Summary of Consolidated Financial Results for the First Quarter of Fiscal Year ending March 31, 2012 (Japanese Accounting Standards)

August 3, 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/

Representative: Haruhisa Shiraishi, President & Chief Operating Officer

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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho):	August 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 Three Months Ended June 30, 2011 (April 1, 2011 – June 30, 2011)

(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	%
Three months ended 6/11	31,338	-4.4	424	536.4	286	243.1	-239	—
Three months ended 6/10	32,775	-8.9	66	1.6	83	107.7	488	722.5

(Note) Comprehensive income: Three months ended June 30, 2011: 254 million yen (-35.8%)
Three months ended June 30, 2010: 396 million yen (–%)

	Net income per share	Net income per share/diluted
	Yen	Yen
Three months ended 6/11	-7.51	—
Three months ended 6/10	15.32	—

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Three months ended 6/11	160,733	84,033	45.7
Year ended 3/11	169,416	84,278	43.5

Reference: Shareholders' equity (million yen) Three months ended 6/11: 73,463 Year ended 3/11: 73,753

2. Dividends

	Dividend per share				
	End of first quarter	End of interim period	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 3/11	—	10.00	—	10.00	20.00
Year ending 3/12	—				
Year ending 3/12 (forecast)		10.00	—	10.00	20.00

(Note) Revisions to dividend forecasts published most recently: No

3. Forecast for Consolidated Business Results for the Fiscal Year Ending March 31, 2012 (Apr. 1, 2011 – Mar. 31, 2012)

(Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second consolidated quarter (cumulative)	64,000	-4.2	1,300	-14.8	850	-46.1	150	-88.4	4.70
Full year	134,000	-0.6	4,500	18.6	3,700	1.4	1,300	-48.2	40.77

(Note) Revisions to dividend forecasts published most recently: No

4. Other

(1) Important changes in subsidiaries during this quarter (changes in specified subsidiaries resulting in change in scope of consolidation):	Not applicable
(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements:	Yes

(3) Changes in accounting principles and changes or restatement of accounting estimates

(i) Changes in accounting principles due to amendment of accounting standards, etc.:	Not applicable
(ii) Changes in accounting principles other than (i):	Yes
(iii) Changes in accounting estimates:	Yes
(iv) Restatement:	Not applicable

(Note) The nature of the changes complicate differentiation between changes in accounting principles and changes in accounting estimates.
For further information, please refer to page 3 of the accompanying materials.

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury stock):	6/11:	35,746,329 shares	Year ended 3/11:	35,746,329 shares
2) Number of treasury stock at the end of period	6/11:	3,861,309 shares	Year ended 3/11:	3,861,218 shares
3) Average number of shares during the period (quarterly consolidated cumulative period)	6/11:	31,885,048 shares	6/10:	31,885,401 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.
For assumptions concerning financial forecasts, please refer to 1. Qualitative Information on Consolidated Results for the First Quarter Ended June 30, 2011, (3) Qualitative information on the consolidated financial forecasts on page 3 of the accompanying materials.

Accompanying Materials – Contents

1. Qualitative Information on Consolidated Results for the First Quarter Ended June 30, 2011

(1) Qualitative information on consolidated results

During the consolidated first quarter under review, the uncertainty surrounding the Japanese economy increased, reflecting the effect of the Great East Japan Earthquake on March 11, 2011 as well as subsequent power shortages and weak personal spending. There were also signs of moderate improvements, including a recovery in production activities and exports. Overall, economic conditions remained challenging.

Demand for information services recovered, backed by increasing capital spending associated with improvements in corporate earnings, but the performance in the IT industry was weak with price competition intensifying.

In this environment, the FUJISOFT Group began executing its five-year first management plan. Under a vision of “Helping to boost national competitiveness through FUJISOFT’s unique technologies, and becoming an influential corporate group that will support the development of the global economy,” the Group boldly developed its businesses based on a five-pillar strategy (strengthening the foundations of the contract business, becoming a prime vendor, productization, globalization, and bolstering Group capabilities). The Group also sought to achieve its management objectives: reforming its business structure, strengthening its profitability, enhancing integrated Group management, and bolstering its management infrastructure.

In the cloud business, VIXUS INCORPORATED, a consolidated subsidiary, started in April 2011 to provide FSCloud PAM, a part-time employment management system that standardizes and improves efficiency in employment management, using the Company’s private cloud foundations. FSCloud PAM is the third distribution cloud system of the Group, following FSCloud EDI, a distribution BMS, and FSCloud Logistics, a physical distribution management system.

Certified as one of the AWS Solution Providers of Amazon Web Services LLC (“Amazon”), the Company is now able to develop cloud-building business, using Amazon Web Services. The Company can provide all of the big four public cloud services, as well as optimal services from a wider range of options.

In the global business, Vinculum China Co., Ltd., which serves as a base for offshore development and is the Chinese subsidiary of Vinculum Japan Corporation, a consolidated subsidiary of the Company, established a joint venture called Shanghai Vinculum Co., Ltd. with a local company in April 2011. Shanghai Vinculum commenced operations, selling and leasing networks and e-commerce solution services across China.

As a result, net sales for the first quarter under review stood at 31,338 million yen, down 4.4% year on year. Selling, general, and administrative expenses were reduced 8.5% year on year, to 6,658 million yen, attributable to an improvement in the cost-of-sales ratio and cost cutting. Operating income and ordinary income were 424 million yen (up 536.4% year on year) and 286 million yen (rising 243.1%), respectively.

The Group posted a net loss of 239 million yen (compared with net income of 488 million for the first quarter of the previous fiscal year), reflecting the posting of income taxes associated with improvements in earnings.

Results by business segment were as follows:

(i) SI (system integration) business

Although sales of embedded software machine control systems and operation software from the manufacturing sector were strong, sales of embedded software telecommunications control systems and operation software from the financial sector were weak. As a result, net sales stood at 29,207 million yen, down 3.3% year on year. Operating income was 218 million yen, compared with an operating loss of 93 million yen in the first quarter of the previous fiscal year, reflecting the cutting of expenses.

(ii) Facility business

Sales were 494 million yen, down 10.3% year on year, primarily reflecting rent income from office buildings owned by the Company and certain consolidated subsidiaries. Operating income rose 12.9% from a year ago to 221 million yen, partly because of a change in the depreciation method.

(iii) Other businesses

Sales were 1,636 million yen, down 19.1% year on year, reflecting revenues in the data entry business and contact center business. Other businesses produced an operating loss of 14 million yen, compared with an operating loss of 35 million yen in the first quarter of the previous fiscal year.

(2) Qualitative information on the consolidated financial position

(Total assets)

Total assets stood at 160,733 million yen at the end of the first quarter under review, down 8,682 million yen from the end of the preceding consolidated fiscal year. Current assets were 51,177 million yen (down 6,357 million yen from the end of the previous fiscal year), and noncurrent assets were 109,556 million yen (falling 2,324 million yen).

Important factors in the change in current assets included notes and accounts receivable-trade of 23,068 million yen, a decline of 5,317 million yen.

The main factors of the change in noncurrent assets included investment securities of 14,083 million yen, falling 932 million yen, of investments and other assets.

(Liabilities)

At the end of the first quarter under review, total liabilities amounted to 76,700 million yen, down 8,436 million yen from the end of the previous fiscal year. Current liabilities were 48,978 million yen (falling 6,120 million yen from the end of the previous fiscal year), and noncurrent liabilities were 27,721 million yen (declining 2,316 million yen).

Primary factors in the change in current liabilities included short-term loans of 19,692 million yen, down 5,861 million yen.

The decrease in noncurrent liabilities was mainly because of long-term loans payable of 19,550 million yen, falling 2,090 million yen.

(Net assets)

Net assets declined 245 million yen from the end of the preceding fiscal year, to 84,033 million yen at the end of the first quarter under review. The equity ratio rose to 45.7%, up from 43.5% at the end of the previous fiscal year.

(3) Qualitative information on the consolidated financial forecasts

The first-half and full-year results forecasts remain unchanged from those announced in the financial results for the fiscal year ended March 31, 2011 announced on May 11, 2011.

2. Matters Relating to Summary Information (Other)

(1) Important changes in subsidiaries during this quarter (changes in specified subsidiaries resulting in change in scope of consolidation)

Not applicable.

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements

(Calculation of tax expense)

Certain consolidated subsidiaries make a reasonable estimate of the 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 principles and changes or restatement of accounting estimates

(Change in depreciation method)

The Group has traditionally applied the declining balance method, but starting the first quarter under review, it is applying the straight-line method. The Group reviewed its assets and found that most are used regularly and for the long term (including the Group’s own buildings and accessories, and assets related to data centers). The Group expects that the stock business will become more important going forward. Given this, it determined that the straight-line method, which levels out the periodic allocation of depreciation, is more suitable for reflecting actual business conditions. Because of the change, depreciation declined 146,301,000 yen compared to the amount calculated by the declining balance method. Operating income, ordinary income, and income before income taxes rose 134,690,000 yen.

3. Consolidated Financial Statements
(1) Consolidated balance sheet

(Thousand yen)

	FY2010 (As of March 31, 2011)	Q1 FY2011 (As of June 30, 2011)
Assets		
Current assets		
Cash and deposits	22,045,272	18,677,469
Notes and accounts receivable-trade	28,385,475	23,068,014
Short-term investment securities	163,762	160,147
Merchandise	268,126	260,499
Work in process	1,453,968	2,846,479
Raw materials and supplies	31,761	26,290
Other	5,217,966	6,173,618
Allowance for doubtful accounts	-31,394	-35,437
Total current assets	57,534,939	51,177,082
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	56,699,169	56,733,416
Accumulated depreciation	-17,909,718	-18,274,289
Buildings and structures, net	38,789,451	38,459,126
Land	30,415,744	30,415,744
Construction in progress	105,817	157,568
Other	16,569,432	16,718,058
Accumulated depreciation	-9,536,934	-9,919,950
Other, net	7,032,497	6,798,108
Total property, plant and equipment	76,343,510	75,830,548
Intangible assets		
Goodwill	4,206,566	4,065,410
Software	7,096,069	7,006,107
Other	397,547	393,366
Total intangible assets	11,700,182	11,464,883
Investments and other assets		
Investment securities	15,016,768	14,083,821
Other	8,892,729	8,234,282
Allowance for doubtful accounts	-71,866	-56,793
Total investments and other assets	23,837,631	22,261,310
Total noncurrent assets	111,881,325	109,556,742
Total assets	169,416,264	160,733,825

(Thousand yen)

	FY2010 (As of March 31, 2011)	Q1 FY2011 (As of June 30, 2011)
Liabilities		
Current liabilities		
Accounts payable-trade	7,565,036	6,419,819
Short-term loans payable	25,553,766	19,692,566
Current portion of bonds	44,000	34,000
Current portion of long-term loans payable	8,362,240	8,369,740
Accrued expenses	6,087,058	7,865,430
Income taxes payable	782,048	461,710
Provision for directors' bonuses	127,468	30,708
Provision for loss on construction contracts	397,602	791,408
Other	6,180,044	5,313,592
Total current liabilities	55,099,265	48,978,975
Noncurrent liabilities		
Bonds payable	15,000	10,000
Long-term loans payable	21,641,490	19,550,930
Provision for retirement benefits	5,112,338	5,091,889
Provision for directors' retirement benefits	410,958	363,737
Other	2,858,415	2,705,043
Total noncurrent liabilities	30,038,202	27,721,600
Total liabilities	85,137,467	76,700,575
Net assets		
Shareholders' equity		
Capital stock	26,200,289	26,200,289
Capital surplus	28,438,965	28,438,965
Retained earnings	36,453,608	35,895,661
Treasury stock	-8,101,442	-8,101,549
Total shareholders' equity	82,991,421	82,433,366
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-69,764	120,239
Deferred gains or losses on hedges	5,654	-5,027
Revaluation reserve for land	-9,051,088	-9,051,088
Foreign currency translation adjustment	-122,466	-33,661
Total accumulated other comprehensive income	-9,237,665	-8,969,537
Subscription rights to shares	109,728	100,891
Minority interests	10,415,312	10,468,528
Total net assets	84,278,797	84,033,249
Total liabilities and net assets	169,416,264	160,733,825

(2) Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income

Consolidated first quarter results

(Thousand yen)

	Q1 FY2010 (From April 1, 2010 to June 30, 2010)	Q1 FY2011 (From April 1, 2011 to June 30, 2011)
Net sales	32,775,504	31,338,202
Cost of sales	25,428,016	24,254,831
Gross profit	7,347,487	7,083,370
Selling, general and administrative expenses	7,280,793	6,658,929
Operating income	66,694	424,441
Non-operating income		
Interest income	2,622	1,484
Dividends income	27,105	32,518
Equity in earnings of affiliates	100,078	—
Cancellation income for system services	143,389	—
Subsidy income	94,917	81,715
Other	46,963	83,618
Total non-operating income	415,076	199,337
Non-operating expenses		
Interest expenses	211,364	184,916
Equity in losses of affiliates	—	111,969
Cancellation loss for system services	137,029	—
Foreign exchange losses	34,398	32,676
Other	15,546	7,964
Total non-operating expenses	398,339	337,527
Ordinary income	83,430	286,250
Extraordinary income		
Gain on sales of investment securities	—	40,997
Insurance premiums refunded cancellation	1,251	—
Total extraordinary income	1,251	40,997
Extraordinary loss		
Loss on valuation of investment securities	—	89,099
Office transfer expenses	17,880	—
Loss on adjustment for changes of accounting standard for asset retirement obligations	11,008	—
Total extraordinary loss	28,889	89,099
Income before income taxes	55,793	238,148
Income taxes-current	2,303	347,066
Income taxes-deferred	-565,563	-17,400
Total income taxes	-563,259	329,666
Income before minority interests (loss)	619,052	-91,518
Minority interests in income	130,410	147,823
Net income (loss)	488,642	-239,342

Consolidated statements of comprehensive income
Consolidated first quarter results

(Thousand yen)

	Q1 FY2010 (From April 1, 2010 to June 30, 2010)	Q1 FY2011 (From April 1, 2011 to June 30, 2011)
Income before minority interests (loss)	619,052	-91,518
Other comprehensive income		
Valuation difference on available-for-sale securities	-464,897	201,468
Deferred gains or losses on hedges	-15,803	-19,803
Foreign currency translation adjustment	243,250	163,922
Share of other comprehensive income of associates accounted for using equity method	14,479	374
Total other comprehensive income	-222,971	345,962
Comprehensive income	396,081	254,443
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	241,957	28,786
Comprehensive income attributable to minority interests	154,124	225,657

(3) Note on going concern assumptions
Not applicable.

(4) Segment Information
[Segment Information]

I Q1 FY2010 (From April 1, 2010 to June 30, 2010)
1 Information on Sales and Profit and Loss by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on first-quarter consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	30,202,233	550,828	30,753,061	2,022,443	32,775,504	—	32,775,504
Inter-segment sales or transfers	6,709	223,312	230,021	280,097	510,119	(510,119)	—
Total	30,208,942	774,140	30,983,083	2,302,541	33,285,624	(510,119)	32,775,504
Segment profit (loss)	-93,350	195,833	102,483	-35,770	66,713	(18)	66,694

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 (loss) of minus 18,000 yen includes the elimination of inter-segment transactions of minus 18,000 yen.
3. The segment profit (loss) has been adjusted to the operating income stated in the consolidated income statement.

2. Information on Impairment Loss in Fixed Assets and Goodwill by Reported Segment
Not applicable.

II Q1 FY2011 (From April 1, 2011 to June 30, 2011)
1 Information on Sales and Profit and Loss by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on first-quarter consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	29,207,818	494,060	29,701,878	1,636,324	31,338,202	—	31,338,202
Inter-segment sales or transfers	10,622	189,084	199,707	208,910	408,617	(408,617)	—
Total	29,218,440	683,144	29,901,585	1,845,235	31,746,820	(408,617)	31,338,202
Segment profit (loss)	218,910	221,138	440,049	-14,525	425,523	(1,082)	424,441

Notes:
1. “Others” is a business segment that is not included in the reported segments and includes the data entry business and contact center business etc.
2. An adjustment of segment profit (loss) of minus 1,082,000 yen includes an elimination of inter-segment transactions of minus 1,082,000 yen.
3. The segment profit (loss) has been adjusted to the operating income stated in the consolidated income statement.
4. Change in depreciation method
   Starting the first quarter under review, the Company is applying the straight-line method for the depreciation of property, plant, and equipment instead of the declining balance method. As a result, segment profit increased 79,465,000 yen in the SI business and 55,854,000 yen in the Facility business compared with the segment profit calculated by the declining balance method. The segment profit in “Others” declined 630,000 yen.

2. Information on Impairment Loss in Fixed Assets and Goodwill by Reported Segment
Not applicable.

(5) Note when there is a considerable change in the amount of shareholders’ equity
Not applicable.