative totals)**

(Percentages indicate changes compared with the 1st quarter of the previous fiscal year.)

Q1 of the year ending	Net Sales		Operating Income		Ordinary Income		Net Income	
	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%	<i>Millions of yen</i>	%
March 2021	5,332	16.7	545	—	624	—	374	—
March 2020	4,570	△14.7	△54	—	△26	—	△93	—

(Note) Comprehensive income: 1st quarter of the fiscal year ending March 2021: ¥1,023 million (—%); 1st quarter of the fiscal year ending March 2020: ¥24 million (△92.6%)

	Net Income per Share	Diluted Net Income per Share
Q1 of the year ending	<i>Yen</i>	<i>Yen</i>
March 2021	29.63	—
March 2020	△7.03	—

**(2) Consolidated Financial Position**

	Total Assets	Net Assets	Ratio of Equity Capital
Q1 of the year ending	<i>Millions of yen</i>	<i>Millions of yen</i>	%
March 2021	25,269	17,398	68.8
Year ending March 2020	24,746	16,439	66.4

(Reference) Equity capital: 1st quarter of fiscal year ending March 2021: ¥17,398 million; fiscal year ending March 2020: ¥16,439 million

**2. Dividends**

(Record dates)	Dividends per Share				
	1 <sup>st</sup> Quarter	Interim	3 <sup>rd</sup> Quarter	Year-end	Total
Year ending March 2020	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>	<i>yen</i>
Year ending March 2021	—	5.00	—	5.00	10.00
Year ending March 2021 (Forecast)	—	5.00	—	5.00	10.00

(Notes) 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 2021 (from April 1, 2020 to March 31, 2021)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half (cumulative)	10,000	△1.8	250	△25.3	350	△8.7	60	—	4.75
Full year	20,000	△0.5	500	29.8	550	16.6	100	—	7.91

(Note) Forecasts have been modified since the time of the most recently announced business forecast. In the Brief Statement of Consolidated Financial Results released on May 14, 2020, regarding the outlook for the fiscal year ending March 2021, we anticipated that the situation would remain uncertain due to the global spread and prolongation of the COVID-19 pandemic, and so we decided not to issue a forecast for the full fiscal year at that time. However, based on the recent situation, we are now in a position to issue consolidated business forecasts for both the second quarter and the full fiscal year. For details, please refer to “1. Qualitative Information Concerning the Settlement of Accounts for the 1st Quarter, (3) Explanation Concerning Future Forecast Information on the Consolidated Financial Results, etc.” on page 4 of the accompanying material.

#### ※ 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. Consolidated Financial Statements and Important Explanatory Notes, (3) Notes Concerning the Consolidated Financial Statements (Adoption of Simplified Methods in the Preparation of the Quarterly Financial Statements)” on page 9 of the accompanying material.

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

(i) Changes accompanying revisions of accounting standards, etc.: None

(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 fiscal years (including treasury shares):

The 1st quarter of the fiscal year ending March 2021: 13,831,091 shares

The fiscal year ending March 2020: 13,831,091 shares

(ii) Treasury shares at the end of the fiscal years:

The 1st quarter of the fiscal year ending March 2021: 1,202,037 shares

The fiscal year ending March 2020: 1,201,840 shares

(iii) Average number of shares at the interim accounting period

The 1st quarter of the fiscal year ending March 2021: 12,629,112 shares

The 1st quarter of the fiscal year ending March 2020: 13,258,918 shares

(Note) The number of shares of treasury stock at the end of the fiscal year includes those shares (262,500 shares in Q1 of the fiscal year ending March 2021, 262,500 shares in the fiscal year ending March 2020) contributed as trust assets of the performance-linked stock compensation plan. In addition, these shares are included in the shares of treasury stock deducted in calculating the average number of shares during the accounting period (262,500 shares in Q1 of the fiscal year ending March 2021, zero shares in Q1 of the fiscal year ending March 2020).

\* 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 1st Quarter, (3) Explanation Concerning Future Forecast Information on the Consolidated Financial Results, etc.” on page 4 of the accompanying material.

Contents

- 1. Qualitative Information Concerning the Settlement of Accounts for the 1st Quarter ..... 2
  - (1) Explanation Concerning the Operating Results ..... 2
  - (2) Explanation Concerning the Financial Position ..... 4
  - (3) Explanation Concerning Future Forecast Information on the Consolidated Financial Results, etc. 4
  
- 2. Consolidated Financial Statements and Important Explanatory Notes ..... 5
  - (1) Consolidated Balance Sheet ..... 5
  - (2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income ..... 7
    - (Consolidated Statement of Income)..... 7
    - (Consolidated Statement of Comprehensive Income)..... 8
  - (3) Notes Concerning the Consolidated Financial Statements ..... 9
    - (Note Concerning the Premise of a Going Concern) ..... 9
    - (Note in the Case of Significant Changes in the Amount of Shareholders' Equity) ..... 9
    - (Adoption of Simplified Methods in the Preparation of the Quarterly Financial Statements) ..... 9
    - (Segment Information) ..... 10

## 1. Qualitative Information Concerning the Settlement of Accounts for the 1st Quarter

### (1) Explanation Concerning the Operating Results

In the Japanese information and communications field in 2019, the Internet penetration rate remained high at 89.8%, and the percentage of households owning one or more smartphones reached 83.4%, exceeding the percentage of households that own personal computers. <sup>(\*)1</sup> Furthermore, while the movement away from television has continued since the year 2000, mainly centered on younger people, advertising expenses for the Internet in Japan increased by 19.7% in 2019 from the previous year to ¥2,104.8 billion, exceeding advertising expenses for television of ¥1,861.2 billion for the first time. <sup>(\*)2</sup> In addition, due to the impact of the spread of the COVID-19, services that allow people to stay online while communicating at home are spreading, and new lifestyle choices such as teleworking and “contactless” consumer behavior are beginning to permeate society. Under these circumstances, it is expected that the shift to services in accordance with the era of digitalization will further accelerate as the Internet usage rate rises, smartphones become even more widespread, and G5 communication services develop.

<sup>\*1.</sup> Source: Ministry of Internal Affairs and Communications, *2019 Telecommunications Usage Trend Survey Results*

<sup>\*2.</sup> Source: Dentsu Inc., *2019 Advertising Expenditures in Japan*

In the entertainment market in 2019, sales in the global music market centered on streaming services grew by 8.2% year-on-year to approximately ¥2,198.4 billion (US\$20.2 billion), marking its fifth consecutive year of sales growth. <sup>(\*)3</sup> Meanwhile in Japan, the production value of music software including music videos decreased by 5% year-on-year to ¥229.1 billion, and sales of packaged products continued to decline, but sales of fee-based music distribution increased by 10% to ¥70.6 billion. Sales of streaming services in particular increased by 33% year-on-year, and the share of music distribution sales accounted for by streaming greatly exceeded that accounted for by download sales <sup>(\*)4</sup>. On the other hand, large-scale events and live concerts have been postponed and canceled due to the spread of COVID-19, and it is estimated that the size of the live entertainment market in 2020 will shrink to less than 30% of the previous year's level <sup>(\*)5</sup>. However, many artists are beginning to experiment with new forms of live entertainment, such as no audience live distribution—performing live without an audience at the venue and distributing the performance in real-time via the Internet.

<sup>\*3.</sup> Source: IFPI, *Global Music Report 2020 - THE INDUSTRY IN 2019*

<sup>\*4.</sup> Source: Recording Industry Association of Japan (RIAJ), *The Recording Industry in Japan 2020*

<sup>\*5.</sup> Source: PIA Research Institute, *Japanese Live Entertainment Market Size Preliminary Report* (published June 30, 2020)

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 spread of mobile phones. However, the spread of smartphones in today's music market has been accompanied by the diversification of media such as streaming, user upload content (UUC) that allows general users to easily transmit information to society, and social media, with the result that all kinds of activities in the music industry are changing, including content distribution methods, consumption styles and content production methods.

In the current 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 includes platforms that collect and organize the information flooding the Internet and then providing this to users after increasing its added value.

In June 2020, Faith launched a new service called Thumva, which is an innovative live performance distribution platform with a variety of additional features. An Internet-based viewing service that provides new kinds of live experience, Thumva makes possible group viewing and commenting, includes a gifting function for artists, and allows the audience to share in the uplifting and united feeling of taking part in a live performance without actually attending the venue. A considerable number of artists have already performed live on Thumva to online audiences, and each of these broadcasts has met with enthusiastic approval from its viewers. We plan to continue live broadcasting with a variety of lineups in the future.

Faith operates Tokyo's largest music lounge, PLUSTOKYO, and the entertainment facility CROKET MIMIC TOKYO, which specializes in world-class impersonation performances. Due to the spread of COVID-19, PLUSTOKYO has been closed for business since the end of March, but this facility has

recently began to utilize the new Thumva service to allow it to function as a live music distribution venue in order to make the most of its real location without limiting its retail store functions. In addition, from July 11, we have been taking necessary measures in accordance with the Tokyo Metropolitan Infectious Diseases Expansion Prevention Guidelines and have restarted operations at PLUSTOKYO on the rooftop floor. Meanwhile, CROKET MIMIC TOKYO is striving to achieve synergies with other businesses in the Faith Group, including by promoting live distribution of original content on Thumva.

Regarding the Faith Group's business performance for the first quarter of the consolidated fiscal year ending March 2021, while sales in the Content Business continued to decrease in accordance with the decline in sales of existing distribution services, which account for a major share of overall sales, and with the suspension of store operations in order to prevent COVID-19 infections, the Points Business and the Label business both performed strongly. As a result of these factors, the Group reported overall sales ¥5,332 million (an increase of 16.7% compared with the same period of the previous fiscal year), an operating income of ¥545 million (compared with an operating loss of ¥54 million for the same period of the previous year), an ordinary income of ¥624 million (compared with an ordinary loss of ¥26 million for the same period of the previous year), and a net income attributable to the shareholders of the parent company of ¥374 million (compared to a net loss attributable to the shareholders of the parent company of ¥93 million yen for the same period of the previous year).

Information on each business segment is as follows.

### ***Content Business***

In the Content Business, while sales in the existing distribution business continue to decline, the Faith Group is actively promoting business development in Asian countries and other countries where high growth rates are expected. In addition, we are interlinking and platforming various services in an effort to develop new products and services and grasp diversified revenue opportunities, and we will continue to invest in growth areas in future.

We are actively developing FaRao PRO not only as a service providing business BGM but also for sales activities focused on expanding the functions necessary for store management, such as solutions and announcement functions that make store-branding proposals. In addition to conventional products using tablet devices, we have also released an app-version service that offers users reduced initial costs and we are working to strengthen retail store sales through collaboration with the Point Service Business. Moreover, based on our Japanese service, we have started FaRao PRO services in Indonesia, and for the future we are aiming to create and activate new BGM markets both in Japan and overseas.

In Fans', our platform of services for artists based on the D2C<sup>(\*6)</sup> business model, which is expected to expand in future, we are enhancing the functions essential to artists' musical activities such as official website construction, music and video distribution, sales of artist goods, and fan club operation. In June 2019, we began working to further expand the functions of Fans' such as introducing a system that contributes to the creation of communities by spreading information transmitted by creators through strengthened cooperation with SNS. We are also aiming to acquire new users and expand the membership base of Fans' as a service that allows more artists to disseminate their works and information freely, and we will endeavor to improve the quality of the service by pursuing enhanced convenience.

\*6. Abbreviation of "Direct to Consumer"  
—a business model for delivering services and products planned and manufactured by Faith directly to users

Regarding the performance of this segment, due to a decrease in carrier official website service sales and the suspension of store operations in response to the spread of COVID-19, the Content Business recorded net sales of ¥743 million (an decrease of 19.9% year-on-year), and an operating loss of ¥144 million (compared with an operating loss of ¥165 million for the same period of the previous fiscal year).

### ***Point Service Business***

In the Point Service Business, in addition to providing point issue services to retail stores, we offer total support for point issue data acquisition, analysis and sales promotion utilization as a series of cycles from planning to operation, and we provide outsourcing services that maximize retail sales promotion efficiency.

Regarding the performance of this segment, the issue of points at existing member stores increased substantially, with the result that net sales increased by 52.9% year-on-year to ¥1,052 million and operating income increased by 254.5% year-on-year to ¥118 million.

### ***Label Business***

Amid the severe environment facing the music and video-related industry in line with the continuing shrinkage of the music market, the Label Business is proceeding 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. In order to continue to play a major role in the music industry in future and expand its revenue, in addition to pursuing the creation of hit products, artist management, and investment in the live performance business, we consider it necessary to introduce new services that anticipate the ever-changing market environment.

In this segment, animation and game related sales by Nippon Columbia, Co., Ltd. increased compared with the previous fiscal year, resulting in an increase in sales of 19.7% year-on-year to ¥3,537 million, and an increase in operating income of 656.8% year on year to ¥571 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 first quarter of the consolidated fiscal year ending March 2021 (June 30, 2020), total assets increased by ¥522 million compared to the end of the previous consolidated fiscal year to ¥25,269 million. This result was mainly due to a decrease of ¥52 million in cash and deposits, a decrease of ¥110 million in accounts and notes receivable, and an increase of ¥950 million in investment securities.

Total liabilities decreased by ¥436 million compared to the end of the previous consolidated fiscal year to ¥7,871 million. This result was mainly due to a decrease of ¥400 million in accounts and notes payable, a decrease of ¥155 million in income taxes payable, a decrease of ¥198 million in the provision for bonuses, and an increase of ¥284 million yen in deferred tax liabilities.

Net assets increased by ¥958 million compared to the end of the previous consolidated fiscal year to ¥17,398 million. This was mainly due to the recording of net income attributable to the shareholders of the parent company and to an increase in the valuation difference on available-for-sale securities.

As a result of the above, the equity ratio decreased by 2.4 percentage points to 68.8%.

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

Regarding the consolidated business forecast, although the details were previously undecided due to the spread and prolongation of the COVID-19 pandemic, we have disclosed the second quarter and full-year consolidated business results forecasts based on the information currently available to the Company. Among the factors involved, we anticipate the impact of the spread of COVID-19 on store operations, the postponement and cancellation of live events, and the postponement of releases. The impact of COVID-19 is expected to remain uncertain during the current fiscal year, and we predict that this uncertain situation will continue into the future. If the possibility emerges of the forecast changing significantly based on actual performance trends, we will disclose the relevant information promptly.

## 2. Consolidated Financial Statements and Important Explanatory Notes

### (1) Consolidated Balance Sheet

	(Unit: thousands of yen)	
	FY 2019	1st Quarter of FY 2020
	(As of March 31, 2020)	(As of June 30, 2020)
<b>(Assets)</b>		
<b>Current assets</b>		
Cash and deposits	12,635,849	12,583,045
Accounts and notes receivable	2,199,541	2,089,114
Marketable securities	230,879	231,002
Commercial products	446,811	401,286
Products in progress	578,771	499,996
Primary materials and inventory goods	75,973	43,791
Corporation tax refund receivable, etc.	68,295	68,054
Other current assets	482,059	517,886
Allowance for doubtful accounts	△18,532	△18,700
<b>Total current assets</b>	<b>16,699,651</b>	<b>16,415,477</b>
<b>Fixed assets</b>		
Tangible fixed assets	2,646,472	2,625,738
<b>Intangible fixed assets</b>		
Goodwill	1,520,453	1,489,263
Other intangible fixed assets	455,507	433,390
<b>Total intangible fixed assets</b>	<b>1,975,960</b>	<b>1,922,654</b>
<b>Investment and other assets</b>		
Investment securities	2,145,096	3,095,371
Deferred tax assets	765,419	691,214
Other investment and other assets	1,037,457	1,043,908
Allowance for doubtful accounts	△523,083	△524,769
<b>Total investment and other assets</b>	<b>3,424,888</b>	<b>4,305,724</b>
<b>Total fixed assets</b>	<b>8,047,321</b>	<b>8,854,117</b>
<b>Total assets</b>	<b>24,746,972</b>	<b>25,269,594</b>
<b>(Liabilities)</b>		
<b>Current liabilities</b>		
Accounts and notes payable	1,039,823	639,815
Short-term loans payable	609,900	588,700
Accrued expenses payable	2,725,341	2,757,947
Income taxes payable	341,858	186,722
Reserve for bonuses	347,424	149,128
Reserve for point card certificates	364	368
Reserve for sales returns	90,279	60,364
Other current liabilities	1,531,411	1,686,650
<b>Total current liabilities</b>	<b>6,686,405</b>	<b>6,069,698</b>
<b>Fixed liabilities</b>		
Long-term loans payable	440,350	386,375
Net defined retirement benefits	652,153	631,227
Reserve for stock benefits for directors	16,401	21,286
Deferred tax liabilities	333,275	618,060
Other fixed liabilities	179,374	144,936
<b>Total fixed liabilities</b>	<b>1,621,554</b>	<b>1,801,885</b>
<b>Total liabilities</b>	<b>8,307,960</b>	<b>7,871,584</b>

	(Unit: thousands of yen)	
	FY 2019	1st Quarter of FY 2020
	(As of March 31, 2020)	(As of June 30, 2020)
(Net assets)		
Shareholder's equity		
Common stock	3,218,000	3,218,000
Capital surplus	2,840,095	2,840,095
Retained earnings	10,854,165	11,164,158
Treasury stock	△1,124,344	△1,124,468
Total shareholder's equity	15,787,916	16,097,785
Other accumulated comprehensive income		
Valuation difference on available-for-sale securities	737,236	1,385,335
Foreign currency translation adjustments	△21,026	△29,674
Cumulative adjustment for retirement benefit obligations	△65,114	△55,435
Total other accumulated comprehensive income	651,096	1,300,224
Non-controlling interests	—	—
Total net assets	16,439,012	17,398,010
Total liabilities and net assets	24,746,972	25,269,594



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

	(Unit: thousands of yen)	
	1st Quarter of FY 2019 (April 1-June 30, 2019)	1st Quarter of FY 2020 (April 1-June 30, 2020)
Net sales	4,570,396	5,332,543
Cost of sales	2,910,835	3,244,374
Gross profit	1,659,561	2,088,169
Selling, general and administrative expenses	1,713,832	1,542,743
Operating income or operating loss ( $\Delta$ = loss)	$\Delta$ 54,270	545,425
Non-operating income		
Interest income	304	5,263
Dividend income	3,005	3,053
Interest on securities	38	5
Gain on investment partnership management	35,329	72,787
Gain on equity method investment	—	27,970
Gain on valuation of investment securities	1,620	230
Miscellaneous receipts	4,925	14,488
Total non-operating income	45,223	123,799
Non-operating expenses		
Interest paid	1,316	1,755
Loss on investment partnership management	—	34,252
Loss on equity method investment	500	—
Loss on foreign exchange	9,590	312
Miscellaneous expenses	6,286	8,169
Total non-operating expenses	17,694	44,490
Ordinary income or ordinary loss ( $\Delta$ = loss)	$\Delta$ 26,741	624,735
Extraordinary losses		
Loss on disposal of fixed assets	12	—
Loss on valuation of investment securities	49,999	—
Total extraordinary losses	50,012	—
Current quarter net income or net loss before taxes ( $\Delta$ = net loss)	$\Delta$ 76,753	624,735
Corporate, local, and business taxes	17,794	176,491
Income taxes – deferred	$\Delta$ 1,224	74,001
Current quarter net income or net loss ( $\Delta$ = net loss)	$\Delta$ 93,323	374,242
Current quarter net income or net loss attributable to shareholders of the parent company ( $\Delta$ = net loss)	$\Delta$ 93,323	374,242

(Consolidated Statement of Comprehensive Income)

	(Unit: thousands of yen)	
	1st Quarter of FY 2019	1st Quarter of FY 2020
	(April 1-June 30, 2019)	(April 1-June 30, 2020)
Current quarter net income or net loss ( $\Delta$ = net loss)	△93,323	374,242
Other comprehensive income		
Valuation difference on other available-for-sale securities	115,372	648,098
Foreign currency translation adjustments	△4,720	△8,648
Retirement benefit adjustments	7,368	9,679
Total other comprehensive income	118,020	649,128
Current quarter comprehensive income	24,696	1,023,371
(Details)		
Comprehensive income attributable to shareholders of the parent company	24,696	1,023,371
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)

Not applicable

(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 current consolidated financial year including the first quarter, and then multiplying the amount of quarterly net income before tax deduction by the current estimated effective tax rate.

(Segment Information)

**I** 1st quarter of the previous consolidated fiscal year/FY 2019 (April 1, 2019 through June 30, 2019)

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

(Unit: thousands of yen)

	Content	Point Service	Label	Total	Adjustment amount (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
Net sales						
Sales to external customers	927,951	688,051	2,954,393	4,570,396	—	4,570,396
Intersegment sales or transfer amount	20,856	32	3,328	24,217	△24,217	—
Total	948,807	688,084	2,957,722	4,594,614	△24,217	4,570,396
Segment income or loss (△)	△165,269	34,278	75,475	△55,514	1,243	△54,270

Notes: 1. The segment income adjustment amount of ¥1,243 thousand is calculated by eliminating intersegment transactions.

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** 1st quarter of the current consolidated fiscal year/FY 2020 (April 1, 2020 through June 30, 2020)

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

(Unit: thousands of yen)

	Content	Point Service	Label	Total	Adjustment amount (Note 1)	Amount recorded in Consolidated Financial Statements (Note 2)
Net sales						
Sales to external customers	743,045	1,052,263	3,537,234	5,332,543	—	5,332,543
Intersegment sales or transfer amount	60,524	50	775	61,350	△61,350	—
Total	803,569	1,052,313	3,538,009	5,393,893	△61,350	5,332,543
Segment income or loss (△)	△144,858	118,402	571,190	544,734	691	545,425

Notes: 1. The segment income adjustment amount of ¥691 thousand is calculated by eliminating intersegment transactions.

2. Segment income or loss 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.