



# Results of Operations for the First Quarter of FY2012

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FUJISOFT INCORPORATED



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# Consolidated Financial Highlights

## Net sales rose 11.5% year on year due to increases in sales at FUJISOFT INCORPORATED and subsidiaries.

- ◇ Both consolidated and non-consolidated sales increased, reflecting sales expansion at existing customers and aggressive sales activities to develop new customers. As a result, consolidated net sales came to 34,950 million yen, up 11.5% year on year.

## Operating income increased sharply, primarily reflecting a rise in net sales, an improvement in the cost of sales margin, and the curbing of SG&A expenses at FUJISOFT INCORPORATED.

- ◇ Operating income climbed a very substantial 1,922 million, chiefly attributable to an increase in net sales, an improvement in the cost of sales margin, and SG&A expenses control at FUJISOFT INCORPORATED.
- ◇ Net income came to 316 million yen as a result of an increase in taxes.

(Million yen)

	FY2011 Q1 Results	FY2012 Q1 Results	YoY change (Amount)	YoY change (%)
<b>Net sales</b>	<b>31,338</b>	<b>34,950</b>	<b>+3,611</b>	<b>111.5%</b>
<b>Operating income</b>	<b>424</b>	<b>1,922</b>	<b>+1,497</b>	<b>452.9%</b>
Operating income margin	1.4%	5.5%	+4.1	
<b>Ordinary income</b>	<b>286</b>	<b>1,820</b>	<b>+1,533</b>	<b>635.9%</b>
Ordinary income margin	0.9%	5.2%	+4.3	
<b>Net income</b>	<b>-239</b>	<b>316</b>	<b>+555</b>	<b>-</b>
Net income margin	-	0.9%	-	



## Sales by Major Companies of the Group

(Million yen)

	FY2011 Q1 Results	FY2012 Q1 Results	YoY change (Amount)	YoY change (%)
<b>FUJISOFT INCORPORATED</b> (TSE 1st Section)	16,497	18,338	+1,841	111.2%
<b>CYBERNET SYSTEMS Co., Ltd.</b> (TSE 1st Section)	3,863	4,141	+278	107.2%
<b>VINCULUM JAPAN Corporation</b> (JASDAQ)	2,277	2,362	+84	103.7%
<b>CYBER COM Co., Ltd.</b> (JASDAQ)	1,593	1,669	+76	104.8%
<b>VIXUS INCORPORATED</b> (Unlisted)	3,961	4,267	+306	107.7%

### Highlights in Sales by Major Companies of the Group (See p. 9 for the details of non-consolidated financial results.)

#### ● CYBERNET SYSTEMS Co., Ltd.

The performance of maintenance contract renewals in the main software fields (machine control) of CAE products remained strong. Primarily because of that, sales rose 7.2% year on year.

#### ● VINCULUM JAPAN Corporation

Sales increased 3.7% year on year, reflecting the steady progress of a large project for developing a mission-critical system for a major retail group.

#### ● CYBER COM Co., Ltd.

Sales climbed 4.8% year on year as a result of strong sales of network and server construction, operation, and maintenance services.

#### ● VIXUS INCORPORATED

Sales expanded 7.7% year on year, attributable to the winning of hardware replacement and infrastructure building projects for major customers.



# Consolidated Sales by Segment

(Million yen)

	FY2011		FY2012		YoY change (Amount)	YoY change (%)
	Q1 (Results)	Component ratio	Q1 (Results)	Component ratio		
<b>Total net sales</b>	<b>31,338</b>	<b>100.0%</b>	<b>34,950</b>	<b>100.0%</b>	<b>+3,611</b>	<b>111.5%</b>
<b>SI Business</b>	<b>29,207</b>	<b>93.2%</b>	<b>32,874</b>	<b>94.1%</b>	<b>+3,666</b>	<b>112.6%</b>
Embedded Software Development	8,774	28.0%	9,406	26.9%	+632	107.2%
Operation Software Development	10,597	33.8%	13,317	38.1%	+2,719	125.7%
Outsourcing Business	3,481	11.1%	3,580	10.2%	+98	102.8%
Other SI Business	6,354	20.3%	6,570	18.8%	+215	103.4%
<b>Facilities Business</b>	<b>494</b>	<b>1.6%</b>	<b>469</b>	<b>1.3%</b>	<b>-24</b>	<b>95.0%</b>
<b>Other Businesses</b>	<b>1,636</b>	<b>5.2%</b>	<b>1,606</b>	<b>4.6%</b>	<b>-30</b>	<b>98.2%</b>

## Highlights of Sales by Segment

### SI Business

#### ● Embedded Software Development

Sales increased, reflecting strong sales associated with machine control software (in the automotive field) and communications control software (associated with smartphones and base stations) as in the previous fiscal year.

#### ● Operation Software Development

Sales rose sharply, attributable to strong sales associated with social infrastructure (including transportation infrastructure) and the Internet business as in the previous fiscal year and demand for major replacement projects at the Company and VIXUS.

#### ● Outsourcing Business

Sales climbed as a result of solid sales at FUJISOFT, VINCULUM, and subsidiaries in the securities industry.

#### ● Other SI Business

Sales expanded mainly due to renewals of maintenance contracts in CAE products at CYBERNET and the building of network servers at CYBER COM.



# Consolidated Income Statement

(Million yen)

	FY2011 Q1 Results	FY2012 Q1 Results	YoY change (Amount)	YoY change (%)
<b>Net sales</b>	<b>31,338</b>	<b>34,950</b>	<b>+3,611</b>	<b>111.5%</b>
<b>Cost of sales</b>	<b>24,254</b>	<b>26,611</b>	<b>+2,356</b>	<b>109.7%</b>
Cost of sales margin	77.4%	76.1%	-1.3	
<b>Gross profit</b>	<b>7,083</b>	<b>8,338</b>	<b>+1,255 (1)</b>	<b>117.7%</b>
Gross profit margin	22.6%	23.9%	+1.3	
<b>SG&amp;A expenses</b>	<b>6,658</b>	<b>6,416</b>	<b>-242</b>	<b>96.4%</b>
SG&A expense ratio	21.2%	18.4%	-2.9	
<b>Operating income</b>	<b>424</b>	<b>1,922</b>	<b>+1,497 (2)</b>	<b>452.9%</b>
Operating income margin	1.4%	5.5%	+4.1	
<b>Non-operating income</b>	<b>199</b>	<b>128</b>	<b>-71</b>	<b>64.3%</b>
<b>Non-operating expenses</b>	<b>337</b>	<b>230</b>	<b>-107</b>	<b>68.2%</b>
<b>Ordinary income</b>	<b>286</b>	<b>1,820</b>	<b>+1,533</b>	<b>635.9%</b>
Ordinary income margin	0.9%	5.2%	+4.3	
<b>Extraordinary income</b>	<b>40</b>	<b>0</b>	<b>-40</b>	<b>0.7%</b>
<b>Extraordinary loss</b>	<b>89</b>	<b>5</b>	<b>-83</b>	<b>6.2%</b>
<b>Income before income taxes and minority interests</b>	<b>238</b>	<b>1,814</b>	<b>+1,576</b>	<b>762.1%</b>
Total income taxes	329	1,332	+1,002 (3)	404.2%
Minority interests	147	166	+18	112.3%
<b>Net income</b>	<b>-239</b>	<b>316</b>	<b>+555</b>	<b>-</b>
Net income margin	-	0.9%	-	

## Points in Income Statement

### (1) Gross profit (up 1,255 million yen year on year)

Increased, primarily reflecting an improvement in the cost of sales margin due to the end of underperforming projects at VIXUS in the previous fiscal year.

### (2) Operating income (up 1,497 million yen year on year)

Increased, chiefly attributable to a rise in net sales, an improvement in the cost of sales margin, and the curbing of SG&A expenses at FUJISOFT.

### (3) Total income taxes (up 1,002 million yen year on year)

Increased mainly as a result of a climb in income and the posting of tax effects associated with the sale of a subsidiary (FUJISOFT KCS Co., Ltd.; the shares transferred on July 31)



# Consolidated Balance Sheet

	Enf of FY2011	End of Q1 of FY2012	Change (Amount)
(Million yen)			
<b>Current assets</b>	<b>49,019</b>	<b>46,056</b>	<b>-2,963</b>
Cash and deposits	13,420	11,983	-1,436 (1)
Notes and accounts receivable-trade	28,364	25,688	-2,676 (2)
Work in process	1,662	2,610	+947
Other	5,572	5,773	+201
<b>Noncurrent assets</b>	<b>106,724</b>	<b>105,463</b>	<b>-1,261</b>
Property, plant and equipment	74,340	73,643	-696
Intangible assets	9,334	9,482	+147
Investments and other assets	23,049	22,336	-712
<b>Total assets</b>	<b>155,744</b>	<b>151,519</b>	<b>-4,224</b>
<b>Current liabilities</b>	<b>40,343</b>	<b>37,135</b>	<b>-3,208</b>
Accounts payable-trade	7,902	7,360	-541 (2)
Short-term loans payable / Current portion of long-term loan payable	17,632	13,686	-3,945 (1)
Accrued expenses	7,281	9,470	+2,189 (3)
Other	7,527	6,616	-910
<b>Noncurrent liabilities</b>	<b>30,212</b>	<b>29,135</b>	<b>-1,076</b>
Long-term loans payable	21,829	20,699	-1,129 (4)
Other	8,382	8,436	+53
<b>Total liabilities</b>	<b>70,555</b>	<b>66,271</b>	<b>-4,284</b>
<b>Total net assets</b>	<b>85,188</b>	<b>85,248</b>	<b>+60</b>
<b>Total liabilities and net assets</b>	<b>155,744</b>	<b>151,519</b>	<b>-4,224</b>

## Points of the Balance Sheet

- (1) Cash and deposits (decrease of 1,436 million yen from the end of the previous fiscal term)  
Short-term loans payable / Current portion of long-term loan payable (decrease of 3,945 million yen from the end of the previous fiscal term)  
Decreased as a result of the repayment of loans payable.
- (2) Notes and accounts receivable-trade (decrease of 2,676 million yen from the end of previous fiscal term)  
Accounts payable-trade (decrease of 541 million yen from the end of the previous fiscal term)  
Fall in accounts receivable/payable-trade because of seasonal effects
- (3) Accrued expenses (increase of 2,189 million yen from the end of the previous fiscal term)  
Provision for winter bonuses posted
- (4) Long-term loans payable (decrease of 1,129 million yen from the end of the previous fiscal term)  
Decline associated with scheduled repayment



# Consolidated Cash Flow Statement

(Million yen)

	FY2011 Q1 Results	FY2012 Q1 Results	YoY change (Amount)
<b>Net cash provided by (used in) operating activities</b>	4,833	4,654	-179
<b>Net cash provided by (used in) investment activities</b>	321	-545	-866 (1)
<b>Net cash provided by (used in) financing activities</b>	-8,511	-5,613	+2,898 (2)
Effect of exchange rate change on cash and cash equivalents	-11	21	+32
Net increase (decrease) in cash and cash equivalents	-3,367	-1,483	+1,884
Cash and cash equivalents at beginning of period	22,044	13,279	-8,765
Increase in cash and cash equivalents from newly consolidated subsidiary	-	110	+110
<b>Cash and cash equivalents at end of period</b>	<b>18,676</b>	<b>11,906</b>	<b>-6,769</b>

## Highlights of Cash Flows

### (1) Net cash used in investing activities (increase of 866 million yen in outflow from the end of the previous fiscal term)

Net cash used in investing activities increased 866 million yen year on year, reflecting FUJISOFT's investments in its products (including FSMobile and products related to robots) and data centers, VIXUS's investments to build systems for its major customers, and the absence of proceeds from sales of investment securities (1,042 million yen) at CYBERNET in the previous fiscal year.

### (2) Net cash used in financing activities (decrease of 2,898 million yen in outflow from the end of the previous fiscal term)

Net cash used in financing activities decreased 2,898 million yen year on year, primarily attributable to the scheduled repayment of loans.





# Orders and Order Backlogs for the Consolidated SI Business

(Million yen)

	FY2012 Q1 Results							
	Order backlog at beginning of term	YoY change (%)	Orders	YoY change (%)	Net sales	YoY change (%)	Order backlog at end of term	YoY change (%)
<b>SI Business Total</b>	<b>32,752</b>	<b>105.1%</b>	<b>30,226</b>	<b>105.1%</b>	<b>32,874</b>	<b>112.6%</b>	<b>30,104</b>	<b>98.0%</b>
Embedded Software Development	7,840	103.5%	10,128	113.9%	9,406	107.2%	8,561	111.4%
Operation Software Development	12,280	112.0%	12,699	119.2%	13,317	125.7%	11,663	105.9%
Outsourcing Business	6,881	102.5%	2,353	71.8%	3,580	102.8%	5,654	86.8%
Other SI Business	5,750	97.0%	5,044	85.1%	6,570	103.4%	4,225	76.8%

## Highlights of Orders and Order Backlogs

### ● Highlights of orders

Orders in Embedded Software rose 13.9% from the previous fiscal year, reflecting strong orders for machine control software (automobile related) and for communications control software (smartphones and base stations related). In Operation Software Development, orders associated with social infrastructure and the Internet business were strong. Orders in other fields were solid. As a result, orders in this segment rose 19.2% year on year.

Orders in Outsourcing Business declined 28.2% year on year, attributable to delays in orders for large projects at FUJISOFT and the absence of orders for large projects in the previous fiscal year. Orders in Other SI Business fell 14.9% year on year due to declines in orders for product projects at FUJISOFT and CYBERNET. As a result, orders for the overall SI Business rose 5.1% year on year.

### ● Highlights of order backlogs

Order backlogs for Embedded Software at the end of the quarter increased 11.4% year on year, reflecting a rise in machine control software (automobile related), orders for which concentrate at the end of the quarter. Order backlogs for Operation Software rose only 5.9% year on year compared with the large increase in orders because product sales, or sales of software licenses and equipment for which the period from the reception of orders to the posting of sales is short, account for a large percentage in Operation Software.

Order backlogs in the Outsourcing Business declined 13.2%, primarily attributable to downsizing in maintenance and operation for major customers at VIXUS. Order backlogs in Other SI Business decreased 23.2% due to strong sales of products related to feature phones for which orders were received in the previous fiscal year. Consequently, order backlogs for the overall SI Business slipped 2.0% year on year.



# Non-Consolidated Financial Results

(Million yen)

	FY2011 Q1 Results	FY2012 Q1 Results	YoY change (Amount)	YoY change (%)
<b>Net sales</b>	<b>16,497</b>	<b>18,338</b>	<b>+1,841</b>	<b>111.2% (1)</b>
<b>Cost of sales</b>	<b>12,530</b>	<b>14,205</b>	<b>+1,674</b>	<b>113.4%</b>
Cost of sales margin	76.0%	77.5%	+1.5	(2)
<b>Gross profit</b>	<b>3,967</b>	<b>4,133</b>	<b>+166</b>	<b>104.2%</b>
Gross profit margin	24.0%	22.5%	-1.5	
<b>SG&amp;A expenses</b>	<b>3,634</b>	<b>3,403</b>	<b>-231</b>	<b>93.6%</b>
SG&A expense ratio	22.0%	18.6%	-3.4	
<b>Operating income</b>	<b>332</b>	<b>730</b>	<b>+397</b>	<b>219.4% (3)</b>
Operating income margin	2.0%	4.0%	+1.9	
<b>Ordinary income</b>	<b>670</b>	<b>902</b>	<b>+231</b>	<b>134.6%</b>
Ordinary income margin	4.1%	4.9%	+0.8	
<b>Income before income taxes</b>	<b>670</b>	<b>902</b>	<b>+231</b>	<b>134.6%</b>
Total income taxes	<b>78</b>	<b>233</b>	<b>+155</b>	<b>298.0%</b>
<b>Net income</b>	<b>591</b>	<b>668</b>	<b>+76</b>	<b>113.0% (4)</b>
Net income margin	3.6%	3.6%	-	

## Main Points of Non-Consolidated Results

### (1) Net sales [\(up 1,841 million yen year on year\)](#)

In Embedded Software Development, sales associated with machine control software were strong, especially in the automotive field. Sales of communications control software associated with smartphones and base stations were solid. In Operation Software Development, sales associated with social infrastructure and the Internet business continued their strength from the previous fiscal year. As a result, net sales rose from the level of the previous year.

### (2) Cost of sales margin [\(up 1.5 percentage points year on year\)](#)

The cost of sales margin was affected by an increase in sales of software licenses and equipment.

### (3) Operating income [\(up 397 million yen year on year\)](#)

Growth in operating income, attributable chiefly to an increase in sales and cuts in SG&A expenses

### (4) Net income [\(up 76 million yen year on year\)](#)

Income taxes posted increased in association with a rise in income before income taxes.



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