Results of Operations
for FY2013

February 13, 2014
FUJISOFT INCORPORATED

Contents

The fiscal year end has changed from March to December.

The YoY change (amount) and YoY change (%) for FY2013 results in this material (pp. 3–10) are comparisons with results for the period from April to December, 2012.
The YoY change (amount) and YoY change (%) in the results forecasts for FY2014 (p. 12) are comparisons with results for the period from January 2013 to December 2013.

Consolidated Financial Highlights

Net sales rose despite the adverse effect of the exclusion of a subsidiary from the scope of consolidation.

◇ Despite the adverse effect of the exclusion of a subsidiary from the scope of consolidation* in the previous fiscal year, consolidated net sales rose 3.2% year on year, to 105,399 million yen, reflecting a rise in sales at the Company and three major subsidiaries.

Operating income rose, and ordinary income and net income increased significantly thanks to equity in earnings of affiliates.

◇ Operating income climbed 6.1% year on year, to 5,713 million yen chiefly due to the rise in net sales, the enhancement of business efficiency at the Company, and an improvement in the cost rate at subsidiaries.

◇ Ordinary income and net income increased sharply, attributable to a significant improvement in equity in earnings (losses) of affiliates.

* FUJISOFT KCS was sold on July 31, 2012, and has been excluded from the scope of consolidation.

(Million yen)

	FY2012 Q3 Results	FY2013 Results	YoY change (Amount)	YoY change (%)	FY2013 Plan	FY2013 Comparison with plan
Net sales	102,118	**105,399**	+3,281	**103.2%**	104,000	**101.3%**
Operating income	5,383	**5,713**	+329	**106.1%**	5,700	**100.2%**
Operating income margin	5.3%	5.4%	+0.1		5.5%	
Ordinary income	5,455	**6,585**	+1,129	**120.7%**	5,900	**111.6%**
Ordinary income margin	5.3%	6.2%	+0.9		5.7%	
Net income	2,496	**3,695**	+1,198	**148.0%**	3,000	**123.2%**
Net income margin	2.4%	3.5%	+1.1		2.9%	

Sales/Operating Income by Major Companies of the Group

(Million yen)

	Net sales				Operating income			
	FY2012 Q 3 Results	FY2013 Results	YoY change (Amount)	YoY change (%)	FY2012 Q 3 Results	FY2013 Results	YoY change (Amount)	YoY change (%)
FUJISOFT INCORPORATED	57,990	**61,316**	+3,325	**105.7%**	3,520	**3,781**	+261	**107.4%**
CYBERNET SYSTEMS Co., Ltd.	9,960	**11,772**	+1,812	**118.2%**	204	**494**	+289	**241.7%**
VINX CORP.	19,974	**20,044**	+69	**100.3%**	729	**950**	+220	**130.3%**
CYBER COM Co., Ltd.	5,286	**5,596**	+310	**105.9%**	334	**395**	+61	**118.4%**

* The results of VINX CORP. for the previous fiscal year are the simple aggregation of the results of former VINCULUM JAPAN Corporation and former VIXUS INCORPORATED.
* The fiscal year of FUJISOFT INCORPORATED and CYBERNET SYSTEMS ends in December, and that of VINX and CYBER COM ends in March.

Highlights in Sales/Operating Income by Major Companies of the Group (See p. 10 for non-consolidated financial results.)

● CYBERNET SYSTEMS Co., Ltd.

Sales rose from a year earlier due to growth in sales of mainstay CAE products in the auto industry and strong sales of software at overseas subsidiaries. With the rise in sales, operating income increased.

● VINX CORP.

Sales increased, reflecting increases in sales to certain customers both in Japan and overseas and demand for system changes associated with the revision of the Consumption Tax Act. Operating income climbed thanks to the enhancement of quality control capabilities and an improvement in the cost ratio associated with business integration.

● CYBER COM Co., Ltd.

Sales climbed as a result of growth in the development of in-vehicle systems (control software) and the development of operation software, including e-commerce websites, medical software, and software for local governments, as well as strong sales of construction, maintenance, and operation services and the company’s products, especially Cyber-Smart CTI. Operating income also rose thanks to the rise in sales and the curbing of SG&A expenses.

Consolidated Sales by Segment

(Million yen)

	FY2012		FY2013		YoY change	YoY change
	Q3 Results	Component ratio	Results	Component ratio	(Amount)	(%)
Total net sales	102,118	100.0%	**105,399**	**100.0%**	+3,281	**103.2%**
SI Business	95,699	93.7%	**98,658**	**93.6%**	+2,958	**103.1%**
System Construction	56,665	55.5%	**57,321**	**54.4%**	+655	**101.2%**
Embedded/Control Software	28,377	27.8%	**27,270**	**25.9%**	-1,106	**96.1%**
Operation Software	28,287	27.7%	**30,050**	**28.5%**	+1,762	**106.2%**
Products and Services	39,034	38.2%	**41,337**	**39.2%**	+2,302	**105.9%**
Products and Services	23,800	23.3%	**26,620**	**25.3%**	+2,820	**111.8%**
Outsourcing	15,233	14.9%	**14,716**	**14.0%**	-517	**96.6%**
Facility Business	1,495	1.5%	**1,497**	**1.4%**	+1	**100.1%**
Other Businesses	4,922	4.8%	**5,244**	**5.0%**	+321	**106.5%**

Highlights of Sales by Segment

● Embedded/Control Software

Sales declined 3.9% year on year, primarily reflecting a decrease in sales in the mobile business due to the effect of a business contraction at domestic mobile phone manufacturers, despite strong sales in the social infrastructure business, including network infrastructure projects for network equipment vendors.

● Operation Software

Sales rose 6.2% year on year, with the adverse effect of the exclusion of the consolidated subsidiary in the previous fiscal year more than offset by a strong performance in the Company's financial, education, and Internet businesses.

● Products and Services

Sales increased 11.8% year on year due to a strong performance in the Company's license business and a rise in sales at CYBERNET SYSTEMS.

● Outsourcing

Sales decreased 3.4% year on year chiefly due to the adverse effect of a major customer's business integration.

Consolidated Income Statement

(Million yen)

	FY2012 Q3 Results	FY2013 Results	YoY change (Amount)	YoY change (%)	FY2013 Plan	FY2013 Comparison with the plan
Net sales	**102,118**	**105,399**	+3,281	**103.2%**	104,000	**101.3%**
Cost of sales	**77,824**	**79,926**	+2,101	**102.7%**	78,800	**101.4%**
Cost of sales margin	76.2%	75.8%	-0.4		75.8%	
Gross profit	**24,293**	**25,473**	+1,180	**104.9%**	25,200	**101.1%**
Gross profit margin	23.8%	24.2%	+0.4		24.2%	
SG&A expenses	**18,909**	**19,759**	+850	**104.5%**	19,500	**101.3%**
SG&A expense ratio	18.5%	18.7%	+0.2		18.8%	
Operating income	**5,383**	**5,713**	+329	**106.1%**	5,700	**100.2%**
Operating income margin	5.3%	5.4%	+0.1		5.5%	
Non-operating income	*1 **413**	*2 **593**	+180 (1)	**143.7%**	–	–
Non-operating expenses	**399**	**479**	+80	**120.1%**	–	–
Equity in earnings (losses) of affiliates	57	757	+699.0 (2)	1310.0%	-	-
Ordinary income	**5,455**	**6,585**	+1,129	**120.7%**	5,900	**111.6%**
Ordinary income margin	5.3%	6.2%	+0.9		5.7%	
Extraordinary income	**326**	**515**	+189 (3)	**158.0%**	–	–
Extraordinary loss	**205**	**490**	+284 (4)	**238.5%**	–	–
Income before income taxes	**5,576**	**6,610**	+1,034	**118.5%**	–	–
Total income taxes	2,895	2,843	-51.0	98.2%	-	-
Minority interests in income	185	72	-112.0	38.9%	-	-
Net income	**2,496**	**3,695**	+1,198	**148.0%**	3,000	**123.2%**
Net income margin	2.4%	3.5%	+1.1		2.9%	

*1 Figures indicate those after excluding equity in losses of affiliates (57 million yen).
*2 Figures indicate those after excluding equity in gains of affiliates (757 million yen).

Points in Income Statement

(1) Non-operating income (up 180 million yen year on year)
Increased chiefly due to revenue from a lump-sum payment associated with the termination of a large outsourcing contract.

(2) Equity in earnings (losses) of affiliates
(up 699 million yen year on year)
Equity in earnings of affiliates improved.
(Ace Securities: up 704 million yen)

(3) Extraordinary income (up 189 million yen year on year)
A gain on change in equity was recorded in association with the formation of VINX CORP. through a merger (up 455 million yen) and a decrease in reaction to the posting of a gain on sales of consolidated subsidiaries in the previous fiscal year (down 284 million yen)

(4) Extraordinary loss (up 284 million yen year on year)
Rose, primarily reflecting an impairment loss in noncurrent assets associated with products at a securities-related subsidiary.

Consolidated Balance Sheet

(Million yen)

	End of FY2012	End of FY2013	Change (Amount)
Current assets	**52,425**	**51,907**	**-518**
Cash and deposits	12,990	14,345	+1,355
Notes and accounts receivable-trade	29,000	28,260	-740 (1)
Short-term investment securities	3,024	2,302	-722
Inventories	2,566	2,119	-447
Deferred tax assets	2,859	1,742	-1,117
Other	1,984	3,137	+1,153
Noncurrent assets	**100,734**	**102,615**	**+1,851**
Property, plant and equipment	71,345	69,493	-1,851 (2)
Intangible assets	7,801	8,100	+299
Investments and other assets	21,587	25,020	+3,433
Total assets	**153,160**	**154,522**	**+1,362**
Current liabilities	**40,702**	**39,855**	**-846**
Accounts payable-trade	8,295	7,433	-861 (1)
Short-term loans payable	16,065	15,507	-557 (3)
Commercial papers	-	4,000	+4,000
Accrued expenses	3,114	3,349	+234
Provision for bonuses	4,312	2,397	-1,915 (4)
Income taxes payable	2,461	275	-2,186 (5)
Provision for loss on construction contracts	257	79	-177
Other	6,195	6,812	+617
Noncurrent liabilities	**23,224**	**19,595**	**-3,629**
Long-term loans payable	14,845	9,426	-5,419 (3)
Other	8,379	10,169	+1,789
Total liabilities	**63,926**	**59,450**	**-4,476**
Minority interests	**10,204**	**10,244**	**+40**
Total net assets	**79,028**	**84,827**	**+5,798**
Total liabilities and net assets	**153,160**	**154,522**	**+1,362**

Points of the Balance Sheet

(1) Notes and accounts receivable-trade
(Decrease of 740 million yen from the end of the previous fiscal term)
Accounts payable-trade
(Decrease of 861 million yen from the end of the previous fiscal term)
Fall in accounts receivable/payable-trade because of seasonal effects

(2) Property, plant and equipment
(Decrease of 1,851 million yen from the end of the previous fiscal term)
Declined as a result of depreciation at the Company and subsidiaries.

(3) Short-term loans payable
(Decrease of 557 million yen from the end of the previous fiscal term)
Long-term loans payable
(Decrease of 5,419 million yen from the end of the previous fiscal term)
Declined as loans were repaid as scheduled.

(4) Provision for bonuses
(Decrease of 1,915 million yen from the end of the previous fiscal term)
Affected by the change in the consolidated settlement date.

(5) Income taxes payable
(Decrease of 2,186 million yen from the end of the previous fiscal term)
Decreased because of seasonal effects.

Consolidated Cash Flow Statement

(Million yen)

	FY2012 Q3 Results	FY2013 Results	YoY change (Amount)
Net cash provided by (used in) operating activities	8,009	6,342	-1,667
Net cash provided by (used in) investing activities	-1,571	-2,538	-966
Net cash provided by (used in) financing activities	-8,225	-3,375	+4,850
Effect of exchange rate change on cash and cash equivalents	29	202	+173
Net increase (decrease) in cash and cash equivalents	-1,758	631	+2,389
Cash and cash equivalents at beginning of period	13,279	13,698	+418
Increase in cash and cash equivalents from newly consolidated subsidiary	110	12	-97
Cash and cash equivalents at end of period	11,631	14,342	+2,710

Highlights of Cash Flows

- Net cash provided by (used in) operating activities

  Net cash provided by operating activities declined 1,667 million yen year on year, reflecting an increase in income taxes due to a rise in net income in the previous fiscal year and a rise in personal expenses.

- Net cash provided by (used in) investing activities

  Net cash used in investing activities was 966 million yen more than a year earlier due to proceeds from the sales of consolidated subsidiaries in the previous fiscal year and an increase in the Company's investments associated with products (including FSMobile and Mirai School Station) this fiscal year.

- Net cash provided by (used in) financing activities

  Loans were repaid as scheduled. Commercial paper worth 4,000 million yen was issued for the diversification of sources of funding.

Orders and Order Backlogs for the Consolidated SI Business

(Million yen)

	Reference	FY2013 Results						
	Order backlog at end of Q3 FY2012	Order backlog at beginning of term	Orders	YoY change (%)	Net sales	YoY change (%)	Order backlog at end of term	YoY change (%)
SI Business Total	26,616	27,581	97,414	102.0%	98,658	103.1%	26,337	99.0%
System Construction	16,886	16,505	57,645	98.7%	57,321	101.2%	16,830	99.7%
Embedded/Control Software	8,166	8,084	26,837	91.8%	27,270	96.1%	7,651	93.7%
Operation Software	8,720	8,421	30,808	105.5%	30,050	106.2%	9,178	105.3%
Products and Services	9,730	11,075	39,768	107.1%	41,337	105.9%	9,507	97.7%
Products and Services	5,301	6,736	26,337	118.6%	26,620	111.8%	6,453	121.7%
Outsourcing	*4,428	*4,339	13,431	90.0%	14,716	96.6%	3,054	69.0%

* Starting the second quarter, VINX is applying a uniform standard for calculating order backlogs at former Vinculum Japan and former VIXUS, and a new backlog for "Outsourcing" has been recomputed using the new standard.

Highlights of Orders and Order Backlogs

Highlights of orders

In the overall SI Business, orders rose 2.0% year on year.
In Embedded/Control Software in System Construction, orders in the mobile industry declined sharply due to the effect of business contraction at domestic mobile phone manufacturers. In Operation Software, orders rose, reflecting orders for large projects received especially in the financial industry.
Orders in Products and Services increased due to strong orders in the license business, despite the adverse effect of the termination of a project for a major customer of the Company.

Highlights of order backlogs

Order backlogs in the overall SI Business declined 1.0% year on year.
In System Construction, order backlogs in Embedded/Control Software in the mobile industry fell sharply due to the effect of a decrease in orders from domestic mobile phone manufacturers. In Operation Software, order backlogs were on a par with the year-ago level.
Order backlogs in Products and Services slipped, reflecting the adverse effect of a major customer's business integration in Outsourcing, despite strong sales of products in the Company's license business and at CYBERNET SYSTEMS.

Non-Consolidated Income Statement

(Million yen)

	FY2012 Q3 Results	FY2013 Results	YoY change (Amount)	YoY change (%)	FY2013 Plan	FY2013 Comparison with the plan
Net sales	**57,990**	**61,316**	+3,325 (1)	**105.7%**	61,000	**100.5%**
Cost of sales	**44,163**	**47,456**	+3,292	**107.5%**	46,500	**102.1%**
Cost of sales margin	76.2%	77.4%	+1.2 (2)		76.2%	
Gross profit	**13,826**	**13,860**	+33	**100.2%**	14,500	**95.6%**
Gross profit margin	23.8%	22.6%	-1.2		23.8%	
SG&A expenses	**10,306**	**10,078**	-227 (3)	**97.8%**	10,400	**96.9%**
SG&A expense ratio	17.8%	16.4%	-1.4		17.0%	
Operating income	**3,520**	**3,781**	+261 (4)	**107.4%**	4,100	**92.2%**
Operating income margin	6.1%	6.2%	+0.1		6.7%	
Non-operating income	**551**	**785**	+234 (5)	**142.5%**	-	-
Non-operating expenses	**372**	**442**	+69	**118.8%**	-	-
Ordinary income	**3,699**	**4,125**	+425	**111.5%**	4,200	**98.2%**
Ordinary income margin	6.4%	6.7%	+0.3		6.9%	
Income before income taxes	**5,197**	**4,150**	-1,046 (6)	**79.9%**	-	-
Pre-tax profit margin	9.0%	6.8%	-2.2		-	
Net income	**3,337**	**2,933**	-404	**87.9%**	2,600	**112.8%**
Net income margin	5.8%	4.8%	-1.0		4.3%	

Main Points of Non-Consolidated Results

(1) Net sales (up 3,325 million yen year on year)
An increase in net sales reflecting a strong performance in the license business and in the financial industry as in the first half

(2) Cost of sales margin (up 1.2 percentage points year on year)
An increase in the ratio of product sales

(3) SG&A expenses (down 227 million yen year on year)
A reduction with a rise in promotion expenses especially for major products more than offset by a reduction in administrative expenses

(4) Operating income (up 261 million yen year on year)
Growth in operating income chiefly due to the rise in net sales and the reduction in SG&A expenses

(5) Non-operating income (up 234 million yen year on year)
A rise due to revenue from a lump-sum payment associated with the termination of a large outsourcing contract and an increase in dividend income (Ace Securities)

(6) Income before income taxes (down 1,046 million yen year on year)
A decrease in reaction to the posting of a gain on sales of consolidated subsidiaries (1,482 million yen) in the previous fiscal year

Results Forecasts for FY2014

Results Forecasts for FY2014

(Million yen)

	FY2013 Results	Results for Jan.–Dec., 2013	FY2014 Plan	YoY change (Amount)	YoY change (%)
Net sales	**105,399**	**141,493**	**144,000**	**+2,506**	**101.8%**
Cost of sales	**79,926**	**107,585**	**109,400**	**+1,814**	**101.7%**
Cost of sales margin	75.8%	76.0%	76.0%		-
Gross profit	**25,473**	**33,908**	**34,600**	**+692**	**102.0%**
Gross profit margin	24.2%	24.0%	24.0%		-
SG&A expenses	**19,759**	**26,228**	**26,800**	**+571**	**102.2%**
SG&A expense ratio	18.7%	18.5%	18.6%		-
Operating income	**5,713**	**7,679**	**7,800**	**+120**	**101.6%**
Operating income margin	5.4%	5.4%	5.4%		-
Ordinary income	**6,585**	**9,175**	**7,700**	**-1,475**	**83.9%**
Ordinary income margin	6.3%	6.5%	5.3%		-
Net income	**3,695**	**5,201**	**4,300**	**-901**	**82.7%**
Net income margin	3.4%	3.7%	3.0%		-

Dividend

Dividend at End of FY2013 is 21 yen.

Our basic policy is consistently returning profits to shareholders, while securing sufficient internal reserves in preparation for active business development and potential risks.

■ Trends in per-share net income, dividend and dividend payout ratio (consolidated)

(Yen)

	FY2010 Results	FY2011 Results	FY2012 Results	FY2013 Results	FY2014 Plan
Per-share net income	78.77	53.70	127.67 *1	118.73 *2	138.09
Dividend per share	20	20	24	21	28
Dividend payout ratio	25.4%	37.2%	18.8%	17.7%	20.3%

*1 A gain on the sale of shares in FUJISOFT KCS Co., Ltd., a consolidated subsidiary, was posted (¥284 million).

*2 Results for nine months

The Next Three Years

Basic Policy

An innovative corporate group that links
ICT development to greater value for customers

Helping customers increase added value, create new businesses, and enhance competitive advantage

Medium-term target: Creating a high value-added structure

Increasing added value

Enhancing on-site strength

Creating markets
(including overseas markets)

Cutting selling, general and administrative expenses

Creating products and services

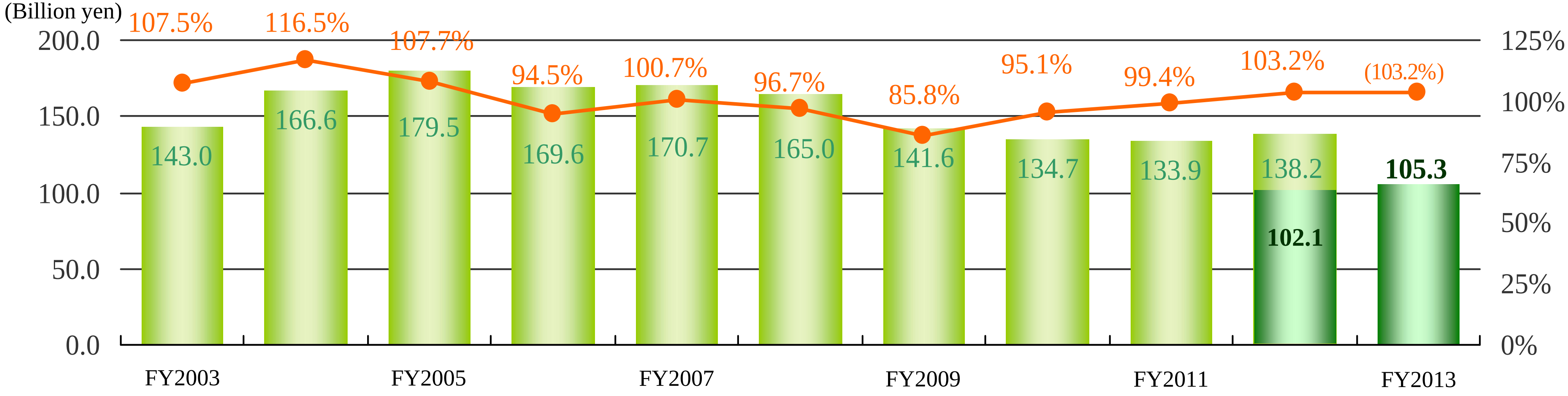
Cloud (C)	(including Internet-related businesses)
Robot technologies (R)	
Mobile (M)	(including a variety of devices)

Basic strategies

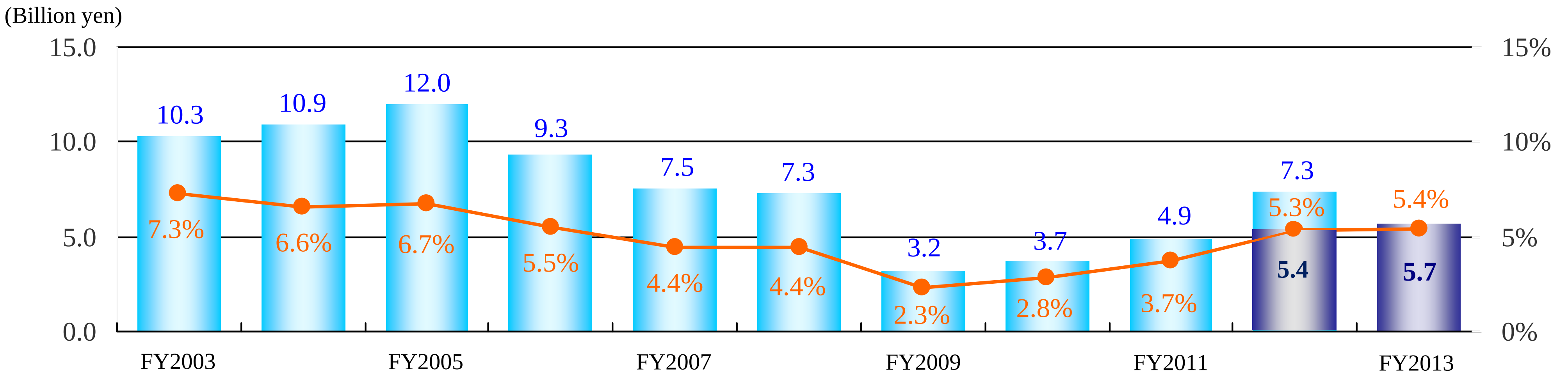
- **Strengthening the foundations of contract business**
- **Becoming a prime vendor**
- **Creating products**
- **Globalization**
- **Bolstering Group capabilities**

Changes in Results

Sales, Growth Rate

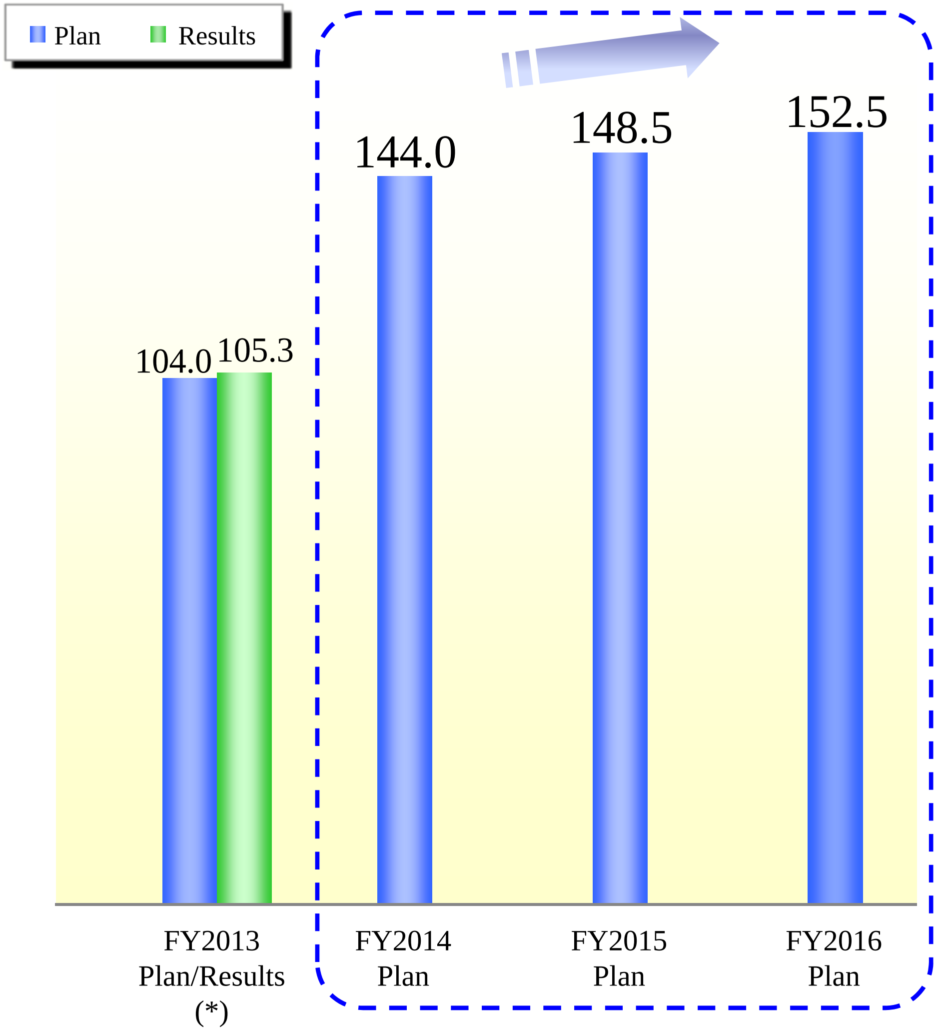


Operating Income, Operating Income Margin



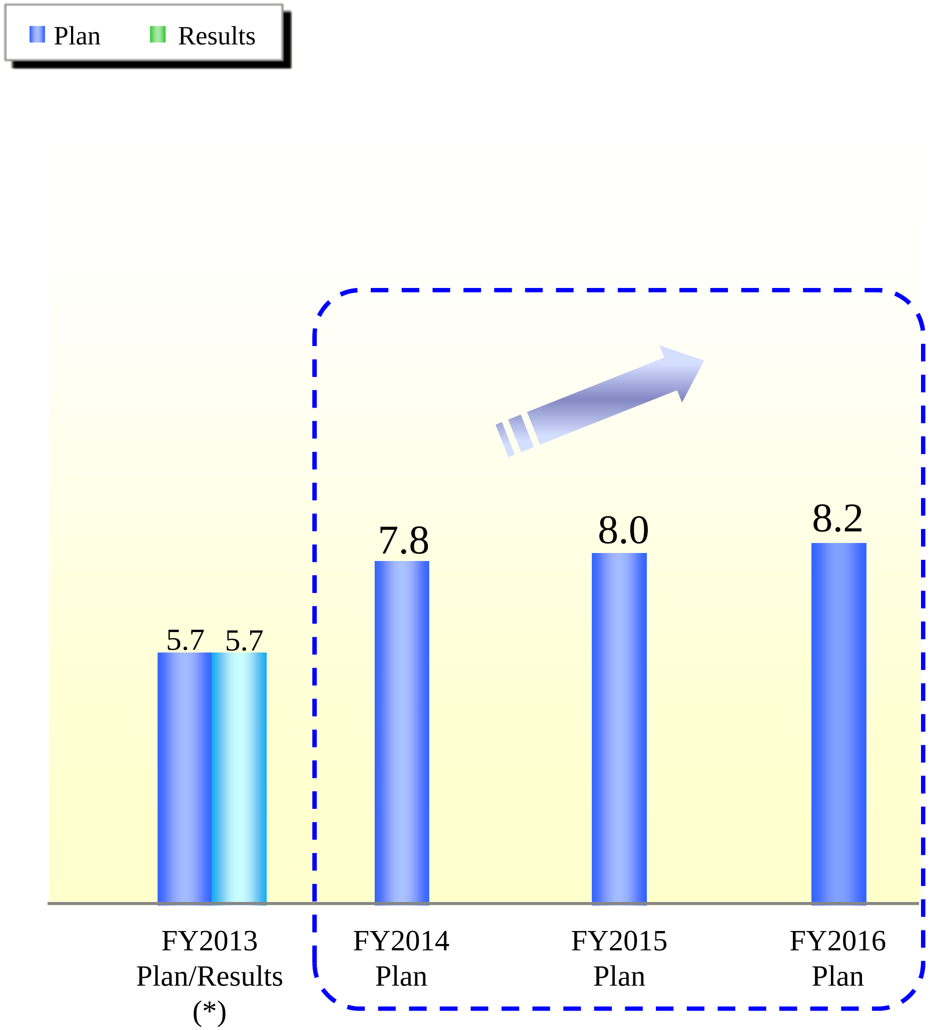
Forecast for the Next Three Years

Consolidated Sales



Consolidated Operating Income

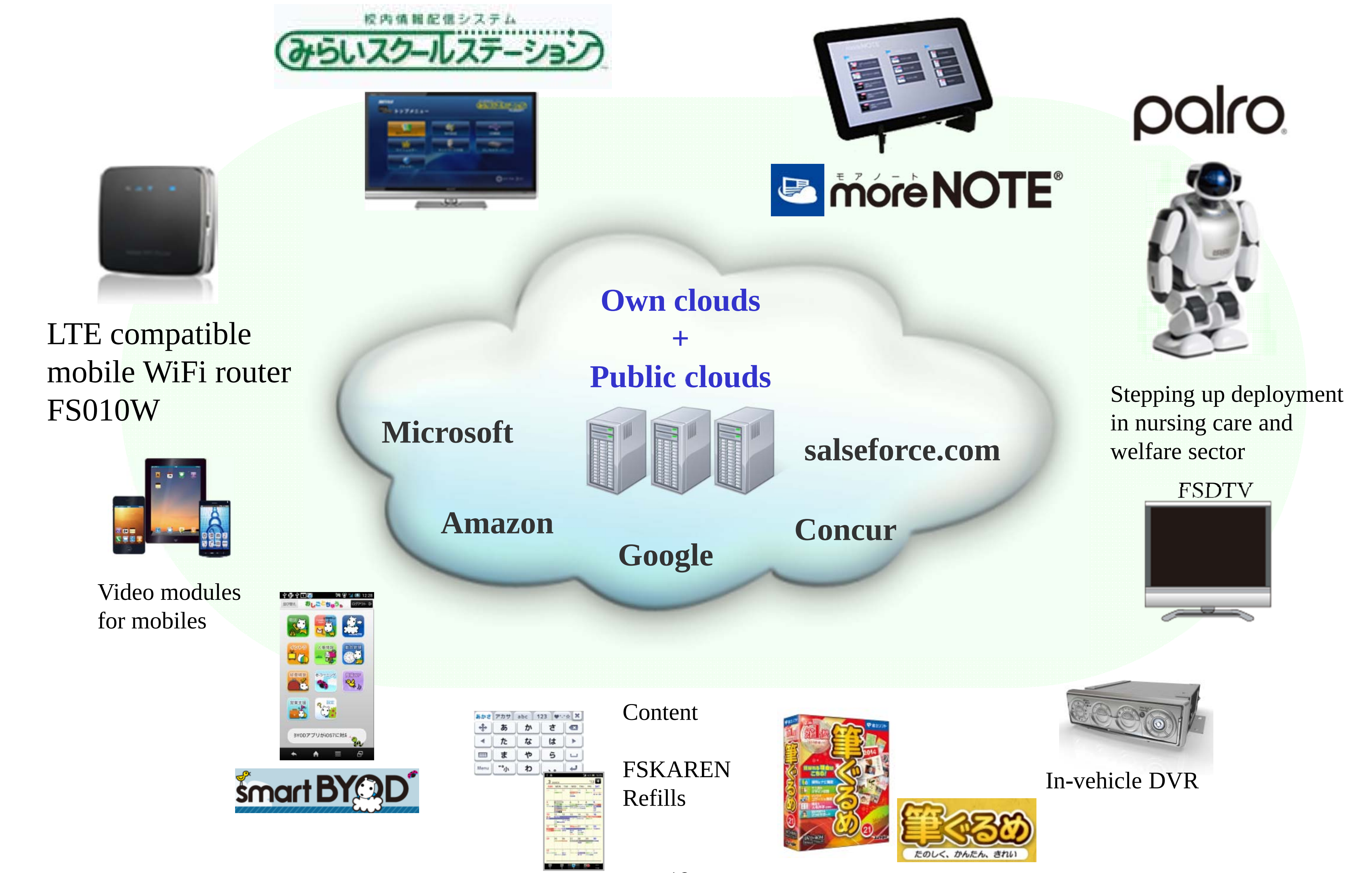
(Billion yen)



* Results for nine months

Topics

Deployment of Major Products and Services



Global Operations

January 13, 2014
VINX VIETNAM COMPANY LIMITED starts operations.

October 12, 2012
AEON Delight Co., Ltd., VINCULUM JAPAN Corporation (currently VINX CORP.), and Totyu Co., Ltd. establish a joint venture for the BPO business in China.

July 5, 2012
Opens the Seoul Branch of FUJISOFT.

July 1, 2012
Establishes VINCULUM MALAYSIA Sdn. Bhd. (currently Vinx Malaysia Sdn. Bhd.)

July 1, 2012
Establishes Cybernet Systems Korea Co., Ltd.

Number of overseas bases (as of December 31, 2013)

○ Asia	11
○ North America	3
○ Europe	2

Advanced BYOD company

FUJISOFT

* This material contains financial forecasts and other information about the future that are deemed reasonable on the basis of currently available information. Please note that actual financial results may differ materially depending on a number of factors, including market trends and economic conditions. Please also note that distribution of this material is not intended for recommending continued ownership or additional purchase of the Company's shares.