



Summary of Consolidated Financial Results for the Fiscal Year ended March 31, 2013 (Japanese Accounting Standards)

May 9, 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 of Annual General Meeting of Shareholders: June 24, 2013
Scheduled date of dividend payment: June 25, 2013
Scheduled date to submit the annual securities report (*Yukashoken Hokokusho*): June 25, 2013
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, 2013 (April 1, 2012 – March 31, 2013)

(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 3/13	138,211	3.2	7,349	47.0	8,045	76.6	4,002	134.9
Year ended 3/12	133,912	-0.6	4,998	31.8	4,556	24.9	1,703	-32.2

(Note) Comprehensive income (million yen): Year ended 3/13: 5,987 (147.3%) Year ended 3/12: 2,421 (2.1%)

	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 3/13	127.67	–	5.2	5.2	5.3
Year ended 3/12	53.70	–	2.3	2.8	3.7

Reference: Equity in earnings of affiliates (million yen): Year ended 3/13: 664 Year ended 3/12: -166

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended 3/13	153,160	89,233	51.5	2,537.64
Year ended 3/12	155,744	85,188	48.0	2,379.85

(Reference) Shareholders' equity (million yen): Year ended 3/13: 78,933 Year ended 3/12: 74,690

(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 3/13	12,807	-2,107	-10,515	13,698
Year ended 3/12	12,352	-2,910	-18,104	13,279

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 3/12	–	10.00	–	10.00	20.00	632	37.2	0.9
Year ended 3/13	–	11.00	–	13.00	24.00	749	18.8	1.0
Year ending 12/13 (forecast)	–	14.00	–	7.00	21.00		24.2	

3. Forecast for Consolidated Business Results for the Fiscal Year Ending December 31, 2013 (Apr. 1, 2013 – Dec. 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)	70,000	-0.4	4,100	2.3	3,900	4.3	1,800	22.6	57.87
Full year	104,000	–	5,700	–	5,600	–	2,700	–	86.80

The Company plans to change its fiscal year end from March 31 to December 31, provided an associated amendment to the Articles of Incorporation is approved at the General Meeting of Shareholders to be held on June 24, 2013. If the fiscal year end changes, in the fiscal year ending December 31 2013, the consolidated results will include the results for nine months from April 1 to December 31, 2013 of consolidated subsidiaries whose fiscal year ends on March 31. The results for twelve months, from January 1 to December 31, 2013, of consolidated subsidiaries whose fiscal year ends on December 31 will be also included as before.

(Reference)

The percentages below (percentage changes after adjustment) are percentage changes from the results of the Company and its consolidated companies whose fiscal year ends on March 31 for nine months in the fiscal year under review (from April 1, 2012 to December 31, 2012) and the results forecast for the same companies for the next fiscal year.

Net sales	Operating income	Ordinary income	Net income	(Million yen)
104,000 1.8%	5,700 5.9%	5,600 2.6%	2,700 8.2%	

4. Other

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None
New: — (company name) Exception: — (company name)

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

(3) Number of outstanding shares (common shares)

(i) Number of shares outstanding at the end of period (including treasury stock):			
Year ended 3/13:	33,700,000 shares	Year ended 3/12:	34,746,000 shares
(ii) Number of treasury stock at the end of period:			
Year ended 3/13:	2,595,064 shares	Year ended 3/12:	3,361,324 shares
(iii) Average number of shares during the period:			
Year ended 3/13:	31,350,694 shares	Year ended 3/12:	31,732,817 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Business Results for the Fiscal Year Ended March 31, 2013 (April 1, 2012 – March 31, 2013)

(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 3/13	79,539	8.0	4,651	56.2	4,713	53.5	4,082	111.3
Year ended 3/12	73,620	3.3	2,977	55.2	3,069	45.9	1,932	-10.0

	Net income per share	Net income per share/diluted
	Yen	Yen
Year ended 3/13	130.23	—
Year ended 3/12	60.89	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended 3/13	123,587	69,564	56.2	2,233.82
Year ended 3/12	124,847	66,011	52.8	2,100.56

(Reference) Shareholders' equity (million yen): Year ended 3/13: 69,484 Year ended 3/12: 65,927

2. Forecast for Non-Consolidated Business Results for the Fiscal Year Ending December 31, 2013 (Apr. 1, 2013 – Dec. 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)	40,600	4.2	2,600	20.2	1,700	-28.5	54.65
Full year	61,000	—	4,200	—	2,600	—	83.59

For the same reason as described in 3. (Forecast for Consolidated Business Results for the Fiscal Year Ending December 31, 2013) above, the forecast for non-consolidated business results for the fiscal year ending December 31, 2013 is a forecast for nine months from April 1 to December 31, 2013.

(Reference)

The percentages below (percentage changes after adjustment) are percentage changes from the results of the Company for nine months in the fiscal year under review (from April 1, 2012 to December 31, 2012) and the results forecast for the Company the next fiscal year.

Net sales		Ordinary income		Net income		(Million yen)
61,000	5.2%	4,200	13.5%	2,600	-22.1%	

* 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	2
(1) Analysis of operating results	2
(2) Analysis of financial condition	4
(3) Basic profit allocation policy, and dividends for the current and new fiscal year	5
(4) Business risks	5
2. Outline of the Corporate Group.....	7
3. Management Policies.....	8
(1) Basic management policies	8
(2) Management target	8
(3) Medium and long-term management strategies	8
(4) Future challenges	8
4. Consolidated Financial Statements.....	9
(1) Consolidated balance sheet	9
(2) Consolidated income statement and consolidated statements of comprehensive income	11
Consolidated income statement	11
Consolidated statements of comprehensive income	13
(3) Consolidated statements of changes in net assets	14
(4) Consolidated cash flow statement	16
(5) Notes to consolidated financial statements	18
(Note on going concern assumptions)	18
(Basis of presenting consolidated financial statements)	18
(Change in presentation)	21
(Consolidated balance sheet).....	22
(Consolidated income statements).....	23
(Consolidated statements of changes in net assets)	24
(Consolidated cash flow statement).....	25
(Segment information)	26
(Rental properties).....	29
(Per-share information)	30
(Post-balance sheet events)	31
(Omission of disclosure)	31
5. Other.....	32
Production, orders, and sales situations.....	32

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 recovered primarily due to demand associated with reconstruction after the Great East Japan Earthquake, but the outlook for the Japanese economy remained uncertain given the downside risks in the global economy. Nonetheless, there were positive trends in stock prices and exchange rates, reflecting expectations for the economic and monetary policies of the new government, which came to power in December last year. Business sentiment began to improve.

In the IT industry, investment demand remained steady with IT spending that had been postponed because of the prolonged recession beginning to return and corporate needs for streamlining and strengthening 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 provided increased added value by combining technologies and expertise. The Group has also stepped up its global responses with the key words “cloud” (including Internet-related businesses), “robot technologies”, and “mobile” (including various Internet connection devices).

Specifically, the Group has expanded its businesses by allocating its management resources primarily to advanced ICT technologies associated with mobile, cloud computing, and communications technologies that the Group developed and to growth fields and areas where demand is increasing, such as the Internet, automobiles, and communications infrastructure. The Group sought to become a prime vendor by enhancing its ability to make proposals, to respond to requests, and to manage projects. It also took steps to enhance existing products, including the use of its original WiFi routers.

Meanwhile, the Group promoted sales of new products. To establish a new business style using tablets, the Group sold moreNOTE, its own application, for smart devices and held seminars on the use of moreNOTE in major cities. The Group’s Mirai School Station (a system for information distribution in school) for enhancing classes through the use of ICT started to be used at educational institutions nationwide, particularly in Kanagawa Prefecture. PALRO, a humanoid developed by the Company, was used by more and more nursing care and welfare facilities. The robot was taken up by the media, especially television and radio, and drew increasing attention.

To promote these initiatives steadily, the Group continued to make efforts to strengthen its sales force and improve productivity and quality. The Group also strove to build an efficient and effective business structure by bringing in a telecommuting system, bolstering its specialist system, and reviewing its indirect operations.

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 merged and made a start as VINX CORP. on April 1, 2013.

To add value and expand its business, the Group pursued a policy of refining its focus.

To develop global operations, the Company opened the Seoul branch in July 2012. Consolidated subsidiaries CYBERNET SYSTEMS Co., Ltd. and Vinculum Japan Corporation (now VINX CORP.) established subsidiaries in South Korea and Malaysia, respectively, and started operations to expand business opportunities.

In a long-term research project for creating an implant-type regenerated cartilage for congenital face disorders, the Group obtained patents for cartilage cell redifferentiation-inducing technology, one of the basic technologies in regenerative medicine, in Japan, South Korea, Singapore, and China and is developing an implant-type regenerated cartilage, aiming for practical use in the near future.

As part of its corporate social responsibility activities, the Group held the 24th All-Japan Robot Sumo Tournament and 8th All-Japan Robot American Football Tournament and provided the participants who built robots with motivation to research and encouragement for their creativity. Fujisoft Kikaku Ltd., which is a special subsidiary of the Company that employs the largest number of persons with mental disabilities, has built a worker support program, using its expertise, and supports a number of people who want to work. Fujisoft Kikaku also engages in other activities to help expand the employment of disabled people, including holding lectures and seminars about the employment of the disabled.

To improve capital efficiency and deliver increased shareholder value, the Company acquired and retired treasury shares.

As a result of these initiatives, net sales for the fiscal year under review stood at 138,211 million yen, up 3.2% year on year. Selling, general, and administrative expenses were reduced 3.0% year on year, to 25,378 million yen. With these factors, operating income and ordinary income amounted to 7,349 million yen (up 47.0% year on year) and 8,045 million yen (rising 76.6%), respectively. Earnings from software services at Tosho Computer Systems Co., Ltd., a consolidated subsidiary, fell short of the initial plan, and the Group posted an impairment loss of 618 million yen in noncurrent assets as an extraordinary loss. Net income came to 4,002 million yen, up 134.9% from the previous fiscal year.

Segment results by business were as follows:

(SI business)

In the SI business, sales of embedded software related to automobiles and base stations remained steady. Meanwhile, sales of operation software increased, reflecting a strong performance in the licensing business, projects related to the integration of financial institutions, such as credit card companies and nonlife insurance companies, and the Internet business, including e-commerce. In the outsourcing business, sales declined, the result of the exclusion of FUJISOFT KCS Co., Ltd. from the scope of consolidation on July 31, 2012. In the other SI business, results were roughly on a par with the year-ago level.

As a result, net sales stood at 129,437 million yen, up 3.3% year on year. Operating income was 6,433 million yen, rising 59.0%.

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

	Net sales	YoY change (%)
SI business total	129,437,481	103.3
Embedded Software Development	39,753,835	108.3
Operating Software Development	52,265,516	104.4
Outsourcing Business	13,892,564	92.3
Other business (including sales of products and hardware)	23,525,564	100.0

(Facility business)

Sales were 2,024 million yen, up 2.5% year on year, reflecting rent income from office buildings owned by the Company and certain consolidated subsidiaries. Operating income declined 21.0% year on year, to 662 million yen partly because of the effect of the replacement of tenants.

(Other businesses)

Sales were 6,749 million yen, up 2.5% year on year, reflecting revenues in the data entry business and contact center business. Other businesses produced operating income of 251 million yen, up 121.0% year on year.

2) Forecast for the next consolidated fiscal year

For the next consolidated fiscal year, the Group forecasts that net sales will increase 1.8% year on year after adjustment, to 104,000 million yen, operating income will rise 5.9%, to 5,700 million yen, ordinary income will increase 2.6%, to 5,600 million yen, and net income will climb 8.2%, to 2,700 million yen, given business expansion and improvements in the management efficiency of Group companies.

The Group plans to pay a dividend of 21.00 yen per share in the next fiscal year.

* The consolidated fiscal year end is planned to be changed next fiscal year, and the results forecast for next fiscal year reflects the results of the Company and its subsidiaries whose fiscal year ends in March for nine months from April through December and the results of subsidiaries whose fiscal year ends in December for twelve months from January through December. 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 153,160 million yen at the end of the consolidated fiscal year under review, down 2,584 million yen from the end of the preceding consolidated fiscal year. Current assets were 52,425 million yen (up 3,405 million yen from the end of the previous fiscal year), and noncurrent assets were 100,734 million yen (falling 5,990 million yen).

Important factors in the change in current assets included short-term investment securities of 3,024 million yen, an increase of 2,862 million yen due to purchases of financial instruments, and notes and accounts receivable-trade of 29,000 million yen, a rise of 635 million yen associated with an increase in net sales. The main factors for the change in noncurrent assets were buildings and structures of 36,298 million yen, down 1,310 million yen due mainly to depreciation, and software of 4,268 million yen, a decrease of 1,603 million yen chiefly as a result of amortization.

(Liabilities)

At the end of the consolidated fiscal year under review, total liabilities amounted to 63,926 million yen, down 6,629 million yen from the end of the previous fiscal year. Current liabilities were 40,702 million yen (rising 358 million yen from the end of the previous fiscal year), and noncurrent liabilities were 23,224 million yen (declining 6,988 million yen).

Primary factors in the change in current liabilities included an increase in accounts payable-trade to 8,295 million yen, up 392 million yen.

The decrease in noncurrent liabilities was mainly because of long-term loans payable of 14,845 million yen, falling 6,984 million yen due to loan repayment.

(Net assets)

Net assets rose 4,045 million yen from the end of the preceding fiscal year, to 89,233 million yen at the end of the consolidated fiscal year under review. This increase was mainly attributable to a valuation difference on available-for-sale securities of 1,779 million yen, up 1,190 million yen from the end of the previous fiscal year, and retained earnings of 36,696 million yen, rising 1,275 million yen.

The Company retired treasury stock (1,046,000 shares) and acquired its own stock (279,000 shares). As a result, the equity ratio rose to 51.5% from 48.0% at the end of the previous fiscal year.

2) Cash flows

Consolidated cash and cash equivalents (“cash”) at the end of the fiscal year under review were 13,698 million yen, an increase of 418 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 12,807 million yen, an increase of 454 million yen in the inflow compared with the previous fiscal year.

The principal factors included income before income taxes and minority interests of 7,495 million yen, depreciation and amortization of 6,724 million yen, and income taxes paid of 1,731 million yen.

(Cash flows from investment activities)

Net cash used in investing activities came to 2,107 million yen, a fall of 802 million yen in the outflow recorded in the previous fiscal year.

The principal factors were payments of 3,223 million yen for purchase of property, plant and equipment, and intangible assets, payments associated with securities of 3,215 million yen, and proceeds associated with securities of 4,183 million yen.

(Cash flows from financing activities)

Net cash used in financing activities was 10,515 million yen, a decrease of 7,589 million yen from the outflow recorded in the previous fiscal year.

Principal factors included proceeds of 14,748 million from short-term loans, repayments of 17,265 million yen for short-term loans, proceeds of 3,322 million yen from long-term loans, and repayments of 9,360 million yen for long-term loans.

(Reference) Cash flow-related indicators

	FY2008	FY2009	FY2010	FY2011	FY2012
Equity ratio (%)	38.3	42.8	43.5	48.0	51.5
Equity ratio based on market value (%)	27.1	29.5	25.2	31.6	45.9
The ratio of interest-bearing debt to operating cash flow (years)	5.3	6.9	4.4	3.3	2.5
Interest coverage ratio (times)	15.2	8.9	15.3	18.7	30.1

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 13.00 yen per share for the consolidated fiscal year under review, bringing dividend payments on an annual basis to 24.00 yen per share.

For the consolidated fiscal year ending December 31, 2013, we plan to pay a dividend of 21.00 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, 2013).

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, quality problems may arise in the services that the Group provides, and if quality problems did arise, it may face additional costs, and perhaps a damages suit. This could affect the Group's operations and financial position.

2) Product development

When providing products, the Group works our investment and sales plans, considering market needs. If our products become obsolete due to changes in market needs, rapid innovation, and other factors, and if the products do not sell as expected, additional depreciation and amortization and impairment losses would be caused by the products.

We are thorough in quality control when providing products. However, if bugs occur, the Group may be liable for damages. If its products are embedded in other companies' products, the Group may face claims for larger amounts of compensation than expected.

The Group acquires and protects intellectual property rights, being careful not to infringe on the intellectual property rights of others. However, if it does infringe on intellectual property rights of others that the Group is not aware of, it may face claims for damages and claims for the costs of the intellectual property rights, and this could affect its operations and financial position.

3) Outsourcing operations

The Group provides outsourcing services, including the building of mission-critical systems and the development, maintenance, and operation of network environments using data centers. To provide stable outsourcing services, it is essential to take appropriate precautions and responses to system instability and trouble. The Group therefore continues to work to improve data center facilities, build systems for stable operation, and develop an organizational framework that is responsive to sudden system trouble.

However, if it fails to provide a certain level of stable operation due to human error, such as failure to follow operational procedures, and equipment failure, the Group's operations and financial position could be adversely affected.

4) Global risks

The Group provides goods and services overseas and has developed operations in foreign countries, especially in countries in Asia. Unexpected problems in foreign countries and territories, including different business practices and legal regulations, changes in political systems, violent fluctuations in exchange rates, terrorist acts, and infectious diseases, could impact the Group's result of operations and financial position.

5) 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.

6) 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.

7) 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, one equity method non-consolidated subsidiary, and four 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.

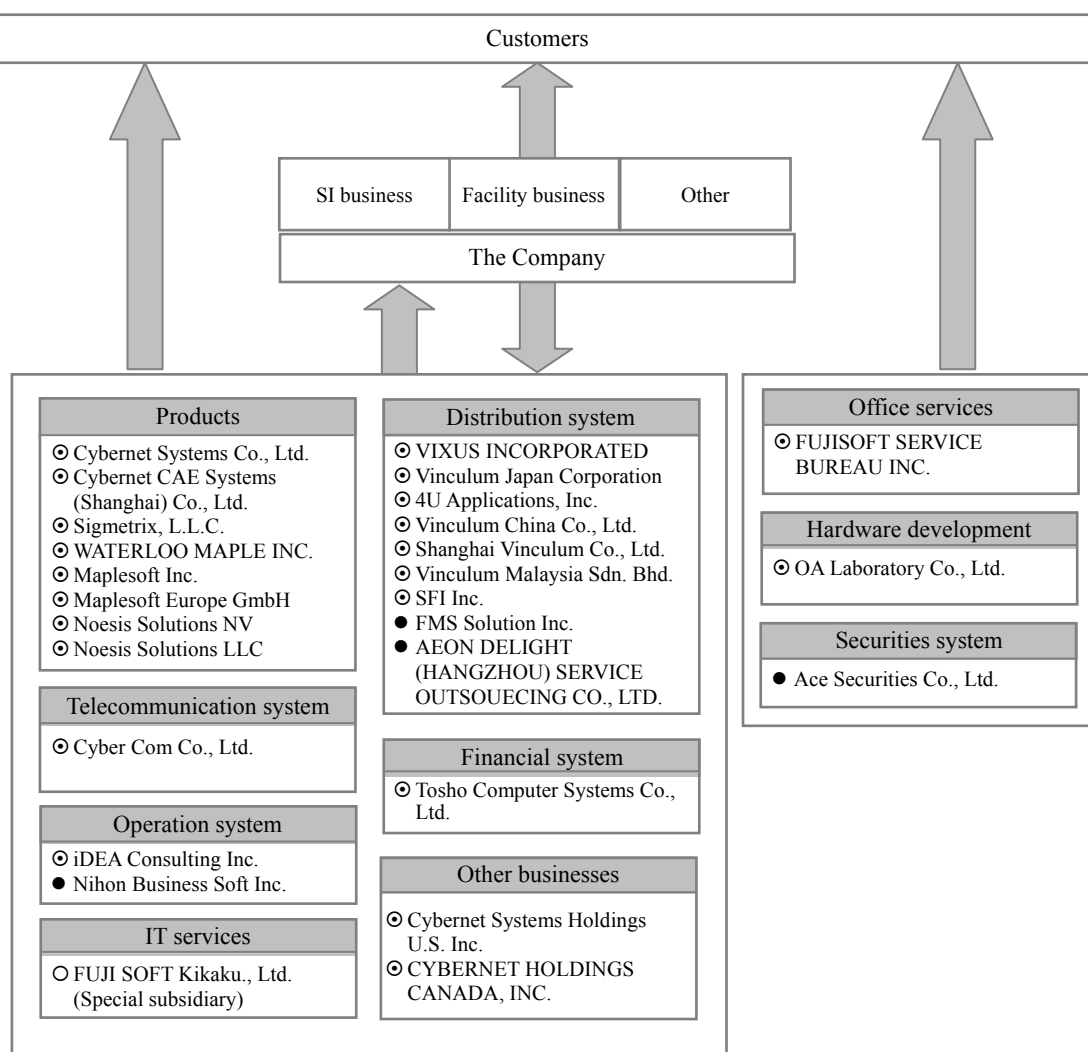
The positioning of each company in the group is shown in the diagram below.

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 (1 company) /
●: Equity-method affiliates (4 companies)



* Other group companies (Three non-consolidated subsidiaries)

3. Management Policies

(1) Basic management policies

The FUJISOFT Group has set “creating a high value-added structure” as a priority management issue. The Group aims to become an “innovative corporate group linking ICT development to the enhancement of value for customers” by enhancing on-site strength, increasing profitability, creating added value, 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

With rapid innovation in the business environment, the Group will enhance its existing businesses, while promoting innovations in its business structure and adding value by carrying out the following strategies:

1) Becoming a prime vendor

We aim to become a prime vendor by developing operations in cutting-edge ICT fields, allocating management resources to growth fields and fields where demand is expanding, and strengthening our sales capabilities and ability to respond to customers’ needs.

2) Creating products and services

We will enhance our existing products, making the most of the Group’s strengths. Meanwhile, we will develop higher value-added products, seeking to create new products and services.

3) Globalization

We will expand offshore activities and 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.

4) Bolstering Group capabilities

We will provide the best services for customers in each business setting, making the most of the Group’s overall strengths. We will pursue synergies, optimizing our management resources, including human resources.

(4) Future challenges

Despite unfavorable employment and income conditions, a strong recovery in the Japanese economy can be expected with earnings in export-oriented industries improving and personal spending recovering against a backdrop of the depreciation of the yen and rising stock prices due to the government’s aggressive economic policies and the Bank of Japan’s bold monetary easing.

The high penetration level of smart devices has raised expectations for faster networks and new services. Meanwhile, public cloud services are becoming effective IT solutions for corporate customers, and the public cloud service market is expected to grow remarkably. With the rapid development of ICT, the Company’s business environment is changing drastically.

To respond these rapid changes in the business environment, we believe it is important to promote changes in our business structure and to add value to our customers. The Group has been accumulating advanced expertise in technologies for mobile telecommunications, cloud computing, 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 will create new businesses, increase added value, and respond to our customers’ diversified needs by expanding these strengths individually and connecting them with each other organically.

In line with this, we will promote “creating a high value-added structure,” our medium-term policy, and 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.

4. Consolidated Financial Statements**(1) Consolidated balance sheet**

(Thousand yen)

		FY2011 (As of March 31, 2012)		FY2012 (As of March 31, 2013)
Assets				
Current assets				
Cash and deposits		13,420,233		12,990,227
Notes and accounts receivable-trade	*3	28,364,690	*3	29,000,687
Short-term investment securities		162,451		3,024,552
Merchandise		340,712		437,426
Work in process	*4	1,662,709	*4	2,101,571
Raw materials and supplies		31,801		27,538
Deferred tax assets		2,772,979		2,859,751
Other		2,312,356		2,050,406
Allowance for doubtful accounts		-48,067		-66,357
Total current assets		49,019,867		52,425,804
Noncurrent assets				
Property, plant and equipment				
Buildings and structures		57,073,078		56,702,822
Accumulated depreciation		-19,463,874		-20,404,301
Buildings and structures, net		37,609,203		36,298,521
Land	*2	30,415,744	*2	30,415,744
Construction in progress		234,769		104,348
Other		16,873,661		16,389,951
Accumulated depreciation		-10,793,169		-11,863,382
Other, net		6,080,492		4,526,569
Total property, plant and equipment		74,340,210		71,345,183
Intangible assets				
Goodwill		3,240,007		3,304,085
Software		5,871,387		4,268,065
Other		223,543		229,406
Total intangible assets		9,334,938		7,801,557
Investments and other assets				
Investment securities	*1	15,355,586	*1	14,816,269
Deferred tax assets		2,269,158		2,211,404
Other		5,478,070		4,606,902
Allowance for doubtful accounts		-53,547		-47,028
Total investments and other assets		23,049,268		21,587,548
Total noncurrent assets		106,724,416		100,734,289
Total assets		155,744,284		153,160,094

(Thousand yen)

	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Liabilities		
Current liabilities		
Accounts payable-trade	7,902,452	8,295,215
Short-term loans payable	8,869,200	6,351,235
Current portion of bonds	10,000	5,000
Current portion of long-term loans payable	8,762,860	9,708,848
Accrued expenses	7,281,840	7,427,421
Income taxes payable	1,275,506	2,461,725
Deferred tax liabilities	7,378	8,314
Provision for directors' bonuses	193,032	201,301
Provision for loss on construction contracts	*4 53,258	*4 257,389
Other	5,988,070	5,985,865
Total current liabilities	40,343,599	40,702,315
Noncurrent liabilities		
Bonds payable	5,000	—
Long-term loans payable	21,829,430	14,845,271
Provision for retirement benefits	5,118,621	4,755,794
Provision for directors' retirement benefits	395,628	315,628
Deferred tax liabilities	526,269	1,391,247
Other	2,337,428	1,916,415
Total noncurrent liabilities	30,212,378	23,224,357
Total liabilities	70,555,978	63,926,673
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	36,696,948
Treasury stock	-6,669,954	-5,161,787
Total shareholders' equity	83,390,562	86,174,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	588,796	1,779,466
Deferred gains or losses on hedges	24,294	26,338
Revaluation reserve for land	*2 -9,051,088	*2 -9,051,088
Foreign currency translation adjustment	-261,647	3,994
Total accumulated other comprehensive income	-8,699,644	-7,241,288
Subscription rights to shares	95,620	95,597
Minority interests	10,401,767	10,204,695
Total net assets	85,188,306	89,233,420
Total liabilities and net assets	155,744,284	153,160,094

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

Consolidated income statement

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net sales	133,912,345	138,211,477
Cost of sales	*1 102,758,354	*1 105,483,814
Gross profit	31,153,991	32,727,662
Selling, general and administrative expenses		
Advertising expenses	380,481	395,360
Directors' compensations	748,579	703,341
Employees' salaries	12,517,391	12,315,613
Retirement benefit expenses	649,417	608,910
Legal welfare expenses	1,945,951	1,943,047
Provision for directors' retirement benefits	74,500	52,333
Provision for directors' bonuses	200,148	251,169
Welfare expenses	479,453	493,857
Recruiting and training expenses	207,813	247,307
Traveling and transportation expenses	600,611	624,807
Stationery expenses	365,377	427,628
Rent expenses	40,144	43,880
Rents	856,415	764,847
Taxes and dues	791,193	774,923
Provision of allowance for doubtful accounts	29,809	33,837
Depreciation	1,164,679	944,156
Research study expenses	675,833	664,320
Operations consignment expenses	1,234,466	1,102,253
Amortization of goodwill	740,487	328,418
Other	2,452,368	2,658,246
Total selling, general and administrative expenses	26,155,124	25,378,262
Operating income	4,998,866	7,349,400
Non-operating income		
Interest income	11,325	12,671
Dividends income	107,666	135,165
Equity in earnings of affiliates	–	664,582
Subsidy income	170,981	96,704
Cancellation income for system services	–	127,630
Other	209,311	180,209
Total non-operating income	499,285	1,216,963
Non-operating expenses		
Interest expenses	660,026	427,141
Equity in losses of affiliates	166,108	–
Cancellation loss for system services	–	4,242
Loss on retirement of noncurrent assets	44,233	50,731
Other	71,678	38,506
Total non-operating expenses	942,046	520,622
Ordinary income	4,556,105	8,045,741

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Extraordinary income		
Gain on sales of investment securities	41,257	61,214
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	355,973
Extraordinary loss		
Loss on sales of investment securities	–	37,538
Loss on valuation of investment securities	89,415	–
Loss on sales of stocks of subsidiaries and affiliates	–	5,731
Impairment loss on noncurrent assets	*3 2,006	*3 618,517
Office transfer expenses	–	56,860
Loss on closure of offices	*4 187,147	–
Merger expenses	–	*5 187,545
Total extraordinary loss	278,569	906,192
Income before income taxes	4,318,792	7,495,522
Income taxes-current	1,355,038	3,090,775
Income taxes-deferred	1,005,660	154,567
Total income taxes	2,360,698	3,245,343
Income before minority interests	1,958,094	4,250,178
Minority interests in income	254,182	247,595
Net income	1,703,912	4,002,582

Consolidated statements of comprehensive income

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Income before minority interests	1,958,094	4,250,178
Other comprehensive income		
Valuation difference on available-for-sale securities	607,331	917,072
Deferred gains or losses on hedges	34,556	3,788
Foreign currency translation adjustment	-258,418	480,771
Share of other comprehensive income of associates accounted for using equity method	80,018	335,553
Total other comprehensive income	463,487	1,737,185
Comprehensive income	2,421,581	5,987,364
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,241,933	5,467,616
Comprehensive income attributable to minority interests	179,648	519,747

(3) Consolidated statements of changes in net assets

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
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	36,453,608	35,421,262
Changes of items during the period		
Dividends from surplus	-637,716	-659,093
Net income	1,703,912	4,002,582
Retirement of treasury stock	-2,098,542	-2,075,247
Change of scope of consolidation	-	7,443
Total changes of items during the period	-1,032,346	1,275,686
Balance at the end of current period	35,421,262	36,696,948
Treasury stock		
Balance at the beginning of current period	-8,101,442	-6,669,954
Changes of items during the period		
Purchase of treasury stock	-667,054	-567,079
Retirement of treasury stock	2,098,542	2,075,247
Total changes of items during the period	1,431,488	1,508,167
Balance at the end of current period	-6,669,954	-5,161,787
Total shareholders' equity		
Balance at the beginning of current period	82,991,421	83,390,562
Changes of items during the period		
Dividends from surplus	-637,716	-659,093
Net income	1,703,912	4,002,582
Purchase of treasury stock	-667,054	-567,079
Change of scope of consolidation	-	7,443
Total changes of items during the period	399,141	2,783,853
Balance at the end of current period	83,390,562	86,174,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the beginning of current period	-69,764	588,796
Changes of items during the period		
Net changes of items other than shareholders' equity	658,561	1,190,670
Total changes of items during the period	658,561	1,190,670
Balance at the end of current period	588,796	1,779,466
Deferred gains or losses on hedges		
Balance at the beginning of current period	5,654	24,294
Changes of items during the period		
Net changes of items other than shareholders' equity	18,639	2,043
Total changes of items during the period	18,639	2,043
Balance at the end of current period	24,294	26,338

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Revaluation reserve for land		
Balance at the beginning of current period	-9,051,088	-9,051,088
Balance at the end of current period	-9,051,088	-9,051,088
Foreign currency translation adjustment		
Balance at the beginning of current period	-122,466	-261,647
Changes of items during the period		
Net changes of items other than shareholders' equity	-139,180	265,642
Total changes of items during the period	-139,180	265,642
Balance at the end of current period	-261,647	3,994
Total accumulated other comprehensive income		
Balance at the beginning of current period	-9,237,665	-8,699,644
Changes of items during the period		
Net changes of items other than shareholders' equity	538,020	1,458,356
Total changes of items during the period	538,020	1,458,356
Balance at the end of current period	-8,699,644	-7,241,288
Subscription rights to shares		
Balance at the beginning of current period	109,728	95,620
Changes of items during the period		
Net changes of items other than shareholders' equity	-14,107	-23
Total changes of items during the period	-14,107	-23
Balance at the end of current period	95,620	95,597
Minority interests		
Balance at the beginning of current period	10,415,312	10,401,767
Changes of items during the period		
Net changes of items other than shareholders' equity	-13,545	-197,072
Total changes of items during the period	-13,545	-197,072
Balance at the end of current period	10,401,767	10,204,695
Total net assets		
Balance at the beginning of current period	84,278,797	85,188,306
Changes of items during the period		
Dividends from surplus	-637,716	-659,093
Net income	1,703,912	4,002,582
Purchase of treasury stock	-667,054	-567,079
Change of scope of consolidation	-	7,443
Net changes of items other than shareholders' equity	510,367	1,261,260
Total changes of items during the period	909,509	4,045,114
Balance at the end of current period	85,188,306	89,233,420

(4) Consolidated cash flow statement

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net cash provided by operating activities		
Income before income taxes	4,318,792	7,495,522
Depreciation	6,846,434	6,724,528
Impairment loss on noncurrent assets	2,006	618,517
Loss on closure of offices	187,147	—
Amortization of goodwill	740,487	328,418
Increase (decrease) in provision for retirement benefits	6,283	175,165
Interest expenses	660,026	427,141
Equity in (earnings) losses of affiliates	166,108	-664,582
Loss (gain) on sales of investment securities	-41,257	-23,676
Loss (gain) on valuation of investment securities	89,415	2,683
Loss (gain) on sales of stocks of subsidiaries and affiliates	—	-278,534
Decrease (increase) in notes and accounts receivable-trade	-5,374	-1,174,066
Decrease (increase) in inventories	-281,665	-595,934
Increase (decrease) in notes and accounts payable-trade	338,697	537,061
Increase (decrease) in accounts payable-labor cost	791,244	244,478
Increase (decrease) in accrued consumption taxes	-111,605	-188,361
Increase (decrease) in accounts payable-other	-468,789	-47,257
Decrease (increase) in long-term prepaid expenses	-392,380	-167,971
Increase (decrease) in provision for loss on construction contracts	-344,343	204,130
Other	1,273,568	1,188,645
Subtotal	13,774,796	14,805,907
Interest and dividends income received	185,200	142,868
Interest expenses paid	-612,613	-409,759
Income taxes paid	-994,583	-1,731,272
Net cash provided by operating activities	12,352,800	12,807,744
Net cash used in investing activities		
Purchase of property, plant and equipment	-1,083,534	-712,147
Purchase of intangible assets	-2,308,871	-2,511,312
Purchase of short-term investment securities	—	-2,085,923
Purchase of investment securities	-791,505	-668,422
Proceeds from sales of investment securities	1,215,433	3,399,584
Purchase of investments in subsidiaries	—	-461,126
Proceeds from sales of investments in subsidiaries resulting in change in scope of consolidation	—	784,234
Other	58,347	147,567
Net cash used in investing activities	-2,910,130	-2,107,545

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net cash used in financing activities		
Increase in short-term loans payable	23,622,000	14,748,000
Decrease in short-term loans payable	-40,321,578	-17,265,965
Proceeds from long-term loans payable	9,051,752	3,322,389
Repayment of long-term loans payable	-8,448,180	-9,360,560
Purchase of treasury stock	-667,054	-567,171
Cash dividends paid	-638,572	-658,686
Cash dividends paid to minority shareholders	-192,886	-226,399
Repayments of lease obligations	-480,832	-500,945
Other	-29,208	-5,909
Net cash used in financing activities	-18,104,560	-10,515,247
Effect of exchange rate change on cash and cash equivalents	-103,249	123,123
Net increase (decrease) in cash and cash equivalents	-8,765,139	308,075
Cash and cash equivalents at beginning of period	22,044,626	13,279,487
Net increase in cash and cash equivalents as a result of the consolidation of subsidiaries	-	110,564
Cash and cash equivalents at end of period	*1 13,279,487	*1 13,698,127

(5) Notes to consolidated financial statements

(Note on going concern assumptions)

Not applicable.

(Basis of presenting consolidated financial statements)

1. Scope of consolidation

(1) Number and name of consolidated subsidiaries

22 consolidated subsidiaries (22 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.
Vinculum Malaysia Sdn. Bnd.
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 SERVICE BUREAU INCORPORATED

(Notes) 1. Vinculum Malaysia Sdn.Bnd. was established by Vinculum Japan, a consolidated subsidiary of the Company, and is included in the scope of consolidation.

2. All shares in FUJISOFT KCS Co., Ltd. were transferred, and the company was excluded from the scope of consolidation.

(2) Number and name of non-consolidated subsidiaries

Four non-consolidated subsidiaries (five non-consolidated subsidiaries in the previous fiscal year):

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

(Note) FUJISOFT SSS, INC. was merged by FUJISOFT SERVICE BUREAU INCORPORATED, a consolidated subsidiary of the Company, and was excluded from the scope of non-consolidated subsidiaries.

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

The reason for exclusion from consolidation is:

Fujisoft Kikaku, LTD., 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 under review do not have any material effect on the consolidated financial statements.

2. Application of equity method

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

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

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

Fujisoft Kikaku, Ltd.

(Note) FUJISOFT SSS, INC. was merged by FUJISOFT SERVICE BUREAU INCORPORATED, a consolidated subsidiary of the Company, and was excluded from the scope of application of equity method.

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

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

Ace Securities Co., Ltd.

Nihon Business Soft, Inc.

FMS Solution Inc.

AEON DELIGHT (HANGZHOU) SERVICE OUTSOUECING CO., LTD.

(Note) The liquidation procedure of goomo, inc. was completed, and goomo was excluded from the scope of application of equity method.

AEON DELIGHT (HANGZHOU) SERVICE OUTSOUECING CO., LTD. was established by Vinculum Japan Corporation, a consolidated subsidiary of the Company, and is included in the scope of application of equity method.

All shares in Mercury Staffing Co., Ltd. were transferred, and the company was excluded from the scope of application of equity method.

(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 iDEA Consulting Inc., 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

(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 primarily 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 consolidated 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.

(Change in presentation)

(Consolidated Cash Flow Statement)

“Proceeds from sales of property, plant and equipment” which was stated independently in cash flows from investing activities in the previous fiscal year is included in “Other” in the fiscal year under review as its importance has decreased. To reflect this change in the presentation method, the reclassification is made in consolidated financial statements for the previous fiscal year. As a result, 236,000 yen showed in “Proceeds from sales of property, plant and equipment” of cash flows from investing activities in the consolidated cash flow statement for the previous fiscal year has been reclassified into “Other.”

(Consolidated balance sheet)

*1 Shares of non-consolidated subsidiaries and affiliates	(Thousand yen)	
	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Investment securities (stocks)	5,409,734	6,259,474

*2 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)	
	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Difference between the market price of the land at the end of the fiscal year when revaluation is made, and the book value after revaluation	-1,782,820	-1,943,778

*3 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)	
	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Notes receivable	6,901	158,233

*4 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)	
	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Work in process	26,292	216,525

(Consolidated income statement)

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

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Provision for loss on construction contracts	-344,343	204,130

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

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Research and development expenses	812,256	790,314

*3 Impairment loss of noncurrent assets

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.

FY2012 (From April 1, 2012 to March 31, 2013)

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
Chiyoda-ku, Tokyo, etc.	Business assets	Software	84,517
Koto-ku, Tokyo	Business assets	Software	534,000

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

If the values of assets fall significantly because the revenue plan is not achieved, the book values of the assets are reduced to the recoverable amounts, and the reductions are recorded as impairment losses (6,739,000 yen in Buildings and structures, 359,856,000 yen in "Other" in Property, plant and equipment, and 251,921,000 yen in Software) in extraordinary loss.

The recoverable amounts of asset groups are measured by their use value and are calculated by discounting the future cash flows 5.37%.

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

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Impairment loss	181,635	-
Removal cost	5,512	-

*5 Merger expenses are associated with mergers between consolidated subsidiaries.

(Thousand yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Advisory expense	–	70,000
System integration expense	–	62,905
Other	–	54,639

(Consolidated statements of changes in net assets)

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 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 9, 2012	Common stock	Retained earnings	313,854	10	March 31, 2012	June 26, 2012

FY2012 (From April 1, 2012 to March 31, 2013)

1. Outstanding shares

Category	As of April 1, 2012	Increase	Decrease	As of March 31, 2013
Common stock (shares)	34,746,000	–	1,046,000	33,700,000

2. Treasury stock

Category	As of April 1, 2012	Increase	Decrease	As of March 31, 2013
Common stock (shares)	3,361,324	279,740	1,046,000	2,595,064

Note:

Main component of increase or decrease is as follows:

Increase from the purchase of the Company's own shares:	279,400 shares
Increase from the purchase of odd-lot shares:	340 shares
Decrease due to the retirement of treasury stock:	1,046,000 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, 2012	Increase	Decrease	As of March 31, 2013	
The Company	Subscription rights to shares	–	–	–	–	–	80,500
Consolidated subsidiaries	Subscription rights to shares	–	–	–	–	–	15,097
Total		–	–	–	–	–	95,597

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 9, 2012	Common stock	313,854	10	March 31, 2012	June 26, 2012
Board of directors meeting held on November 6, 2012	Common stock	345,238	11	September 30, 2012	December 10, 2012

(2) Dividends with a record date in the fiscal year 2012 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, 2013	Common stock	Retained earnings	404,374	13	March 31, 2013	June 25, 2013

(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)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Cash and time deposits	13,420,233	12,990,227
Securities	162,451	3,024,552
Time deposits with maturity of more than 3 months	-181,230	-92,020
Securities other than MMF	-121,967	-2,224,632
Cash and cash equivalents	13,279,487	13,698,127

(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

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.

FY2012 (From April 1, 2012 to March 31, 2013)

(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	129,437,481	2,024,796	131,462,277	6,749,200	138,211,477	–	138,211,477
Inter-segment sales or transfers	44,273	697,902	742,175	1,022,694	1,764,870	-1,764,870	–
Total	129,481,754	2,722,698	132,204,452	7,771,895	139,976,347	-1,764,870	138,211,477
Segment profit	6,433,202	662,682	7,095,885	251,917	7,347,802	1,597	7,349,400
Segment assets	150,075,067	637,377	150,712,445	2,447,648	153,160,094	–	153,160,094
Other items							
Depreciation and amortization	6,501,121	86,823	6,587,945	136,583	6,724,528	–	6,724,528
Amortization of goodwill	328,418	–	328,418	–	328,418	–	328,418
Increase in property, plant and equipment and intangible assets	3,396,435	8,340	3,404,775	42,671	3,447,446	–	3,447,446

- (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 1,597 thousand yen includes an elimination of inter-segment transactions of 1,597 thousand yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

[Related information]

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

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.

FY2012 (From April 1, 2012 to March 31, 2013)

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]

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

FY2012 (From April 1, 2012 to March 31, 2013)

(Thousand yen)

	Reported segments			Others	Total	Adjustment	Amounts recorded in the consolidated financial statements
	SI business	Facility business	Total				
Impairment loss	618,517	–	618,517	–	618,517	–	618,517

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

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

FY2012 (From April 1, 2012 to March 31, 2013)

(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	328,418	–	328,418	–	328,418	–	328,418
Outstanding balance as at the end of the fiscal year under review	3,304,085	–	3,304,085	–	3,304,085	–	3,304,085

(Rental properties)

The Company and certain of its consolidated subsidiaries own rental office buildings in Tokyo and other areas. Because certain rental office buildings in Japan 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)

			FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Real estate that includes properties that are used as rental properties	Amount presented in the consolidated balance sheets	Beginning balance	44,703,078	43,861,703
		Changes during the period	-841,375	-563,837
		Ending balance	43,861,703	43,297,866
	Market value at the year end		47,505,240	47,680,755

- (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, 2013 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)

			FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Real estate that includes properties that are used as rental properties	Rent income		1,447,339	1,403,258
	Rent expenses		611,883	789,179
	Difference		835,456	614,078
	Others (Loss (gain) from sales)		-	-

- (Note) 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.

(Per-share information)

(Yen)

	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net assets per share	2,379.85	2,537.64
Net income per share	53.70	127.67

(Notes) 1. 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	FY2011 (From April 1, 2011 to March 31, 2012)	FY2012 (From April 1, 2012 to March 31, 2013)
Net income per share		
Net income (thousand yen)	1,703,912	4,002,582
Amounts which do not belong to ordinary shareholders (thousand yen)	–	–
Net income on common shares (thousand yen)	1,703,912	4,002,582
Average number of common shares during the fiscal year (thousand shares)	31,732	31,350
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: 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	(The Company) Stock option resolved at the annual general meeting of shareholders on June 23, 2008 Number of shares associated with stock acquisition rights: 230,000 shares Issue price: 1,993 yen (Consolidated subsidiaries) Vinculum Japan Corporation Number of potential shares: 1,380 shares Issue price: 62,933 yen

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

Item	FY2011 (As of March 31, 2012)	FY2012 (As of March 31, 2013)
Total net assets (thousand yen)	85,188,306	89,233,420
Amount to be subtracted from total net assets (thousand yen)	10,497,388	10,300,293
Stock acquisition rights (thousand yen)	95,620	95,597
Minority interests (thousand yen)	10,401,767	10,204,695
Net assets pertaining to common shares at the year end (thousand yen)	74,690,917	78,933,127
Number of common shares at the year end used in calculation of net assets per share (thousand shares)	31,384	31,104

(Post-balance sheet events)

Vinculum Japan Corporation (“VINCULUM JAPAN”) and VIXUS INCORPORATED (“VIXUS”), both of which are consolidated subsidiaries of FUJISOFT INCORPORATED, merged, effective April 1, 2013. VINCULUM JAPAN is the surviving company and VIXUS was dissolved. The business name of the surviving company has changed from Vinculum Japan Corporation to VINX CORP.

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. Method of the merger

The merger is an absorption-type merger. VINCULUM JAPAN will be the surviving company. After the merger, VIXUS was dissolved.

3. 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.

4. 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.

5. Financial data of the dissolving company (as of March 31, 2013)

(Thousand yen)

Net sales	16,484,618
Capital	593,000
Total assets	9,533,839
Net assets	1,095,607

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, Executive President
 Takashi Takizawa, Executive Vice President
- (v) Capital 544 million yen
- (vi) Fiscal year end March 31

(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	97,842,073	102.4
Facility business	1,088,038	128.0
Other	6,553,701	102.7
Total	105,483,814	102.7

- (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	130,193,887	102.6	31,616,974	96.5
Facility business	2,068,970	96.8	260,069	120.5
Other	6,873,732	104.1	1,075,892	113.1
Total	139,136,590	102.6	32,952,936	97.1

- (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	129,437,481	103.3
Facility business	2,024,796	102.5
Other	6,749,200	102.5
Total	138,211,477	103.2

- (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%.