

**BRIEF STATEMENT OF CONSOLIDATED FINANCIAL RESULTS  
FOR THE 1st QUARTER OF THE FISCAL YEAR ENDED MARCH 2025**

<b>Balance Sheet &amp; Income Statements</b>
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This is an English translation of summarized consolidated financial results prepared  
for the convenience of non-resident shareholders. Should there be any inconsistency  
between the translation and the official Japanese text, the latter shall prevail.  
We will post the full version as soon as it is available.

August 14, 2024

Faith, Inc. (Stock code 4295, TSE Standard section)      (URL <https://www.faith.co.jp/>)  
Period: from April 1, 2024 to June 30, 2024

Table of Contents

1. Consolidated Financial Statements and Main Explanatory Notes.....	2
(1) Consolidated Balance Sheet.....	2
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income ...	4
(Consolidated Statement of Income) .....	4
(Consolidated Statement of Comprehensive Income) .....	5

# 1 Consolidated Financial Statements and Main Explanatory Notes

## (1) Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	9,808,298	9,351,545
Notes receivable - trade	5,831	16,133
Accounts receivable - trade	2,360,257	1,704,349
Contract assets	120	120
Securities	214,953	211,900
Merchandise and finished goods	287,356	364,160
Work in process	562,519	539,644
Raw materials and supplies	44,505	39,307
Income taxes refund receivable	405	407
Other	1,178,706	1,107,826
Allowance for doubtful accounts	△20,364	△18,772
Total current assets	14,442,592	13,316,623
Non-current assets		
Property, plant and equipment	3,494,199	3,470,855
Intangible assets		
Goodwill	1,028,423	998,234
Other	263,053	251,099
Total intangible assets	1,291,477	1,249,333
Investments and other assets		
Investment securities	2,168,088	2,118,765
Deferred tax assets	70,091	83,573
Other	546,213	564,845
Allowance for doubtful accounts	△109,238	△110,377
Total investments and other assets	2,675,154	2,656,807
Total non-current assets	7,460,831	7,376,996
Total assets	21,903,424	20,693,619
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,107,266	834,784
Short-term borrowings	385,002	382,503
Current portion of long-term borrowings	433,200	420,700
Accounts payable - other	801,762	577,635
Accrued expenses	3,008,212	2,924,298
Income taxes payable	83,716	22,966
Provision for bonuses	274,752	117,111
Provision for business restructuring	68,162	151,827
Contract liabilities	32,651	25,333
Other	1,087,841	957,085
Total current liabilities	7,282,567	6,414,245
Non-current liabilities		
Long-term borrowings	491,600	395,800
Retirement benefit liability	450,133	438,196
Provision for share awards for directors (and other officers)	37,479	38,812
Asset retirement obligations	39,383	39,383
Deferred tax liabilities	324,855	337,490
Other	3,271	2,346
Total non-current liabilities	1,346,723	1,252,030
Total liabilities	8,629,291	7,666,276

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	3,218,000	3,218,000
Capital surplus	2,840,416	2,840,416
Retained earnings	8,644,481	8,437,798
Treasury shares	△2,414,684	△2,414,768
Total shareholders' equity	12,288,213	12,081,446
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	959,469	920,857
Foreign currency translation adjustment	△8,877	△8,871
Remeasurements of defined benefit plans	35,327	33,910
Total accumulated other comprehensive income	985,919	945,896
Non-controlling interests	—	—
Total net assets	13,274,133	13,027,343
Total liabilities and net assets	21,903,424	20,693,619

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

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	3,499,101	3,370,362
Cost of sales	2,068,491	2,033,726
Gross profit	1,430,609	1,336,636
Selling, general and administrative expenses	1,470,964	1,377,347
Operating loss	△40,354	△40,711
Non-operating income		
Interest income	1	920
Dividend income	4,606	3,157
Interest on securities	118	154
Gain on investments in investment partnerships	—	4,787
Foreign exchange gains	840	636
Gain on reversal of reserve for directors' stock benefits	6,853	—
Miscellaneous income	8,805	8,928
Total non-operating income	21,224	18,584
Non-operating expenses		
Interest expenses	2,402	1,738
Loss on valuation of securities	495	3,944
Loss on investments in investment partnerships	4,198	86
Share of loss of entities accounted for using equity method	16,716	1,513
Miscellaneous expenses	4,387	3,805
Total non-operating expenses	28,199	11,088
Ordinary loss	△47,329	△33,215
Extraordinary income		
Gain on sale of non-current assets	—	949
Total extraordinary income	—	949
Extraordinary losses		
Business restructuring expenses	—	83,664
Total extraordinary losses	—	83,664
Loss before income taxes	△47,329	△115,930
Income taxes - current	22,103	18,405
Income taxes - deferred	10,803	16,909
Total income taxes	32,906	35,314
Loss	△80,236	△151,244
Loss attributable to owners of parent	△80,236	△151,244

## (Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Loss	△80,236	△151,244
Other comprehensive income		
Valuation difference on available-for-sale securities	△342,029	△38,611
Foreign currency translation adjustment	5	5
Remeasurements of defined benefit plans, net of tax	△20,292	△1,416
Total other comprehensive income	△362,315	△40,022
Comprehensive income	△442,552	△191,267
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△442,552	△191,267
Comprehensive income attributable to non-controlling interests	—	—