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

May 9, 2012

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:	Satoyasu Sakashita, President & Representative Director		
Contact:	Tatsuya Naito, Operating Officer, Manager of Business Management Group		
	Phone: +81-45-650-8811 (main)		

Scheduled date of Annual General Meeting of Shareholders:	June 25, 2012
Scheduled date of dividend payment:	June 26, 2012
Scheduled date to submit the annual securities report *(Yukashoken Hokokusho)*:	June 27, 2012
Supplementary documents for financial results:	Yes
Financial results briefing:	Yes

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the Fiscal Year ended March 31, 2012 (April 1, 2011 – March 31, 2012)

(1) Consolidated operating results

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended 3/12	133,912	-0.6	4,998	31.8	4,556	24.9	1,703	-32.2
Year ended 3/11	134,745	-4.9	3,793	15.2	3,647	1.5	2,511	-32.3

(Note) Comprehensive income (million yen): Year ended 3/12: 2,421 (2.1%) Year ended 3/11: 2,371 (-60.4%)

	Net income per share	Net income per share/diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended 3/12	53.70	–	2.3	2.8	3.7
Year ended 3/11	78.77	–	3.4	2.2	2.8

Reference: Equity in earnings of affiliates (million yen): Year ended 3/12: -166 Year ended 3/11: 193

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended 3/12	155,744	85,188	48.0	2,379.85
Year ended 3/11	169,416	84,278	43.5	2,313.11

(Reference) Shareholders' equity (million yen): Year ended 3/12: 74,690 Year ended 3/11: 73,753

(3) Consolidated cash flow position

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Ending balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Year ended 3/12	12,352	-2,910	-18,104	13,279
Year ended 3/11	12,529	-5,910	-1,280	22,044

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends/ net assets (consolidated)
	End of first quarter	End of interim period	End of third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended 3/11	–	10.00	–	10.00	20.00	637	25.4	0.9
Year ended 3/12	–	10.00	–	10.00	20.00	632	37.2	0.9
Year ending 3/13 (forecast)	–	10.00	–	10.00	20.00		22.4	

3. Forecast for Consolidated Business Results for the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)

(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
Second consolidated quarter (cumulative)	67,000	1.8	2,700	28.4	2,380	53.5	1,080	307.8	34.41
Full year	137,000	2.3	6,000	20.0	5,700	25.1	2,800	64.3	89.22

4. Other

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) 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 19 of the accompanying materials.

(3) Number of outstanding shares (common shares)

(i) Number of shares outstanding at the end of period (including treasury stock):
Year ended 3/12: 34,746,000 shares Year ended 3/11: 35,746,329 shares

(ii) Number of treasury stock at the end of period:
Year ended 3/12: 3,361,324 shares Year ended 3/11: 3,861,218 shares

(iii) Average number of shares during the period:
Year ended 3/12: 31,732,817shares Year ended 3/11: 31,885,293 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2012 (April 1, 2011 – March 31, 2012)

(1) Non-consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended 3/12	73,620	3.3	2,977	55.2	3,069	45.9	1,932	-10.0
Year ended 3/11	71,249	0.9	1,917	245.2	2,104	336.3	2,147	192.8

	Net income per share	Net income per share/diluted
	Yen	Yen
Year ended 3/12	60.89	–
Year ended 3/11	67.34	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended 3/12	124,847	66,011	52.8	2,100.56
Year ended 3/11	134,070	64,905	48.3	2,032.27

(Reference) Shareholders' equity (million yen): Year ended 3/12: 65,927 Year ended 3/11: 64,800

2. Forecast for Non-Consolidated Business Results for the Fiscal Year Ending March 31, 2013 (Apr. 1, 2012 – Mar. 31, 2013)

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

	Net sales		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Second consolidated quarter (cumulative)	36,400	1.8	1,530	5.5	920	-12.3	29.31
Full year	75,500	2.6	3,800	23.8	2,300	19.0	73.28

* Disclosure regarding audit procedures

This summary of consolidated financial results does not constitute the audited financial statements under the Financial Instruments and Exchange Act. As of the date of disclosure of this summary of consolidated financial results, an audit of the financial statements had not been carried out in accordance with the Financial Instruments and Exchange Act.

* Cautionary statement with respect to forward-looking statements

The above forecast has been prepared based on data as of the announcement date. Since various uncertainties subsist in forecasts, actual results may differ from forecasted figures.

Accompanying Materials – Contents

1. Operating Results

(1) Analysis of operating results

1) Overview of the consolidated fiscal year under review

During the consolidated fiscal year under review, the Japanese economy continued to face considerable uncertainty, chiefly reflecting downside risks in overseas economies against a backdrop of the debt crisis in Europe and resulting risk factors such as the appreciation of the yen and falling share prices. Nonetheless, the domestic economy showed signs of a recovery from the effects of Great East Japan Earthquake and indications of an improvement in consumer spending.

In the IT industry, companies generally maintained a conservative stance, with demand for IT investment remaining subdued.

In this environment, the FUJISOFT Group began executing its five-year medium-term management plan from the fiscal year under review. Under the plan, the Group boldly developed its businesses based on the JPPGG Strategy (strengthening the foundations of the contract business, becoming a prime vendor, productization, globalization, and bolstering Group capabilities).

To strengthen the foundations of the contract business and become a prime vendor, the Group continued to focus comprehensively on cultivating project managers and strengthening the project management as in the previous fiscal year to improve profitability. In January 2012, the Group opened the Kobe Office in Kobe City, Hyogo Prefecture for the purpose of strengthening its business in the Hanshin area.

In terms of productization, the Group began offering the FSCloud PAM, a part-time employment management system, the FSCloud Gift and Reservation, a gift sales management and advance sales system, and the FSCloud Sanchoku Hanjo, a farmers' markets support solution, for the distribution industry, as well as the FSGreen Chemical Report, a chemical substance information research support system, for the manufacturing industry. In robot technology, the Group actively presented PALRO, a humanoid robot, at exhibitions, events, and other occasions in Japan and overseas, including Taipei and Shanghai, and prepared for the application of robot technologies (robot intelligence technologies) to business settings by promoting the development of the robot technologies. Moreover, in the CAE (Computer Aided Engineering) area, the Group grew the number of renewed maintenance contracts for its mainstay software products and successfully concluded more large new license contracts and increased the number of inquiries about engineering services.

As part of its globalization initiatives, the Group reached an agreement with ShopEx, a leading software development company with a proud track record of approximately 10 years in China, and offered one-stop services, ranging from consulting prior to market entry to post-entry operational support, for Japanese companies seeking to enter the EC market in China by jointly developing customized Chinese EC packages and an EC business platform. In addition, the Group worked on the further expansion of offshore development, the selling and lending of networks, and the provision of e-commerce solution services, utilizing Group companies in China.

To bolster its capabilities, the Group continued to reduce costs by improving business efficiency. In addition, it proposed a variety of solutions including cloud computing to evolve the business of the distribution industry by making a presentation at Retailtech Japan 2012.

In the cloud business, an important strategy of the Group, the Company began offering the FSCloud Auto Scale Infrastructure, an open-source LaaS-type cloud environment that can respond flexibly to a sharp rise in low-cost access, in March 2012, in addition to SaaS-type services for the distribution and manufacturing industries. The Group also continued to provide tailored public cloud services with companies called the "four major clouds," including a cloud development service using Amazon Web Services of Amazon Web Services LLC; the development of a trove registration and search system for affected areas that registers and manages furniture and household goods discovered in areas hit by the Great East Japan Earthquake, using the cloud service of salesforce.com Co., Ltd.; the provision of FSGreen EMS, a solution that visualizes environment information, in cooperation with Microsoft Japan Co., Ltd.; and the provision of the FSBizTool (Cheki Dappu Web address book), a tool to address erroneous email transmission corresponding to Google Apps. The FUJISOFT Solution Seminar, held each year since 2008, was conducted in four cities in Japan, including Tokyo, with "cloud & mobile innovation" as the theme. The seminar included sessions about the use of cloud computing and mobile technologies, introducing examples and the latest information from Japan and overseas.

In the Research and Development field, FUJISOFT is committed to practical development activities to create an implant-type regenerated cartilage for congenital facial disorders. In a world first, it has succeeded in developing a technology for the long-term preservation of cellular viability and the aseptic condition of regenerated cartilage created from ear cartilage in a three-dimensional structure for implant applications. In step with this, the Company prepared for clinical tests for future commercialization. FUJISOFT also created and opened a document for Kumoi cloud computing infrastructure software in the Research and Development of Dependable Independent and Integrated Cloud Computing Foundations, being promoted jointly with Tsukuba University as one approach to cloud computing.

Moreover, to support reconstruction from the Great East Japan Earthquake, the Group established a reconstruction support project team and provided assistance using IT, such as an information bulletin board (digital signage solution) that can be used for receiving and transmitting information between government and residents, in addition to participating in volunteer activities in the affected areas. The Group also made concerted efforts to conserve energy, for instance by adopting a rotating summer vacation, replacing PCs with energy-saving models, and making adjustments to power equipment in offices, as a means to reduce electricity use during the summer peak.

Also, as part of its corporate social responsibility activities, the Group once again this year held the 23rd All-Japan Robot Sumo Tournament, enabling participants to learn about basic robot technologies by building robots and to enjoy manufacturing by providing them with motivation to research and encouragement for their creativity. The Group also held the All-Japan Robot American Football Tournament.

As a result of these initiatives, net sales for the fiscal year under review stood at 133,912 million yen, down 0.6% year on year, partly because of the effect of excluding subsidiaries from the scope of consolidation, despite steady sales of social infrastructure and internet-related systems. However, operating income rose 31.8% from the previous fiscal year, to 4,998 million yen, and ordinary income climbed 24.9% year on year, to 4,556 million yen. These gains were attributable to a decline of 26,155 million yen, or 5.4%, year on year in selling, general, and administrative expenses due to the strong ongoing implementation of measures to reduce expenses. Net income amounted to 1,703 million yen, down 32.2% year on year, mainly because of the recording of a loss on the closure of offices and a loss on valuation of investment securities as extraordinary losses, as well as a rise in income taxes.

Segment results by business were as follows:

(SI business)

Sales of embedded software telecommunications control systems and operation software from the financial sector declined in reaction to large-scale projects in the previous fiscal year and the reduction of investments by major customers, respectively. However, sales of embedded machine control systems, especially from the automobile and factory automation sectors, were steady, while sales of operating social infrastructure systems and internet-related systems remained solid. In product systems, the renewal of maintenance contracts on CAE products and sales of FSMobile-related products were also firm. As a result, net sales stood at 125,351 million yen, up 0.6% year on year, and operating income was 4,045 million yen, up 27.6% from the previous fiscal year.

(Facility business)

Net sales were 1,976 million yen, down 6.2% year on year, primarily influenced by the sluggish office market conditions. However, operating income rose 28.6% year on year, to 838 million yen, partly because of a change in the depreciation method.

(Other businesses)

Net sales amounted to 6,583 million yen, down 17.7% year on year, mainly attributable to a decline in revenues in the data entry business and the contact center business and a fall in revenues as a result of the exclusion of subsidiaries from the scope of consolidation. Operating income was 113 million yen, compared with an operating loss of 31 million yen for the same period of the previous fiscal year.

(ii) Forecast for the next consolidated fiscal year

For the next consolidated fiscal year, the Group forecasts that net sales will increase 2.3% year on year, to 137.0 billion yen, operating income will rise 20.0%, to 6.0 billion yen, ordinary income will increase 25.1%, to 5.7 billion yen, and net income will climb 64.3%, to 2.8 billion yen, given business expansion and improvement in the management efficiency of Group companies.

The Group plans to pay a dividend of 20 yen per share in the next fiscal year.

* The above forecast has been prepared based on data as of the announcement date. Actual results may differ materially from the forecast figures due to various factors.

(2) Analysis of financial condition

1) Asset, liabilities and net assets

(Total assets)

Total assets stood at 155,744 million yen at the end of the consolidated fiscal year under review, down 13,671 million yen from the end of the preceding consolidated fiscal year. In the assets section, current assets declined 8,515 million yen from a year earlier, to 49,019 million yen, largely because of a decline of 8,625 million yen in cash and deposits due to a reactionary fall from increased liquidity on hand following the Great East Japan Earthquake. Noncurrent assets were 106,724 million yen, declining 5,156 million yen. The main factors included in a fall of 1,180 million yen in property, plant and equipment attributable to the depreciation of buildings and structures and a decrease of 1,224 million yen in intangible assets because of the amortization of software, etc.

(Liabilities)

At the end of the consolidated fiscal year under review, total liabilities amounted to 70,555 million yen, down 14,581 million yen from the end of the preceding fiscal year. The decrease was mainly attributable to a decrease of 16,684 million yen in short-term loans payable.

(Net assets)
Net assets rose 909 million yen from the end of the preceding fiscal year, to 85,188 million yen at the end of the consolidated fiscal year under review. This increase was mainly attributable to a rise of 658 million yen in the valuation difference on available-for-sale securities.
The Company retired treasury shares (1,000 thousand shares) in December 2011 and acquired its own shares (500,000 shares) at the same time. As a result, the equity ratio rose to 48.0% from 43.5% at the end of the previous fiscal year.

(ii) Cash flows
Consolidated cash and cash equivalents ("cash") at the end of the fiscal year under review were 13,279 million yen, a decrease of 8,765 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)
In the consolidated fiscal year under review, net cash provided by operating activities stood at 12,352 million yen, a decrease of 176 million yen in the inflow compared with the previous fiscal year.
The principle factors included income before income taxes and minority interests of 4,318 million yen (up 478 million yen from the previous year) and depreciation and amortization of 6,846 million yen (down 515 million yen from the previous year).

(Cash flows from investment activities)
Net cash used in investing activities came to 2,910 million yen, a fall of 3,000 million yen in the outflow recorded in the previous fiscal year.
The principal factors were payments of 1,083 million yen for purchase of property, plant and equipment (down 1,026 million yen from the previous year) and payments of 2,308 million yen for the purchase of intangible assets (down 1,327 million yen from the previous year).

(Cash flows from financing activities)
Net cash used in financing activities was 18,104 million yen, an increase of 16,823 million yen from the outflow recorded in the previous fiscal year.
Principal factors included the proceeds of 23,622 million yen from short-term loans (down 26,668 million yen from the previous year), repayments of 40,321 million yen for short-term loans (down 8,228 million yen from the previous year), the proceeds of 9,051 million yen from long-term loans (up 2,849 million yen from the previous year), and repayments of 8,448 million yen for long-term loans (up 853 million yen from the previous year).

(Reference) Cash flow-related indicators

	FY2007	FY2008	FY2009	FY2010	FY2011
Equity ratio (%)	41.0	38.3	42.8	43.5	48.0
Equity ratio based on market value (%)	35.5	27.1	29.5	25.2	31.6
The ratio of interest-bearing debt to operating cash flow (years)	3.2	5.3	6.9	4.4	3.3
Interest coverage ratio (times)	21.7	15.2	8.9	15.3	18.7

Equity ratio: Shareholders' equity / Total assets
Equity ratio based on market value: Market capitalization / Total assets
* Total market value for stocks is calculated on the basis of the number of outstanding shares, excluding treasury stock.
The ratio of interest-bearing debt to operating cash flow: Interest-bearing debt / Cash flows from operating activities
Interest coverage ratio: Cash flows from operating activities / Interest payments
* All amounts are on a consolidated basis.
* Cash flows are cash flows from operating activities.
* Interest-bearing debt is all the debt with interest on the consolidated balance sheet.

(3) Basic profit allocation policy, and dividends for the current and new fiscal year

We pay dividends based on our basic policy of consistently returning profits to shareholders, while securing sufficient internal reserves in preparation for active business development and potential risks.

Under this policy, we have decided to pay a year-end dividend of 10.00 yen per share for the consolidated fiscal year under review, bringing dividend payments on an annual basis to 20.00 yen per share.

For the consolidated fiscal year ending March 31, 2013, we plan to pay a dividend of 20.00 yen per share on an annual basis.

(4) Business risks

Below we discuss risks we believe could have an important influence on the investment decisions of investors.

Forward-looking statements are based on the judgment of management as of the release of this fiscal report (May 9, 2012).

1) Contracted software development

Our group designs, develops, manufactures, and maintains software on contracted from clients and in line with their needs. We are thorough in controlling the quality of our products, we guarantee the quality of our products, and we constantly work to improve customer satisfaction.

We acquired ISO 9001 certification in June 1995, and have established a quality manual and targets to ensure thorough quality control.

Regarding systems development, we are thorough in managing projects from the inquiry, estimate, and order-receipt stages, and we continue to work to strengthen our project management ability in order to prevent the occurrence of unprofitable projects.

However, there is no guarantee that quality problems will not arise in the services that our group provides. We would face additional costs, and perhaps a damages suit, if quality problems did arise, and this could affect our result of operations and financial position.

2) Outsourcing operations

It is essential in the outsourcing business to take appropriate precautions and responses to system instability and trouble. This is why our group has adopted an earthquake-resistant design for data center facilities, and this is why we continue to work to develop an organizational framework that is responsive to sudden system trouble.

However, the occurrence of a major and unexpected natural disaster, and the inability to smoothly carry out operations due to system trouble, could impact our group's result of operations and financial position.

3) Management of classified information

We understand that our group, which handles corporate client information and personal information, has the social responsibility to appropriately manage this classified information and ensure its safety.

Our group has implemented a variety of measures to prevent information leaks, including formulating and observing internal information protection standards such as computer virus countermeasures and network management, introducing building access security systems, ensuring thorough training of employees regarding information management, and concluding nondisclosure agreements with vendors.

The occurrence of an information leak, despite these preventative measures, could lead to damages suits and disrupt our ability to continue commissioned software development activities, thereby impacting our group's result of operations and financial position.

4) Undisclosed material facts

Information that the Company discloses in its printed materials, on its website, and in answers to telephone inquiries and interviews, etc. is information that has already been announced (disclosed) or public information about the Company.

5) Risks related to the application of impairment accounting for fixed assets

Our group owns fixed assets including land and buildings for business purposes. We adopted accounting standards for the impairment of fixed assets starting in the fiscal year ended March 31, 2006, and the necessity to recognize impairment losses due to changes in the market value of assets, and changes in future profit forecasts, could impact our group's result of operations and financial position.

2. Outline of the Corporate Group

Our corporate Group, which consists of FUJISOFT INCORPORATED (“the Company”), 22 consolidated subsidiaries, two equity method non-consolidated subsidiaries, and five equity method affiliates, is principally engaged in the System Integration (SI) business and the Facility business. In addition to the companies described above, there are three non-consolidated subsidiaries.

Each company in the Group is responsible for its own sales strategy, but they also cooperate with one another.

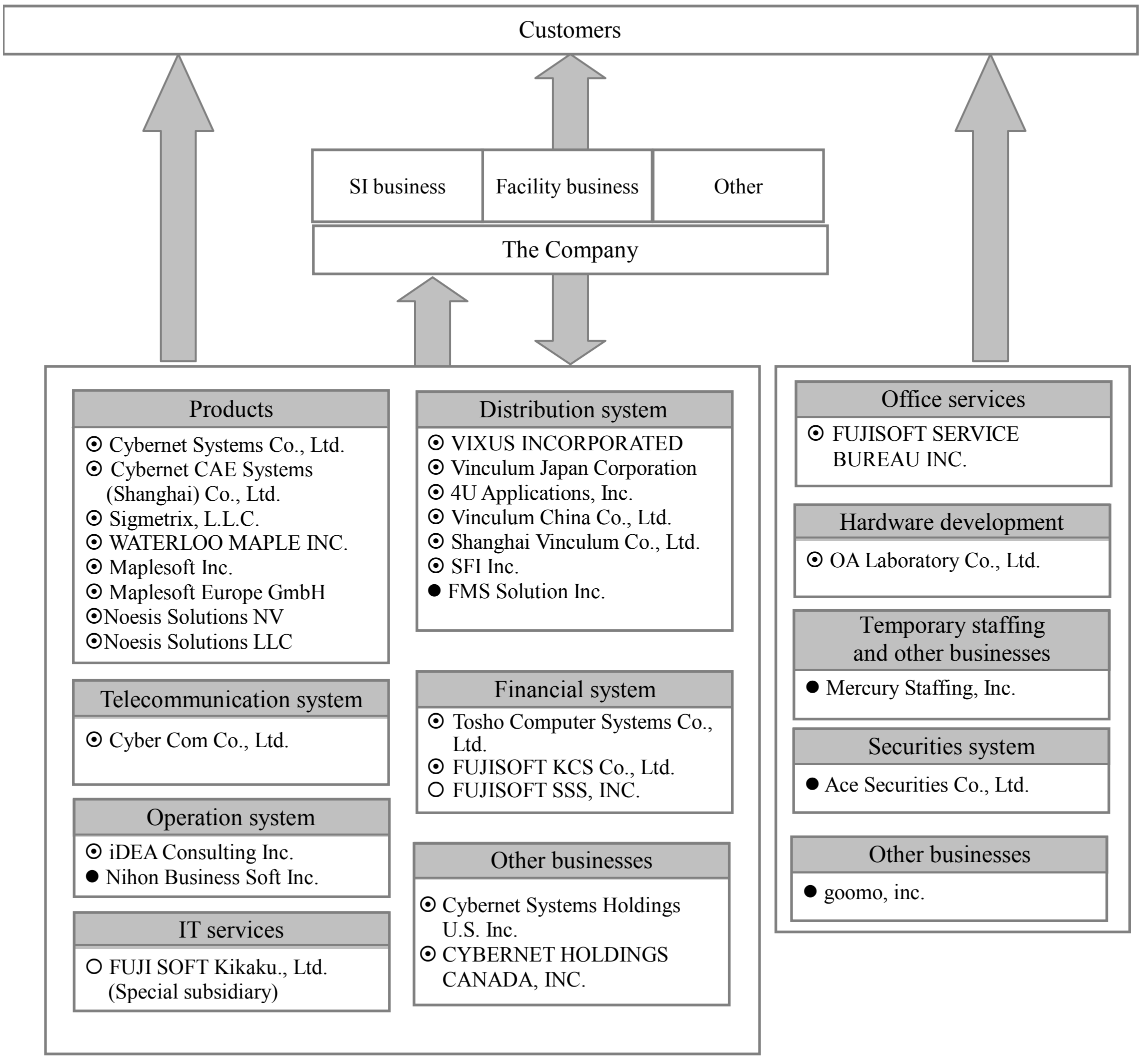
The positioning of each company in the group is shown in the diagram below.

With respect to the positioning of Group companies in the SI business, the Company handles all systems development, while Group companies deal mostly with software development.

Category	Business description
System Integration (SI) 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, overall system maintenance and operation services
Facility business	Leasing of office buildings
Other businesses	Data entry business, contact center business, etc.

The operational diagram is as follows:

⊙: Consolidated subsidiaries (22 companies) / ○: Equity-method non-consolidated subsidiaries (2 companies) /
●: Equity-method affiliates (5 companies)



* Other group companies (Three non-consolidated subsidiaries)

3. Management Policies

(1) Basic management policies

The FUJISOFT Group has set the “shift to a high value-added structure” as a priority management issue for the coming three year. The Group aims to become an “innovative corporate group linking ICT development to the enhancement of value for customers” by striving to transform itself into a value-added company, enhancing on-site strength, increasing profitability, creating added value, achieving a recovery in its share price, and improving operating efficiency.

(2) Management target

We consider consistent and overall improvements in profits to be an important management target.
Consistent and stable dividend is the Company’s management target.

(3) Medium and long-term management strategies

Amid drastic changes in the business environment surrounding the IT industry, the Group has been promoting innovations in its business structure under the basic JPPGG Strategy (strengthening the foundations of the contract business, becoming a prime vendor, achieving productization, globalizing, and bolstering Group capabilities). We will continue to pursue this basic strategy.
To strengthen the foundations of the contract business and become a prime vendor, we will make the contact business more profitable and seek to develop higher value-added businesses by expanding prime businesses. To promote productization, we will provide value-added products and services, taking advantage of the overall strength of the FUJISOFT Group. For globalization, we will expand offshore activities and strongly promote support for Japanese companies seeking to advance overseas as well as for local companies, with the Asian region, particularly China, as the key area. To bolster the Group’s capabilities, we will pursue synergies by promoting collaboration in each business setting and working to enhance the exchange of human resources and strengthen management as necessary.

(4) Future challenges

The Japanese economy is expected to continue to suffer uncertain prospects, chiefly reflecting growing competition on a global scale, particularly for export-oriented companies, given the debt crisis in Europe and the sharp appreciation of the yen, although a moderate economic recovery is likely in light of demand for post-earthquake reconstruction projects and the rebound of overseas economies. As ICT (information and communications technology) is rapidly developing, demonstrated in innovations in terminals and the higher speed of networks as represented by smartphones and tablets as well as the diffusion of cloud computing, we recognize that companies are facing a situation in which the success and failure of the use of ICT will have a significant impact on their competitiveness.
As the performance of the Company remains challenging in this environment, we believe it is an important issue to add greater value by advancing the structural reform we have been pursuing, while addressing the changes in the business environment described above. The Group has been accumulating advanced expertise in areas such as cloud computing, mobile telecommunications, and robotics, in addition to the technical capabilities and readiness we have been cultivating primarily in operation and embedded software development. Moreover, as we have extensive business experience and a strong customer base in a broad array of industries, we believe that we will be able to create new businesses, increase added value, and enhance our competitiveness by expanding these strengths individually and connecting them each other organically.
In line with this, under our five-year medium-term management plan, which began in April 2011, we have set “creating a high value-added structure” as the core strategy for the next three years. Under this strategy, the Group will operate its businesses with the aim of becoming an “innovative corporate group linking ICT development to the enhancement of value for customers.” We will further add value in existing business fields, realize value creation and strengthen our response to globalization based on productization and services by combining the relevant technologies with our business expertise, with “cloud” (including internet-related businesses), “robot technologies,” and “mobile” (including various internet connection devices) as the key words.
To advance these strategies, accelerate improvements in our business performance, and expand our business, we embarked on reorganization on April 1, 2012.

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousand yen)

		FY2010 (As of March 31, 2011)		FY2011 (As of March 31, 2012)
Assets				
Current assets				
Cash and deposits	*2	22,045,272		13,420,233
Notes and accounts receivable-trade		28,385,475	*4	28,364,690
Short-term investment securities		163,762		162,451
Merchandise		268,126		340,712
Work in process	*5	1,453,968	*5	1,662,709
Raw materials and supplies		31,761		31,801
Deferred tax assets		2,665,673		2,772,979
Other		2,552,293		2,312,356
Allowance for doubtful accounts		-31,394		-48,067
Total current assets		57,534,939		49,019,867
Noncurrent assets				
Property, plant and equipment				
Buildings and structures		56,699,169		57,073,078
Accumulated depreciation		-17,909,718		-19,463,874
Buildings and structures, net		38,789,451		37,609,203
Land	*3	30,415,744	*3	30,415,744
Construction in progress		105,817		234,769
Other		16,569,432		16,873,661
Accumulated depreciation		-9,536,934		-10,793,169
Other, net		7,032,497		6,080,492
Total property, plant and equipment		76,343,510		74,340,210
Intangible assets				
Goodwill		4,206,566		3,240,007
Software		7,096,069		5,871,387
Other		397,547		223,543
Total intangible assets		11,700,182		9,334,938
Investments and other assets				
Investment securities	*1	15,016,768	*1	15,355,586
Deferred tax assets		3,239,011		2,269,158
Other		5,653,717		5,478,070
Allowance for doubtful accounts		-71,866		-53,547
Total investments and other assets		23,837,631		23,049,268
Total noncurrent assets		111,881,325		106,724,416
Total assets		169,416,264		155,744,284

(Thousand yen)

		FY2010 (As of March 31, 2011)		FY2011 (As of March 31, 2012)
Liabilities				
Current liabilities				
Accounts payable-trade		7,565,036		7,902,452
Short-term loans payable	*2	25,553,766		8,869,200
Current portion of bonds	*2	44,000		10,000
Current portion of long-term loans payable		8,362,240		8,762,860
Accrued expenses		6,087,058		7,281,840
Income taxes payable		782,048		1,275,506
Deferred tax liabilities		6,272		7,378
Provision for directors' bonuses		127,468		193,032
Provision for loss on construction contracts	*5	397,602	*5	53,258
Other		6,173,772		5,988,070
Total current liabilities		55,099,265		40,343,599
Noncurrent liabilities				
Bonds payable		15,000		5,000
Long-term loans payable	*2	21,641,490		21,829,430
Provision for retirement benefits		5,112,338		5,118,621
Provision for directors' retirement benefits		410,958		395,628
Deferred tax liabilities		14,251		526,269
Other		2,844,163		2,337,428
Total noncurrent liabilities		30,038,202		30,212,378
Total liabilities		85,137,467		70,555,978
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		35,421,262
Treasury stock		-8,101,442		-6,669,954
Total shareholders' equity		82,991,421		83,390,562
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		-69,764		588,796
Deferred gains or losses on hedges		5,654		24,294
Revaluation reserve for land	*3	-9,051,088	*3	-9,051,088
Foreign currency translation adjustment		-122,466		-261,647
Total accumulated other comprehensive income		-9,237,665		-8,699,644
Subscription rights to shares		109,728		95,620
Minority interests		10,415,312		10,401,767
Total net assets		84,278,797		85,188,306
Total liabilities and net assets		169,416,264		155,744,284

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

(Thousand yen)

		FY2010 (From April 1, 2010 to March 31, 2011)		FY2011 (From April 1, 2011 to March 31, 2012)
Net sales		134,745,731		133,912,345
Cost of sales	*1	103,295,983	*1	102,758,354
Gross profit		31,449,748		31,153,991
Selling, general and administrative expenses				
Advertising expenses		399,335		380,481
Directors' compensations		814,375		748,579
Employees' salaries		12,903,875		12,517,391
Retirement benefit expenses		680,707		649,417
Legal welfare expenses		2,049,272		1,945,951
Provision for directors' retirement benefits		80,694		74,500
Provision for directors' bonuses		151,942		200,148
Welfare expenses		525,767		479,453
Recruiting and training expenses		246,176		207,813
Traveling and transportation expenses		616,925		600,611
Stationery expenses		308,439		365,377
Rent expenses		39,940		40,144
Rents		1,053,298		856,415
Taxes and dues		772,831		791,193
Provision of allowance for doubtful accounts		34,349		29,809
Depreciation		1,477,631		1,164,679
Research study expenses		601,592		675,833
Operations consignment expenses		1,269,371		1,234,466
Amortization of goodwill		1,192,074		740,487
Other		2,437,983		2,452,368
Total selling, general and administrative expenses		27,656,584		26,155,124
Operating income		3,793,163		4,998,866
Non-operating income				
Interest income		12,035		11,325
Dividends income		103,544		107,666
Equity in earnings of affiliates		193,914		–
Subsidy income		364,817		170,981
Cancellation income for system services		906,193		–
Other		234,055		209,311
Total non-operating income		1,814,560		499,285
Non-operating expenses				
Interest expenses		818,713		660,026
Equity in losses of affiliates		–		166,108
Cancellation loss for system services		862,553		–
Loss on retirement of noncurrent assets		150,087		44,233
Other		128,754		71,678
Total non-operating expenses		1,960,109		942,046
Ordinary income		3,647,615		4,556,105

(Thousand yen)

		FY2010 (From April 1, 2010 to March 31, 2011)		FY2011 (From April 1, 2011 to March 31, 2012)
Extraordinary income				
Insurance premiums refunded cancellation		4,444		–
Gain on sales of investment securities		656,564		41,257
Reversal of provision for directors' retirement benefits		56,261		–
Gain on negative goodwill		18,587		–
Total extraordinary income		735,858		41,257
Extraordinary loss				
Loss on retirement of noncurrent assets		11,076		–
Loss on valuation of investment securities		2,866		89,415
Impairment loss on noncurrent assets	*3	86,586	*3	2,006
Office transfer expenses		150,160		–
Loss on abolishment of retirement benefit plan		281,000		–
Loss on closure of offices		–	*4	187,147
Loss on adjustment for changes of accounting standard for asset retirement obligations		11,008		–
Total extraordinary loss		542,699		278,569
Income before income taxes		3,840,773		4,318,792
Income taxes-current		691,421		1,355,038
Income taxes-deferred		300,770		1,005,660
Total income taxes		992,192		2,360,698
Income before minority interests		2,848,581		1,958,094
Minority interests in income		336,891		254,182
Net income		2,511,689		1,703,912

Consolidated statements of comprehensive income

(Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Income before minority interests	2,848,581	1,958,094
Other comprehensive income		
Valuation difference on available-for-sale securities	-322,251	607,331
Deferred gains or losses on hedges	-4,335	34,556
Foreign currency translation adjustment	-136,254	-258,418
Share of other comprehensive income of associates accounted for using equity method	-14,514	80,018
Total other comprehensive income	-477,355	463,487
Comprehensive income	2,371,225	2,421,581
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,099,166	2,241,933
Comprehensive income attributable to minority interests	272,059	179,648

(3) Consolidated statements of changes in net assets

(Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Shareholders' equity		
Capital stock		
Balance at the beginning of current period	26,200,289	26,200,289
Balance at the end of current period	26,200,289	26,200,289
Capital surplus		
Balance at the beginning of current period	28,438,965	28,438,965
Balance at the end of current period	28,438,965	28,438,965
Retained earnings		
Balance at the beginning of current period	34,598,277	36,453,608
Changes of items during the period		
Dividends from surplus	-637,723	-637,716
Net income	2,511,689	1,703,912
Retirement of treasury stock	–	-2,098,542
Change of scope of consolidation	-18,634	–
Total changes of items during the period	1,855,331	-1,032,346
Balance at the end of current period	36,453,608	35,421,262
Treasury stock		
Balance at the beginning of current period	-8,101,010	-8,101,442
Changes of items during the period		
Purchase of treasury stock	-432	-667,054
Retirement of treasury stock	–	2,098,542
Total changes of items during the period	-432	1,431,488
Balance at the end of current period	-8,101,442	-6,669,954
Total shareholders' equity		
Balance at the beginning of current period	81,136,521	82,991,421
Changes of items during the period		
Dividends from surplus	-637,723	-637,716
Net income	2,511,689	1,703,912
Purchase of treasury stock	-432	-667,054
Change of scope of consolidation	-18,634	–
Total changes of items during the period	1,854,899	399,141
Balance at the end of current period	82,991,421	83,390,562
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	262,753	-69,764
Changes of items during the period		
Net changes of items other than shareholders' equity	-332,518	658,561
Total changes of items during the period	-332,518	658,561
Balance at the end of current period	-69,764	588,796
Deferred gains or losses on hedges		
Balance at the beginning of current period	7,993	5,654
Changes of items during the period		
Net changes of items other than shareholders' equity	-2,338	18,639
Total changes of items during the period	-2,338	18,639
Balance at the end of current period	5,654	24,294

(Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Revaluation reserve for land		
Balance at the beginning of current period	-9,051,263	-9,051,088
Changes of items during the period		
Net changes of items other than shareholders' equity	174	–
Total changes of items during the period	174	–
Balance at the end of current period	-9,051,088	-9,051,088
Foreign currency translation adjustment		
Balance at the beginning of current period	-44,626	-122,466
Changes of items during the period		
Net changes of items other than shareholders' equity	-77,840	-139,180
Total changes of items during the period	-77,840	-139,180
Balance at the end of current period	-122,466	-261,647
Total accumulated other comprehensive income		
Balance at the beginning of current period	-8,825,142	-9,237,665
Changes of items during the period		
Net changes of items other than shareholders' equity	-412,523	538,020
Total changes of items during the period	-412,523	538,020
Balance at the end of current period	-9,237,665	-8,699,644
Subscription rights to shares		
Balance at the beginning of current period	95,886	109,728
Changes of items during the period		
Net changes of items other than shareholders' equity	13,842	-14,107
Total changes of items during the period	13,842	-14,107
Balance at the end of current period	109,728	95,620
Minority interests		
Balance at the beginning of current period	10,890,390	10,415,312
Changes of items during the period		
Net changes of items other than shareholders' equity	-475,077	-13,545
Total changes of items during the period	-475,077	-13,545
Balance at the end of current period	10,415,312	10,401,767
Total net assets		
Balance at the beginning of current period	83,297,655	84,278,797
Changes of items during the period		
Dividends from surplus	-637,723	-637,716
Net income	2,511,689	1,703,912
Purchase of treasury stock	-432	-667,054
Change of scope of consolidation	-18,634	–
Net changes of items other than shareholders' equity	-873,757	510,367
Total changes of items during the period	981,141	909,509
Balance at the end of current period	84,278,797	85,188,306

(4) Consolidated cash flow statement

(Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Net cash provided by operating activities		
Income before income taxes	3,840,773	4,318,792
Depreciation	7,362,204	6,846,434
Impairment loss on noncurrent assets	86,586	2,006
Loss on closure of offices	–	187,147
Amortization of goodwill	1,185,811	740,487
Increase (decrease) in provision for retirement benefits	285,576	6,283
Interest expenses	818,713	660,026
Equity in (earnings) losses of affiliates	-193,914	166,108
Loss (gain) on sales of investment securities	-656,564	-41,257
Loss (gain) on valuation of investment securities	2,866	89,415
Decrease (increase) in notes and accounts receivable-trade	-1,265,907	-5,374
Decrease (increase) in inventories	1,073,653	-281,665
Increase (decrease) in notes and accounts payable-trade	-1,177,778	338,697
Increase (decrease) in accounts payable-labor cost	47,567	791,244
Increase (decrease) in accrued consumption taxes	235,231	-111,605
Increase (decrease) in accounts payable-other	619,313	-468,789
Decrease (increase) in long-term prepaid expenses	-379,579	-392,380
Increase (decrease) in provision for loss on construction contracts	275,273	-344,343
Other	1,826,958	1,273,568
Subtotal	13,986,786	13,774,796
Interest and dividends income received	184,878	185,200
Interest expenses paid	-809,146	-612,613
Income taxes paid	-832,968	-994,583
Net cash provided by operating activities	12,529,550	12,352,800
Net cash used in investing activities		
Purchase of property, plant and equipment	-2,109,676	-1,083,534
Proceeds from sales of property, plant and equipment	3,722	236
Purchase of intangible assets	-3,636,571	-2,308,871
Proceeds from sales of short-term investment securities	137,967	–
Purchase of investment securities	-1,575,923	-791,505
Proceeds from sales of investment securities	2,396,580	1,215,433
Payments for purchase of new consolidated subsidiaries	-820,595	–
Other	-305,800	58,110
Net cash used in investing activities	-5,910,297	-2,910,130

(Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Net cash used in financing activities		
Increase in short-term loans payable	50,290,498	23,622,000
Decrease in short-term loans payable	-48,550,062	-40,321,578
Proceeds from long-term loans payable	6,202,489	9,051,752
Repayment of long-term loans payable	-7,594,230	-8,448,180
Purchase of treasury stock	-432	-667,054
Cash dividends paid	-636,871	-638,572
Cash dividends paid to minority shareholders	-388,961	-192,886
Repayments of lease obligations	-436,231	-480,832
Other	-167,000	-29,208
Net cash used in financing activities	-1,280,801	-18,104,560
Effect of exchange rate change on cash and cash equivalents	-66,266	-103,249
Net increase (decrease) in cash and cash equivalents	5,272,185	-8,765,139
Cash and cash equivalents at beginning of period	16,687,266	22,044,626
Net increase in cash and cash equivalents as a result of the consolidation of subsidiaries	85,174	–
Cash and cash equivalents at end of period	*1 22,044,626	*1 13,279,487

(5) Note on going concern assumptions

Not applicable.

(6) Basis of presenting consolidated financial statements

1. Scope of consolidation

(1) Number and name of consolidated subsidiaries

22 consolidated subsidiaries (20 consolidated subsidiaries in the previous fiscal year):

iDEA Consulting Inc.
VIXUS INCORPORATED
Vinculum Japan Corporation
4U Applications, Inc.
Vinculum China Co., Ltd.
Shanghai Vinculum Co., Ltd.
SFI Inc.
OA LABORATORY CO, LTD.
Cyber Com Co., Ltd.
CYBERNET SYSTEMS CO., LTD.
Cybernet CAE Systems (Shanghai) Co., Ltd.
CYBERNET HOLDINGS CANADA, INC.
WATERLOO MAPLE INC.
Maplesoft Europe GmbH
Maplesoft Inc.
Cybernet Systems Holdings U.S. Inc.
Sigmetrix, L.L.C.
Noesis Solutions NV
Noesis Solutions LLC
Tosho Computer Systems Co., Ltd.
FUJISOFT KCS Co., Ltd.
FUJISOFT SERVICE BUREAU INCORPORATED

(Notes) 1. Shanghai Vinculum Co., Ltd. was included in the scope of consolidation, because it was established as a joint venture by Vinculum China Co., Ltd., a consolidated subsidiary of the Company.

2. Noesis Solutions, LLC. was included in the scope of consolidation, because it was established by Noesis Solutions NV, a consolidated subsidiary of the Company.

(2) Number and name of non-consolidated subsidiaries

Five non-consolidated subsidiaries (four non-consolidated subsidiaries in the previous fiscal year):

Fujisoft Kikaku, LTD.
FUJISOFT SSS, INC.
CCA Engineering Simulation Software (Shanghai) Co., Ltd.
CYBERNET SYSTEMS TAIWAN Co., Ltd.
Cybernet Systems Korea Co., LTD.

(Note) Cybernet Systems Korea Co., LTD. was established by CYBERNET SYSTEMS CO., LTD., a consolidated subsidiary of the Company.

(3) The reason for exclusion from the scope of consolidation

The reason for exclusion from consolidation is:

Fujisoft Kikaku, LTD., FUJISOFT SSS, INC., CCA Engineering Simulation Software (Shanghai) Co., Ltd., CYBERNET SYSTEMS TAIWAN Co., Ltd. and Cybernet Systems Korea Co., LTD. are small in size, and their total assets, sales, net income or loss (amounts equivalent to the equity holding), and retained earnings (amounts equivalent to the equity holding) for the fiscal year 2011 do not have any material effect on the consolidated financial statements.

2. Application of equity method

Seven companies to which the equity method is applied (six companies in the previous fiscal year):

(1) Number and name of non-consolidated subsidiaries to which the equity method is applied

Two non-consolidated subsidiaries to which the equity method is applied (two companies in the previous fiscal year):

Fujisoft Kikaku, Ltd.
FUJISOFT SSS, Inc.

(2) Number and name of affiliates to which the equity method is applied

Five affiliates to which the equity method is applied (four companies in the previous fiscal year):

Ace Securities Co., Ltd.
goomo, inc.
Nihon Business Soft, Inc.
Mercury Staffing Co., Ltd.
FMS Solution Inc.

(Note) FMS Solution Inc. was included in the scope of application of equity method, because it was newly established as a joint venture by Vinculum Japan Corporation, a consolidated subsidiary of the Company.

(3) The reason for exclusion from the scope of application of equity method

CCA Engineering Simulation Software (Shanghai) Co., Ltd., CYBERNET SYSTEMS TAIWAN Co., Ltd. and Cybernet Systems Korea Co., LTD. were excluded from the scope of application of equity method, because their impact on net income/loss (the amount matching the equity) and retained earnings (the amount matching the equity), etc. was minor.

(4) Of the companies to which the equity method is applied, financial statements for their respective fiscal years are used for those companies whose fiscal year-end is different from the consolidated fiscal year-end.

3. Fiscal year of consolidated subsidiaries

The fiscal year-end of Vinculum China Co., Ltd., Shanghai Vinculum Co., Ltd., Cybernet CAE Systems (Shanghai) Co., Ltd., CYBERNET HOLDINGS CANADA, INC., WATERLOO MAPLE INC., Maplesoft Europe GmbH, Maplesoft Inc., Cybernet Systems Holdings U.S. Inc., Sigmetrix, L.L.C., Noesis Solutions NV and Noesis Solutions, LLC. is December 31. To prepare consolidated financial statements, their financial statements as of this day are used, and necessary adjustments for consolidation are made for material transactions occurring between their fiscal year-end and the consolidated fiscal year-end.

4. Significant accounting policies

(1) Valuation of major assets

(i) Securities

a. Bonds held to maturity

Stated at amortized cost. (Straight-line method)

b. Available-for-sale securities

(For those with market value)

Stated at market value based on market prices, etc., as of the period-end. (Unrealized valuation gains or losses are reported in the shareholders' equity, and sales costs are determined by the moving average method.)

(For those without market value)

Stated at cost as determined by the moving average method.

(ii) Derivatives

Stated at market value.

(iii) Inventories

Valuation standards are based on the cost method (the method of writing down the book value based on a fall in profitability).

a. Merchandise:

Stated at cost as determined with the moving average method.

b. Work in process:

Stated at cost on a specific identification method.

c. Raw materials:

Stated at cost as determined with the moving average method.

d. Supplies:

Stated at cost on a specific identification method.

(2) Depreciation of major depreciable assets

(i) Property, plant and equipment (except leased assets)

Property, plant and equipment are depreciated on the straight-line method.

The useful life of major assets is as follows:

Building and structures:	2 to 50 years
Machinery, equipment and vehicles:	2 to 17 years
Tools, furniture and fixtures:	2 to 20 years

(Changes in accounting policy that are difficult to distinguish from changes in accounting estimates)

Although the FUJISOFT Group adopted the declining balance method for property, plant and equipment in the past, the straight-line method is used from the fiscal year under review. This change has been made based on our judgment after reviewing the assets owned by the Group, namely that the straight-line method that smoothes out the periodic allocation of depreciation expenses is better suited for the actual condition of the Group's management, given that assets used consistently for a long time (office buildings and incidental assets and data center-related assets, etc.) constitute the major portion of property, plant, and equipment and that the importance of stock business is expected to increase in the future. As a result of the change, depreciation expenses for the fiscal year under review declined 759,027 thousand yen, while operating income, ordinary income and income before income taxes and minority interests increased 739,770 thousand yen, compared with the amounts based on the past method.

(ii) Intangible assets (except leased assets)

a. Software for sale:

Stated at the larger amount of either an amortizable amount based on the estimated sales volume during the valid sales period (less than 3 years) or an amortizable amount based on a straight-line method over the remaining valid sales period.

b. Software for the Company's own use:

Amortized on a straight-line method over an estimated useful life (5 years) in the Company.

c. Other:

Amortized on a straight-line method.

(iii) Leased assets

Lease assets associated with finance leases other than those for which the ownership rights of the leased property are deemed to transfer to the lessee are amortized using the straight line method, with the lease period being the useful life and the residual value being zero.

For finance leases other than those for which the ownership rights of the leased property are deemed to transfer to the lessee whose date of commencing the lease transaction is March 31, 2008 or earlier, accounting treatment similar to that for ordinary rental transactions is applied.

(iv) Investments and other assets (Long-term prepaid expenses)

Computed with a straight-line method.

(3) Standards for major allowances

(i) Allowance for doubtful accounts

To provide for possible bad debt losses on accounts receivable as at the end of the consolidated fiscal year, the Company records an allowance based on historical percentage for ordinary receivables and on an estimate of the collectability of receivables from companies in financial difficulty

(ii) Provision for directors' bonuses

To provide for payments of bonuses to directors and corporate auditors, an allowance is recorded in the amount recognized to have accrued at the end of the consolidated fiscal year based on estimated amounts of payment at the end of the fiscal year.

(iii) Provision for loss on construction contracts

To provide for possible losses associated with made-to-order software development, the Company recorded estimated losses as at the end of the consolidated fiscal year under review from contracts for made-to-order software development, in which losses were expected and the amount of the losses could be estimated in an appropriate manner.

(iv) Provision for retirement benefits

To provide for payments of retirement benefits to employees, the Company records an amount recognized to have accrued at the end of the consolidated fiscal year based on estimated amounts of retirement benefit obligations and pension assets at the end of the consolidated fiscal year.

The estimated amount of pension assets exceeded the estimated amount of retirement benefit obligations after deduction of unsettled difference due to the change in accounting principle, unrecognized actuarial differences, and unrecognized prior service cost as at the end of the consolidated fiscal year. Consequently, the excess amount is booked as prepaid pension costs and classified as “Other” under “Investments and other assets” of the consolidated balance sheet.

In addition, a difference arisen as a result of the change of accounting standards (5,034,915 thousand yen) is expensed equally, mainly over 15 years.

Also, an actuarial difference is expensed equally from the fiscal year following its accrual over an average remaining service period (10 to 13 years) of employees at the time of the accrual.

And prior service costs are accounted for based on an average remaining service period (10 to 13 years) of employees at the time of the accrual using the straight-line method.

(v) Provision for directors' retirement benefits

The company that submits consolidated financial statements and some of its consolidated subsidiaries record amounts that they are required to pay upon the retirement of directors and corporate auditors at the end of the fiscal year, based on internal policies.

(4) Standards for recording important revenues and costs

Standards for recording revenues and costs relating to made-to-order software development

The Company applied the percentage-of-completion method (the construction-cost-percentage method for estimating the degree of completion of software development) for contracts whose outcome at the end of the consolidate fiscal year under review was deemed certain. The Company applied the completed contract method to contracts other than the above.

(5) Hedge accounting

(i) Hedge accounting

Deferral hedge accounting is, in principle, adopted. Appropriation accounting is applied to forward foreign exchange contracts and currency option transactions that meet the requirements for appropriation accounting, and special accounting is applied to the interest-rate swap transactions that meet the requirements for special accounting.

(ii) Hedging instruments and hedged items

Hedging instruments:

Interest-rate swaps, forward foreign exchange contracts and currency options

Hedged items:

Borrowings, and claims and liabilities denominated in foreign currencies

(iii) Hedging policy

Forward foreign exchange contracts and currency options transactions are entered to deter risks involved in transactions denominated in foreign currencies from the fluctuations in the foreign exchange market. Interest-rate swap transactions are entered to deter risks involved in borrowings from the fluctuations of interest rates. These transactions will never be entered for speculative purpose.

(iv) Assessment of hedge effectiveness

The Company assesses the effectiveness of hedging based on the extent of the fluctuations of hedged items and hedging instruments by semi-annually comparing the fluctuations of the market of hedged items or the fluctuations of accumulative cash flows with the fluctuations in the market of hedging instruments or the fluctuations of accumulative cash flows.

(6) Amortization of goodwill

Goodwill is amortized evenly over a valid period (5 to 15 years) reasonably estimated, except minor goodwill which is expensed as incurred.

(7) Cash and cash equivalents in the consolidated cash flow statement

In preparing the consolidated cash flow statements, cash on hand, readily available deposits, and short-term liquid investments with maturities not exceeding three months at the time of purchase and with little risk of changing value are considered to be cash and cash equivalents.

(8) Other important matters for the preparation of consolidated financial statements

Consumption tax

Amounts reflected are stated exclusive of consumption tax.

(7) Change in presentation

(Consolidated Cash Flow Statement)

"Purchase of treasury stock" (-432 thousand yen in the previous fiscal year) which was indicated in "Other" of cash flows from financing activities is stated independently from the fiscal year under review, as its importance has increased. To reflect this change in the presentation method, the reclassification is made in consolidated financial statements for the previous fiscal year.

As a result, -167,432 thousand yen showed in "Other" of cash flows from financing activities in the consolidated cash flow statement for the previous fiscal year has been reclassified into -432 thousand yen in "Purchase of treasury stock" and -167,000 thousand yen in "Other."

(8) Additional information

(Application of accounting standard for accounting changes and error corrections, etc)

The Accounting Standard for Accounting Changes and Error Corrections (Accounting Standards Board of Japan (ASBJ) Statement No.24 issued on December 4, 2009) and the Guidance on Accounting Standard for Accounting Changes and Error Corrections (ASBJ Guidance No.24 issued on December 4, 2009) are applied to accounting changes and error corrections conducted after the beginning of the fiscal year under review.

(Revisions to amounts of deferred tax assets and deferred tax liabilities due to changes in corporate tax rates, etc.)

Associated with the promulgation on December 2, 2011 of the Act for Partial Revision of the Income Tax Act, etc. for the Purpose of Creating Taxation System Responding to Changes in Economic and Social Structures and the Act on Special Measures for Securing Financial Resources Necessary to Implement Measures for Reconstruction following the Great East Japan Earthquake, the statutory effective tax rate used for the calculation of deferred tax assets and deferred tax liabilities for the fiscal year under review (limited to those to be eliminated on and after April 1, 2012) has been changed from 40.6% in the previous fiscal year to 38.0% for those which are expected to be recovered or paid from April 1, 2012 to March 31, 2015 and to 35.6% for those which are expected to be recovered or paid on and after April 1, 2015.

As a result, deferred tax assets and deferred gains or losses on hedges declined 322,083 thousand yen and 1,832 thousand yen, respectively, while valuation difference on available-for-sale securities and income taxes-deferred recorded in the fiscal year under review increased 39,308 thousand yen and 363,224 thousand yen, respectively.

(9) Notes to consolidated financial statements

(Consolidated Balance Sheet)

*1 Shares of non-consolidated subsidiaries and affiliates (Thousand yen)

	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
Investment securities (stocks)	5,351,319	5,409,734

*2 Assets submitted as collateral and secured debt are as follows:

Assets submitted as collateral (Thousand yen)

	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
Time deposits	36,100	–

Debt secured by security interest (Thousand yen)

	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
Short-term loans payable	5,004	–
Current portion of bonds	24,000	–
Long-term loans payable	6,235	–

*3 In accordance with the Law Concerning Revaluation of Land (Law No. 34 enacted on March 31, 1998, and revised on March 31, 2001), the Company revaluated its business-use land on March 31, 2002. In accordance with the Law Partially Revising the Law Concerning Revaluation of Land (Law No. 24 enacted on March 31, 1999), the Company booked the amount equivalent to the tax on the revaluation difference in Net assets as "Land revaluation difference."

Method of revaluation:

The Company computed by making reasonable adjustments to the obtained with the method decided and announced by the Commissioner of the National Tax Administration Agency for calculation of the land price as the basis of the taxable price for the land tax specified by Article 16 of the Land Tax Law (Law No. 69, 1991) defined by Article 2-4 of the Enforcement Order (Ordinance No. 119 issued on March 31, 1998) of the Law Concerning Revaluation of Land.

Date of revaluation: March 31, 2002 (Thousand yen)

	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
Difference between the market price of the land at the end of the fiscal year 2010 when revaluation is made, and the book value after revaluation	-1,436,260	-1,782,820

*4 Notes matured on the year end date are settled on clearing date.

As the last day of the fiscal year under review was a non-business day of financial institutions, the following notes maturing on the year-end date are included in the year-end balance.

(Thousand yen)

	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
Notes receivable	–	6,901

*5 Inventories relating to made-to-order software development that is likely to incur losses and provision for loss on construction contracts are separately presented, without being set off.

Of inventories relating to made-to-order software development that is likely to incur losses, the amount corresponding to the provision for loss on construction contracts is as follows: (Thousand yen)

	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
Work in process	125,867	26,292

(Consolidated Income Statement)

*1 Provision for loss on construction contracts that is included in cost of sales is as follows: (Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Provision for loss on construction contracts	275,273	-344,343

*2 Research and development expenses that are included in selling, general, and administrative expenses are as follows:

(Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Research and development expenses	799,224	812,256

*3 Impairment loss of noncurrent assets

FY2010 (From April 1, 2010 to March 31, 2011)

The FUJISOFT Group posted impairment loss of the following assets in the consolidated fiscal year under review.

(Thousand yen)

Location	Intended purpose	Category	Impairment loss
Dojimahama, Kita-ku, Osaka	System equipment	Tools, furniture and fixtures	77,039
Dojimahama, Kita-ku, Osaka	Telephone, etc.	Telephone subscription right	1,897
Dojimahama, Kita-ku, Osaka	Use of facilities	Right of using facilities	813
Chiyoda-ku, Tokyo, etc.	Idle facilities	Telephone subscription right	5,387
Yokohama City, Kanagawa Prefecture	Idle facilities	Telephone subscription right	1,449

We group the assets mainly based on the division on management accounting in which revenue and expenditure are grasped. The Company recorded the recoverable amount before the scheduled service suspension date as the book value for assets whose value significantly falls or whose use changes on the scheduled service suspension date. Consequently, for the amounts reduced as mentioned above, the Company recorded an impairment loss of 79,750 thousand yen in extraordinary loss.

Idle facilities not directly used in the business are accounted individually. The value of idle facilities whose fair value has fallen and that are not expected to be used in the future has been reduced to the recoverable amount. Consequently, the Company recorded an impairment loss of 6,836 thousand yen as extraordinary loss.

FY2011 (From April 1, 2011 to March 31, 2012)

The FUJISOFT Group posted impairment loss of the following assets in the consolidated fiscal year under review.

(Thousand yen)

Location	Intended purpose	Category	Impairment loss
Yokohama City, Kanagawa Prefecture	Idle facilities	Telephone subscription right	2,006

We group the assets mainly based on the division on management accounting in which revenue and expenditure are grasped.

Idle facilities not directly used in the business are accounted individually. The value of idle facilities whose fair value has fallen and that are not expected to be used in the future has been reduced to the recoverable amount. Consequently, the Company recorded an impairment loss of 2,006 thousand yen as extraordinary loss.

*4 The loss on closure of offices includes expenses associated with the closure of data centers, etc. by consolidated subsidiaries

(Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Impairment loss	–	181,635
Removal cost	–	5,512

(Consolidated Statements of Changes in Net Assets)

FY2010 (From April 1, 2010 to March 31, 2011)

1. Outstanding shares

Category	As of April 1, 2010	Increase	Decrease	As of March 31, 2011
Common stock (shares)	35,746,329	–	–	35,746,329

2. Treasury stock

Category	As of April 1, 2010	Increase	Decrease	As of March 31, 2011
Common stock (shares)	3,860,908	310	–	3,861,218

Note:

Main component of increase or decrease is as follows:

Purchase of odd-lot shares: 310 shares

3. Subscription rights to shares

Company name	Item	Category of shares to be issued upon exercise	Number of shares to be issued upon exercise				Balance at the end of the consolidated fiscal year under review (Thousand yen)
			As of April 1, 2010	Increase	Decrease	As of March 31, 2011	
The Company	Subscription rights to shares	–	–	–	–	–	105,000
Consolidated subsidiaries	Subscription rights to shares	–	–	–	–	–	4,728
Total		–	–	–	–	–	109,728

4. Dividends

(1) Dividend payments

Resolution	Category	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Dividend record date	Effective date
Board of directors meeting held on May 12, 2010	Common stock	318,862	10	March 31, 2010	June 29, 2010
Board of directors meeting held on November 5, 2010	Common stock	318,861	10	September 30, 2010	December 10, 2010

(2) Dividends with a record date in the fiscal year 2010 but an effective date in the following fiscal year

Resolution	Category	Funds for dividend	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Dividend record date	Effective date
Board of directors meeting held on May 11, 2011	Common stock	Retained earnings	318,859	10	March 31, 2011	June 28, 2011

FY2011 (From April 1, 2011 to March 31, 2012)

1. Outstanding shares

Category	As of April 1, 2011	Increase	Decrease	As of March 31, 2012
Common stock (shares)	35,746,329	–	1,000,329	34,746,000

2. Treasury stock

Category	As of April 1, 2011	Increase	Decrease	As of March 31, 2012
Common stock (shares)	3,861,218	500,435	1,000,329	3,361,324

Note:

Main component of increase or decrease is as follows:

Increase from the purchase of the Company's own shares: 500,000 shares

Increase from the purchase of odd-lot shares: 435 shares

Decrease due to the retirement of treasury stock: 1,000,329 shares

3. Subscription rights to shares

Company name	Item	Category of shares to be issued upon exercise	Number of shares to be issued upon exercise				Balance at the end of the consolidated fiscal year under review (Thousand yen)
			As of April 1, 2011	Increase	Decrease	As of March 31, 2012	
The Company	Subscription rights to shares	–	–	–	–	–	84,000
Consolidated subsidiaries	Subscription rights to shares	–	–	–	–	–	11,620
Total		–	–	–	–	–	95,620

4. Dividends

(1) Dividend payments

Resolution	Category	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Dividend record date	Effective date
Board of directors meeting held on May 11, 2011	Common stock	318,859	10	March 31, 2011	June 28, 2011
Board of directors meeting held on November 7, 2011	Common stock	318,857	10	September 30, 2011	December 12, 2011

(2) Dividends with a record date in the fiscal year 2011 but an effective date in the following fiscal year

Resolution	Category	Funds for dividend	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Dividend record date	Effective date
Board of directors meeting held on May 9, 2012	Common stock	Retained earnings	313,854	10	March 31, 2012	June 26, 2012

(Consolidated Cash Flow Statement)

*1 The relationship between the ending balance of cash and cash equivalents and the accounts and their amounts on the Consolidated Balance Sheet is as follows: (Thousand yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Cash and time deposits	22,045,272	13,420,233
Securities	163,762	162,451
Time deposits with maturity of more than 3 months	-41,100	-181,230
Securities other than MMF	-123,308	-121,967
Cash and cash equivalents	22,044,626	13,279,487

(Segment Information)

[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. Calculating of net sales, income, loss, assets, liabilities and other items by reported segment

The accounting method of the reported business segments is generally the same as the details stated in the "Important basic matters for the preparation of consolidated financial statements."

Reported segments' income is based on operating income. Internal income and the transfer amount among the segments are based on the actual market prices.

3. Information on net sales, income, loss, assets, liabilities and other items by reported segment

FY2010 (From April 1, 2010 to March 31, 2011) (Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amounts recorded in the consolidated financial statements (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	124,643,835	2,106,545	126,750,381	7,995,350	134,745,731	–	134,745,731
Inter-segment sales or transfers	49,240	851,955	901,196	1,079,056	1,980,253	-1,980,253	–
Total	124,693,076	2,958,501	127,651,577	9,074,407	136,725,985	-1,980,253	134,745,731
Segment profit (loss)	3,171,618	652,156	3,823,775	-31,047	3,792,728	435	3,793,163
Segment assets	165,247,096	788,185	166,035,281	3,380,983	169,416,264	–	169,416,264
Other items							
Depreciation and amortization	7,099,316	109,824	7,209,141	153,063	7,362,204	–	7,362,204
Amortization of goodwill	1,185,811	–	1,185,811	–	1,185,811	–	1,185,811
Increase in property, plant and equipment and intangible assets	6,116,077	6,015	6,122,092	51,466	6,173,558	–	6,173,558

(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 435 thousand yen includes an elimination of inter-segment transactions of 435 thousand yen.

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

FY2011 (From April 1, 2011 to March 31, 2012) (Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amounts recorded in the consolidated financial statements (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	125,351,988	1,976,365	127,328,354	6,583,991	133,912,345	–	133,912,345
Inter-segment sales or transfers	108,170	752,016	860,186	953,175	1,813,362	-1,813,362	–
Total	125,460,158	2,728,382	128,188,541	7,537,166	135,725,707	-1,813,362	133,912,345
Segment profit	4,045,558	838,799	4,884,358	113,987	4,998,346	519	4,998,866
Segment assets	151,869,688	713,432	152,583,121	3,161,162	155,744,284	–	155,744,284
Other items							
Depreciation and amortization	6,616,993	86,020	6,703,014	143,420	6,846,434	–	6,846,434
Amortization of goodwill	740,487	–	740,487	–	740,487	–	740,487
Increase in property, plant and equipment and intangible assets	3,443,609	3,130	3,446,739	114,300	3,561,039	–	3,561,039

(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 519 thousand yen includes an elimination of inter-segment transactions of 519 thousand yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.
4. Change of the depreciation method
   The depreciation method for property, plant and equipment has been changed from the declining balance method to the straight-line method from the fiscal year under review. As a result, segment profit increased 495,249 thousand yen in the SI business, 240,830 thousand yen in the Facility business, and 3,690 thousand yen in Others, compared with the amounts based on the past method.

[Related information]

FY2010 (From April 1, 2010 to March 31, 2011)

1. Information about each product and service

The details have been omitted, because the FUJISOFT Group provides reports based on the management approach by product and service.

2. Information about each region

(1) Net sales

The details of net sales were omitted, because net sales that were classified as those for external customers in Japan exceeded 90% of net sales stated in the consolidated statements of income.

(2) Property, plant and equipment

The details of property, plant and equipment were omitted, because property, plant and equipment in Japan exceeded 90% of those stated in the consolidated balance sheets.

3. Information about each major customer

The details of major customers were omitted, because there were no customers who account for 10% of net sales for external customers stated in the consolidated statements of income.

[Information on the impairment loss of noncurrent assets by reported segment]

FY2010 (From April 1, 2010 to March 31, 2011) (Thousand yen)

	Reported segments			Others	Total	Adjustment	Amounts recorded in the consolidated financial statements
	SI business	Facility business	Total				
Impairment loss	86,586	–	86,586	–	86,586	–	86,586

FY2011 (From April 1, 2011 to March 31, 2012) (Thousand yen)

	Reported segments			Others	Total	Adjustment	Amounts recorded in the consolidated financial statements
	SI business	Facility business	Total				
Impairment loss	2,006	–	2,006	–	2,006	–	2,006

[Information on the amortization of goodwill and the unamortized amount by reported segment]

FY2010 (From April 1, 2010 to March 31, 2011) (Thousand yen)

	Reported segments			Others	Total	Adjustment	Amounts recorded in the consolidated financial statements
	SI business	Facility business	Total				
Amortization during the fiscal year under review	1,185,811	–	1,185,811	–	1,185,811	–	1,185,811
Outstanding balance as at the end of the fiscal year under review	4,206,566	–	4,206,566	–	4,206,566	–	4,206,566

FY2011 (From April 1, 2011 to March 31, 2012) (Thousand yen)

	Reported segments			Others	Total	Adjustment	Amounts recorded in the consolidated financial statements
	SI business	Facility business	Total				
Amortization during the fiscal year under review	740,487	–	740,487	–	740,487	–	740,487
Outstanding balance as at the end of the fiscal year under review	3,240,007	–	3,240,007	–	3,240,007	–	3,240,007

[Information on gain on negative goodwill by reported segment]

FY2010 (From April 1, 2010 to March 31, 2011)

Because CYBERNET SYSTEMS CO., LTD., the Company's consolidated subsidiary, acquired the treasury stock, the percentage of voting rights the Company holds against CYBERNET SYSTEMS CO., LTD. increased. As a result, the Company recorded a gain on negative goodwill of 18,587 thousand yen for the consolidated fiscal year under review.

FY2011 (From April 1, 2011 to March 31, 2012)

Not applicable.

(Rental properties)

The Company and certain of its consolidated subsidiaries own rental office buildings in Tokyo and other areas. Because these rental office buildings are used by the Company and its consolidated subsidiaries, they are classified as real estate that includes properties used as rental properties.

The amount of real estate that includes properties used as rental properties presented in the consolidated balance sheets, changes during the fiscal year under review, and its fair value are as follows:

(Thousand yen)

			FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Real estate that includes properties that are used as rental properties	Amount presented in the consolidated balance sheets	Beginning balance	45,953,033	44,703,078
		Changes during the period	-1,249,955	-841,375
		Ending balance	44,703,078	43,861,703
	Market value at the year end		50,790,625	47,505,240

(Notes) 1. The amount presented in the consolidated balance sheets is the amount calculated by deducting accumulated depreciation and the accumulated impairment loss from the acquisition costs.

2. Changes in rental properties during the period are declines mainly attributable to the depreciation of Akihabara Building.

3. The fair value as of March 31, 2012 was determined mainly based on the amount that reflects the value appraised by real-estate appraisers, and other amounts based on indicators that are considered to appropriately reflect the market value.

Earnings from real estate that includes properties that are used as rental properties are as follows:

(Thousand yen)

		FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Real estate that includes properties that are used as rental properties	Rent income	1,602,873	1,447,339
	Rent expenses	771,268	611,883
	Difference	831,605	835,456
	Others (Loss (gain) from sales)	–	–

(Notes) 1. Because real estate that includes properties used as rental properties also includes the supply of services and properties used by certain consolidated subsidiaries, it is not included in the above rent income. Expenses associated with the above real estate (such as depreciation, repair expenses, and taxes and dues) are included in the rent expenses.

2. The depreciation method for property, plant and equipment has been changed from the declining balance method to the straight-line method from the fiscal year under review. As a result, rental expenses for the fiscal year under review declined 60,329 thousand yen, compared with the amount based on the past method.

(Per-Share Information)

(Yen)

	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Net assets per share	2,313.11	2,379.85
Net income per share	78.77	53.70

(Note) Fully diluted net income per share has not been presented because there are no residual securities with diluting effects.

2. The calculation basis of net income per share is as follows:

Item	FY2010 (From April 1, 2010 to March 31, 2011)	FY2011 (From April 1, 2011 to March 31, 2012)
Net income per share		
Net income (thousand yen)	2,511,689	1,703,912
Amounts which do not belong to ordinary shareholders (thousand yen)	–	–
Net income on common shares (thousand yen)	2,511,689	1,703,912
Average number of common shares during the fiscal year (thousand shares)	31,885	31,732
Outlines of potential shares not included in the computation of fully diluted net income per share because of the absence of diluting effect	(The Company) Stock option resolved at the annual general meeting of shareholders on June 23, 2008 Number of shares associated with stock acquisition rights: 300,000 shares Issue price: 1,993 yen (Consolidated subsidiaries) Vinculum Japan Corporation Number of potential shares: 1,470 shares Issue price: 62,933 yen	(The Company) Stock option resolved at the annual general meeting of shareholders on June 23, 2008 Number of shares associated with stock acquisition rights: 240,000 shares Issue price: 1,993 yen (Consolidated subsidiaries) Vinculum Japan Corporation Number of potential shares: 1,445 shares Issue price: 62,933 yen

3. The calculation basis of net assets per share is as follows:

Item	FY2010 (As of March 31, 2011)	FY2011 (As of March 31, 2012)
Total net assets (thousand yen)	84,278,797	85,188,306
Amount to be subtracted from total net assets (thousand yen)	10,525,041	10,497,388
(Stock acquisition rights) (thousand yen)	(109,728)	(95,620)
(Minority interests) (thousand yen)	(10,415,312)	(10,401,767)
Net assets pertaining to common shares at the year end (thousand yen)	73,753,755	74,690,917
Number of common shares at the year end used in calculation of net assets per share (thousand shares)	31,885	31,384

(Post-Balance Sheet Events)

Not applicable.

(Omission of disclosure)

The disclosure of notes to consolidated statements of comprehensive income, lease transactions, information on related parties, financial instruments, securities, derivatives, retirement benefit, stock options, tax effect accounting, merger, and asset retirement obligations has been omitted, because the disclosure of these matters in the summary of financial results is not considered necessary.

5. Other

(1) Production, Orders, and Sales Situations

1) Production performance

The table below shows production performance by business segment in the fiscal year under review.

Segment by business type	Amount (thousand yen)	Year on year (%)
SI business	95,524,760	101.2
Facility business	849,811	83.2
Other	6,383,782	80.8
Total	102,758,354	99.5

(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 fiscal year under review.

Segment by business type	Amount of orders (thousand yen)	Year on year (%)	Outstanding balance of orders (thousand yen)	Year on year (%)
SI business	126,927,275	105.1	32,752,982	105.1
Facility business	2,137,747	99.1	215,895	396.0
Other	6,603,670	83.1	951,360	102.1
Total	135,668,693	103.7	33,920,238	105.5

(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 fiscal year under review.

Segment by business type	Amount (thousand yen)	Year on year (%)
SI business	125,351,988	100.6
Facility business	1,976,365	93.8
Other	6,583,991	82.3
Total	133,912,345	99.4

(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 fiscal year under review were omitted, since the ratio was less than 10%.

(2) Changes to operating officers

For changes to operating officers, please refer to the "Notice of Changes to Representative Director and Operating Officers" separately announced today.