



**Results of Operations for FY2009**  
**(Fiscal Year Ended March 31, 2010)**

May 12, 2010  
FUJISOFT INCORPORATED





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# Consolidated Financial Results for FY2009

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## Consolidated Financial Highlights for FY2009

**Net sales declined by around 23.4 billion yen, chiefly due to a fall in orders from the manufacturing sector.**

- ◇ In addition to a contraction in development volumes of communication-related software in embedded software development, the manufacturing sector slashed product development expenses after deterioration of the economic conditions. Net sales suffered a 27% slide from the previous year.
- ◇ In operation software development, sales rose from the preceding year as a large-scale project was won in the distribution sector. However, net sales fell below the level of the previous year as IT investment was cut or put off in other sectors to lower costs.

**Operating income tumbled by about 4 billion yen, despite cuts in fixed costs, on slumping sales and lower gross profit attributable to large projects that were unprofitable.**

- ◇ Although gross profit declined 7.4 billion yen after the working rate of engineers dwindled following a fall in orders and certain projects became unprofitable, the decrease in operating income was limited to 4 billion yen, reflecting cuts in selling, general and administrative expenses of 3.4 billion yen.
- ◇ Net income was up 2.8 billion yen, as Tosho Computer System posted a gain on sales of real estate and Cybernet Systems posted operating compensation with the termination of the MATLAB agency agreement.

(Million yen)

	FY2009 (Results)	FY2008 (Results)	YoY change (Amount)	YoY change
<b>Net sales</b>	<b>141,682</b>	<b>165,081</b>	<b>-23,398</b>	<b>85.8%</b>
<b>Operating income</b>	<b>3,293</b>	<b>7,312</b>	<b>-4,018</b>	<b>45.0%</b>
Operating income margin	2.3%	4.4%	-2.1%	-
<b>Ordinary income</b>	<b>3,592</b>	<b>6,596</b>	<b>-3,003</b>	<b>54.5%</b>
Ordinary income margin	2.5%	4.0%	-1.5%	-
<b>Net income</b>	<b>3,710</b>	<b>883</b>	<b>2,826</b>	<b>420.0%</b>
Net income margin	2.6%	0.5%	2.1%	-



## Major Factors for Change in Consolidated Sales by Segment

(Million yen)

	FY2009		FY2008		YoY change (Amount)	YoY change (%)
	Results	Component ratio	Results	Component ratio		
<b>Total net sales</b>	<b>141,682</b>	<b>100.0%</b>	<b>165,081</b>	<b>100.0%</b>	<b>-23,398</b>	<b>85.8%</b>
<b>Software Development Relate</b>	<b>111,704</b>	<b>78.8%</b>	<b>134,533</b>	<b>81.5%</b>	<b>-22,828</b>	<b>83.0%</b>
Embedded Software	39,294	27.7%	53,739	32.6%	-14,445	73.1%
Operation Software	47,293	33.4%	52,683	31.9%	-5,389	89.8%
Other Software	25,117	17.7%	28,110	17.0%	-2,993	89.4%
<b>Outsourcing Business</b>	<b>25,731</b>	<b>18.2%</b>	<b>28,210</b>	<b>17.1%</b>	<b>-2,478</b>	<b>91.2%</b>
<b>Other Businesses</b>	<b>4,246</b>	<b>3.0%</b>	<b>2,338</b>	<b>1.4%</b>	<b>1,907</b>	<b>181.6%</b>

\* From the fiscal year ended March 2010, real estate rent income is posted in "Other Businesses" instead of non-operating income.

### Highlights of Sales by Segment

#### ● Embedded software

Sales fell about 27% from a year earlier, the result of cutbacks by manufacturers in product development, downsizing of development projects and requests for price cuts.

#### ● Other software

Sales fell from a year ago, attributable to a decline in sales of goods in association with systems integration and the end of the sale of MATLAB by Cybernet, despite the continued strength in the performance of the security solution business.

#### ● Operation software

Sales failed to reach the level of the previous year given a deterioration in the order environment after cuts in IT investment, especially in the manufacturing sector.

#### ● Outsourcing Business

Sales declined because of a decrease in system operations of certain customers.



# Major Factors for Change in Sales by Listed Companies of the Group

(Million yen)

	FY2009 (Results)	FY2008 (Results)	YoY change (Amount)	YoY change (%)
<b>FUJISOFT INCORPORATED</b> (TSE 1st Section)	<b>70,606</b>	<b>82,153</b>	<b>-11,547</b>	<b>85.9%</b>
<b>CYBERNET SYSTEMS Co., Ltd.</b> (TSE 1st Section)	<b>14,411</b>	<b>18,610</b>	<b>-4,199</b>	<b>77.4%</b>
<b>VINCULUM JAPAN Corporation</b> (JASDAQ)	<b>9,386</b>	<b>13,279</b>	<b>-3,892</b>	<b>70.7%</b>
<b>CYBER COM Co., Ltd. (JASDAQ)</b>	<b>6,392</b>	<b>8,558</b>	<b>-2,166</b>	<b>74.7%</b>

## Points in Sales by Listed Companies of the Group

(See p. 30 for non-consolidated financial results.)

### ● CYBERNET SYSTEMS Co., Ltd.

Sales dropped 22.6% from the preceding fiscal year. Behind the decline were the influence of the termination of the agency operation for MATLAB and sluggish sales of new licenses up to the third quarter.

### ● CYBER COM Co., Ltd.

Sales fell, reflecting the continued downsizing, postponing, and freezing of orders in embedded software development.

### ● VINCULUM JAPAN Corporation

Sales declined, due primarily to the postponing and freezing of investments by and requests for discounts from customers in the distribution industry suffering from weak consumption, in addition to the absence of sales from large-scale projects (IT systems integration for major distribution and retail businesses) posted in the previous fiscal year.

### (Other principal consolidated subsidiary)

#### ● VIXUS INCORPORATED

FY2009 Net sales 25,126 million yen

FY2008 Net sales 22,502 million yen

YoY change (%): 111.7%, YoY change (amount) +2,623 million yen



# Consolidated Selling, General & Administrative Expenses

	(Million yen)			
	FY2009 (Results)	FY2008 (Results)	YoY change (Amount)	YoY change (%)
<b>SG&amp;A expenses</b>	<b>28,575</b>	<b>32,040</b>	<b>-3,464</b>	<b>89.2%</b>
<b>Personal expenses</b>	<b>16,680</b>	<b>18,116</b>	<b>-1,436</b>	<b>92.1%</b>
Major account items showing the YoY decrease				
Salary/bonuses	12,151	13,814	-1,663 (1)	88.0%
<b>Expense</b>	<b>11,895</b>	<b>13,924</b>	<b>-2,028</b>	<b>85.4%</b>
Major account items showing the YoY decrease				
Training expenses/education costs	461	940	-479 (2)	49.1%
Advertising expenses	496	808	-311 (3)	61.5%
Operations consignment expenses	1,779	2,240	-461 (4)	79.4%
Traveling and transportation expenses	632	837	-205 (5)	75.5%
Depreciation	1,544	1,668	-123 (6)	92.6%

## Factors for the Fall in Major Account Items

### (1) Salary/bonuses

(decrease of 1,663 million yen year on year)  
Reduction of bonuses and overtime work

### (2) Training expenses/education costs

(decrease of 479 million yen year on year)  
Fewer new and mid-career recruits and improved training efficiency

### (3) Advertising and publicity expenses

(decrease of 311 million yen year on year)  
Shrinkage of advertising activities

### (4) Office work outsourcing fee

(decrease of 461 million yen year on year)  
Reduced following operational streamlining

### (5) Traveling and transportation expenses

(decrease of 205 million yen year on year)  
Transportation and business trip expenses lowered by making active use of video conferencing, among other initiatives

### (6) Depreciation

(decrease of 123 million yen year on year)  
Decline in depreciation related to Akihabara Building, etc.





# Major Factors for Change in Consolidated Non-Operating Income/Loss

	(Million yen)			
	FY2009 (Results)	FY2008 (Results)	YoY change (Amount)	YoY change (%)
<b>Operating income</b>	<b>3,293</b>	<b>7,312</b>	<b>-4,018</b>	<b>45.0%</b>
Operating income margin	2.3%	4.4%	-2.1%	-
<b>Non-operating income</b>	<b>1,461</b>	<b>2,230</b>	<b>-769</b> (1)	<b>65.5%</b>
<b>Non-operating expenses</b>	<b>1,161</b>	<b>2,946</b>	<b>-1,784</b> (2)	<b>39.4%</b>
<b>Ordinary income</b>	<b>3,592</b>	<b>6,596</b>	<b>-3,003</b>	<b>54.5%</b>
Ordinary income margin	2.5%	4.0%	-1.5%	-
<b>Extraordinary gains</b>	<b>3,249</b>	-	<b>3,249</b> (3)	-
<b>Extraordinary losses</b>	<b>809</b>	<b>2,073</b>	<b>-1,264</b> (4)	<b>39.0%</b>
<b>Income before income taxes and minority interests</b>	<b>6,032</b>	<b>4,523</b>	<b>1,509</b>	<b>133.4%</b>
Total income taxes	1,237	2,677	-1,439	46.2%
Minority interests	1,085	962	122	112.7%
<b>Net income</b>	<b>3,710</b>	<b>883</b>	<b>2,826</b>	<b>420.0%</b>
Net income margin	2.6%	0.5%	2.1%	-

## Points in Non-Operating Income/Loss

### (1) Non-operating income

(down 769 million yen year on year)

Decrease with a shift of real estate rent income to sales (down 1,463 million yen)  
Posting of equity in earnings or losses of affiliates (+690 million yen)

\* Negative 784 million yen was posted as non-operating expenses in the preceding year

### (2) Non-operating expenses

(down 1,784 million yen year on year)

Decrease associated with the shift of real estate rental costs to cost of sales (down 791 million yen)

### (3) Extraordinary gains

Sale of real estate by Tosho Computer System (up 1,651 million yen)  
Operating compensation paid to Cybernet Systems (up 800 million yen)

### (4) Extraordinary losses

Loss on liquidation of subsidiaries and affiliates (-267 million yen)  
Office transfer expenses (-231 million yen)  
Loss on retirement of noncurrent assets (-139 million yen)





# Consolidated Balance Sheet

	(Million yen)		
	End of FY2009	End of FY2008	YoY change (Amount)
<b>Current assets</b>	<b>55,306</b>	<b>68,149</b>	<b>-12,843</b>
Cash and deposits	16,741	25,354	-8,612 (1)
Notes and accounts receivable-trade	27,215	30,261	-3,046 (2)
Work in process	2,499	3,027	-527
<b>Noncurrent assets</b>	<b>113,544</b>	<b>109,646</b>	<b>3,898</b>
Property, plant and equipment	78,375	79,138	-762
Intangible assets	12,424	10,100	2,324 (3)
Investments and other assets	22,744	20,408	2,336
<b>Total assets</b>	<b>168,850</b>	<b>177,795</b>	<b>-8,944</b>
<b>Current liabilities</b>	<b>52,462</b>	<b>83,749</b>	<b>-31,287</b>
Accounts payable-trade	8,701	9,946	-1,245 (2)
Short-term loans payable	23,983	55,315	-31,331 (4)
Current portion of long-term loans payable	7,233	1,686	5,546 (4)
Accrued expenses	5,854	9,827	-3,972 (5)
<b>Noncurrent liabilities</b>	<b>33,090</b>	<b>15,809</b>	<b>17,281</b>
Long-term loans payable	24,202	7,839	16,362 (4)
<b>Total liabilities</b>	<b>85,553</b>	<b>99,559</b>	<b>-14,005</b>
Capital stock	26,200	26,200	-
Capital surplus	28,438	28,438	-
Retained earnings	34,598	31,525	3,072 (6)
Valuation difference of available-for-sale securities	262	-890	1,153
<b>Total net assets</b>	<b>83,297</b>	<b>78,236</b>	<b>5,060</b>
<b>Total liabilities and net assets</b>	<b>168,850</b>	<b>177,795</b>	<b>-8,944</b>

## Points of the Balance Sheet

### (1) Cash and deposits

(down 8,612 million yen from the end of the previous fiscal term)

Normalization of the increase in cash and deposits to adapt to changes in financial circumstances

### (2) Accounts receivable/payable-trade

Fall of accounts receivable/payable-trade following sales shrinkage

### (3) Intangible assets

(up 2,324 million yen from end of previous fiscal year)  
Goodwill posted following the consolidation of Cybernet Systems and Vinculum Japan.

### (4) Short- and long-term loans payable

Short-term loans cut by shifting to long-term loans  
Reduction in total loans (down 9,423 million yen)

### (5) Accrued expenses

Reduced provision for bonuses

### (6) Retained earnings

Growth of net income  
(year-on-year increase 2,826 million yen)



## Consolidated Cash Flow Statement

(Million yen)

	FY2009 (Results)	FY2008 (Results)	YoY change (Amount)
Net cash provided by (used in) operating activities	7,985	12,204	-4,219
Net cash provided by (used in) investment activities	-5,687	-11,443	5,755
Net cash provided by (used in) financing activities	-10,987	3,037	-14,025
Net increase (decrease) in cash and cash equivalents	-8,778	3,798	-12,576
Cash and cash equivalents at beginning of period	25,465	21,667	3,798
<b>Cash and cash equivalents at end of period</b>	<b>16,687</b>	<b>25,465</b>	<b>-8,778</b>

### Highlights of Cash Flows

- Net cash provided by (used in) operating activities

A 2,214 million yen decline in notes and accounts receivable and a 2,573 million yen fall in accounts payable-labor cost resulted in a decrease in net cash provided by operating activities.

- Net cash provided by (used in) investment activities

Net cash used in investment activities decreased with gains on the sale of intangible fixed assets and investment securities.

- Net cash provided by (used in) financing activities

The figure was negative because of the repayment of loans.



# Orders and Order Backlogs for Consolidated Software Development

FY2009 (Results)									
	Order backlog at beginning of period	YoY change (%)	Orders received	YoY change (%)	Net sales	YoY change (%)	Order backlog at end of period	YoY change (%)	
<b>Software Development Business</b>	<b>24,649</b>	<b>89.9%</b>	<b>113,923</b>	<b>86.5%</b>	<b>111,704</b>	<b>83.0%</b>	<b>26,868</b>	<b>109.0%</b>	
Embedded Software	8,195	75.2%	39,206	76.8%	39,294	73.1%	8,107	98.9%	
Operation Software	10,773	109.9%	49,750	92.7%	47,293	89.8%	13,230	122.8%	
Other Software	5,680	84.6%	24,966	92.2%	25,117	89.4%	5,530	97.4%	

## State of Orders and Order Backlog

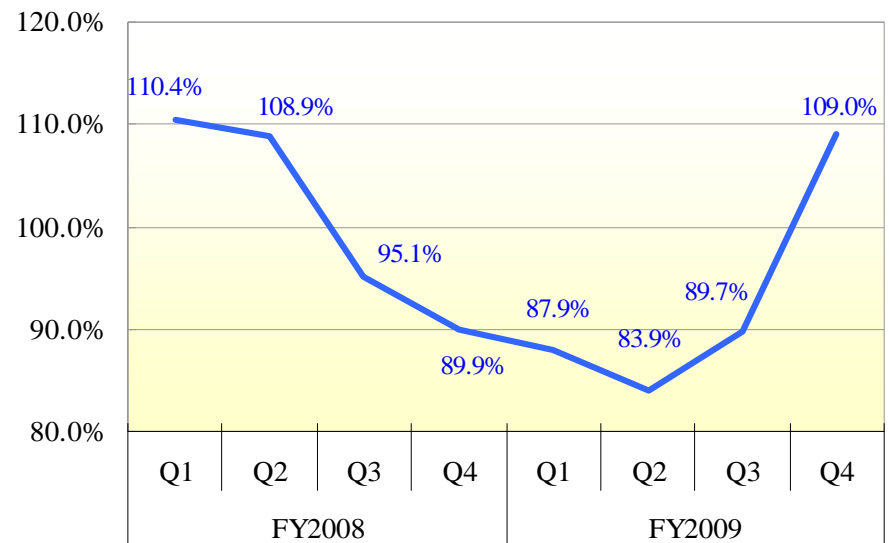
### Orders

In embedded software development, the full-year order amount fell 23.2% from the preceding year. However, orders are resurging, with orders won in the fourth quarter reaching 91.1% of the level attained in the same period a year earlier. In operation software development, too, conditions are improving as orders in the fourth quarter rose 5.4% from the same period a year earlier.

### Order backlog

The order backlog in operation software developed jumped 22.8% from a year earlier, as a large project was won in this segment.

### Trends in year-on-year changes in order backlogs for consolidated software development





# Dividend

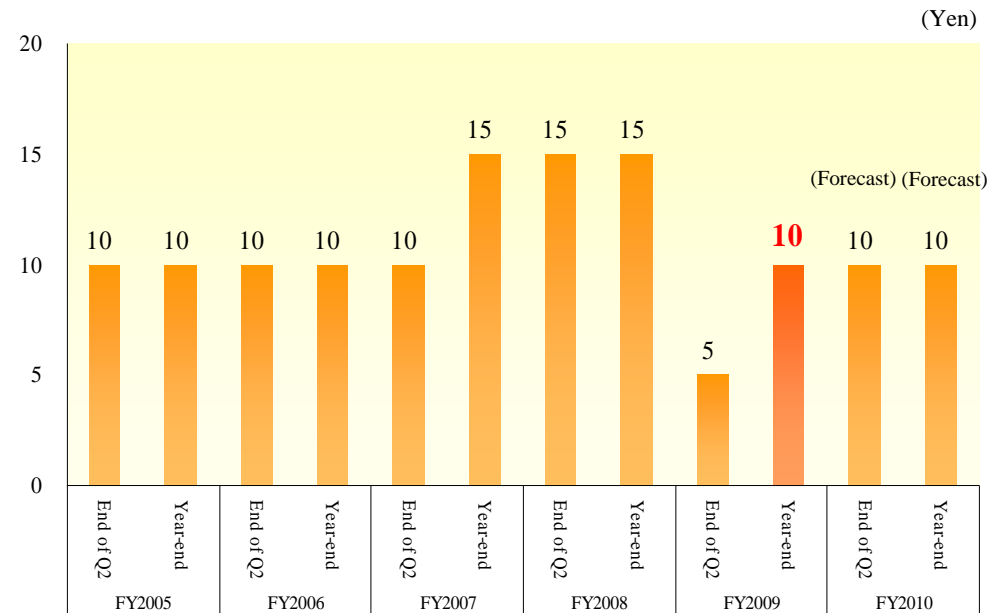
## Year-end dividend for FY2009

The year-end dividend forecast was downgraded to **five yen** in September 2009, in line with the revision to financial forecasts following deterioration of the environment for orders. However, the year-end dividend level was raised to **10 yen** as a result of unexpectedly good progress in cost cutting and a modest improvement in the order environment.

## Dividend policy for FY2010

In accordance with the basic policy for consistent redistribution of profits, the year-end dividend for FY2009 is maintained, to set a target of paying 10 yen per share at the end of the second quarter and at the end of each fiscal year.

■ Trend in dividend per share



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

Consolidated	FY2005 Results	FY2006 Results	FY2007 Results	FY2008 Results	FY2009 Results	FY2010 Forecast
Per-share net income	129.46	19.72	61.89	27.07	116.37	94.09
Dividend (Annual)	20	20	25	30	15	20
Dividend payout ratio	15.4%	101.4%	40.4%	110.8%	12.9%	21.3%



# Business Plan for FY2010

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## Full-Year Results Forecasts for FY2010

(Million yen)

	Consolidated			Non-consolidated		
		YoY change (Amount)	YoY change (%)		YoY change (Amount)	YoY change (%)
<b>Net sales</b>	<b>142,000</b>	<b>317</b>	<b>100.2%</b>	<b>73,500</b>	<b>2,893</b>	<b>104.1%</b>
<b>Cost of sales</b>	<b>108,200</b>	<b>-1,613</b>	<b>98.5%</b>	<b>55,650</b>	<b>1,588</b>	<b>102.9%</b>
Cost of sales margin	76.2%			75.7%		
<b>Gross profit</b>	<b>33,800</b>	<b>1,930</b>	<b>106.1%</b>	<b>17,850</b>	<b>1,305</b>	<b>107.9%</b>
Gross profit margin	23.8%			24.3%		
<b>SG&amp;A expenses</b>	<b>28,800</b>	<b>224</b>	<b>100.8%</b>	<b>15,850</b>	<b>-139</b>	<b>99.1%</b>
SG&A expense ratio	20.3%			21.6%		
<b>Operating income</b>	<b>5,000</b>	<b>1,706</b>	<b>151.8%</b>	<b>2,000</b>	<b>1,444</b>	<b>359.9%</b>
Operating income margin	3.5%			2.7%		
<b>Ordinary income</b>	<b>5,000</b>	<b>1,407</b>	<b>139.2%</b>	<b>2,000</b>	<b>1,517</b>	<b>414.7%</b>
Ordinary income margin	3.5%			2.7%		
<b>Net income</b>	<b>3,000</b>	<b>-710</b>	<b>80.9%</b>	<b>1,300</b>	<b>566</b>	<b>177.3%</b>
Net income margin	2.1%			1.8%		

## Full-Year Results Forecasts for FY2010

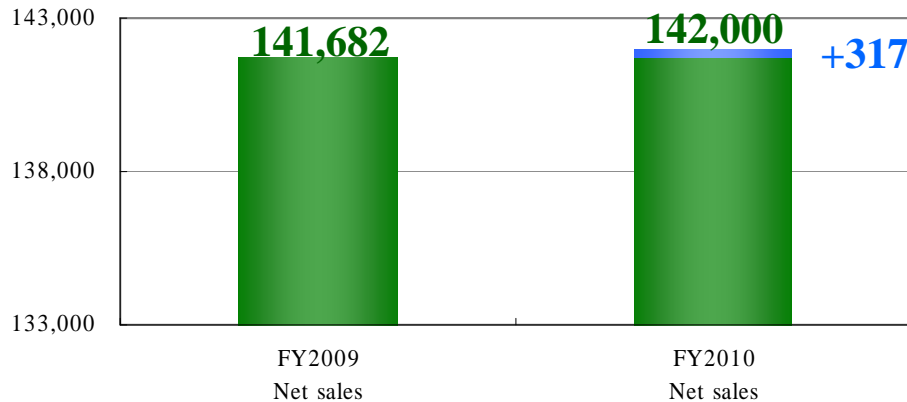
On a non-consolidated basis, sales strength will be enhanced to increase orders in the overall software development business. Moreover, strict project management will be adopted to eliminate unprofitable projects, aiming to achieve growth in both sales and profit.

On a consolidated basis, net sales are expected to remain flat, with sales declines anticipated in Cybernet Systems following the discontinuation of sales of mainstay products in the preceding fiscal year, and in VIXUS, which enjoyed strong sales after winning a large project in the preceding fiscal year. However, a sales increase of about 2.9 billion yen is projected on a non-consolidated basis.



## Analysis of Change Factors for FY 2010

### Change factors for consolidated net sales

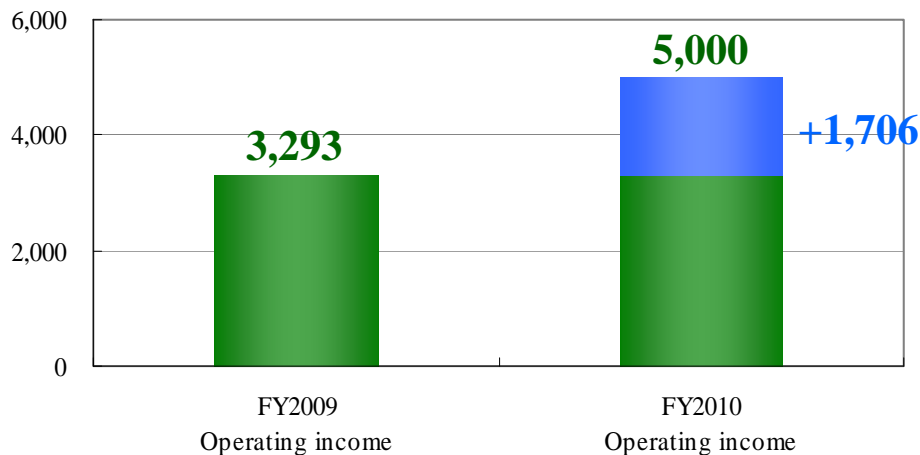


#### Breakdown of the rise of 317 million yen

FUJISOFT INC. (non-consolidated)	+2,893 million yen
CYBERNET SYSTEMS Co., Ltd.	-2,331 million yen
Other subsidiaries / consolidation elimination	-245 million yen

Non-consolidated sales is forecasted to grow 2,893 million yen before eliminations. However, CYBERNET expects to see a sales fall of 2,331 million yen because of discontinued sales of MATLAB items.

### Change factors for consolidated operating income



#### Breakdown of the increase of 1,706 million yen

FUJISOFT INC. (non-consolidated)	+1,444 million yen
VINCULUM JAPAN Corporation	+758 million yen
Other subsidiaries / consolidation elimination	-496 million yen

For FY 2009, the profit rate fell as the working rate of FUJISOFT engineers dropped after a slide in orders and after some projects became unprofitable.

For FY 2010, it is anticipated that these unprofitable projects will end and that earnings of VINCULUM JAPAN will grow.





## The FUJISOFT Group's Medium-Term Basic Policy

**Harnessing our strengths to create a market  
Evolving into a unique corporate group  
with presence.**

**The FUJISOFT Group has strengths in:**

**System development capabilities**

ability to offer proposals, development technologies, capacity to mobilize engineers, know-how in operation, etc.

**Communication technologies**

ability to develop software for mobile phones, data communication and other applications, etc.

**Image processing and distribution technologies**

ability to develop digital TV, technologies for video distribution and processing, etc.

**Robot technologies** voice recognition, facial recognition, moving technologies, etc.

**Cloud computing** public cloud, private cloud, etc.

**The FUJISOFT Group will independently create an IT market where these strengths can be used to meet the latent needs of customers and to achieve a high level of growth.**



## The FUJISOFT Group Management Policy for FY2010

- I. Create a stable revenue base and secure engines for growth
- II. Develop and execute a robust medium-term strategy  
(Bring the “JPPGG” Strategy into practice)
- III. Independence, reorganization, sharing and solidarity

**I. Create a stable revenue base and secure engines for growth.**

⇒ Boost sales of existing businesses and generate sales from new businesses.

**II. Develop and execute a robust medium-term strategy.  
(Bring the “JPPGG” Strategy into practice.)**

⇒ (To be explained on the following pages)

**III. Independence, reorganization, sharing and solidarity**

⇒ Create greater synergies by means of independence, reorganization, sharing and solidarity in individual group companies.

## The JPPGG Strategy

Work out and carry out a solid medium-term strategy (Bring the JPPGG Strategy into practice)

### Five Pillars of the Solid Business Plan (JPPGG Strategy)

#### **J** Strengthening the foundations of the contract business

We will increase profitability and solidness of the contract business as our core business.

#### **P** Becoming a prime vendor

In the contract business, we will work to obtain more prime projects in which we provide comprehensive support for users' IT solutions instead of subcontract orders. To this end, we will change the nature of our business from offering labor to contracted development, to technology provision and to research and development.

#### **P** Productization

We will focus more energy on the development and provision of packages and services suitable to many different customers (1:N) instead of systems matched with specific companies (1:1), in a bid to make effective use of our technologies and to increase customers that deal with us.

#### **G** Globalization

We will aim to expand the market to the world for the continued growth of our Group and adaptation to globalization.

#### **G** Reinforcing Group capabilities

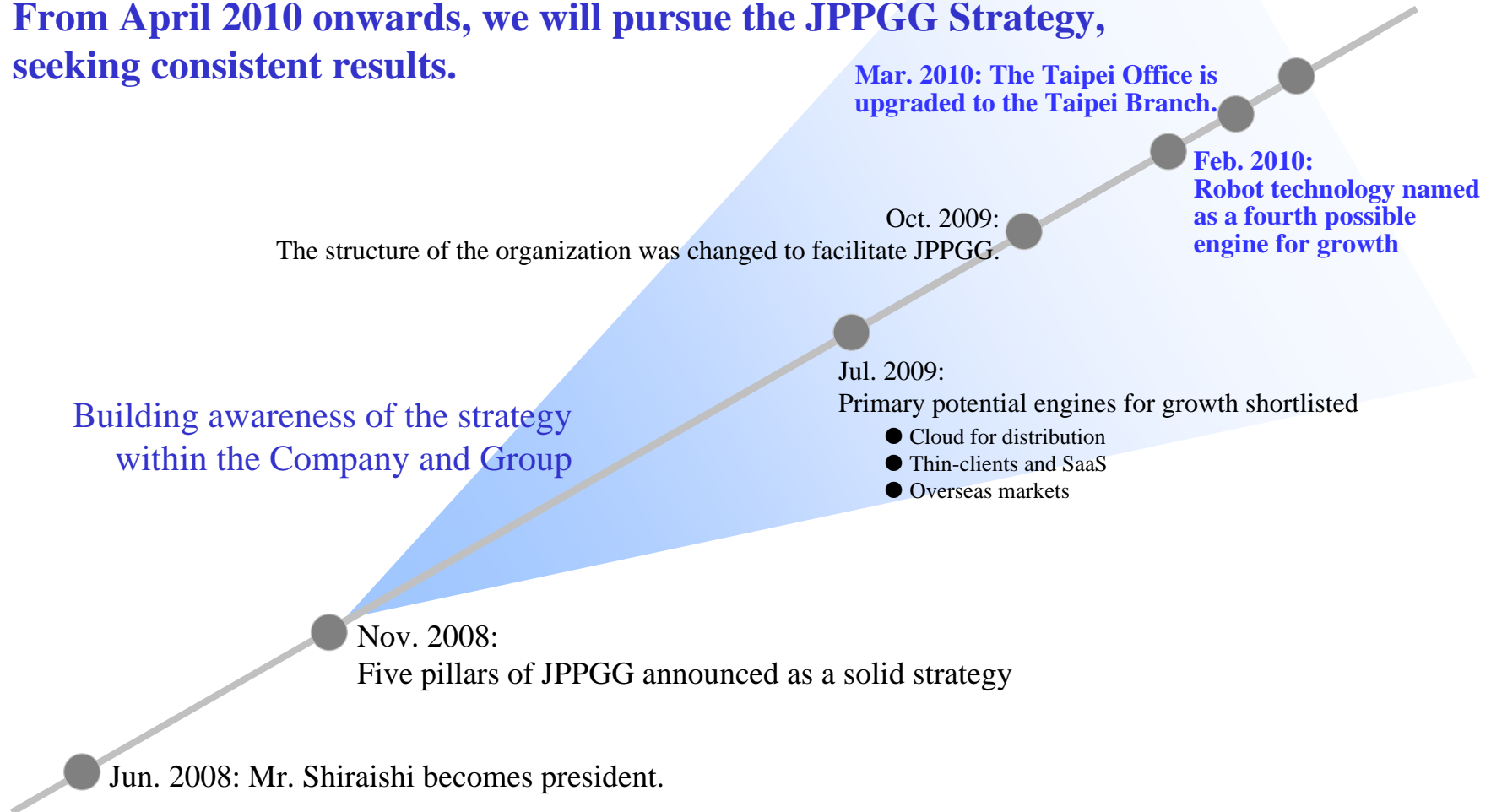
We will push further ahead with independence, reorganization, sharing and solidarity in an aim to create synergy in our Group as a whole.



## History of the JPPGG Strategy

Finally entering the phase of achievements

**From April 2010 onwards, we will pursue the JPPGG Strategy, seeking consistent results.**



# Strengthening the Foundations of the Contract Business



Improve sales strength, quotation accuracy, project management capabilities and productivity

## ● Improve sales strength

We will set up a Sales Reinforcement Committee to boost our sales strength. It will take steps to enhance the skills of individual salespeople, upgrade the mechanism for supporting sales activities and enrich the array of items sold in an attempt to heighten our overall sales strength.

## ● Improve quotation accuracy

To eliminate loss-making projects, we will improve quotation accuracy. By introducing profiling of development projects, we will improve the accuracy in estimates for new projects on the basis of past examples of the risks involved in similar projects, to ensure sound profits.

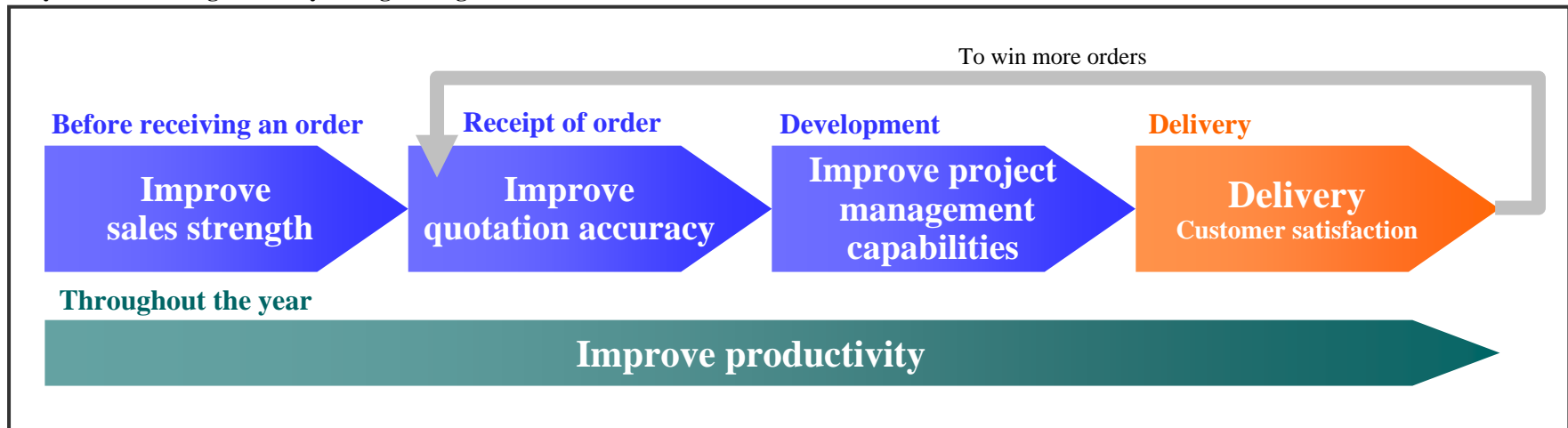
## ● Improve project management capabilities

In preparation for expected future growth of prime projects, we aim to enhance **quality control, cost control and schedule management** by nurturing and increasing project managers and by building up project management capabilities. With respect to quality control, we will add the Quality Assurance Department to our head office to increase the third-party check functions.

## ● Improve productivity

To bolster profitability in the contract business as our core operation, we will launch the Productivity Innovation Department, which proposes and executes measures to improve productivity, to reduce the cost ratio.

Cycle of increasing orders by strengthening the foundations of the contract business





# Becoming a Prime Vendor (Non-Consolidated) P

## Progress in our initiative to become a prime vendor

We are receiving increasing orders for end-user projects and prime projects, principally from the distribution and financial sectors.

We will strengthen the foundation of the contract business to increase the number and scale of projects.

### [Definition]

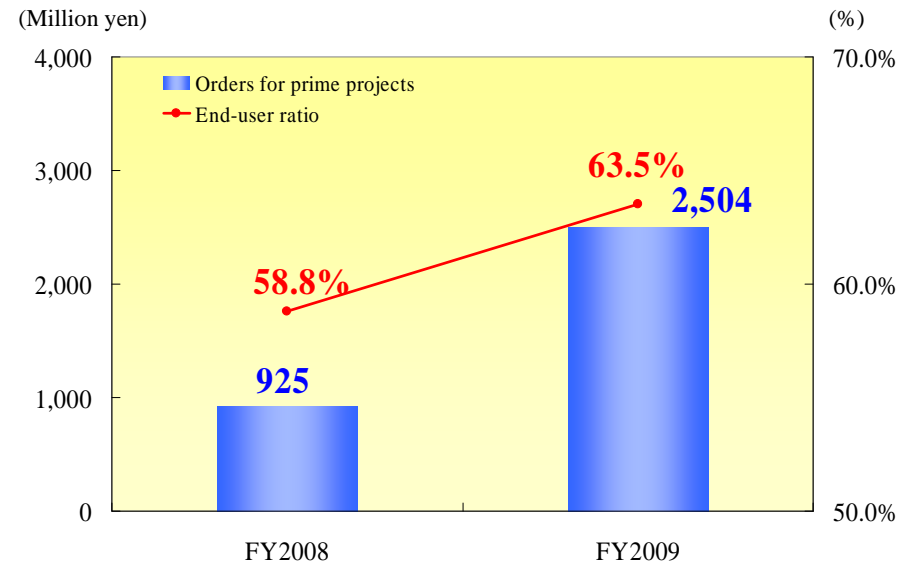
#### End-user project:

A development project for a software user  
a subcontract project

#### Prime project:

An end-user project in which we exclusively engage in software development as well as in operation, maintenance and other services after development

### Orders for prime projects and end-user ratio



### ● A major project won in operation software development

We have won a major project from a wholesaler. This is one of the largest projects for operational software development that we have ever undertaken.

Using this project as a springboard, we will strive to increase our name recognition as a prime contractor in a bid to win more prime projects. In addition, we aim to increase and develop project managers and improve quotation accuracy.



# Productization (Non-Consolidated) P

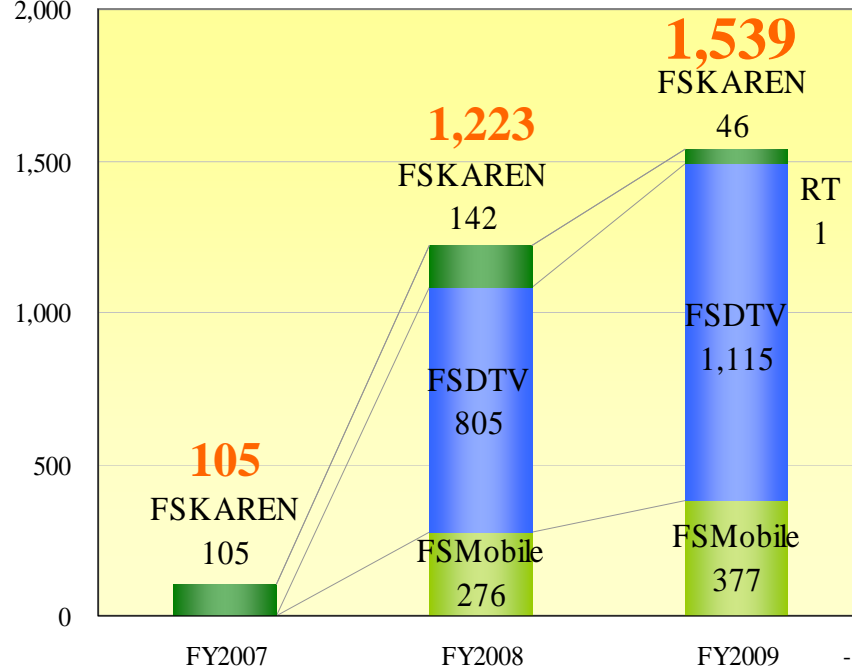
## Key products

The accelerating productization of products and services will enable us to attract multiple new customers from a single development, to lower the ratio of development costs to sales and boost the profit rate.

At the moment, a number of productization efforts are going well, chiefly in the domain of embedded software.

### ■ Sales of key products

(Million yen)



### ● FSMobile®

Supporting Japan's standard communication specifications and boasting a high level of versatility, it responds flexibly to the diverse needs of consumers. It helps achieve greater efficiency in systems development, including a shortened development period, reduced development costs and lower risks in skill acquisition.

### ● FSDTV®

Compatible with Japan's digital terrestrial TV services and digital satellite TV services (BS and 110-degree CS), it offers functions compliant with the Association of Radio Industries and Businesses (ARIB) standards. It flexibly supports different forms of implementation, including TVs, PCs, mobile devices and automotive applications. It helps boost efficiency and performance in application development.

### ● FSKAREN®

A kana-to-kanji conversion system with word and context prediction features that mean fewer key operations to enter Japanese text.

### ● Robot Technology (RT)

Software for communication, mobile and other intelligence is offered in accordance with customers' problems and needs.

### ● Mobile Thin-Client

We have released a mobile thin-client to flexibly propose optimal configurations in accordance with corporate needs for server and software construction and thin-client terminals. A USB data communication terminal that integrates thin-client functions and high-speed mobile communication functions as principal features, FSMobile® for Thin Client, has been independently developed.





# Globalization (Non-Consolidated)



## Taipei Branch

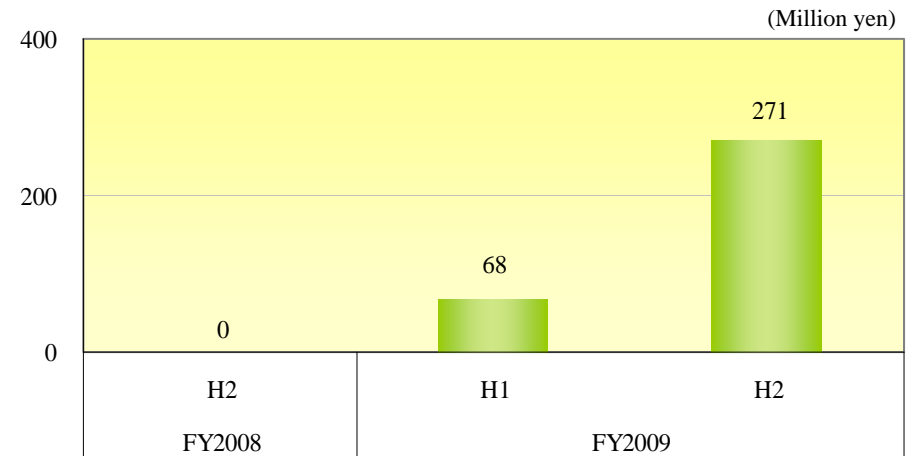
Set up on September 1, 2009, the Taipei Office was upgraded to the Taipei Branch on March 8, 2010 as its operations expanded.

The Taipei Branch engages in sales for middleware for digital TV (FSDTV), principally to OEM and ODM manufacturers.

At the moment, it is principally winning orders from Japanese manufacturers, but orders and inquiries from non-Japanese manufacturers are growing. In the future, the branch will expand its business with a view to dealing with non-TV software.



### ■ Sales relating to overseas bases (non-consolidated)

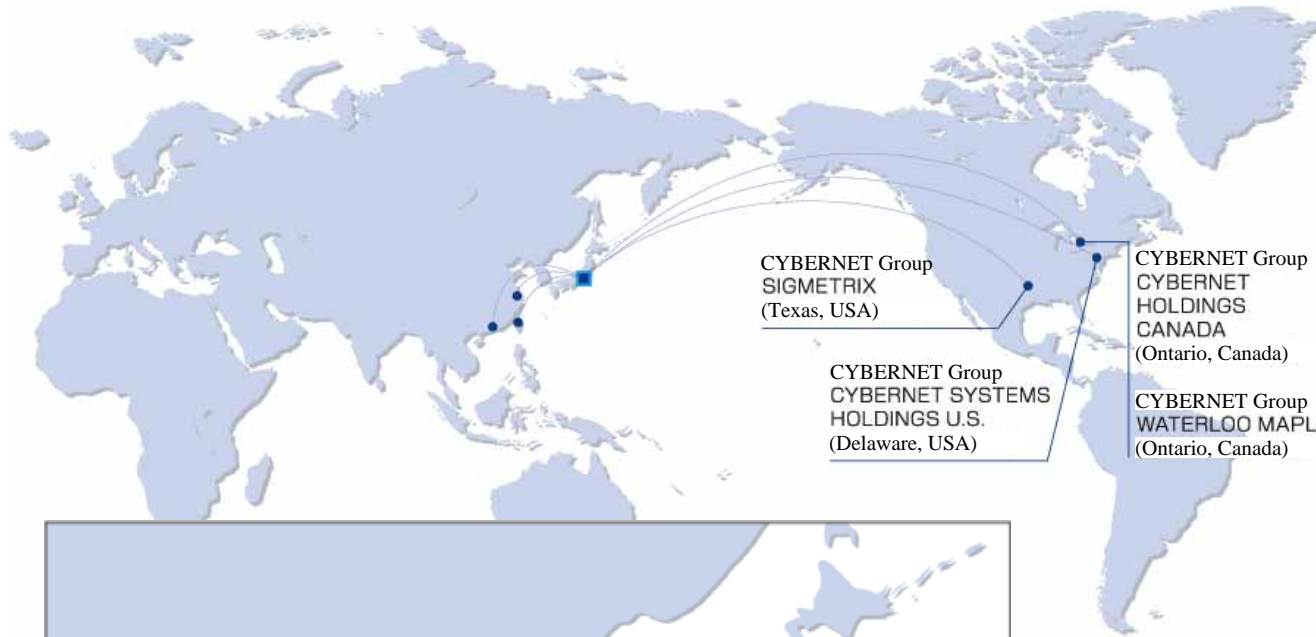


## Step up sales activities to businesses operating globally

Exporters are enjoying an early recovery in orders, a trend that is likely to continue. In addition to our direct global expansion, we will bolster sales activities and proposals to businesses that operate globally.

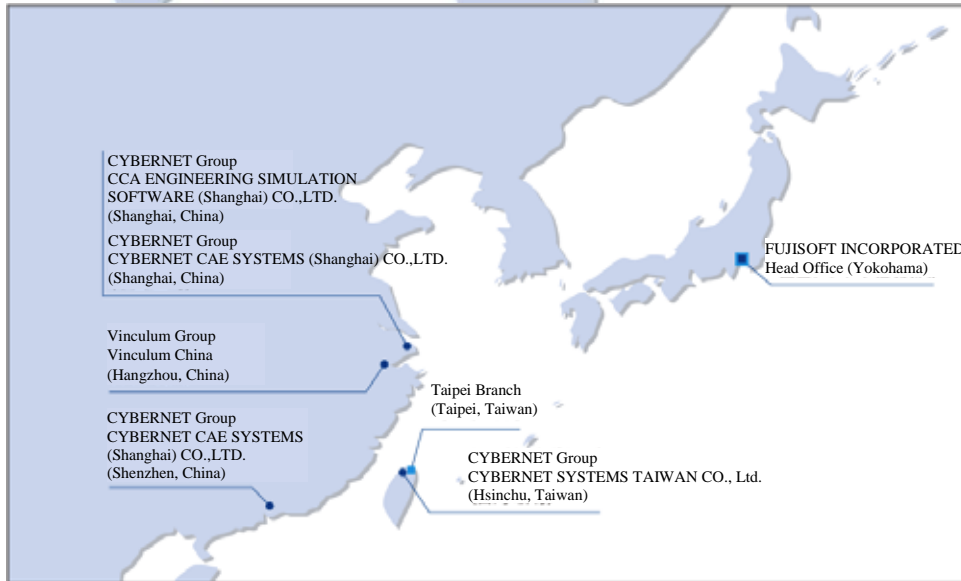


# Globalization (Consolidated) G

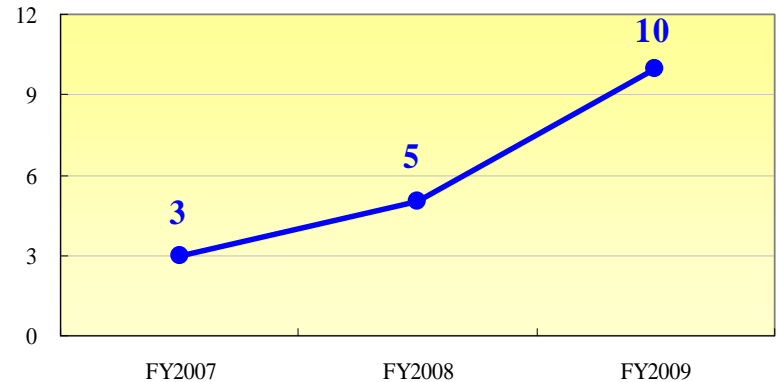


## Globalization

The entire Group is committed to globalization for continued growth.



■ Trend in number of overseas subsidiaries and bases

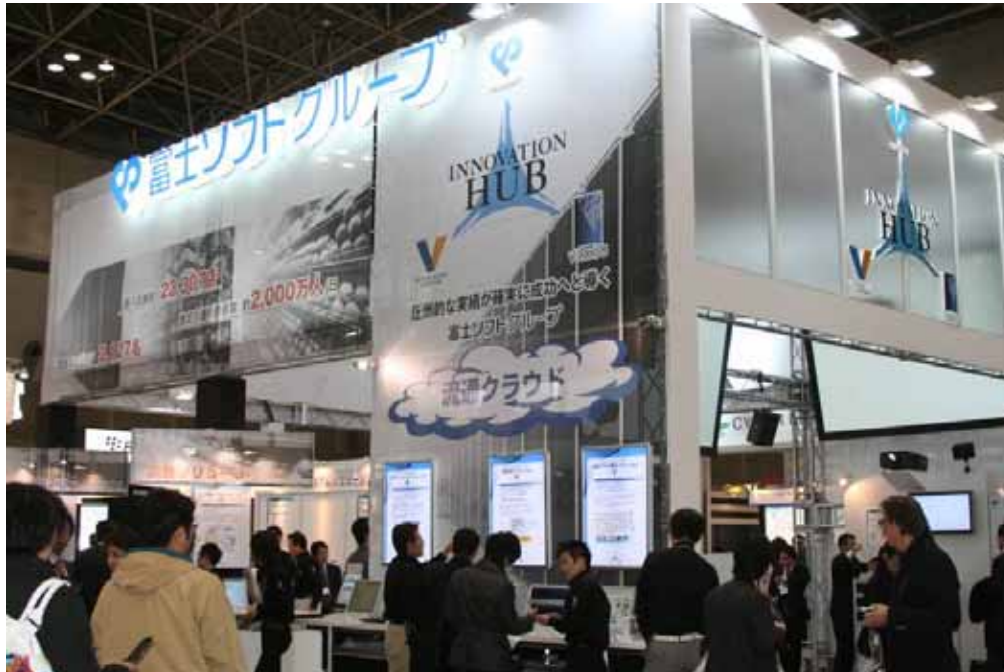


# Reinforcing Group capabilities

## Group cross-selling

Our Group companies share information about projects that cannot be handled by a single group company and work together to win these projects and achieve increased orders.

In FY 2009, this group cross-selling approach had the effect of boosting orders by some 500 million yen. We will continue and expand this approach to build Group synergy.



● RETAILTECH JAPAN 2010 at Tokyo Big Sight on March 9-12, 2010

## Group presentations in an event

FUJISOFT, VINCULUM JAPAN and VIXUS jointly made presentations at the RETAILTECH JAPAN 2010 trade show. They proposed their services for the distribution sector sorted by customer needs.



# Topics

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## Topics

### FUJISOFT's expertise in cloud computing

#### ● FUJISOFT's expertise in cloud computing responds to a broad array of customers needs

Cloud computer is today attracting not only interest from companies but also nationwide public attention. This is no temporary trend. We are taking a number of actions to capture the largest market share in the cloud computing market as it gathers momentum.

#### Company-wide

##### [Major actions]

Launch of the Cloud Project Team

#### Private Cloud Lineup

##### Cloud for Distribution

(Business Message Standard (BMS), Digital Signage)

##### [Major actions]

- Participation in "Research and Development of a Dependable Autonomous Confederation Type Cloud Computing Infrastructure" approved by the Ministry of Internal Affairs and Communications
- Construction of a cloud platform

#### Public Cloud Lineup

Microsoft Windows® Azure™

Google Apps

##### [Major actions]

- Setup of the Cloud Computing Center
- Inauguration of the Microsoft Solution & Cloud Center

### Cloud Computing for Distribution

We provide medium-sized retail chains with SaaS-type distribution systems compliant with the distribution BMS, which is a new electronic data exchange (EDI) standard for the distribution industry. We also have a number of initiatives planned for the future, including an entry into the booming market for digital signage.

In the first quarter of FY2010, we will be releasing services for employment management and for distribution management.

Our services will continue to expand. The lineup will cover an approximate total of 30 different services.

## Topics

### Inauguration of the Microsoft Solution & Cloud Center

On March 18, we opened a center for providing enhanced Microsoft-related solution services and for enhancing our ability to make proposals to customers.

The center covers the Windows® Azure™ cloud service platform for Microsoft products, and migration services concerning Windows® 7 and Microsoft® Office. It offers proposals, demonstrations and seminars relating to Microsoft products.

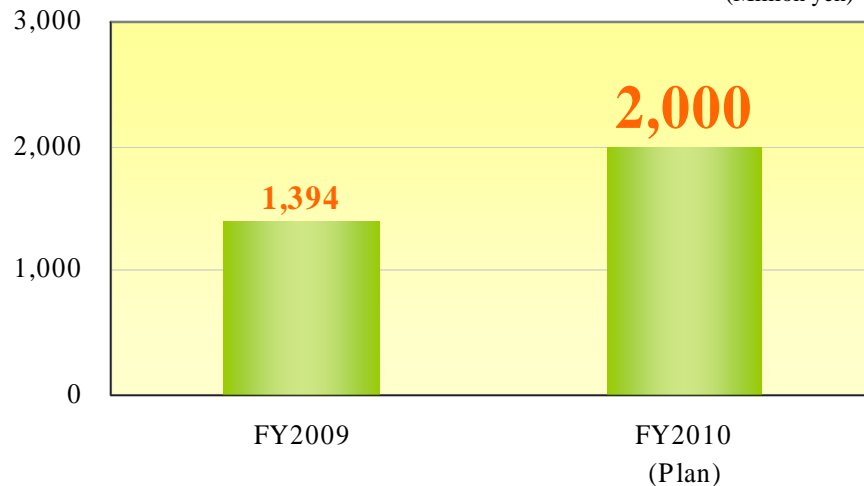
To meet the needs of customers, we provide optimal solutions selected from the cloud and on-premise technologies.



● The FUJISOFT-Microsoft joint press conference on March 18, 2010

#### ■ Sales of Microsoft-related business

(Million yen)



● Microsoft Solution & Cloud Center



## Topics

### Robot Technology (A fourth possible engine for growth)

#### ● Sales expansion of intelligence solutions with the use of a humanoid robot as an advertising eye catcher

In March 2010, we commenced shipment of our developed humanoid robot with intelligence solutions under the name of PARLO. Because of its novelty and innovations, it has attracted enormous media publicity.

In the future, we will take advantage of this high level of public attention to expand sales of intelligence solutions incorporated into PARLO.

We believe that intelligence will attract growing attention and demand. We name it as a fourth possible engine for growth and will be vigorous in operating this business.



palro.

#### ■ Major intelligence engines to be released

##### Communication intelligence

- Facial recognition
- Specific face recognition
- Moving object detection
- Specified object recognition
- Recognition of sound source direction
- Identification of sound type
- Sound recognition
- Sound synthesis

##### Mobile intelligence

- Map building
- Location recognition
- Route planning
- Obstacle detection
- Avoiding motion
- Dynamic stable walk

\* For further details, please visit our website at:  
<http://www.fsi.co.jp/solution/robot/palro/>





(Reference Materials)  
Non-consolidated Financial Results for FY2009

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## Non-consolidated Financial Results for FY2009

	(Million yen)			
	FY2009 Results	FY2008 Results	YoY change (Amount)	YoY %
<b>Net sales</b>	<b>70,606</b>	<b>82,153</b>	<b>-11,547</b> (1)	<b>85.9%</b>
<b>Cost of sales</b>	<b>54,061</b>	<b>62,235</b>	<b>-8,174</b>	<b>86.9%</b>
Cost of sales margin	76.6%	75.8%	0.8%	-
<b>Gross profit</b>	<b>16,544</b>	<b>19,917</b>	<b>-3,372</b>	<b>83.1%</b>
Gross profit margin	23.4%	24.2%	-0.8% (2)	-
<b>SG &amp; A expenses</b>	<b>15,989</b>	<b>18,394</b>	<b>-2,405</b>	<b>86.9%</b>
SG & A expenses ratio	22.6%	22.4%	0.3%	-
<b>Operating income</b>	<b>555</b>	<b>1,522</b>	<b>-967</b>	<b>36.5%</b>
Operating income margin	0.8%	1.9%	-1.1%	-
<b>Ordinary income</b>	<b>482</b>	<b>3,061</b>	<b>-2,578</b>	<b>15.8%</b>
Ordinary income margin	0.7%	3.7%	-3.0%	-
<b>Net income</b>	<b>733</b>	<b>140</b>	<b>592</b> (3)	<b>520.1%</b>
Net income margin	1.0%	0.2%	0.9%	-

### Main points in non-consolidated financial results

#### (1) Net sales

(decrease of 11,547 million yen year on year)

- Embedded Software -9,225 million yen
- Operation Software -5,361 million yen
- Other Business (rent income from real estate) +3,091 million yen

#### (2) Cost of sales margin

(decrease of 0.8% year on year)

Some projects became unprofitable and a fall in orders resulted in standby costs.

#### (3) Net income

(increase of 592 million yen year on year)

A 363 million yen gain on sale of investment securities and 431 million yen in refunds of insurance premiums were posted.



\* 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.