Results of Operations
for FY2011

May 9, 2012
FUJISOFT INCORPORATED

Contents

Financial Results for FY2011

Consolidated Financial Highlights

Net sales fell 0.6% year on year due mainly to declines in revenue at major subsidiaries.

◇Sales at VIXUSCORPORATED declined 2,174 million yen year on year, primarily attributable to the absence of the large projects in the previous fiscal year and the effect of curbs on investment by major customers. Sales at FUJISOFT INCORPORATED (the "Company") increased 2,371 million yen year on year, chiefly reflecting a recovery in orders in Operation Software Development. In addition, there was a negative impact on net sales of Mercury Staffing, an equity-method affiliate, from the second half of the previous fiscal year (sales of 1,043 million yen in the first half). As a result, consolidated net sales came to 133,912 million yen, down 0.6% year on year.

Operating income rose 31.8% year on year, primarily reflecting an increase in non-consolidated operating income.

◇Consolidated operating income stood at 4,998 million yen, up 31.8% year on year, attributable to a rise in non-consolidated net sales and an increase in profits due to cuts in SG&A expenses.

◇Net income came to 1,703 million yen as a result of taxes.

(Million yen)

	FY2010 (Result)	FY2011 (Result)	YoY change (Amount)	YoY change (%)	FY2011 (Plan)	Comparison with the plan
Net sales	134,745	133,912	-833	99.4%	134,000	99.9%
Operating income	3,793	4,998	+1,205	131.8%	4,500	111.1%
Operating income margin	2.8%	3.7%	+ 0.9%		3.4%	
Ordinary income	3,647	4,556	+908	124.9%	3,700	123.1%
Ordinary income margin	2.7%	3.4%	+ 0.7%		2.8%	
Net income	2,511	1,703	-807	67.8%	1,300	131.1%
Net income margin	1.9%	1.3%	-0.6%		1.0%	

Sales by Major Companies of the Group

(Million yen)

	FY2010 (Results)	FY2011 (Results)	YoY change (Amount)	YoY change (%)	FY2011 (Plan)	Comparison with the plan
FUJISOFT INCORPORATED (TSE 1st Section)	71,249	73,620	+2,371	103.3%	73,500	100.2%
CYBERNET SYSTEMS Co., Ltd. (TSE 1st Section)	13,019	13,613	+594	104.6%	13,670	99.6%
VINCULUM JAPAN Corporation (JASDAQ)	9,273	9,156	-116	98.7%	9,000	101.7%
CYBER COM Co., Ltd. (JASDAQ)	6,306	6,483	+177	102.8%	6,400	101.3%
VIXUS INCORPORATED (Unlisted)	20,025	17,851	-2,174	89.1%	17,500	102.0%

Highlights in Sales by Major Companies of the Group (See p. 10 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. Consequently, sales rose 4.6% year on year.

VINCULUM JAPAN Corporation

Sales declined 1.3% year on year on a decline in operation work as a result of the management integration of major customers, which was not enough to offset strong orders, including the winning of a large outsourcing project for a major retail group and several solution projects.

CYBER COM Co., Ltd.

Sales climbed 2.8% year on year as a result of strong sales of development projects for machine control software for combination units, printers and in-vehicle systems, as well as network and server construction, operation and maintenance services, despite a contraction in sales of development projects for communications software.

VIXUS INCORPORATED

Sales declined 10.9% year on year with the effect of the absence of the major projects in the previous fiscal year as well as the curbing of investments by major customers.

Consolidated Sales by Segment

(Million yen)

	FY2010 (Results)	FY2010 Component ratio	FY2011 (Results)	FY2011 Component ratio	YoY change (Amount)	YoY change (%)
Total net sales	**134,745**	**100.0%**	**133,912**	**100.0%**	**-833**	**99.4%**
SI Business	**124,643**	**92.5%**	**125,351**	**93.6%**	**+708**	**100.6%**
Embedded Software Development	38,865	28.8%	36,701	27.4%	-2,163	94.4%
Operation Software Development	46,781	34.7%	50,074	37.4%	+3,292	107.0%
Outsourcing Business	15,693	11.6%	15,056	11.2%	-636	95.9%
Other SI Business	23,302	17.3%	23,519	17.6%	+216	100.9%
Facilities Business	**2,106**	**1.6%**	**1,976**	**1.5%**	**-130**	**93.8%**
Other Businesses	**7,995**	**5.9%**	**6,583**	**4.9%**	**-1,411**	**82.3%**

Highlights of Sales by Segment

SI Business

● Embedded Software Development

Overall sales in Embedded Software Development fell with sluggish sales related to feature phone development, although sales associated with machine control software (in the automotive and factory automation fields) and smartphones were strong.

● Operation Software Development

Declines in sales at VIXUS with the absence of the major projects of the previous fiscal year and the curbing of investments by major customers were offset by strong sales associated with social infrastructure and the Internet business at the Company. Consequently, overall sales in Operation Software Development increased.

● Outsourcing Business

Sales fell, following a decrease in system operations and maintenance for certain major customers of VIXUS.

● Other SI Business

Sales rose year on year, attributable to renewals of maintenance contracts in CAE products at CYBERNET SYSTEMS, and increases in the non-consolidated sales of products associated with FSMobile.

Other Businesses

Sales dropped because of the exclusion of Mercury Staffing (sales of 1,043 million yen for the first half) from the scope of consolidation. (Mercury Staffing became an equity method affiliate starting in the second half of the fiscal year ended March 2011.)

Consolidated Income Statement

(Million yen)

	FY2010 Results	FY2011 Results	YoY change (Amount)	YoY change	FY2011 (Plan)	Comparison with the plan
Net sales	134,745	133,912	-833	99.4%	134,000	99.9%
Cost of sales	103,295	102,758	-537	99.5%	102,500	100.3%
Cost of sales margin	76.7%	76.7%	-			
Gross profit	31,449	31,153	-295	99.1%	31,500	98.9%
Gross profit margin	23.3%	23.3%	-			
SG&A expenses	27,656	26,155	-1,501	94.6%	27,000	96.9%
SG&A expense ratio	20.5%	19.5%	-1.0%			
Operating income	3,793	4,998	+1,205 (1)	131.8%	4,500	111.1%
Operating income margin	2.8%	3.7%	+0.9%			
Non-operating income	*1 1,620	499	-1,121 (2)	30.8%	–	–
Non-operating expenses	1,960	*2 775	-1,184 (2)	39.6%	–	–
Equity in earnings (losses) of affiliates	193	-166	-360 (3)	-		
Ordinary income	3,647	4,556	+908	124.9%	3,700	123.1%
Ordinary income margin	2.7%	3.4%	+0.7%			
Extraordinary income	735	41	-694 (4)	5.6%	–	–
Extraordinary loss	542	278	-264 (5)	51.3%	–	–
Income before income taxes and minority interests	3,840	4,318	+478	112.4%	–	–
Total income taxes	992	2,360	+1,368 (6)	237.9%		
Minority interests	336	254	- 82	-		
Net income	2,511	1,703	-807 (6)	67.8%	1,300	131.1%
Net income margin	1.9%	1.3%	-0.6%			

*1 Figures indicate those after excluding gains from investment by the equity method (193 million yen).
*2 Figures indicate those after excluding losses from investment by the equity method (166 million yen).

Points in Income Statement

(1) Operating income (up 1,205 million yen year on year)
Increased chiefly because of a large increase in non-consolidated operating income

(2) Non-operating income (down 1,121 million yen year on year)
Non-operating expenses (down 1,184 million yen year on year)
Decreased in reaction to the gain on the cancellation of system service (VIXUS: 897 million yen) posted in the previous year and the loss on cancellation of system service (VIXUS: 861 million yen)

(3) Equity in earnings (losses) of affiliates (down 360 million yen year on year)
Decreased, primarily reflecting losses at equity method affiliates (especially Ace Securities; down 411 million yen from a year ago)

(4) Extraordinary income (down 694 million yen year on year)
Decreased in reaction to the gain on sales of investment securities posted in the previous year (FUJISOFT INCORPORATED: 489 million yen, Tosho Computer Systems: 166 million yen)

(5) Extraordinary loss (down 264 million yen year on year)
Loss on valuation of investment (VIXUS: 89 million yen)
Provision for loss associated with the closing of business offices (VIXUS: 146 million yen)
Cost of headquarter relocation and cost associated with the cancellation of certain data centers (Tosho Computer Systems: 40 million yen)

(6) Total income taxes (up 1,368 million yen year on year)
Net income (down 807 million yen year on year)
An increase in the amount posted as income taxes (503 million yen) as a result of a rise in non-consolidated profits, an increase associated with the change in the corporate tax rate (363 million yen), and a climb in income taxes at a subsidiary (CYBERNET SYSTEMS; 379 million yen)

Consolidated Balance Sheet

(Million yen)

	Enf of FY2010	Enf of FY2011	YoY change (Amount)	
Current assets	**57,534**	**49,019**	**-8,515**	
Cash and deposits	22,045	13,420	-8,625	(1)
Notes and accounts receivable-trade	28,385	28,364	-20	
Work in process	1,453	1,662	+208	
Other	5,650	5,572	-77	
Noncurrent assets	**111,881**	**106,724**	**-5,156**	
Property, plant and equipment	76,343	74,340	-2,003	(2)
Intangible assets	11,700	9,334	-2,365	(2)
Investments and other assets	23,837	23,049	-788	
Total assets	**169,416**	**155,744**	**-13,671**	
Current liabilities	**55,099**	**40,343**	**-14,755**	
Accounts payable-trade	7,565	7,902	+337	
Short-term loans payable / Current portion of long-term loan paybable	33,916	17,632	-16,283	(1)
Accrued expenses	6,087	7,281	+1,194	
Other	7,531	7,527	-3	
Noncurrent liabilities	**30,038**	**30,212**	**+174**	
Long-term loans payable	21,641	21,829	+187	
Other	8,396	8,382	-13	
Total liabilities	**85,137**	**70,555**	**-14,581**	
Total net assets	**73,863**	**74,786**	**+923**	(3)
Total liabilities and net assets	**169,416**	**155,744**	**-13,671**	

Points of the Balance Sheet

(1) Cash and deposits (Decrease of 8,625 million yen from the end of the previous fiscal term)
Short-term loans payable (Decrease of 16,283 million yen from the end of the previous fiscal term)
Decreased as a result of a contraction of cash on hand accumulated at the end of the previous fiscal year in preparation for unforeseen circumstances as well as the repayment of loans payable.

(2) Property, plant and equipment (Decrease of 2,003 million yen from the end of the previous fiscal year)
Intangible assets (Decrease of 2,365 million yen from the end of the previous fiscal year)
Decreased mainly due to write-off

(3) Total net assets (Increase of 923 million yen from the end of the previous fiscal term)
Increased because of the retirement and purchase of treasury stock

Consolidated Cash Flow Statement

(Million yen)

	FY2010 (Result)	FY2011 (Result)	YoY change (Amount)
Net cash provided by (used in) operating activities	**12,529**	**12,352**	**-176**
Net cash provided by (used in) investment activities	**-5,910**	**-2,910**	**+3,000**
Net cash provided by (used in) financing activities	**-1,280**	**-18,104**	**-16,823**
Net increase (decrease) in cash and cash equivalents	5,272	-8,765	-14,037
Cash and cash equivalents at beginning of period	16,687	22,044	+5,357
Increase in cash and cash equivalents from newly consolidated subsidiary	85	-	- 85
Cash and cash equivalents at end of period	**22,044**	**13,279**	**-8,765**

Highlights of Cash Flows

● Net cash provided by (used in) operating activities

Net cash provided by operating activities declined 176 million yen year on year, primarily reflecting an increase in inventories.

● Net cash provided by (used in) investing activities

Net cash used in investing activities decreased 3,000 million yen year on year. Cash outflows associated with data center expansion and electricity saving initiatives in the summer at FUJISOFT were more than offset by the absence of investments in data centers by VIXUS and expenses associated with the acquisition of a subsidiary by CYBERNET SYSTEMS in the previous fiscal year.

● Net cash provided by (used in) financing activities

Net cashed used in financing activities increased 16,823 million yen from the previous fiscal year, because of a reduction in cash on hand accumulated at the end of the previous fiscal year in preparation for unforeseen circumstances, the scheduled repayment of loans, and the purchase of treasury stock.

Orders and Order Backlogs for the Consolidated SI Business

(Million yen)

	Orders				Order backlog			
	FY2010 (Result)	FY2011 (Result)	YoY change (Amount)	YoY change (%)	End of FY2010	End of FY2011	YoY change (Amount)	YoY change (%)
SI Business Total	**120,722**	**126,927**	**+6,204**	**105.1%**	**31,177**	**32,752**	**+1,575**	**105.1%**
Embedded Software Development	39,077	36,968	-2,109	94.6%	7,573	7,840	+266	103.5%
Operation Software Development	45,170	51,394	+6,223	113.8%	10,960	12,280	+1,320	112.0%
Outsourcing Business	13,772	15,223	+1,450	110.5%	6,714	6,881	+166	102.5%
Other SI Business	22,701	23,341	+639	102.8%	5,928	5,750	-177	97.0%

Highlights of Orders and Order Backlogs

Highlights of orders

Despite strong orders in machine control (automobile related) and associated with smartphones, orders in Embedded Software Development fell 5.4% from the previous fiscal year, reflecting a large drop in orders associated with feature phones. Orders in Operation Software Development increased 13.8% year on year, chiefly because robust demand for social infrastructure and a solid performance in the Internet business. Orders in Outsourcing Business rose 10.5% year on year, attributable to long-term contracts won by FUJISOFT. Orders in Other SI Business climbed 2.8% year on year, thanks to solid maintenance contracts in CAE products at CYBERNET SYSTEMS.
As a result, orders for the overall SI Business rose 5.1% year on year.

Highlights of order backlogs

Order backlogs for Embedded Software increased 3.5% year on year, reflecting an increase in inventories. Order backlogs for Operation Software Development rose 12.0% year on year thanks to an order for a new project in the non-life insurance sector by the Company and front-loaded orders at VIXUS. Despite declining maintenance and operation orders from major customers at VIXUS, order backlogs climbed 2.5% year on year in the Outsourcing Business, attributable to longer-term contracts at the Company. Order backlogs rose from a year ago at CYBERNET SYSTEMS, but overall order backlogs in Other SI Business declined 3.0% year on year, reflecting the posting of sales of large product projects at the Company.

* The method of calculating order backlogs was changed in the first quarter of the fiscal year under review from calculating contractual order backlogs to calculating order backlogs in consideration of sales on a percentage of completion basis.

Non-Consolidated Financial Results for FY2011

(Million yen)

	FY2010 (Result)	FY2011 (Result)	YoY change (Amount)	YoY change (%)		FY2011 (Plan)	Comparison with the plan
Net sales	71,249	73,620	+2,371	103.3%	(1)	73,500	100.2%
Cost of sales	54,264	56,094	+1,829	103.4%		56,000	100.2%
Cost of sales margin	76.2%	76.2%	-				
Gross profit	16,984	17,525	+541	103.2%		17,500	100.1%
Gross profit margin	23.8%	23.8%	-				
SG&A expenses	15,066	14,548	-518	96.6%		15,100	96.3%
SG&A expense ratio	21.1%	19.8%	+1.3%				
Operating income	1,917	2,977	+1,059	155.2%	(2)	2,400	124.1%
Operating income margin	2.7%	4.0%	+1.3%				
Ordinary income	2,104	3,069	+965	145.9%	(3)	2,400	127.9%
Ordinary income margin	3.0%	4.2%	+1.2%				
Income before income taxes	2,762	3,050	+288	110.4%		2,400	127.1%
Net income	2,147	1,932	-214	90.0%		1,500	128.8%
Net income margin	3.0%	2.6%	-0.4%				

Main Points of Non-Consolidated Results

(1) Net sales (Increase of 2,371 million yen year on year)

Sales in Embedded Software Development declined from the previous fiscal year. Strong sales in machine control and associated with smartphones were not enough to offset a drop in sales associated with feature phones. However, sales in Operating Software Development increased, attributable to year-on-year rises in segments, including projects associated with social infrastructure and the Internet business. As a result, net sales rose 3.3% from the previous fiscal year.

(2) Operating income (Increase of 1,059 million yen year on year)

Strong growth in operating income, attributable chiefly to increase in sales and cuts in SG&A expenses

(3) Ordinary income (Increase of 965 million yen year on year)

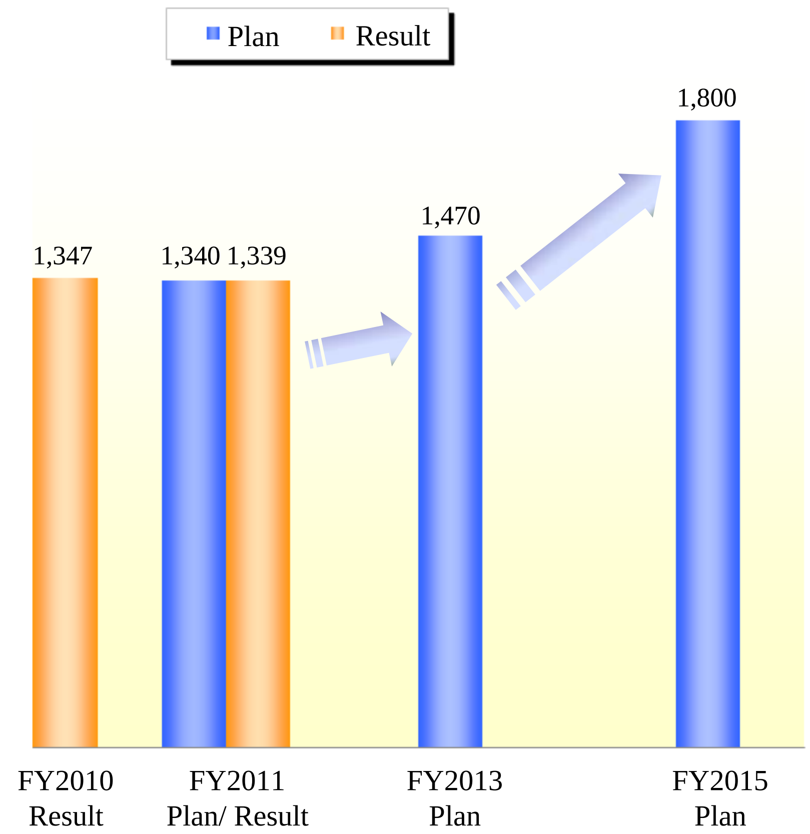
Ordinary income increased, reflecting a rise in operating income.

Medium-Term Policy

Medium-Term Plan

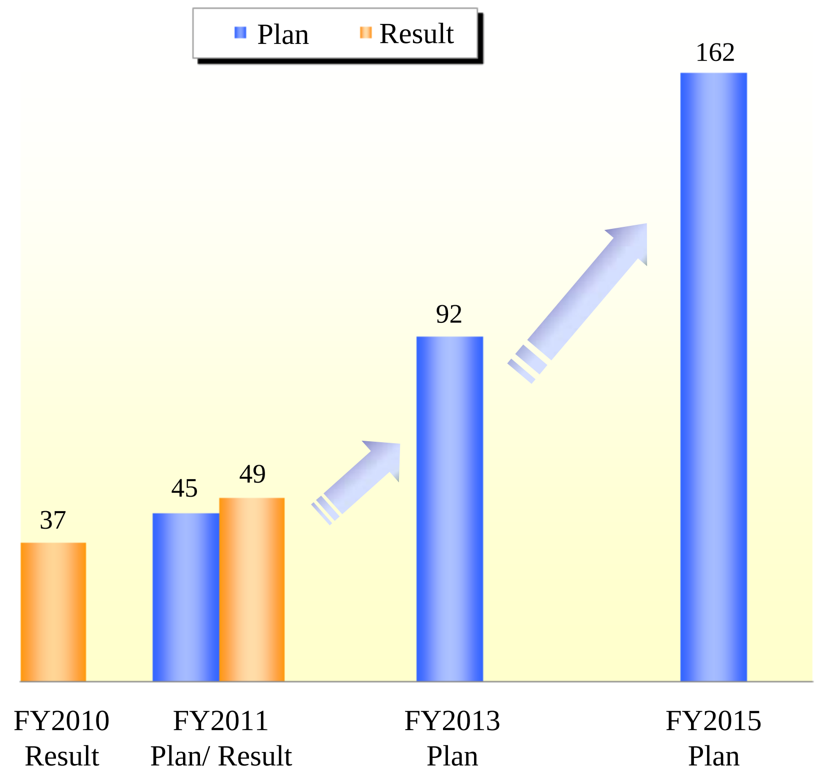
Changes in consolidated sales

(100 million yen)



Changes in consolidated operating income

(100 million yen)



Core Strategies

Priority for three years: creating a high value-added structure

An innovative corporate group linking ICT development to the enhancement of value for customers

Core strategies

Enhancing added value
Enhancing capabilities in fields
Creating markets (including overseas markets)
Reducing selling, general and administration costs

Developing new products and services (CRM)
Cloud (C) (involving the Internet)
Robot technologies (R)
Mobile (M) (including a range of devices)

× business categories, industries, tasks

Assets of the Group

- Technical capabilities, responsiveness (extensive achievements and human resources in embedded software, operation software, and control systems)
- Accumulated assets and expertise (Cloud computing, centers, infrastructure, mobile communications, telecommunications, electronic control, machinery, robots, hardware)
- A wide range of business expertise and a wide customer base

Changes in the environment

Problems in Europe, a strong yen, effects of large-scale natural disasters, political circumstances in Japan and abroad

Accelerating intensification of global competition

Responding to changes
Changing the status quo

Rapid and further development of ICT

Innovations in terminals (smartphones, tablet computers), cloud services, Internet services, the development of high-speed telecommunications

Increasing influence on business competitiveness

Basic strategies (JPPGG)

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

Innovations through Enhancement of Existing Businesses + Cloud × RT × Mobile

Providing operation and control systems that support business

Distribution, finance, services, manufacturing, Internet business, social infrastructure, education, healthcare, public offices

Further
enhance added value,
create new businesses, and
enhance competitive advantages

Providing advanced software and hardware in the Internet age

Systems, expertise, and assets

Systems, expertise, and assets

For major customers and industries
Domestic operations
Global operations

Products
Services

Use of state-of-the-art ICT
(Public cloud, the unique cloud base + SaaS + Services, content)

Support of systems in the leading-edge ICT field

Cloud

EC

Cloud (C)
(involving the Internet)

New businesses

Big data

SNS

HEMS/smart houses, digital home appliances

Automobiles/ITS

Connections anywhere, any time

New devices

Mobile (M)
(including a range of devices)

RT (robot technology)

Smartphones, tablet computers

Enhancing added value using the Company's robot technology and product assets

Results Forecasts for FY2012

Consolidated Results Forecasts for FY2012

(Million yen)

	FY2011 (Result)	FY2012 (Forecast)	YoY change (Amount)		YoY change (%)
Net sales	**133,912**	**137,000**	**+3,087**	(1)	**102.3%**
Cost of sales	**102,758**	**105,100**	**+2,341**		**102.3%**
Cost of sales margin	76.7%	76.7%			
Gross profit	**31,153**	**31,900**	**+746**		**102.4%**
Gross profit margin	23.3%	23.3%			
SG&A expenses	**26,155**	**25,900**	**-255**	(2)	**99.0%**
SG&A expense ratio	19.5%	18.9%			
Operating income	**4,998**	**6,000**	**+1,001**	(3)	**120.0%**
Operating income margin	3.7%	4.4%			
Ordinary income	**4,556**	**5,700**	**+1,143**		**125.1%**
Ordinary income margin	3.4%	4.2%			
Net income	**1,703**	**2,800**	**+1,096**		**164.3%**
Net income margin	1.3%	2.0%			

Main Points of Results Forecasts

(1) Net sales (Increase of 3,087 million yen year on year)
Both non-consolidated sales and sales at subsidiaries are expected to rise..

(2) SG&A expenses (Decrease of 255 million yen year on year)
SG&A expenses will be cut through an improvement in efficiency in controlling expenses.

(3) Operating income (Increase of 1,001 million yen year on year)
Operating income is set to increase, reflecting a rise in sales and cuts in SG&A expenses.

Sales Forecasts for Major Group Companies

(Million yen)

	FY2011 (Result)	FY2012 (Forecast)	YoY change (Amount)	YoY change (%)
FUJISOFT INCORPORATED (TSE 1st Section)	73,620	75,500	+1,880	102.6%
CYBERNET SYSTEMS Co., Ltd. (TSE 1st Section)	13,613	14,000	+386	102.8%
VINCULUM JAPAN Corporation (JASDAQ)	9,156	10,300	+1,143	112.5%
CYBER COM Co., Ltd. (JASDAQ)	6,483	6,660	+176	102.7%
VIXUS INCORPORATED (Unlisted)	17,851	18,000	+148	100.8%

Main Points in Sales Forecasts

● CYBERNET SYSTEMS Co., Ltd.
The CAE business is expected to expand through the promotion of multi-domain solutions, which analyze a range of challenges of customers from many directions.

● VINCULUM JAPAN Corporation
Operations the foundations for which were built through prior investments in the previous fiscal year are expected to expand, including approaches to Japanese distribution service companies looking at entering the Chinese market, using VINCULUM CHINA, a subsidiary in China, and the launch of cloud services for distribution.

● CYBER COM Co., Ltd.
Sales in the development of communications software associated with mobile terminals are declining. However, sales of development projects for machine control software for combination units, printers, and in-vehicle systems, server construction, operation, and maintenance services related to networks are anticipated to expand.

● VIXUS INCORPORATED
System maintenance and operation projects for major customers are projected to fall. However, contracts are likely for investments by major customers, which had previously been curbed, and new customers are expected to be found.

Non-Consolidated Results Forecasts for FY2012

(Million yen)

	FY2011 (Result)	FY2012 (Forecast)	YoY change (Amount)		YoY change (%)
Net sales	**73,620**	**75,500**	**+1,879**	(1)	**102.6%**
Cost of sales	**56,094**	**57,400**	**+1,305**		**102.3%**
Cost of sales margin	76.2%	76.0%			-
Gross profit	**17,525**	**18,100**	**+574**		**103.3%**
Gross profit margin	23.8%	24.0%			-
SG&A expenses	**14,548**	**14,300**	**-248**	(2)	**98.3%**
SG&A expense ratio	19.8%	18.9%			-
Operating income	**2,977**	**3,800**	**+822**	(3)	**127.6%**
Operating income margin	4.0%	5.0%			-
Ordinary income	**3,069**	**3,800**	**+730**		**123.8%**
Ordinary income margin	4.2%	5.0%			-
Net income	**1,932**	**2,300**	**+367**		**119.0%**
Net income margin	2.6%	3.0%			-

Main Points of Results Forecasts

(1) Net sales (Increase of 1,879 million yen year on year)

In Embedded Software Development, sales related to feature phone development are expected to decline, but sales associated with smartphones and communications control software, including software related to base stations, and sales associated with machine control software especially in the automotive and factory automation fields are projected to increase. Sales in Operation Software Development are expected to rise, reflecting strong orders associated with social infrastructure and the Internet business, despite the absence of the major projects of the previous fiscal year in the distribution sector.

(2) SG&A expenses (Decrease of 248 million yen year on year)

SG&A expenses will be cut through an improvement in efficiency in controlling expenses.

(3) Operating income (Increase of 822 million yen year on year)

Operating income is expected to increase, reflecting an improvement in gross profit and cuts in SG&A expenses.

Dividend

Dividend

Dividend at End of FY2011

The year-end dividend per share will be 10 yen as initially planned.

The Company plans to distribute 20 yen per share for the fiscal year ending March 2013.
This reflects our policy of paying stable dividends.

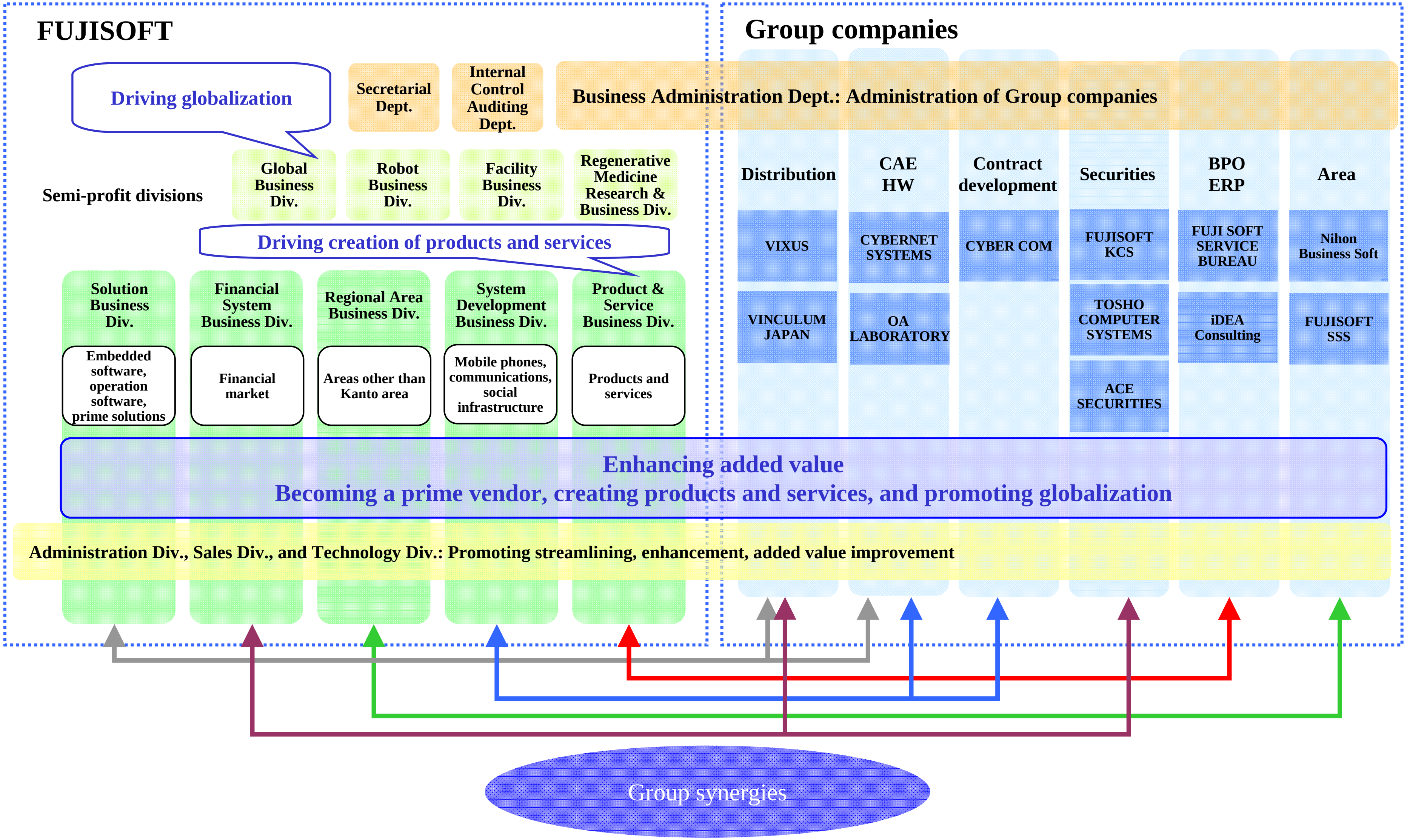
Trends in per-share net income, dividend and dividend payout ratio

(Yen)

Consolidated	FY2008 (Result)	FY2009 (Result)	FY2010 (Result)	FY2011 (Result)	FY2012 (Forecast)
Per-share net income	**27.07**	**116.37**	**78.77**	**53.70**	**89.22**
Dividend per share	**30**	**15**	**20**	**20**	**20**
Dividend payout ratio	**110.8%**	**12.9%**	**25.4%**	**37.2%**	**22.4%**

Organization

Organization



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* 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.