Summary of Consolidated Financial Results for the First Three Quarters of Fiscal Year ending March 31, 2011 (Japanese Accounting Standards)

February 7, 2011

Listed Company Name: 富士ソフト株式会社 Listing Exchanges: Tokyo Stock Exchange

Securities Code: 9749 URL: http://www.fsi.co.jp/
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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): February 10, 2011
Scheduled date of dividend payment: –
Supplementary documents for quarterly results: Yes
Quarterly results briefing: None

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the Nine Months ended December 31, 2010 (April 1, 2010 – December 31, 2010)

(1) Consolidated operating results (cumulative total) (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended 12/10	97,722	-6.5	1,875	-6.5	1,865	-11.3	1,237	-54.7
Nine months ended 12/09	104,557	-14.0	2,005	-57.3	2,101	-50.6	2,731	–

	Net income per share	Net income per share/diluted
	Yen	Yen
Nine months ended 12/10	38.82	–
Nine months ended 12/09	85.66	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Nine months ended 12/10	164,695	83,342	44.2	2,280.81
Year ended 3/10	168,850	83,297	42.8	2,267.85

(Reference) Shareholders' equity (million yen): Nine months ended 12/10: 72,724 Year ended 3/10: 72,311

2. Dividends

	Dividend per share				
(Record date)	End of first quarter	End of interim period	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 3/10	–	5.00	–	10.00	15.00
Year ending 3/11	–	10.00	–		
Year ending 3/11 (forecast)				10.00	20.00

(Note) Revision of dividend forecast in the third quarter under review: None

3. Forecast for Consolidated Business Results for the Fiscal Year Ending March 31, 2011 (Apr. 1, 2010 – Mar. 31, 2011)

(Percentages represent changes from the same period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	137,000	-3.3	4,300	30.6	4,500	25.2	2,700	-27.2	84.68

(Note) Revision of consolidated results forecast in the third quarter under review: None

4. Other (For details, please refer to "Other Information" on page 4 of the accompanying materials.)

(1) Changes in consolidated subsidiaries during the period: None

(Note) Any changes in specific subsidiaries accompanied by a change in the scope of consolidation during the quarter under review

(2) Adoption of simplified accounting methods and special accounting treatment: Yes

(Note) Adoption of simplified accounting methods or accounting methods unique to the preparation of quarterly consolidated financial statements

(3) Changes in accounting principles, procedures and presentation methods

1) Changes caused by revision of accounting standards: Yes

2) Other changes: None

(Note) Any changes in the policies, procedures, or presentation method of the accounting methods for the preparation of quarterly consolidated financial statements included in "Changes in the basis for preparing quarterly consolidated financial statements"

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury stock):	12/10:	35,746,329 shares	Year ended 3/10:	35,746,329 shares
2) Number of treasury stock at the end of period	12/10:	3,861,063 shares	Year ended 3/10:	3,860,908 shares
3) Average number of shares during the period (quarterly consolidated cumulative period)	12/10:	31,885,345 shares	12/09:	31,885,890 shares

* Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

* Cautionary statement with respect to forward-looking statements

The above forecast has been prepared based on data available on the announcement date. Since the data contains uncertainties, actual results may differ materially from the projections above due to changes in business performance and other factors.

Accompanying Materials – Contents

1. Qualitative Information on Consolidated Results, etc. for the First Three Quarters Ended December 31, 2010

(1) Qualitative information on consolidated results

During the first three quarters of the fiscal year under review, the Japanese economy continued to face uncertain conditions, with a tepid recovery in the employment and income environment, hindered by the continued strength of the yen. This offset a recovery in overseas economies, centering on Asia, and a recovery in consumer spending in certain sectors, reflecting an improvement in corporate earnings.

In the IT industry, companies continued to take a conservative stance on IT investments. With some companies also requesting lower product prices, the business environment remained severe.

In this environment, under its five pillars strategy (strengthening the foundations of the contract business, becoming a prime vendor, productization, globalization, and bolstering Group capabilities), the FUJISOFT Group took steps to achieve its management policy, reinforcing the stable revenue base and securing engines for growth.

In business activities, anticipating the widespread use of Android OS in embedded equipment and the rapid expansion of the smartphone market, the Group began marketing FSKAREN for Android (a kana-kanji conversion system that was developed by the Group to facility efficient typing of Japanese). It also developed Refills for Android, a schedule application that is equipped with intuitive operability.

In the cloud business, the Group established a Microsoft Solution & Cloud Center in Osaka, as well as specialty divisions in the same complex in December 2010 as the first cloud service base in the Kansai region. This has given the Group a structure that supports proposing and selling Microsoft solutions in a wide area in the Kansai region. The Group also took steps to develop its cloud business by promoting sales of Google Apps Premier Edition and Google Apps Start Pack, holding the FUJISOFT Solution Seminar 2010 once again this year under the theme of cloud computing, and pursuing other initiatives.

In addition, the Group developed cloud foundations to provide private cloud services, such as distribution and medical services, in October 2010. Moreover, it started providing services of FS Cloud EDI, distribution BMS solutions, from February 2011.

In the robot technologies field, by using the robot technologies incorporated in PALRO, its humanoid robot, in other embedded equipment, the Group sought to provide solutions as a new added value. In global business, it continued to seek to expand its existing businesses by developing its operations in emerging markets, especially in Asia.

The Group has also developed a structure in which it can receive orders for both the development and evaluation of embedded software together by merging V&V Incorporated, its consolidated subsidiary, in January 2011. Based on this initiative, it will strive to secure its profitability and expand the quality guarantee business in the future.

As a result of these initiatives, net sales for the first three quarters of the consolidated fiscal year under review stood at 97,722 million yen, down 6.5% year on year, given the conservative stance on IT investments by customers and the severe management environment. However, the cost of sales amounted to 75,234 million yen, down 7.3% from the previous year, thanks to an improvement in the cost-of-sales ratio. Selling, general, and administrative expenses stood at 20,611 million yen, a decline of 3.8% year on year, given the impact from the initiatives of cutting expenses. Operating income fell 6.5% year on year, to 1,875 million yen, ordinary income declined 11.3%, to 1,865 million yen, and net income fell 54.7%, to 1,237 million yen, reflecting a decline in sales.

Results by business segment were as follows:

(i) SI business

Sales of embedded machine control systems and operating software from the manufacturing sector recovered steadily, but overall sales declined, given a decline in system development, maintenance and management services, reflecting the completion of a large-scale project from the distribution sector, and the effects of the termination of the mainstay software sales agency operations. As a result, net sales of this business segment amounted to 90,266 million yen, and operating income stood at 1,453 million yen.

(ii) Facility business

In the Facility business, net sales were 1,607 million yen, and operating income came to 534 million yen, reflecting rent income from office buildings owned by the Company and certain subsidiaries.

(iii) Other businesses

Sales were 5,848 million yen, reflecting revenues in the data entry business, contact center business, and temporary staff dispatch business. Operating loss amounted to 111 million yen.

(2) Qualitative information on the consolidated financial position

(Assets)

Total assets stood at 164,695 million yen at the end of the third quarter under review, down 4,155 million yen from the end of the preceding consolidated fiscal year. Current assets were 51,307 million yen (down 3,998 million yen from the end of the previous fiscal year), and noncurrent assets were 113,388 million yen (down 156 million yen).

Main factors in the change in current assets included cash and deposits of 15,064 million yen, falling 1,676 million yen from the end of the preceding consolidated fiscal year, and notes and accounts receivable–trade of 25,914 million yen, a decline of 1,300 million yen.

(Liabilities)

At the end of the third quarter under review, total liabilities amounted to 81,353 million yen, down 4,199 million yen from the end of the preceding fiscal year. Current liabilities were 50,364 million yen (falling 2,098 million yen from the end of the previous fiscal year), and noncurrent liabilities were 30,989 million yen (declining 2,101 million yen).

Primary factors in the change in current liabilities included accounts payable–trade of 5,998 million yen, down 2,703 million yen.

The decrease in noncurrent liabilities was mainly because of long-term loans payable of 21,874 million yen, falling 2,327 million yen.

(Net assets)

Net assets rose 44 million yen from the end of the preceding fiscal year, to 83,342 million yen at the end of the third quarter under review. The equity ratio rose to 44.2%, up from 42.8% at the end of the previous fiscal year.

(Cash flows)

Consolidated cash and cash equivalents ("cash") at the end of the third quarter under review were 15,030 million yen, a decrease of 1,656 million yen from the end of the previous fiscal year.

Cash flows by activity were as follows:

(i) Cash flows from operating activities

Net cash provided by operating activities stood at 5,395 million yen, an increase of 3,560 million yen in the inflow compared with a year ago.

The principal factors included income before income taxes and minority interests of 1,962 million yen (declining 2,629 million yen year on year), a decrease in accounts payable–labor cost of 1,582 million yen (a fall of 3,611 million yen in the outflow from a year earlier), and an increase in inventories of 55 million yen (a fall of 1,944 million yen in the outflow from a year earlier).

(ii) Cash flows from investing activities

Net cash used in investing activities was 6,149 million yen, an increase of 2,429 million yen in the outflow from a year ago.

The principal factors were payments of 4,955 million yen for the purchase of property, plant and equipment and intangible assets (a rise of 394 million yen in the outflow recorded in the previous year), and payments of 1,358 million yen for the acquisition of investment securities (up 1,042 million yen in the outflow year on year).

(iii) Cash flows from financing activities

Net cash used in financing activities was 922 million yen, a decrease of 6,114 million yen in the outflow from the previous fiscal year.

The principal factors included proceeds of 41,812 million yen from short-term and long-term loans payable (a decrease of 22,736 million yen in the inflow) and repayment of 41,700 million yen of short-term and long-term loans payable (a decline of 28,696 million yen in the outflow).

(3) Qualitative information on the consolidated financial forecasts

The Company has left its full-year results forecasts for the fiscal year ending March 2011 unchanged from those announced on November 5, 2010.

2. Other Information

(1) Changes in important subsidiaries (changes in specific subsidiaries accompanied by a change in the scope of consolidation)

Not applicable.

(2) Adoption of simplified accounting methods and special accounting treatment

(i) Simplified accounting methods

Computation method for depreciation of fixed assets

A depreciation of fixed assets that are accounted for using the declining balance method for a fiscal year is divided into each quarter proportionally.

(ii) Accounting methods unique to the preparation of quarterly consolidated financial statements

(Calculation of tax expense)

Certain consolidated subsidiaries make a reasonable estimate of an effective tax rate after the application of tax effect accounting to income before income taxes for the current fiscal year and multiply quarterly income before income taxes by the estimated effective tax rate.

(3) Changes in accounting policies and procedures and the method of presentation

(i) Application of the Accounting Standards for Asset Retirement Obligations

The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008) were applied from the first quarter of this fiscal year.

As a result of the applications, operating income and ordinary income for the first three quarters under review decreased 2,496,000 yen, and income before income taxes declined 13,505,000 yen. The amount of change in asset retirement obligations due to the application of the accounting standard and guidance was 11,353,000 yen.

(ii) Application of the Accounting Standard for Business Combinations

The Accounting Standard for Business Combinations (ASBJ Statement No. 21 on December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 on December 26, 2008), Partial Amendments to Accounting Standard for Research and Development Costs (ASBJ Statement No. 23 on December 26, 2008), Revised Accounting Standard for Business Divestitures (ASBJ Statement No. 7 on December 26, 2008), Revised Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16 on December 26, 2008), and Revised Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10 on December 26, 2008) were applied from the first quarter of this fiscal year.

(iii) Changes in presentation methods

(Consolidated income statement)

1. With the application of the Cabinet Office Ordinance Partially Revising Regulations on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5 on March 24, 2009) under the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 on December 26, 2008), “income before minority interests” is included in the consolidated statement of income for the first three quarters under review.

2. Because “cancellation income for system services,” which was included in “other” of “non-operating income” in the previous first three quarters, has become more significant, it is presented as a separate item for the first three quarters under review.
   “Cancellation income for system services” included in “non-operating income” for the previous first three quarters was 44,946,000 yen.

3. Because “subsidy income,” which was included in “other” of “non-operating income” in the previous first three quarters, has become more significant, it is presented as a separate item for the first three quarters under review.
   “Subsidy income” included in “non-operating income” for the previous first three quarters was 134,313,000 yen.

4. Because “cancellation loss for system services,” which was included in “other” of “non-operating expenses” in the previous first three quarters, has become more significant, it is presented as a separate item for the first three quarters under review.
   “Cancellation loss for system services” included in “non-operating expenses” for the previous first three quarters was 15,362,000 yen.

(Consolidated cash flow statement)

1. Because “loss (gain) on sales of noncurrent assets,” which was posted as a separate item in the previous first three quarters, has become less significant (-2,000 yen for the first three quarters under review), it is included in “other” in net cash provided by operating activities for the first three quarters under review.

2. Because “purchases of treasury stock,” which was posted as a separate item in the previous first three quarters, has become less significant (-214,000 yen for the first three quarters under review), it is included in “other” in net cash used in financing activities for the first three quarters under review.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousand yen)

	Q3 FY2010 (As of December 31, 2010)	FY2009 Summary (As of March 31, 2010)
Assets		
Current assets		
Cash and deposits	15,064,856	16,741,043
Notes and accounts receivable–trade	25,914,307	27,215,028
Short-term investment securities	300,487	315,471
Merchandise	218,746	295,422
Work in process	2,631,286	2,499,806
Raw materials and supplies	28,590	34,294
Other	7,169,730	8,269,551
Allowance for doubtful accounts	-20,577	-64,543
Total current assets	51,307,429	55,306,076
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	56,700,942	56,993,628
Accumulated depreciation	-17,377,442	-16,204,238
Buildings and structures, net	39,323,500	40,789,390
Land	30,415,744	30,415,744
Construction in progress	38,852	1,394,693
Other	16,538,408	13,746,414
Accumulated depreciation	-8,983,458	-7,970,293
Other, net	7,554,950	5,776,121
Total property, plant and equipment	77,333,048	78,375,949
Intangible assets		
Goodwill	4,489,613	5,026,384
Software	7,289,336	6,924,225
Other	445,001	473,855
Total intangible assets	12,223,952	12,424,466
Investments and other assets		
Investment securities	16,300,593	15,861,167
Other	7,611,041	7,031,977
Allowance for doubtful accounts	-80,267	-148,810
Total investments and other assets	23,831,367	22,744,334
Total noncurrent assets	113,388,367	113,544,751
Total assets	164,695,796	168,850,827

(Thousand yen)

	Q3 FY2010 (As of December 31, 2010)	FY2009 Summary (As of March 31, 2010)
Liabilities		
Current liabilities		
Accounts payable–trade	5,998,191	8,701,224
Short-term loans payable	25,455,682	23,983,466
Current portion of long-term loans payable	7,990,805	7,233,004
Current portion of bonds	113,200	118,400
Accrued expenses	4,946,297	5,854,856
Income taxes payable	210,802	702,516
Provision for directors' bonuses	45,856	146,105
Provision for loss on construction contracts	18,074	122,328
Other	5,585,094	5,600,728
Total current liabilities	50,364,005	52,462,630
Noncurrent liabilities		
Bonds payable	15,000	59,000
Long-term loans payable	21,874,550	24,202,331
Provision for retirement benefits	5,025,618	4,840,582
Provision for directors' retirement benefits	420,897	460,992
Other	3,653,374	3,527,634
Total noncurrent liabilities	30,989,440	33,090,541
Total liabilities	81,353,446	85,553,171
Net assets		
Shareholders' equity		
Capital stock	26,200,289	26,200,289
Capital surplus	28,438,965	28,438,965
Retained earnings	35,181,197	34,598,277
Treasury stock	-8,101,224	-8,101,010
Total shareholders' equity	81,719,227	81,136,521
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	183,195	262,753
Deferred gains or losses on hedges	-7,383	7,993
Revaluation reserve for land	-9,051,263	-9,051,263
Foreign currency translation adjustment	-119,506	-44,626
Total valuation and translation adjustments	-8,994,958	-8,825,142
Subscription rights to shares	108,005	95,886
Minority interests	10,510,075	10,890,390
Total net assets	83,342,349	83,297,655
Total liabilities and net assets	164,695,796	168,850,827

(2) Consolidated income statement

Consolidated first three quarters results

(Thousand yen)

	Q3 FY2009 (From April 1, 2009 to December 31, 2009)	Q3 FY2010 (From April 1, 2010 to December 31, 2010)
Net sales	104,557,313	97,722,602
Cost of sales	81,135,553	75,234,753
Gross profit	23,421,760	22,487,849
Selling, general and administrative expenses	21,416,096	20,611,890
Operating income	2,005,664	1,875,958
Non-operating income		
Interest income	11,368	7,147
Dividends income	88,305	101,381
Foreign exchange gains	116,386	–
Equity in earnings of affiliates	364,620	99,020
Rent income	26,535	–
Cancellation income for system services	–	906,193
Subsidy income	–	378,101
Other	346,285	112,296
Total non-operating income	953,502	1,604,140
Non-operating expenses		
Interest expenses	684,920	623,298
Cancellation loss for system services	–	867,030
Foreign exchange losses	–	87,806
Other	172,512	36,962
Total non-operating expenses	857,433	1,615,098
Ordinary income	2,101,733	1,865,001
Extraordinary income		
Gain on sales of noncurrent assets	1,651,260	–
Gain on sales of investment securities	335,620	166,964
Insurance premiums refunded cancellation	–	1,251
Compensation income	800,000	–
Gain on reversal of office transfer expenses	–	9,296
Gain on negative goodwill	–	18,587
Total extraordinary income	2,786,881	196,099
Extraordinary loss		
Loss on retirement of noncurrent assets	71,295	11,076
Loss on liquidation of subsidiaries and affiliates	66,931	–
Office transfer expenses	72,245	76,976
Amortization of goodwill	14,032	–
Provision of allowance for doubtful accounts	72,273	–
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	11,008
Total extraordinary loss	296,777	99,062
Income before income taxes	4,591,838	1,962,038
Income taxes–current	785,490	141,756
Income taxes–deferred	49,853	343,124
Total income taxes	835,344	484,881
Income before minority interests	–	1,477,157
Minority interests in income	1,025,227	239,494
Net income	2,731,266	1,237,662

(3) Consolidated cash flow statement

(Thousand yen)

	Q3 FY2009 (From April 1, 2009 to December 31, 2009)	Q3 FY2010 (From April 1, 2010 to December 31, 2010)
Net cash provided by operating activities		
Income before income taxes	4,591,838	1,962,038
Depreciation and amortization	4,946,741	5,243,811
Amortization of goodwill	855,044	893,132
Increase (decrease) in provision for retirement benefits	201,439	198,857
Interest expenses	684,920	623,298
Loss (gain) on sales of investment securities	-335,620	-166,964
Loss (gain) on valuation of investment securities	467	–
Loss (gain) on sales of noncurrent assets	-1,651,260	–
Decrease (increase) in notes and accounts receivable–trade	4,907,786	1,208,001
Decrease (increase) in inventories	-2,000,167	-55,704
Increase (decrease) in notes and accounts payable–trade	-3,380,754	-2,762,167
Increase (decrease) in accounts payable–labor cost	-5,194,091	-1,582,995
Increase (decrease) in accrued consumption taxes	-497,983	-94,499
Decrease (increase) in long-term prepaid expenses	-239,934	-272,175
Increase (decrease) in provision for loss on construction contracts	1,805,997	-104,253
Other	-1,339,596	1,575,695
Subtotal	3,354,824	6,666,075
Proceeds from compensation	800,000	–
Interest and dividends income received	115,787	178,307
Interest expenses paid	-593,985	-618,125
Income taxes paid	-1,841,829	-830,478
Net cash provided by operating activities	1,834,796	5,395,778
Net cash used in investing activities		
Purchase of property, plant and equipment	-2,105,700	-2,321,993
Proceeds from sales of property, plant and equipment	688,736	3,825
Purchase of intangible assets	-2,455,148	-2,633,075
Proceeds from sales of intangible assets	1,862,350	–
Proceeds from sales of short-term investment securities	800,000	542
Purchase of investment securities	-316,492	-1,358,671
Proceeds from sales of investment securities	1,313,230	968,025
Payments for purchase of new subsidiaries	-3,364,221	-820,595
Proceeds from purchase of new subsidiaries	80,994	–
Other	-224,520	12,104
Net cash used in investing activities	-3,720,770	-6,149,838

(Thousand yen)

	Q3 FY2009 (From April 1, 2009 to December 31, 2009)	Q3 FY2010 (From April 1, 2010 to December 31, 2010)
Net cash used in financing activities		
Increase in short-term loans payable	44,349,026	37,760,000
Decrease in short-term loans payable	-67,116,249	-36,116,986
Proceeds from long-term loans payable	20,200,000	4,052,941
Repayment of long-term loans payable	-3,281,601	-5,583,969
Purchase of treasury stock	-869	–
Cash dividends paid	-634,765	-612,495
Cash dividends paid to minority shareholders	-280,236	-388,047
Other	-271,922	-33,512
Net cash used in financing activities	-7,036,618	-922,070
Effect of exchange rate change on cash and cash equivalents	-70,703	-65,353
Net increase (decrease) in cash and cash equivalents	-8,993,296	-1,741,483
Cash and cash equivalents at beginning of period	25,465,345	16,687,266
Increase in cash and cash equivalents from newly consolidated subsidiary	–	85,174
Cash and cash equivalents at end of period	16,472,049	15,030,957

(4) Note on going concern assumptions

Not applicable.

(5) Segment information

[Segment information by business type]

Q3 FY2009 (From April 1, 2009 to December 31, 2009) (Thousand yen)

	Software development related business	Outsourcing business	Other businesses	Total	Eliminations or corporate	Consolidation
Net sales						
(1) Sales to outside customers	82,313,419	19,061,168	3,182,725	104,557,313	–	104,557,313
(2) Inter-segment sales or transfers	4,110	333,031	836,805	1,173,946	(1,173,946)	–
Total	82,317,529	19,394,199	4,019,530	105,731,259	(1,173,946)	104,557,313
Operating income	728,113	151,671	1,125,871	2,005,656	7	2,005,664

Notes: 1. Business is classified based on the classification adopted for internal management.

2. Description of each business

(1) Software development related business

Contract software development of telecommunication control systems, machine control systems, operating systems and operation applications used in different industries, quality evaluation and control support, consulting, product development and sales, and design, manufacture, sales and other activities of personal computer related devices

(2) Outsourcing business

System maintenance and operations, data entry and helpdesk services, etc.

(3) Other businesses

Real-estate rental business, temporary staff dispatch business, etc.

3. Change in accounting policies

(1) Starting the first quarter, the Company is applying the Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Statement No. 15 released on December 27, 2007) and the Guidance on Accounting Standard for Construction Contracts (ASBJ Guidance No. 18 released on December 27, 2007). With the application, sales in the software development business increased 1,423,079,000 yen, and operating income rose 258,269,000 yen.

(2) Starting the first quarter, the Company is adding the real-estate rental business to “Other businesses.” As a result, sales (before the deduction of inter-segment sales or transfers) and operating income in “other businesses” increased 2,204,084,000 yen and 1,054,834,000 yen, respectively.

[Geographical segment information]

Q3 FY2009 (From April 1, 2009 to December 31, 2009)

Since sales in Japan accounted for more than 90% of total sales in all segments, a description of geographical segment information is omitted.

[Overseas sales]

Q3 FY2009 (From April 1, 2009 to December 31, 2009)

As overseas net sales account for less than 10% of consolidated net sales, the posting of information about overseas net sales is omitted.

[Segment information]

1. Overview of reported segments

The reported segments of the Group are its constituents for which separate financial information is available and which the Board of Directors regularly examines to determine the distribution of management resources and evaluate performance.

The Group consists of two service units, or reported segments: the SI (system integration) business and the facility business.

- SI (system integration) business
  Overall system integration including contract software development of telecommunication control systems, machine control systems, and operating systems, contract software development of business applications used in different industries, quality evaluation and control support, consulting, development and sale of products, design, production, and sale of personal computer-related devices, and systems maintenance and operations services

- Facility business
  The leasing of office buildings that the Company and certain consolidated subsidiaries own

2. Information on sales and profit and loss by reported segment

Q3 FY2010 (From April 1, 2010 to December 31, 2010) (Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
(1) Sales to outside customers	90,266,806	1,607,775	91,874,581	5,848,020	97,722,602	–	97,722,602
(2) Inter-segment sales or transfers	24,844	661,543	686,388	832,438	1,518,826	(1,518,826)	–
Total	90,291,650	2,269,319	92,560,970	6,680,458	99,241,428	(1,518,826)	97,722,602
Segment profit (loss)	1,453,387	534,074	1,987,462	-111,647	1,875,814	144	1,875,958

Notes: 1. “Others” is a business segment that is not included in the reported segments and includes the data entry business, contact center business and temporary staff dispatch business etc.

2. An adjustment of segment profit of 144,000 yen includes an elimination of inter-segment transactions of 144,000 yen.

3. The segment profit has been adjusted to the operating income stated in the quarterly consolidated income statement.

(Additional information)

Starting the first quarter of this fiscal year, the Company is applying the Revised Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (Accounting Standards of Japan Statement No. 17 issued on March 27, 2009) and the Guidance on the Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 issued on March 21, 2008).

(6) Note when there is a considerable change in the amount of shareholders’ equity

Not applicable.

4. Complementary Information

Production, Orders, and Sales Situations

(1) Production performance

The table below shows production performance by business segment in the first three quarters under review.

Segment by business type	Amount (thousand yen)
SI business	68,621,787
Facility business	794,882
Other	5,818,082
Total	75,234,753

Notes 1. Inter-segment transactions were canceled out.
2. The amount is calculated based on the manufacturing cost.
3. Amounts are not inclusive of the consumption tax.

(2) Orders

The table below shows orders received by business segment in the first three quarters under review.

Segment by business type	Amount of orders (thousand yen)	Outstanding balance of orders (thousand yen)
SI business	85,869,376	32,014,395
Facility business	1,667,543	63,293
Other	5,889,734	1,025,638
Total	93,426,654	33,103,327

Notes 1. Inter-segment transactions were canceled out.
2. Amounts are not inclusive of the consumption tax.

(3) Sales performance

The table below shows sales performance by business segment in the first three quarters under review.

Segment by business type	Amount (thousand yen)
SI business	90,266,806
Facility business	1,607,775
Other	5,848,020
Total	97,722,602

Notes 1. Inter-segment transactions were canceled out.
2. Amounts are not inclusive of the consumption tax.
3. Sales by major customer and the ratio of sales by major customer to total sales in the first three quarters under review were omitted, since the ratio was less than 10%.