Summary of Consolidated Financial Results for the First Three Quarters of Fiscal Year ending March 31, 2013 (Japanese Accounting Standards)

February 5, 2013

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

Securities Code: 9749 URL http://www.fsi.co.jp/
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Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): February 8, 2013
Scheduled date of dividend payment: –
Supplementary documents for quarterly results: Yes
Quarterly results briefing: Yes (for analysts)

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the Nine Months Ended December 31, 2012 (April 1, 2012 – December 31, 2012)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended 12/12	102,118	5.5	5,383	95.7	5,455	143.7	2,496	466.8
Nine months ended 12/11	96,808	-0.9	2,751	46.6	2,239	20.1	440	-64.4

(Note) Comprehensive income: Nine months ended December 31, 2012: 2,931 million yen (–%)
Nine months ended December 31, 2011: 146 million yen (-87.5%)

	Net income per share	Net income per share/diluted
	Yen	Yen
Nine months ended 12/12	79.54	–
Nine months ended 12/11	13.83	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Nine months ended 12/12	145,990	86,745	52.5
Year ended 3/12	155,744	85,188	48.0

Reference: Shareholders' equity (million yen) Nine months ended 12/12: 76,703 Year ended 3/12: 74,690

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 3/12	–	10.00	–	10.00	20.00
Year ending 3/13	–	11.00	–		
Year ending 3/13 (forecast)				11.00	22.00

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

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

(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
Full year	137,600	2.8	7,300	46.0	7,050	54.7	3,200	87.8	101.96

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

* Notes

(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): Not applicable
- (iii) Changes in accounting estimates: Not applicable
- (iv) Restatement: Not applicable

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury stock):	12/12:	34,746,000 shares	Year ended 3/12:	34,746,000 shares
2) Number of treasury stock at the end of period	12/12:	3,361,522 shares	Year ended 3/12:	3,361,324 shares
3) Average number of shares during the period (quarterly consolidated cumulative period)	12/12:	31,384,596 shares	12/11:	31,847,631 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 Three Quarters Ended December 31, 2012, (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 Three Quarters Ended December 31, 2012

(1) Qualitative information on consolidated results

During the first three quarters of the fiscal year under review, the outlook for the Japanese economy remained uncertain, reflecting uncertainty in the global economy due to the debt crisis in Europe and slowing growth in emerging economies. However, signs of recovery are emerging, including rises in the Nikkei Stock Average and the depreciation of the yen, which has long been strong.

In the IT industry, investment remained steady, as IT spending that had been postponed because of the prolonged recession began to return and demand continued from companies seeking to streamline and strengthen their management system in response to globalization.

Under its medium-term target, “creating a high value-added structure,” the FUJISOFT Group aims to become an innovative corporate group that links ICT development to greater value for customers, and it has been taking a range of initiatives in all its business segments with the key words, “cloud” (including internet-related businesses), “robot technologies,” and “mobile” (including various internet connection devices).

The Group allocated its management resources to the high-value added ICT technologies business in which the Group excels, such as mobile and cloud computing, and promising markets that are expected to grow, to strengthen its operations in those fields. Meanwhile, the Group reviewed and strengthened existing products to increase sales and expand its global operations and promoted productization and services. Specifically, the Group launched the Smart Document Service moreNOTE Version 2.0, a strategic product.

With respect to the Group’s strategy for its organization, the Group sold all shares in FUJISOFT KCS Co., Ltd. on July 31, 2012, while it initiated the merger of FUJISOFT SERVICE BUREAU INCORPORATED and FUJISOFT SSS, INC. on October 1, 2012. Vinculum Japan Corporation and VIXUS INCORPORATED concluded a merger agreement on December 18, 2012. To add value and expand its business, the Group pursued a policy of refining its focus.

As a result, net sales for the first three quarters under review stood at 102,118 million yen, up 5.5% year on year.

Selling, general, and administrative expenses were reduced 3.8% year on year, to 18,909 million yen, mainly attributable to cost cutting. With these factors, operating income and ordinary income amounted to 5,383 million yen (up 95.7% year on year) and 5,455 million yen (rising 143.7%) respectively. Net income came to 2,496 million yen, up 466.8% from the previous fiscal year, reflecting the recording of extraordinary income as a result of sales of the subsidiary.

Results by business segment were as follows:

(i) SI (system integration) business

In the SI business, sales of embedded software related to automobiles, smartphones, and base stations remained steady. Meanwhile, sales of operation software increased, reflecting projects related to the integration of financial institutions and the strong performance of the Internet business. In the outsourcing business, sales declined, the result of the sale of FUJISOFT KCS Co., Ltd. on July 31, 2012. In the other SI business, sales fell, attributable to declining sales of DTV products. As a result, net sales stood at 95,699 million yen, up 5.6% year on year. Operating income was 4,692 million yen, rising 125.3%.

The following table shows a breakdown of net sales in the SI business. (Thousand yen)

	Net sales	YoY change (%)
SI business total	95,699,604	105.6
Embedded Software Development	29,468,777	112.0
Operating Software Development	38,817,905	107.7
Outsourcing Business	10,157,016	96.1
Other business (including sales of products and hardware)	17,255,905	97.3

(ii) Facility business

Sales were 1,495 million yen, up 1.6% year on year, reflecting rent income from office buildings owned by the Company and certain consolidated subsidiaries. Operating income declined 14.5% year on year, to 537 million yen partly because of the effect of the replacement of tenants.

(iii) Other businesses

Sales were 4,922 million yen, up 5.1% year on year, reflecting revenues in the data entry business and contact center business. Other businesses produced operating income of 153 million yen, up 298.4% year on year.

(2) Qualitative information on the consolidated financial position

(Total assets)

Total assets stood at 145,990 million yen at the end of the first three quarters under review, down 9,753 million yen from the end of the preceding consolidated fiscal year. Current assets were 44,561 million yen (down 4,458 million yen from the end of the previous fiscal year), and noncurrent assets were 101,429 million yen (falling 5,294 million yen).

Important factors in the change in current assets included notes and accounts receivable-trade of 24,258 million yen, a decline of 4,105 million yen.

The main factors of the change in noncurrent assets were the effect of depreciation and amortization on property, plant and equipment and intangible assets and investment securities of 14,428 million yen, falling 926 million yen, of investments and other assets.

(Liabilities)

At the end of the first three quarters under review, total liabilities amounted to 59,245 million yen, down 11,310 million yen from the end of the previous fiscal year. Current liabilities were 34,439 million yen (falling 5,904 million yen from the end of the previous fiscal year), and noncurrent liabilities were 24,806 million yen (declining 5,406 million yen).

Primary factors in the change in current liabilities included short-term loans of 6,139 million yen, down 2,729 million yen.

The decrease in noncurrent liabilities was mainly because of long-term loans payable of 16,730 million yen, falling 5,099 million yen.

(Net assets)

Net assets increased 1,557 million yen from the end of the preceding fiscal year, to 86,745 million yen at the end of the first three quarters under review. The equity ratio rose to 52.5%, up from 48.0% at the end of the previous fiscal year.

(3) Qualitative information on the consolidated financial forecasts

For the full-year results forecasts for the fiscal year ending March 2013, there is no change in the forecasts announced on October 23, 2012.

2. Matters Relating to Summary Information (Notes)

(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

Not applicable.

(4) Additional information

(Merger of consolidated subsidiaries)

Vinculum Japan Corporation (“VINCULUM JAPAN”) and VIXUS INCORPORATED (“VIXUS”), both of which are consolidated subsidiaries of FUJISOFT INCORPORATED, decided to merge with each other, effective April 1, 2013, at meetings of the respective boards of directors of the two companies held on December 18, 2012. VINCULUM JAPAN will be the surviving company and VIXUS will be dissolved. The companies concluded a merger agreement on the same date.

1. Purpose of the merger

Both companies believe that they will be able to provide higher value-added, comprehensive IT services and expand their business using their customer base, technologies, and expertise more effectively and efficiently. Based on their belief, they decided to proceed with the merger.

2. Date of merger (effective date)

April 1, 2013

3. Method of the merger

The merger is an absorption-type merger. VINCULUM JAPAN will be the surviving company. VIXUS is planned to be dissolved on the effective date of the merger.

4. Allotment of shares upon the merger

With the merger, 11,350 common shares will be issued. For each share of VIXUS, 0.52 share of VINCULUM JAPAN will be delivered.

5. Basis for the calculation of the allotment upon the merger

VINCULUM JAPAN chose Deloitte Touche Tohmatsu LLC, and VIXUS chose Nomura Securities Co., Ltd. as independent calculation agents. Based on the calculations of the independent agents, VINCULUM JPANA and VIXUS determined the merger ratio through consultation.

Deloitte Touche Tohmatsu LLC and Nomura Securities Co., Ltd. used the average market share price method, comparable company method, and DCF (discounted cash flow) method and calculated merger ratios, considering analyses by those methods.

6. Surviving company after the merger

(i)	Business name	VINX CORP.
(ii)	Business	Information-technology services
(iii)	Head office	2-2-8 Dojimahama, Kita-ku, Osaka
(iv)	Representative	Minoru Yoshida, President & Representative Director Takashi Takizawa, Vice President & Representative Director
(v)	Capital	542 million yen
(vi)	Fiscal year end	March 31

3. Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousand yen)

	FY2011 (As of March 31, 2012)	Q3 FY2012 (As of December 31, 2012)
Assets		
Current assets		
Cash and deposits	13,420,233	11,216,267
Notes and accounts receivable-trade	28,364,690	24,258,875
Short-term investment securities	162,451	1,627,732
Merchandise	340,712	339,856
Work in process	1,662,709	2,896,476
Raw materials and supplies	31,801	29,801
Other	5,085,336	4,243,314
Allowance for doubtful accounts	-48,067	-50,837
Total current assets	49,019,867	44,561,486
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	57,073,078	56,736,820
Accumulated depreciation	-19,463,874	-20,070,075
Buildings and structures, net	37,609,203	36,666,744
Land	30,415,744	30,415,744
Construction in progress	234,769	6,900
Other	16,873,661	16,344,930
Accumulated depreciation	-10,793,169	-11,163,274
Other, net	6,080,492	5,181,655
Total property, plant and equipment	74,340,210	72,271,045
Intangible assets		
Goodwill	3,240,007	3,088,498
Software	5,871,387	4,699,739
Other	223,543	225,431
Total intangible assets	9,334,938	8,013,669
Investments and other assets		
Investment securities	15,355,586	14,428,984
Other	7,747,228	6,781,211

(Thousand yen)

	FY2011 (As of March 31, 2012)	Q3 FY2012 (As of December 31, 2012)
Allowance for doubtful accounts	-53,547	-65,446
Total investments and other assets	23,049,268	21,144,749
Total noncurrent assets	106,724,416	101,429,464
Total assets	155,744,284	145,990,950

(Thousand yen)

	FY2011 (As of March 31, 2012)	Q3 FY2012 (As of December 31, 2012)
Liabilities		
Current liabilities		
Accounts payable-trade	7,902,452	6,161,704
Short-term loans payable	8,869,200	6,139,793
Current portion of bonds	10,000	5,000
Current portion of long-term loans payable	8,762,860	9,592,921
Accrued expenses	7,281,840	5,638,252
Income taxes payable	1,275,506	981,951
Provision for directors' bonuses	193,032	106,339
Provision for loss on construction contracts	53,258	123,622
Other	5,995,448	5,689,420
Total current liabilities	40,343,599	34,439,005
Noncurrent liabilities		
Bonds payable	5,000	–
Long-term loans payable	21,829,430	16,730,234
Provision for retirement benefits	5,118,621	4,723,884
Provision for directors' retirement benefits	395,628	301,610
Other	2,863,697	3,050,315
Total noncurrent liabilities	30,212,378	24,806,044
Total liabilities	70,555,978	59,245,049
Net assets		
Shareholders' equity		
Capital stock	26,200,289	26,200,289
Capital surplus	28,438,965	28,438,965
Retained earnings	35,421,262	37,265,462
Treasury stock	-6,669,954	-6,670,134
Total shareholders' equity	83,390,562	85,234,582
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	588,796	719,439
Deferred gains or losses on hedges	24,294	22,550
Revaluation reserve for land	-9,051,088	-9,051,088
Foreign currency translation adjustment	-261,647	-221,807

(Thousand yen)

	FY2011 (As of March 31, 2012)	Q3 FY2012 (As of December 31, 2012)
Total accumulated other comprehensive income	-8,699,644	-8,530,905
Subscription rights to shares	95,620	95,639
Minority interests	10,401,767	9,946,584
Total net assets	85,188,306	86,745,901
Total liabilities and net assets	155,744,284	145,990,950

(2) Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income
Consolidated first three quarters results

(Thousand yen)

	Q3 FY2011 (From April 1, 2011 to December 31, 2011)	Q3 FY2012 (From April 1, 2012 to December 31, 2012)
Net sales	96,808,573	102,118,375
Cost of sales	74,400,362	77,824,867
Gross profit	22,408,210	24,293,508
Selling, general and administrative expenses	19,657,137	18,909,831
Operating income	2,751,072	5,383,676
Non-operating income		
Interest income	6,482	5,763
Dividends income	102,443	128,017
Foreign exchange gains	–	12,378
Equity in earnings of affiliates	–	57,820
Cancellation income for system services	–	127,630
Subsidy income	135,005	60,105
Other	161,246	79,587
Total non-operating income	405,177	471,303
Non-operating expenses		
Interest expenses	516,083	338,340
Equity in losses of affiliates	291,605	–
Foreign exchange losses	82,627	–
Other	26,898	60,853
Total non-operating expenses	917,215	399,193
Ordinary income	2,239,034	5,455,786
Extraordinary income		
Gain on sales of investment securities	41,257	31,600
Gain on sales of subsidiaries and affiliates' stocks	–	284,266
Gain on reversal of loss on the closure of offices	–	10,492
Total extraordinary income	41,257	326,359
Extraordinary loss		
Loss on valuation of investment securities	89,415	–
Loss on sales of stocks of subsidiaries and affiliates	–	5,731
Impairment loss on noncurrent assets	–	84,517
Office transfer expenses	–	45,459
Loss on closing of office	183,351	–
Joint venture expenses	–	70,000
Total extraordinary loss	272,767	205,708
Income before income taxes	2,007,524	5,576,436
Income taxes-current	399,988	1,459,649
Income taxes-deferred	1,028,777	1,435,486
Total income taxes	1,428,765	2,895,136
Income before minority interests	578,759	2,681,300
Minority interests in income	138,360	185,052
Net income	440,398	2,496,248

Consolidated statements of comprehensive income
Consolidated first three quarters results

(Thousand yen)

	Q3 FY2011 (From April 1, 2011 to December 31, 2011)	Q3 FY2012 (From April 1, 2012 to December 31, 2012)
Income before minority interests	578,759	2,681,300
Other comprehensive income		
Valuation difference on available-for-sale securities	-71,701	228,106
Deferred gains or losses on hedges	-31,286	-3,232
Foreign currency translation adjustment	-323,939	80,607
Share of other comprehensive income of associates accounted for using equity method	-4,990	-55,658
Total other comprehensive income	-431,918	249,823
Comprehensive income	146,841	2,931,124
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	202,236	2,667,178
Comprehensive income attributable to minority interests	-55,394	263,946

(3) Note on going concern assumptions
Not applicable.

(4) Segment information
[Segment Information]

I. Q3 FY2011 (From April 1, 2011 to December 31, 2011)
1. Information on Sales and Profit by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	90,650,110	1,472,543	92,122,654	4,685,918	96,808,573	–	96,808,573
Inter-segment sales or transfers	48,828	563,922	612,750	696,094	1,308,845	(1,308,845)	–
Total	90,698,939	2,036,466	92,735,405	5,382,013	98,117,418	(1,308,845)	96,808,573
Segment profit	2,083,084	628,440	2,711,525	38,613	2,750,138	934	2,751,072

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 of 934,000 yen includes an elimination of inter-segment transactions of 934,000 yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.
4. Change in depreciation method
Starting the first quarter of this fiscal year, 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 356,810,000 yen in the SI business, 176,438,000 yen in the Facility business, and 2,192,000 yen in Others compared with the segment profit calculated by the declining balance method.

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

II. Q3 FY2012 (From April 1, 2012 to December 31, 2012)
1. Information on Sales and Profit by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statement of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	95,699,604	1,495,957	97,195,562	4,922,813	102,118,375	–	102,118,375
Inter-segment sales or transfers	34,763	530,868	565,632	732,349	1,297,982	(1,297,982)	–
Total	95,734,368	2,026,826	97,761,194	5,655,163	103,416,357	(1,297,982)	102,118,375
Segment profit	4,692,266	537,280	5,229,547	153,823	5,383,370	305	5,383,676

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 of 305,000 yen includes an elimination of inter-segment transactions of 305,000 yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

2. Information on Impairment Loss in Noncurrent Assets and Goodwill by Reported Segment
The information is omitted due to a lack of importance.

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

(6) Post-balance sheet events

Acquisition of Treasury Stock

Under Article 459, Paragraph 1 of the Companies Act, the Company resolved to acquire treasury stock at a meeting of the Board of Directors held on January 22, 2013.

1. Reason of the acquisition of treasury stock

The Company resolved to acquire treasury stock to boost shareholder value per share and as part of flexible capital policy to deal with changes in the business environment.

2. Details of the acquisition

(1) Class of shares	Common stock of the Company
(2) Total number of shares available	500,000 shares (maximum) (Ratio to total number of shares issued (excluding treasury stock): 1.59%)
(3) Total acquisition value of shares	1.0 billion yen (maximum)
(4) Acquisition period	From January 23, 2013 to June 28, 2013

Cancellation of Treasury Stock

Under Article 178 of the Companies Act, the Company resolved to cancel treasury stock at a meeting of the Board of Directors held on January 22, 2013.

1. Class of shares	Common stock of the Company
2. Number of shares	1,046,000 shares (Ratio to the total number of shares issued before cancellation: 3.01%)
3. Planned date of cancellation	February 12, 2013
4. Total number of shares issued after cancellation	33,700,000 shares