Summary of Consolidated Financial Results for the Fiscal Year ended March 31, 2011 (Japanese Accounting Standards)

May 11, 2011

Listed Company Name:	富士ソフト株式会社	Listing Exchanges:	Tokyo Stock Exchange
Securities Code:	9749	URL	http://www.fsi.co.jp

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2011
Scheduled date of dividend payment: June 28, 2011
Scheduled date to submit the annual securities report *(Yukashoken Hokokusho)*: June 28, 2011
Supplementary documents for financial results: Yes
Financial results briefing: Yes

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the Fiscal Year ended March 31, 2011 (April 1, 2010 – March 31, 2011)

(1) Consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended 3/11	134,745	-4.9	3,793	15.2	3,647	1.5	2,511	-32.3
Year ended 3/10	141,682	-14.2	3,293	-55.0	3,592	-45.5	3,710	320.0

(Note) Comprehensive income (million yen): Year ended 3/11: 2,371 (-60.4%) Year ended 3/10: 5,993 (–%)

	Net income per share	Net income per share/diluted	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
Year ended 3/11	78.77	—	3.4	2.2	2.8
Year ended 3/10	116.37	—	5.3	2.1	2.3

Reference: Equity in earnings of affiliates (million yen): Year ended 3/11: 193 Year ended 3/10: 690

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended 3/11	169,416	84,278	43.5	2,313.11
Year ended 3/10	168,850	83,297	42.8	2,267.85

(Reference) Shareholders' equity (million yen): Year ended 3/11: 73,753 Year ended 3/10: 72,311

(3) Consolidated cash flow position

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Ending balance of cash and cash equivalents
	Million yen	Million yen	Million yen	Million yen
Year ended 3/11	12,529	-5,910	-1,280	22,044
Year ended 3/10	7,985	-5,687	-10,987	16,687

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Dividends/ net assets (consolidated)
	End of first quarter	End of interim period	End of third quarter	Year end	Annual			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Year ended 3/10	—	5.00	—	10.00	15.00	478	12.9	0.7
Year ended 3/11	—	10.00	—	10.00	20.00	637	25.4	0.9
Year ending 3/12 (forecast)	—	10.00	—	10.00	20.00		49.1	

3. Forecast for Consolidated Business Results for the Fiscal Year Ending March 31, 2012 (Apr. 1, 2011 – Mar. 31, 2012)

(Percentages represent changes from the same period of previous fiscal year)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Second consolidated quarter (cumulative)	64,000	-4.2	1,300	-14.8	850	-46.1	150	-88.4	4.70
Full year	134,000	-0.6	4,500	18.6	3,700	1.4	1,300	-48.2	40.77

4. Other

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation): None

(2) Changes in accounting principles, procedures and presentation methods
1) Changes caused by revision of accounting standards: Yes
2) Other changes: None

(3) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury stock):	Year ended 3/11:	35,746,329 shares	Year ended 3/10:	35,746,329 shares
2) Number of treasury stock at the end of period:	Year ended 3/11:	3,861,218 shares	Year ended 3/10:	3,860,908 shares
3) Average number of shares during the period:	Year ended 3/11:	31,885,293 shares	Year ended 3/10:	31,885,787 shares

(Reference) Summary of Non-Consolidated Financial Results

1. Non-Consolidated Business Results for the Fiscal Year ended March 31, 2011 (April 1, 2010 – March 31, 2011)

(1) Non-consolidated operating results (Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Year ended 3/11	71,249	0.9	1,917	245.2	2,104	336.3	2,147	192.8
Year ended 3/10	70,606	-14.1	555	-63.5	482	-84.2	733	420.1

	Net income per share	Net income per share/diluted
	Yen	Yen
Year ended 3/11	67.34	—
Year ended 3/10	23.00	—

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Year ended 3/11	134,070	64,905	48.3	2,032.27
Year ended 3/10	133,616	63,745	47.6	1,996.16

(Reference) Shareholders' equity (million yen): Year ended 3/11: 64,800 Year ended 3/10: 63,649

2. Forecast for Non-Consolidated Business Results for the Fiscal Year Ending March 31, 2012 (Apr. 1, 2011 – Mar. 31, 2012)

(Percentages represent changes from the same period of previous fiscal year)

	Net sales		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Yen
Second consolidated quarter (cumulative)	35,000	2.6	550	-47.2	550	-40.0	17.25
Full year	73,500	3.2	1,900	-9.7	1,100	-48.8	34.50

* Disclosure regarding audit procedures

This summary of consolidated financial results does not constitute the audited financial statements under the Financial Instruments and Exchange Act. As of the date of disclosure of this summary of consolidated financial results, an audit of the financial statements had not been carried out in accordance with the Financial Instruments and Exchange Act.

* Cautionary statement with respect to forward-looking statements

The above forecast has been prepared based on data as of the announcement date. Since various uncertainties subsist in forecasts, actual results may differ from forecasted figures.

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1. Operating Results

(1) Analysis of operating results

1) Overview of the consolidated fiscal year under review

During the consolidated fiscal year under review, the Japanese economy showed signs of a recovery in exports in certain export sectors, on the back of a turnaround in overseas economies, led by Asia, and in corporate earnings. However, the outlook remained uncertain, given the continued weakness in employment conditions and the income environment, in addition to other factors, including the sharp appreciation of the yen and a fall in the share prices. In this uncertain environment, in March 2011, the Great East Japan Earthquake shook the Japanese economy and caused devastating damage.

In the IT industry, as companies continued to take a conservative stance on IT investments and pursue lower costs, the business environment remained severe.

In this environment, the FUJISOFT Group strove to achieve its management policy of building an even more stable revenue base and securing engines for growth. Under its medium-term basic management policy of “Take advantage of our strength and create a new market! Become an influential and unique corporate group!,” the Group created added value based on synergies by integrating its superior capabilities, such as system development capabilities and embedded software technologies, to offer unique technologies.

Under this medium-term basic management policy, the Group identified and strove to achieve a five-pillar strategy (strengthening the foundations of the contract business, becoming a prime vendor, productization, globalization, and bolstering Group capabilities).

In its effort to strengthen the foundations of the contract business and become a prime vendor, the FUJISOFT Group took steps to standardize and streamline the development operations by carrying out thorough project management and adopting common frameworks. It also strove to stabilize the product quality and achieve low costs.

To accelerate productization, anticipating the widespread use of Android OS in embedded equipment and the rapid expansion of the smartphone market, the Group started selling FSDTV Mobile for Android, a software package that enables One Seg functions. It also began marketing FSKAREN for Android, an Android OS compatible FSKAREN (a kana-kanji conversion system that was developed by the Group to facility efficient typing of Japanese). In addition, it developed Refills for Android, a schedule application that is equipped with intuitive operability.

As for Thin-client + SaaS, a service that the Group regard as one of the candidates for the growth engine, as the first step, the Group began providing mobile thin-clients that do not leave corporate information in PCs. It also developed and launched in May 2010 FSMobile for Thin Client, a USB-type data terminal that combined thin-client functions and high-speed mobile communication functions.

In the cloud business, the Group established a Microsoft Solution & Cloud Center in Osaka in December 2010 as the first cloud service base in the Kansai region. This has given the Group a structure that supports its operations across a wide area in the Kansai region. Moreover, in addition to public cloud services, a key area of focus, the Group developed cloud foundations to provide private cloud services, such as distribution and medical services, in October 2010. From February 2011, it also began providing services of FS Cloud EDI, which are distribution BMS solutions that provide services for receiving and placing orders in the distribution industry. In March 2011, the Group started offering FS Cloud Logistics, a logistics inventories management system for internet retailers.

The Group also entered into collaboration with salesforce.com Co., Ltd. from January 2011, and began adopting customer relationship management (CRM) and offering services for developing business systems quickly and at low cost. Through these services, the Group has been helping customers strengthen their sales capabilities and improve the efficiency of their operations. As a result, customers can now select the optimal services from the wide range of cloud services offered by the Group, including groupware based on cooperation with Google Apps.

In the robot technologies field, by applying the robot intelligence technologies it acquired though the development of PALRO, a humanoid robot, to other embedded equipment, the Group sought to offer solutions as a new added value.

To accelerate globalization, the Group focused on emerging economies, particularly in Asia, and sought to expand transactions. In July 2010, CYBERNET SYSTEMS CO., LTD., the Company’s consolidated subsidiary, included Noesis Solutions NV in Belgium among its subsidiaries. Noesis Solutions is the company that developed a standard tool in the overall optimization solution field called OPTIMUS (software that achieves efficient analysis and simulation by linking a multiple number of CAE software). Through these initiatives, the Group took steps to strengthen its global sales structure and reinforce the structure for the development of new products. Vinculum China Co., Ltd., which serves as a base for offshore development and the Chinese subsidiary of Vinculum Japan Corporation, a consolidated subsidiary of the Company, established a joint venture called Shanghai Vinculum Co., Ltd. Shanghai Vinculum commenced operations in April 2011, selling and leasing networks and e-commerce solution services across China.

To bolster Group capabilities, the Group pursued a comprehensive initiative to streamline operations, cut costs, and promote cross selling in the same manner as it did in the previous year, in a bid to streamline its management resources. The Group has also developed a structure in which it can receive orders for both the development and evaluation of embedded software by merging V&V Incorporated, its consolidated subsidiary, in January 2011. Based on this initiative, it sought to secure its profitability and expand the quality guarantee business.

Meanwhile, three Group companies jointly participated in RETAILTECH JAPAN 2011 as they did in the previous year, and presented proposals such as distribution BMS solution and private cloud, to meet the individual needs of customers in the distribution sector.

In research and development, in addition to participating jointly with Tsukuba University in the "Research and Development of Dependable Independent and Integrated Cloud Computing Foundations," the Group was involved in R&D of regeneration medicine jointly with the University of Tokyo Hospital. In addition, research into the "Evolving robot care system for individual elderly people," in which the Group was participating, was selected as one of the planning, examination and research items 2010 for the government and industry innovation promotion project operated under the aegis of the Japan Science and Technology Agency.

As part of its corporate social responsibility activities, the Group once again this year held the 22^{nd} All-Japan Robot-Sumo Tournament and the 6^{th} All Japan Robot American Football Tournament, which were aimed at offering the experience of satisfaction from manufacturing through to the creation of robots.

For the consolidated fiscal year under review, given the conservative stance on IT investments by customers and the severe management environment, net sales stood at 134,745 million yen, down 4.9% year on year. However, reflecting a 3.2% year-on-year decline in selling, general, and administrative expenses, to 27,656 million yen, as part of cost-cutting initiatives, and an improvement in the cost-of-sales ratio, thanks to careful project management, operating income rose 15.2% from the previous year, to 3,793 million yen, and ordinary income increased 1.5%, to 3,647 million yen. Net income amounted to 2,511 million yen, a decline of 32.3% year on year, reflecting the recording of extraordinary losses from office transfer expenses and a loss on the abolishment of the retirement benefit plan at subsidiaries.

Segment results by business were as follows:

(SI business)

Sales of embedded machine control systems and operating software from the manufacturing sector recovered steadily, but overall sales declined, given a decline in system development, maintenance and management services, reflecting the completion of a large-scale project from the distribution sector, and the effects of the termination of the mainstay software sales agency operations. As a result, net sales of this business segment amounted to 124,643 million yen, down 4.9% year on year, and operating income stood at 3,171 million yen, up 40.5% from the previous year.

(Facility business)

In the Facility business, net sales were 2,106 million yen, down 1.6% year on year, and operating income came to 652 million yen, a decline of 32.7% from the previous year, reflecting rent income from office buildings owned by the Company and certain subsidiaries.

(Other businesses)

Sales were 7,995 million yen, down 6.1% year on year, reflecting revenues in the data entry business and the contact center business. The operating loss amounted to 31 million yen, compared with operating income of 96 million yen for the previous year.

(ii) Forecast for the next consolidated fiscal year

For the next consolidated fiscal year, the Group forecasts that net sales will decrease 0.6% year on year, to 134 billion yen, operating income will rise 18.6%, to 4.5 billion yen, ordinary income will increase 1.4%, to 3.7 billion yen, and net income will decrease 48.2%, to 1.3 billion yen.

The Group plans to pay a dividend of 20 yen per share in the next fiscal year.

* The above forecast has been prepared based on data as of the announcement date. Actual results may differ materially from the forecast figures due to various factors.

(2) Analysis of financial condition

1) Asset, liabilities and net assets

(Total assets)

Total assets stood at 169,416 million yen at the end of the consolidated fiscal year under review, rising 565 million yen from the end of the preceding consolidated fiscal year. In the assets section, current assets rose 2,228 million yen from a year earlier, to 57,534 million yen, largely from a rise of 5,304 million yen in cash and time deposits, and a decrease of 1,075 million yen in inventories. Noncurrent assets declined 1,663 million yen from a year earlier, to 111,881 million yen, mainly reflecting a decline of 1,999 million yen from the depreciation of buildings and structures.

(Liabilities)

At the end of the consolidated fiscal year under review, total liabilities amounted to 85,137 million yen, down 415 million yen from the end of the preceding fiscal year.

(Net assets)

Net assets rose 981 million yen from the end of the preceding fiscal year, to 84,278 million yen at the end of the consolidated fiscal year under review. This increase was mainly attributable to a rise in retained earnings from net income and a decrease in the valuation difference on available-for-sale securities. As a result, the equity ratio rose to 43.5% from 42.8% at the end of the previous fiscal year.

(ii) Cash flows

Consolidated cash and cash equivalents (“cash”) at the end of the fiscal year under review were 22,044 million yen, an increase of 5,357 million yen from the end of the previous fiscal year.

(Cash flows from operating activities)

In the consolidated fiscal year under review, net cash provided by operating activities stood at 12,529 million yen, a rise of 4,544 million yen in the inflow compared with the previous fiscal year.

The principal factors included income before income taxes and minority interests of 3,840 million yen (down 2,192 million yen from the previous year), depreciation and amortization of 7,362 million yen (up 24 million yen from the previous year), a decrease in accounts payable-labor cost of 47 million yen (down 3,410 million yen from the previous year), and income taxes paid of 832 million yen (down 1,008 million yen from the previous year).

(Cash flows from investment activities)

Net cash used in investing activities was 5,910 million yen, a rise of 222 million yen in the outflow recorded in the previous fiscal year.

The principal factors were payments of 2,109 million yen for the purchase of property, plant and equipment (down 1,073 million yen from the previous year), and payments of 3,636 million yen for the purchase of intangible assets (up 556 million yen from the previous year).

(Cash flows from financing activities)

Net cash used in financing activities was 1,280 million yen, a decrease of 9,706 million yen from the outflow recorded in the previous fiscal year.

Principal factors included the proceeds of 50,290 million yen from short-term loans (up 260 million yen from the previous year), repayments of 48,550 million yen for short-term loans (down 32,959 million yen from the previous year), the proceeds of 6,202 million yen from long-term loans (down 20,282 million yen from the previous year), and repayments of 7,594 million yen for long-term loans (up 2,883 million yen from the previous year).

(Reference) Cash flow-related indicators

	FY2006	FY2007	FY2008	FY2009	FY2010
Equity ratio (%)	43.3	41.0	38.3	42.8	43.5
Equity ratio based on market value (%)	71.2	35.5	27.1	29.5	25.2
The ratio of interest-bearing debt to operating cash flow (years)	5.5	3.2	5.3	6.9	4.4
Interest coverage ratio (times)	18.2	21.7	15.2	8.9	15.3

Equity ratio: Shareholders’ equity / Total assets

Equity ratio based on market value: Market capitalization / Total assets

* Total market value for stocks is calculated on the basis of the number of outstanding shares, excluding treasury stock.

The ratio of interest-bearing debt to operating cash flow: Interest-bearing debt / Cash flows from operating activities

Interest coverage ratio: Cash flows from operating activities / Interest payments

* All amounts are on a consolidated basis.

* Cash flows are cash flows from operating activities.

* Interest-bearing debt is all the debt with interest on the consolidated balance sheet.

(3) Basic profit allocation policy, and dividends for the current and new fiscal year

Our industry is facing changes in market structure and rapid technological innovation, and we need to conduct research and development aggressively, and invest in equipment for the rationalization of operations, in order to further improve our market competitiveness and profitability.

Under our basic policy of returning profits to shareholders through sustained and consistent dividend payments, we pay dividends by taking into account a comprehensive range of factors, including strategic growth investments, significant changes in the economic environment, and unexpected business risks.

Under this policy, we have decided to pay a year-end dividend of 10.00 yen per share for the consolidated fiscal year under review, bringing dividend payments on an annual basis to 20.00 yen per share.

For the consolidated fiscal year ending March 31, 2012, we plan to pay a dividend of 20.00 yen per share on an annual basis.

(4) Business risks

Below we discuss risks we believe could have an important influence on the investment decisions of investors.

Forward-looking statements are based on the judgment of management as of the release of this fiscal report (May 11, 2011).

1) Contracted software development

Our group designs, develops, manufactures, and maintains software on contracted from clients and in line with their needs. We are thorough in controlling the quality of our products, we guarantee the quality of our products, and we constantly work to improve customer satisfaction.

We acquired ISO 9001 certification in June 1995, and have established a quality manual and targets to ensure thorough quality control.

Regarding systems development, we are thorough in managing projects from the inquiry, estimate, and order-receipt stages, and we continue to work to strengthen our project management ability in order to prevent the occurrence of unprofitable projects.

However, there is no guarantee that quality problems will not arise in the services that our group provides. We would face additional costs, and perhaps a damages suit, if quality problems did arise, and this could affect our result of operations and financial position.

2) Outsourcing operations

It is essential in the outsourcing business to take appropriate precautions and responses to system instability and trouble. This is why our group has adopted an earthquake-resistant design for data center facilities, and this is why we continue to work to develop an organizational framework that is responsive to sudden system trouble.

However, the occurrence of a major and unexpected natural disaster, and the inability to smoothly carry out operations due to system trouble, could impact our group's result of operations and financial position.

3) Management of classified information

We understand that our group, which handles corporate client information and personal information, has the social responsibility to appropriately manage this classified information and ensure its safety.

Our group has implemented a variety of measures to prevent information leaks, including formulating and observing internal information protection standards such as computer virus countermeasures and network management, introducing building access security systems, ensuring thorough training of employees regarding information management, and concluding nondisclosure agreements with vendors.

The occurrence of an information leak, despite these preventative measures, could lead to damages suits and disrupt our ability to continue commissioned software development activities, thereby impacting our group's result of operations and financial position.

4) Risks related to the application of impairment accounting for fixed assets

Our group owns fixed assets including land and buildings for business purposes. We adopted accounting standards for the impairment of fixed assets starting in the fiscal year ended March 31, 2006, and the necessity to recognize impairment losses due to changes in the market value of assets, and changes in future profit forecasts, could impact our group's result of operations and financial position.

2. Outline of the Corporate Group

Our corporate Group, which consists of FUJISOFT INCORPORATED ("the Company"), 20 consolidated subsidiaries, two equity method non-consolidated subsidiaries, and four equity method affiliates, is principally engaged in the System Integration (SI) business and the Facility business. In addition to the companies described above, there are two non-consolidated subsidiaries.

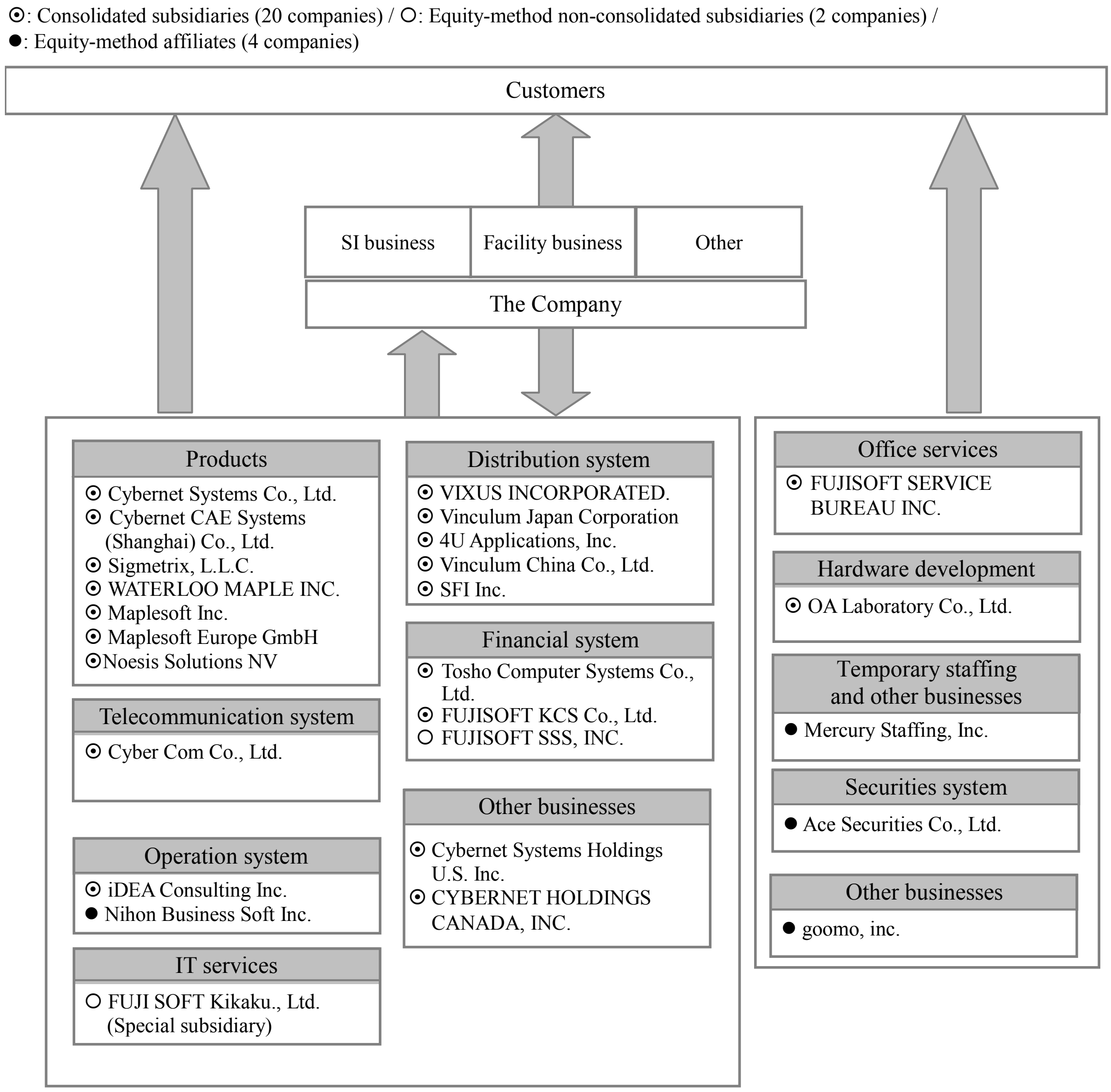
Each company in the Group is responsible for its own sales strategy, but they also cooperate with one another.

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

With respect to the positioning of Group companies in the SI business, the Company handles all systems development, while Group companies deal mostly with software development.

Category	Business description
System Integration (SI) business	Contract software development of telecommunication control systems, machine control systems, operating systems and operation applications used in different industries, quality evaluation and control support, consulting, product development and sales, and design, manufacture, sales and other activities of personal computer related devices, system maintenance and operation services
Facility business	Leasing of office buildings
Other businesses	Data entry business, contact center business, temporary staff dispatch business, etc.

The operational diagram is as follows:



* Other group companies (Two non-consolidated subsidiaries)

3. Management Policies

(1) Basic management policies

Under its basic management policy of "Take advantage of our strengths and create a new market! Become an influential and unique corporate group!," the FUJISOFT Group is preparing unique answers that have never been previously considered from the customer's perspective. It will provide creative and unique technologies to customers and society by integrating technologies in which the Group excels, including system development capabilities, telecommunication systems, video processing technologies, distribution technologies, and robot technologies.

(2) Management target

We consider consistent and overall improvements in profits to be an important management target.
Consistent and stable dividend is the Company's management target.

(3) Medium and long-term management strategies

The FUJISOFT Group will actively promote a five pillars strategy (strengthening the foundations of the contract business, becoming a prime vendor, productization, globalization, and bolstering Group capabilities).
The Group will seek to boost the profitability of the contract business, to strengthen the foundations of this key area of strength.
In its effort to become a prime vendor, the Group will seek to expand prime projects that it receives direct from customers, as opposed to projects undertaken on a contract basis. To achieve this, the Group will develop areas where it is unique or superior, and enhance its specialized expertise.
To encourage productization, the Group will create package and service groups that are used not just by one company, but by a large number of customers.
To enable globalization, the Group will strive to expand its operations to the global market to ensure further growth and respond to globalization.
To bolster its overall capabilities, the Group will continue to encourage self-sufficiency, reform, sharing, and solidarity, while creating synergies.
The Group will also invest in research and development to create unique software product solutions, improve specialty technologies, and provide cutting edge technologies. It will also continue to participate in joint industry-academic-government programs to develop new technologies. The Group is committed to turning developed assets into components and reusing them to streamline development processes, shorten development periods, improve product quality, and reduce costs.

(4) Future challenges

The Japanese economy is expected to show signs of recovery, such as an improvement in corporate earnings, in certain sectors in the future. However, given the anticipation of a prolonged slump in the employment conditions and the income environment, among other negative factors, including unpredictable foreign exchange rates and lower stock prices, the outlook for the Japanese economy remains uncertain. With the widespread damage caused by the Great East Japan Earthquake that struck Japan in March 2011, the economic environment is expected to change dramatically, and future progress will be even more unpredictable.
In the information service industry, companies are expected to remain cautious on IT spending and continue to focus on cost cutting, while demanding high-level services and product quality.
In this environment, the FIJISOFT Group established and started its first management plan in April 2011 under the vision of "Helping to boost national competitiveness through FUJISOFT's unique technologies, and becoming an influential corporate group that will support the development of the global economy." The Group will strive to reform its business structure, strengthen its profitability, enhance integrated group management, and bolster its management infrastructure. It is committed to actively promoting the five-pillars strategy described below.
(i) Strengthening the foundations of the contract business and becoming a prime vendor
The Group will strive to boost its ability to deal with customer needs, and will promote relationship management with an organized approach by sharing customer information across the Group. It will also strive to steadily improve productivity by training engineers and building a standard development environment.
(ii) Accelerating productization
In addition to focusing on the products the Group has selected as potential growth engines (distribution cloud, thin-client + SaaS, overseas markets and robot technologies (robot intelligence technologies)), the Group will seek to create new growth engines and expand its operations by integrating robot technologies (robot intelligence technologies). In cloud services, the market for which has entered a growth period, the Group will accelerate the development of the cloud business by providing both public and private cloud services, and promoting cooperation among Group companies.
(iii) Accelerating globalization
The Group will develop its overseas businesses by directly providing product services overseas using its creative and unique

technologies. Vinculum China Co., Ltd., a consolidated subsidiary that functions as a base for the offshore development, has received development projects such as embedded systems, bolstering the Group’s price competitiveness. The Group also offers support to customers who are setting up overseas operations.

(iv) Reinforcing Group capabilities

The Group will strive to achieve the synergies needed to provide more sophisticated services to customers and improve its ability to respond to customers by developing integrated group management through a cross-company collaboration structure.

4. Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousand yen)

		FY2009 (As of March 31, 2010)		FY2010 (As of March 31, 2011)
Assets				
Current assets				
Cash and deposits	*2	16,741,043	*2	22,045,272
Notes and accounts receivable—trade		27,215,028		28,385,475
Short-term investment securities		315,471		163,762
Merchandise		295,422		268,126
Work in process	*5	2,499,806	*5	1,453,968
Raw materials and supplies		34,294		31,761
Deferred tax assets		4,448,143		2,665,673
Other		3,821,408		2,552,293
Allowance for doubtful accounts		-64,543		-31,394
Total current assets		55,306,076		57,534,939
Noncurrent assets				
Property, plant and equipment				
Buildings and structures		56,993,628		56,699,169
Accumulated depreciation		-16,204,238		-17,909,718
Buildings and structures, net		40,789,390		38,789,451
Land	*3	30,415,744	*3	30,415,744
Construction in progress		1,394,693		105,817
Other		13,746,414		16,569,432
Accumulated depreciation		-7,970,293		-9,536,934
Other, net		5,776,121		7,032,497
Total property, plant and equipment		78,375,949		76,343,510
Intangible assets				
Goodwill		5,026,384		4,206,566
Software		6,924,225		7,096,069
Other		473,855		397,547
Total intangible assets		12,424,466		11,700,182
Investments and other assets				
Investment securities	*1	15,861,167	*1	15,016,768
Deferred tax assets		1,773,770		3,239,011
Other		5,258,207		5,653,717
Allowance for doubtful accounts		-148,810		-71,866
Total investments and other assets		22,744,334		23,837,631
Total noncurrent assets		113,544,751		111,881,325
Total assets		168,850,827		169,416,264

(Thousand yen)

		FY2009 (As of March 31, 2010)		FY2010 (As of March 31, 2011)
Liabilities				
Current liabilities				
Accounts payable-trade		8,701,224		7,565,036
Short-term loans payable	*2	23,983,466	*2	25,553,766
Current portion of bonds	*2	118,400	*2	44,000
Current portion of long—term loans payable		7,233,004		8,362,240
Accrued expenses		5,854,856		6,087,058
Income taxes payable		702,516		782,048
Deferred tax liabilities		—		6,272
Provision for directors' bonuses		146,105		127,468
Provision for loss on construction contracts	*5	122,328	*5	397,602
Other		5,600,728		6,173,772
Total current liabilities		52,462,630		55,099,265
Noncurrent liabilities				
Bonds payable	*2	59,000		15,000
Long-term loans payable	*2	24,202,331	*2	21,641,490
Provision for retirement benefits		4,840,582		5,112,338
Provision for directors' retirement benefits		460,992		410,958
Deferred tax liabilities		407,727		14,251
Other		3,119,907		2,844,163
Total noncurrent liabilities		33,090,541		30,038,202
Total liabilities		85,553,171		85,137,467
Net assets				
Shareholders' equity				
Capital stock		26,200,289		26,200,289
Capital surplus		28,438,965		28,438,965
Retained earnings		34,598,277		36,453,608
Treasury stock		-8,101,010		-8,101,442
Total shareholders' equity		81,136,521		82,991,421
Accumulated other comprehensive income				
Valuation difference on available-for-sale securities		262,753		-69,764
Deferred gains or losses on hedges		7,993		5,654
Revaluation reserve for land	*3	-9,051,263	*3	-9,051,088
Foreign currency translation adjustment		-44,626		-122,466
Total accumulated other comprehensive income		-8,825,142		-9,237,665
Subscription rights to shares		95,886		109,728
Minority interests		10,890,390		10,415,312
Total net assets		83,297,655		84,278,797
Total liabilities and net assets		168,850,827		169,416,264

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

(Thousand yen)

		FY2009 (From April 1, 2009 to March 31, 2010)		FY2010 (From April 1, 2010 to March 31, 2011)
Net sales		141,682,899		134,745,731
Cost of sales	*1	109,813,615	*1	103,295,983
Gross profit		31,869,284		31,449,748
Selling, general and administrative expenses				
Advertising expenses		496,908		399,335
Directors' compensations		1,051,168		814,375
Employees' salaries		12,151,254		12,903,875
Retirement benefit expenses		643,181		680,707
Legal welfare expenses		1,962,968		2,049,272
Provision for directors' retirement benefits		72,607		80,694
Provision for directors' bonuses		167,585		151,942
Welfare expenses		610,203		525,767
Recruiting and training expenses		461,686		246,176
Traveling and transportation expenses		632,061		616,925
Stationery expenses		328,515		308,439
Rent expenses		340,280		39,940
Rents		1,212,434		1,053,298
Taxes and dues		773,311		772,831
Provision of allowance for doubtful accounts		7,067		34,349
Depreciation		1,544,601		1,477,631
Research study expenses		837,957		601,592
Operations consignment expenses		1,779,155		1,269,371
Amortization of goodwill		1,157,232		1,192,074
Other		2,345,783		2,437,983
Total selling, general and administrative expenses		28,575,966		27,656,584
Operating income		3,293,317		3,793,163
Non-operating income				
Interest income		16,276		12,035
Dividends income		88,292		103,544
Foreign exchange gains		105,998		—
Equity in earnings of affiliates		690,666		193,914
Subsidy income		248,289		364,817
Cancellation income for system services		—		906,193
Other		311,659		234,055
Total non-operating income		1,461,182		1,814,560
Non-operating expenses				
Interest expenses		902,236		818,713
Cancellation loss for system services		—		862,553
Loss on retirement of noncurrent assets		130,419		150,087
Other		128,921		128,754
Total non-operating expenses		1,161,578		1,960,109
Ordinary income		3,592,921		3,647,615

(Thousand yen)

		FY2009 (From April 1, 2009 to March 31, 2010)		FY2010 (From April 1, 2010 to March 31, 2011)
Extraordinary income				
Gain on sales of noncurrent assets	*4	1,651,260		—
Compensation income	*5	800,000		—
Insurance premiums refunded cancellation		434,620		4,444
Gain on sales of investment securities		363,350		656,564
Reversal of provision for directors' retirement benefits		—		56,261
Gain on negative goodwill		—		18,587
Total extraordinary income		3,249,231		735,858
Extraordinary loss				
Loss on retirement of noncurrent assets	*6	139,483		11,076
Loss on valuation of investment securities		63,057		2,866
Loss on liquidation of subsidiaries and affiliates		267,027		—
Impairment loss on noncurrent assets		—	*3	86,586
Office transfer expenses	*7	231,631		150,160
Amortization of goodwill		14,032		—
Loss on abolishment of retirement benefit plan		18,959		281,000
Provision of allowance for doubtful accounts		74,963		—
Loss on adjustment for changes of accounting standard for asset retirement obligations		—		11,008
Total extraordinary loss		809,156		542,699
Income before income taxes		6,032,997		3,840,773
Income taxes-current		1,242,059		691,421
Income taxes-deferred		-4,527		300,770
Total income taxes		1,237,531		992,192
Income before minority interests		—		2,848,581
Minority interests in income		1,085,060		336,891
Net income		3,710,405		2,511,689

Consolidated statements of comprehensive income

(Thousand yen)

	FY2009 (From April 1, 2009 to March 31, 2010)		FY2010 (From April 1, 2010 to March 31, 2011)
Income before minority interests	—		2,848,581
Other comprehensive income			
Valuation difference on available-for-sale securities	—		-322,251
Deferred gains or losses on hedges	—		-4,335
Foreign currency translation adjustment	—		-136,254
Share of other comprehensive income of associates accounted for using equity method	—		-14,514
Total other comprehensive income	—	*1	-477,355
Comprehensive income	—	*2	2,371,225
Comprehensive income attributable to			
Comprehensive income attributable to owners of the parent	—		2,099,166
Comprehensive income attributable to minority interests	—		272,059

(3) Consolidated statements of changes in net assets

(Thousand yen)

	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
Shareholders' equity		
Capital stock		
Balance at the end of previous period	26,200,289	26,200,289
Balance at the end of current period	26,200,289	26,200,289
Capital surplus		
Balance at the end of previous period	28,438,965	28,438,965
Balance at the end of current period	28,438,965	28,438,965
Retained earnings		
Balance at the end of previous period	31,525,608	34,598,277
Changes of items during the period		
Dividends from surplus	-637,736	-637,723
Net income	3,710,405	2,511,689
Change of scope of consolidation	—	-18,634
Total changes of items during the period	3,072,669	1,855,331
Balance at the end of current period	34,598,277	36,453,608
Treasury stock		
Balance at the end of previous period	-8,099,900	-8,101,010
Changes of items during the period		
Purchase of treasury stock	-1,110	-432
Total changes of items during the period	-1,110	-432
Balance at the end of current period	-8,101,010	-8,101,442
Total shareholders' equity		
Balance at the end of previous period	78,064,962	81,136,521
Changes of items during the period		
Dividends from surplus	-637,736	-637,723
Net income	3,710,405	2,511,689
Purchase of treasury stock	-1,110	-432
Change of scope of consolidation	—	-18,634
Total changes of items during the period	3,071,558	1,854,899
Balance at the end of current period	81,136,521	82,991,421
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	-890,801	262,753
Changes of items during the period		
Net changes of items other than shareholders’ equity	1,153,555	-332,518
Total changes of items during the period	1,153,555	-332,518
Balance at the end of current period	262,753	-69,764
Deferred gains or losses on hedges		
Balance at the end of previous period	18,533	7,993
Changes of items during the period		
Net changes of items other than shareholders’ equity	-10,539	-2,338
Total changes of items during the period	-10,539	-2,338
Balance at the end of current period	7,993	5,654

(Thousand yen)

	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
Revaluation reserve for land		
Balance at the end of previous period	-9,051,263	-9,051,263
Changes of items during the period		
Net changes of items other than shareholders' equity	—	174
Total changes of items during the period	—	174
Balance at the end of current period	-9,051,263	-9,051,088
Foreign currency translation adjustment		
Balance at the end of previous period	—	-44,626
Changes of items during the period		
Net changes of items other than shareholders' equity	-44,626	-77,840
Total changes of items during the period	-44,626	-77,840
Balance at the end of current period	-44,626	-122,466
Total accumulated other comprehensive income		
Balance at the end of previous period	-9,923,531	-8,825,142
Changes of items during the period		
Net changes of items other than shareholders' equity	1,098,389	-412,523
Total changes of items during the period	1,098,389	-412,523
Balance at the end of current period	-8,825,142	-9,237,665
Subscription rights to shares		
Balance at the end of previous period	46,566	95,886
Changes of items during the period		
Net changes of items other than shareholders' equity	49,320	13,842
Total changes of items during the period	49,320	13,842
Balance at the end of current period	95,886	109,728
Minority interests		
Balance at the end of previous period	10,048,808	10,890,390
Changes of items during the period		
Net changes of items other than shareholders' equity	841,582	-475,077
Total changes of items during the period	841,582	-475,077
Balance at the end of current period	10,890,390	10,415,312
Total net assets		
Balance at the end of previous period	78,236,805	83,297,655
Changes of items during the period		
Dividends from surplus	-637,736	-637,723
Net income	3,710,405	2,511,689
Purchase of treasury stock	-1,110	-432
Change of scope of consolidation	—	-18,634
Net changes of items other than shareholders' equity	1,989,291	-873,757
Total changes of items during the period	5,060,850	981,141
Balance at the end of current period	83,297,655	84,278,797

(4) Consolidated cash flow statement

(Thousand yen)

		FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
Net cash provided by operating activities			
Income before income taxes		6,032,997	3,840,773
Depreciation		7,337,624	7,362,204
Impairment loss on noncurrent assets		—	86,586
Amortization of goodwill		1,157,232	1,185,811
Increase (decrease) in provision for retirement benefits		164,098	285,576
Interest expenses		902,236	818,713
Equity in (earnings) losses of affiliates		-690,666	-193,914
Loss (gain) on sales of investment securities		-363,350	-656,564
Loss (gain) on valuation of investment securities		63,057	2,866
Loss (gain) on sales of noncurrent assets		-1,651,260	—
Decrease (increase) in notes and accounts receivable-trade		2,655,096	-1,265,907
Decrease (increase) in inventories		251,611	1,073,653
Increase (decrease) in notes and accounts payable-trade		-1,251,285	-1,177,778
Increase (decrease) in accounts payable-labor cost		-3,362,737	47,567
Increase (decrease) in accrued consumption taxes		-371,949	235,231
Increase (decrease) in accounts payable-other		-17,144	619,313
Decrease (increase) in long-term prepaid expenses		-518,082	-379,579
Increase (decrease) in provision for loss on construction contracts		122,328	275,273
Other		-726,424	1,826,958
Subtotal		9,733,383	13,986,786
Proceeds from compensation		800,000	—
Interest and dividends income received		119,815	184,878
Interest expenses paid		-825,901	-809,146
Income taxes paid		-1,841,829	-832,968
Net cash provided by operating activities		7,985,468	12,529,550
Net cash used in investing activities			
Purchase of property, plant and equipment		-3,183,033	-2,109,676
Proceeds from sales of property, plant and equipment		688,736	3,722
Purchase of intangible assets		-3,080,416	-3,636,571
Proceeds from sales of intangible assets		1,862,350	—
Proceeds from sales of short-term investment securities		800,000	137,967
Purchase of investment securities		-816,763	-1,575,923
Proceeds from sales of investment securities		1,530,996	2,396,580
Payments for purchase of new consolidated subsidiaries	*2	-3,364,221	-820,595
Proceeds from sales of new consolidated subsidiaries		80,994	—
Other		-206,091	-305,800
Net cash used in investing activities		-5,687,449	-5,910,297

(Thousand yen)

	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
Net cash used in financing activities		
Increase in short-term loans payable	50,030,000	50,290,498
Decrease in short-term loans payable	-81,509,716	-48,550,062
Proceeds from long-term loans payable	26,485,000	6,202,489
Repayment of long-term loans payable	-4,710,869	-7,594,230
Purchase of treasury stock	-1,110	—
Cash dividends paid	-647,043	-636,871
Cash dividends paid to minority shareholders	-283,717	-388,961
Repayments of lease obligations	-296,717	-436,231
Other	-53,400	-167,432
Net cash used in financing activities	-10,987,573	-1,280,801
Effect of exchange rate change on cash and cash equivalents	-88,524	-66,266
Net increase (decrease) in cash and cash equivalents	-8,778,079	5,272,185
Cash and cash equivalents at beginning of period	25,465,345	16,687,266
Net increase in cash and cash equivalents as a result of the consolidation of subsidiaries	—	85,174
Cash and cash equivalents at end of period	*1 16,687,266	*1 22,044,626

(5) Note on going concern assumptions

Not applicable.

(6) Basis of presenting consolidated financial statements

<table>
<tr><th>Item</th><th>FY2009
(From April 1, 2009 to March 31, 2010)</th><th>FY2010
(From April 1, 2010 to March 31, 2011)</th></tr>
<tr><td>1. Scope of consolidation</td><td>19 consolidated subsidiaries:
VIXUS INCORPORATED
Vinculum Japan Corporation
4U Applications, Inc.
Vinculum China Co., Ltd.
SFI Inc.
OA LABORATORY CO, LTD.
Cyber Com Co., Ltd.
CYBERNET SYSTEMS CO., LTD.
KGT Inc.
Cybernet Systems Holdings U.S. Inc.
Sigmetrix, L.L.C.
CYBERNET HOLDINGS CANADA, INC.
WATERLOO MAPLE INC.
Maplesoft Inc.
Tosho Computer Systems Co., Ltd.
FUJISOFT KCS Co., Ltd.
FUJISOFT SERVICE BUREAU INCORPORATED
Mercury Staffing Co., Ltd.
V&V Incorporated

CYBERNET SYSTEMS CO., LTD., the Company's consolidated subsidiary, established Cybernet System Holdings U.S. Inc., through which CYBERNET SYSTEMS CO., LTD. made Sigmetrix, L.L.C. its subsidiary by underwriting a capital increase for Sigmetrix, L.L.C. through the private placement, and by acquiring equity in Sigmetrix, L.L.C. CYBERNET SYSTEMS CO., LTD. also established CYBERNET HOLDINGS CANADA, INC., through which CYBERNET SYSTEMS CO., LTD. made WATERLOO MAPLE INC., and Maplesoft Inc. its subsidiaries. As a result, the above companies were included in the scope of consolidation.</td><td>20 consolidated subsidiaries:
iDEA Consulting Inc.
VIXUS INCORPORATED
Vinculum Japan Corporation
4U Applications, Inc.
Vinculum China Co., Ltd.
SFI Inc.
OA LABORATORY CO, LTD.
Cyber Com Co., Ltd.
CYBERNET SYSTEMS CO., LTD.
Cybernet CAE Systems (Shanghai) Co., Ltd.
Cybernet Systems Holdings U.S. Inc.
Sigmetrix, L.L.C.
CYBERNET HOLDINGS CANADA, INC.
WATERLOO MAPLE INC.
Maplesoft Inc.
Maplesoft Europe GmbH
Noesis Solutions NV
Tosho Computer Systems Co., Ltd.
FUJISOFT KCS Co., Ltd.
FUJISOFT SERVICE BUREAU INCORPORATED
CYBERNET SYSTEMS CO., LTD., the Company's consolidated subsidiary, acquired the shares of Noesis Solutions NV. Cybernet CAE Systems (Shanghai) Co., Ltd., which was the Company's non-consolidated subsidiary, increased its presence in the Group. As a result, the two companies mentioned above were included in the scope of consolidation.
WATERLOO MAPLE INC., the Company's consolidated subsidiary, established Maplesoft Europe GmbH. As a result, it was also included in the scope of consolidation.</td></tr>
</table>

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
	PLAMEDIA CORPORATION was excluded from the scope of consolidation, because it was merged with CYBERNET SYSTEMS CO., LTD., the Company's consolidated subsidiary. SYSTEMS FORMULATIONS AND INTEGRATIONS Incorporated was included in the scope of consolidation, because it became a subsidiary as Vinculum Japan Corporation, the Company's consolidated subsidiary, acquired shares in SYSTEMS FORMULATIONS AND INTEGRATIONS Incorporated. Five non-consolidated subsidiaries: Fujisoft Kikaku, LTD. FUJISOFT SSS, INC. CCA Engineering Simulation Software (Shanghai) Co., Ltd. Cybernet CAE Systems (Shanghai) Co., Ltd. CYBERNET SYSTEMS TAIWAN Co., Ltd. The reason for exclusion from consolidation is: Fujisoft Kikaku, LTD., FUJISOFT SSS, INC., CCA Engineering Simulation Software (Shanghai) Co., Ltd., Cybernet CAE Systems (Shanghai) Co., Ltd., CYBERNET SYSTEMS TAIWAN Co., Ltd. are small in size, and their total assets, sales, net income or loss (amounts equivalent to the equity holding), and retained earnings (amounts equivalent to the equity holding) for the fiscal year 2009 do not have any material effect on the consolidated financial statements. Japan Internet News Co., Ltd. was excluded from non-consolidated subsidiaries, because the Company sold shares in Japan Internet News Co., Ltd. during the consolidated fiscal year under review. FUJISOFT MEDICAL, Inc. was excluded from non-consolidated subsidiaries, following the completion of its liquidation procedures.	iDEA Consulting Inc. was also included in the scope of consolidation, because Diamond Fuji Soft Co., Ltd., the Company's equity method affiliate, was established through a demerger, and the Company acquired its shares. KGT Inc. was excluded from the scope of consolidation, because it was merged with CYBERNET SYSTEMS CO., LTD., the Company's consolidated subsidiary. Mercury Staffing Co., Ltd. was excluded from the scope of consolidation and included in the scope of the application of the equity method because it sold part of its shares. V & V Incorporated was excluded from the scope of consolidation, because it was merged with the Company. Four non-consolidated subsidiaries: Fujisoft Kikaku, LTD. FUJISOFT SSS, INC. CCA Engineering Simulation Software (Shanghai) Co., Ltd. CYBERNET SYSTEMS TAIWAN Co., Ltd. The reason for exclusion from consolidation is: Fujisoft Kikaku, LTD., FUJISOFT SSS, INC., CCA Engineering Simulation Software (Shanghai) Co., Ltd., and CYBERNET SYSTEMS TAIWAN Co., Ltd. are small in size, and their total assets, sales, net income or loss (amounts equivalent to the equity holding), and retained earnings (amounts equivalent to the equity holding) for the fiscal year 2010 do not have any material effect on the consolidated financial statements.

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
2. Application of equity method	Companies to which the equity method is applicable: Two non-consolidated subsidiaries Fujisoft Kikaku, Ltd. FUJISOFT SSS, Inc. FUJISOFT MEDICAL, Inc. was excluded from non-consolidated subsidiaries accounted for using the equity method, following the completion of its liquidation procedures. The equity method is applied to the Company's investment in the following seven affiliates: Diamond Fuji Soft Co., Ltd. Nihon Business Soft, Inc. BLOCKLINE, Inc. Ace Securities Co., Ltd. Pulse-Immuno Tech Corp. FINE HOLDINGS Inc. goomo, inc. goomo, inc. is included in the scope of application of equity method because its stock has been acquired. Companies to which the equity method was not applicable: The equity method was not applied to nonconsolidated subsidiaries, CCA Engineering Simulation Software (Shanghai) Co., Ltd., and Cybernet CAE Systems (Shanghai) Co., Ltd., CYBERNET SYSTEMS TAIWAN Co., Ltd. and an affiliate KOUSOKUYA Inc., because these companies have little effects on net income or loss (amounts equivalent to the equity holding), retained earnings (amounts equivalent to the equity holding) of the consolidated financial statements. Japan Internet News Co., Ltd. was excluded from non-consolidated subsidiaries accounted for using the equity method, because the Company sold the shares of Japan Internet News Co., Ltd. during the consolidated fiscal year under review.	Companies to which the equity method is applicable: Two non-consolidated subsidiaries Fujisoft Kikaku, Ltd. FUJISOFT SSS, Inc. The equity method was applied to the Company's investment in the following four affiliates: Ace Securities Co., Ltd. goomo, inc. Nihon Business Soft, Inc. Mercury Staffing Co., Ltd. Mercury Staffing Co., Ltd. was excluded from the scope of consolidation and included in the scope of the application of the equity method because it sold part of its shares. Diamond Fuji Soft Co., Ltd., was excluded from the scope of the application of the equity method as a result of the company split. FINE HOLDINGS Inc. was excluded from the scope of the application of the equity method as a result of the stock transfer. Pulse-Immuno Tech Corp was excluded from the scope of the application of the equity method as a result of the completion of its liquidation procedures. BLOCKLINE, Inc. was excluded from the scope of the application of the equity method as a result of the completion of its liquidation procedures. Companies to which the equity method was not applicable: The equity method was not applied to CCA Engineering Simulation Software (Shanghai) Co., Ltd. and CYBERNET SYSTEMS TAIWAN Co., Ltd., because these companies have little effect on net income or loss (amounts equivalent to the equity holding), retained earnings (amounts equivalent to the equity holding) of the consolidated financial statements.

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
3. Fiscal year of consolidated subsidiaries	The fiscal year end of Cybernet Systems Holdings U.S. Inc., Sigmetrix, L.L.C., CYBERNET HOLDINGS CANADA, INC., WATERLOO MAPLE INC., Maplesoft Inc. and Vinculum China Co., Ltd. is December 31. When preparing the consolidated financial statements, the Company uses the financial statements of Cybernet Systems Holdings U.S. Inc., Sigmetrix, L.L.C., CYBERNET HOLDINGS CANADA, INC., WATERLOO MAPLE INC., Maplesoft Inc. and Vinculum China Co., Ltd., as of this date and makes necessary adjustments for important transactions between December 31 and the consolidated book-closing date.	The fiscal year end of Vinculum China Co., Ltd., Cybernet CAE Systems (Shanghai) Co., Ltd., Cybernet Systems Holdings U.S. Inc., Sigmetrix, L.L.C., CYBERNET HOLDINGS CANADA, INC., WATERLOO MAPLE INC., Maplesoft Inc., Maplesoft Europe GmbH, and Noesis Solutions NV is December 31. When preparing the consolidated financial statements, the Company uses the financial statements of Vinculum China Co., Ltd., Cybernet CAE Systems (Shanghai) Co., Ltd., Cybernet Systems Holdings U.S. Inc., Sigmetrix, L.L.C., CYBERNET HOLDINGS CANADA,INC., WATERLOO MAPLE INC., Maplesoft Inc., Maplesoft Europe GmbH, and Noesis Solutions NVas of this date, and makes necessary adjustments for important transactions between December 31 and the consolidated book-closing date.
4. Significant accounting policies (1) Valuation of major assets	Securities Bonds held to maturity Stated at amortized cost. (Straight-line method) Available-for-sale securities For those with market value: Stated at market value based on market prices, etc., as of the period-end (Unrealized valuation gains or losses are reported in the shareholders' equity, and sales costs are determined by the moving average method.) For those without market value: Stated at cost as determined by the moving average method. Derivatives Stated at market value Inventories Valuation standards are based on the cost method (the method of writing down the book value based on a fall in profitability). Merchandise: Stated at cost as determined with the moving average method. Work in process: Stated at cost on a specific identification method. Raw materials: Stated at cost as determined with the moving average method. Supplies: Stated at cost on a specific identification method.	Securities Bonds held to maturity Same as on the left Available-for-sale securities For those with market value: Same as on the left For those without market value: Same as on the left Derivatives Same as on the left Inventories Same as on the left Merchandise: Same as on the left Work in process: Same as on the left Raw materials: Same as on the left Supplies: Same as on the left

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
(2) Depreciation of major depreciable assets	Property, plant and equipment (except leased assets) Computed with the declining balance method. However, buildings (excluding building attachments) acquired after April 1, 1998, are depreciated on a straight-line method. Major useful lives: Building and structures: 3 to 50 years Machinery, equipment and vehicles: 2 to 17 years Tools, furniture and fixtures: 2 to 20 years Intangible assets (except leased assets) Software for sale: Stated at the larger amount of either an amortizable amount based on the estimated sales volume during the valid sales period (less than 3 years) or an amortizable amount based on a straight-line method over the remaining valid sales period. Software for the Company's own use: Amortized on a straight-line method over an estimated useful life (5 years) in the Company. Other: Amortized on a straight-line method Leased assets Lease assets associated with finance leases other than those for which the ownership rights of the leased property are deemed to transfer to the lessee are amortized using the straight line method, with the lease period being the useful life and the residual value being zero. For finance leases other than those for which the ownership rights of the leased property are deemed to transfer to the lessee whose date of commencing the lease transaction is March 31, 2008 or earlier, accounting treatment similar to that for ordinary rental transactions is applied. Investments and other assets (Long-term prepaid expenses) Computed with a straight-line method	Property, plant and equipment (except leased assets) Same as on the left Intangible assets (except leased assets) Software for sale: Same as on the left Software for the Company's own use: Same as on the left Other: Same as on the left Leased assets Same as on the left Investments and other assets (Long-term prepaid expenses) Same as on the left
(3) Standards for major allowances	Allowance for doubtful accounts To provide for possible bad debt losses on accounts receivable as at the end of the consolidated fiscal year, the Company records an allowance based on historical percentage for ordinary receivables and on an estimate of the collectability of receivables from companies in financial difficulty.	Allowance for doubtful accounts Same as on the left

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
	Provision for directors' bonuses To provide for payments of bonuses to directors and corporate auditors, an allowance is recorded in the amount recognized to have accrued at the end of the consolidated fiscal year based on estimated amounts of payment at the end of the fiscal year. Provision for loss on construction contracts To provide for possible losses associated with made-to-order software development, the Company recorded estimated losses as at the end of the consolidated fiscal year under review from contracts for made-to-order software development, in which losses were expected and the amount of the losses could be estimated in an appropriate manner. Provision for retirement benefits To provide for payments of retirement benefits to employees, the Company records an amount recognized to have accrued at the end of the consolidated fiscal year based on estimated amounts of retirement benefit obligations and pension assets at the end of the consolidated fiscal year. The estimated amount of pension assets exceeded the estimated amount of retirement benefit obligations after deduction of unsettled difference due to the change in accounting principle, unrecognized actuarial differences, and unrecognized prior service cost as at the end of the consolidated fiscal year. Consequently, the excess amount is booked as prepaid pension costs and classified as “Other” under “Investments and other assets” of the consolidated balance sheet. In addition, a difference arisen as a result of the change of accounting standards (5,034,915 thousand yen) is expensed equally, mainly over 15 years. Also, an actuarial difference is expensed equally from the fiscal year following its accrual over an average remaining service period (10 to 13 years) of employees at the time of the accrual. And prior service costs are accounted for based on an average remaining service period (10 to 13 years) of employees at the time of the accrual using the straight-line method.	Provision for directors' bonuses Same as on the left Provision for loss on construction contracts Same as on the left Provision for retirement benefits Same as on the left

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
	(Change in accounting method) From the consolidated fiscal year under review, the Partial Revision (Part 3) to the Accounting Standard for Retirement Benefit (ASBJ statement No. 19; July 31, 2008) is applied. This change has no impact on the Company's operating income, ordinary income, or income before income taxes Provision for directors' retirement benefits The company that submits consolidated financial statements and some of its consolidated subsidiaries record amounts that they are required to pay upon the retirement of directors and corporate auditors at the end of the fiscal year, based on internal policies.	————— Provision for directors' retirement benefits Same as on the left

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
(4) Standards for recording important revenues and costs	Standards for recording revenues and costs relating to made-to-order software development Of the made-to-order software development contracts that began to be executed during the consolidated fiscal year ended March 31, 2010, the Company applied the percentage-of-completion method (the construction-cost-percentage method for estimating the degree of completion of software development) for contracts whose outcome at the end of the consolidate fiscal year ended March 31, 2010 was deemed certain. The Company applied the completed contract method to contracts other than the above.	Standards for recording revenues and costs relating to made-to-order software development The Company applied the percentage-of-completion method (the construction-cost-percentage method for estimating the degree of completion of software development) for contracts whose outcome at the end of the consolidate fiscal year ended March 31, 2011 was deemed certain. The Company applied the completed contract method to contracts other than the above.
(5) Hedge accounting	Hedge accounting Deferral hedge accounting is, in principle, adopted. Appropriation accounting is applied to forward foreign exchange contracts and currency option transactions that meet the requirements for appropriation accounting, and special accounting is applied to the interest-rate swap transactions that meet the requirements for special accounting. Hedging instruments and hedged items Hedging instruments: Interest-rate swaps, forward foreign exchange contracts and currency options Hedged items: Borrowings, and claims and liabilities denominated in foreign currencies Hedging policy Forward foreign exchange contracts and currency options transactions are entered to deter risks involved in transactions denominated in foreign currencies from the fluctuations in the foreign exchange market. Interest-rate swap transactions are entered to deter risks involved in borrowings from the fluctuations of interest rates. These transactions will never be entered for speculative purpose. Assessment of hedge effectiveness The Company assesses the effectiveness of hedging based on the extent of the fluctuations of hedged items and hedging instruments by semi-annually comparing the fluctuations of the market of hedged items or the fluctuations of accumulative cash flows with the fluctuations in the market of hedging instruments or the fluctuations of accumulative cash flows.	Hedge accounting Same as on the left Hedging instruments and hedged items Hedging instruments: Same as on the left Hedged items: Same as on the left Hedging policy Same as on the left Assessment of hedge effectiveness Same as on the left

Item	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
(6) Amortization of goodwill	――――――	Goodwill is amortized evenly over a valid period (5 to 15 years) reasonably estimated, except minor goodwill which is expensed as incurred.
(7) Cash and cash equivalents in the consolidated cash flow statement	――――――	In preparing the consolidated cash flow statements, cash on hand, readily available deposits, and short-term liquid investments with maturities not exceeding three months at the time of purchase and with little risk of changing value are considered to be cash and cash equivalents.
(8) Other important matters for the preparation of consolidated financial statements	Consumption tax Amounts reflected are stated exclusive of consumption tax.	Consumption tax Same as on the left
5. Valuation of assets and liabilities of consolidated subsidiaries	All assets and liabilities of consolidated subsidiaries are valuated with the mark-to-market method	――――――
6. Amortization of goodwill and negative goodwill	Goodwill is amortized evenly over a valid period (5 to 15 years) reasonably estimated, except minor goodwill which is expensed as incurred.	――――――
7. Cash and cash equivalents in the consolidated cash flow statement	In preparing the consolidated cash flow statements, cash on hand, readily available deposits, and short-term liquid investments with maturities not exceeding three months at the time of purchase and with little risk of changing value are considered to be cash and cash equivalents.	――――――

(7) Change in basis of presenting consolidated financial statements

FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
(Change in standards for recording revenues and costs relating to made-to-order software development) The Company applied the completed contract method as standards for recording revenues and costs relating to made-to-order software development. However, from the consolidated fiscal year under review, the Company started to apply the Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Statement No. 15; December 27, 2007) and the Guidance on the Accounting Standard for Construction Contracts (ASBJ Guidance No. 18; December 27, 2007). Consequently, of the made-to-order software development contracts that began to be implemented during the consolidated fiscal year under review, the Company applied the percentage-of-completion method (the construction-cost-percentage method for estimating the degree of completion of software development) for contracts whose outcome at the end of the consolidate fiscal year under review is deemed certain. The Company applied the completed contract method to contracts other than the above. As a result of the changes as described above, net sales for the consolidated fiscal year under review rose 1,674,846,000 yen, and operating income, ordinary income and income before income taxes and minority interest each increased 387,767,000 yen.	――――――――

FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
(Change in standards for recording real-estate rental revenues and costs) The Company recorded real estate rental revenues and costs in non-operating income and non-operating expenses, respectively. Starting the consolidated fiscal year under review, however, it is recording real-estate rental revenues and costs in net sales and cost of sales, respectively. The reason for the change is that we expect real estate rental revenues to increase and have changed our business purpose in the Articles of Incorporation. As a result of the changes described above, compared with figures based on the previous method, net sales and operating income for the consolidated fiscal year under review rose 1,802,220,000 yen and 890,667,000 yen, respectively. The change does not affect ordinary income and income before income taxes and minority interest.	————————
———————— ————————	(Application of the Accounting Standards for Asset Retirement Obligations) The Accounting Standards for Asset Retirement Obligations (Accounting Standards Board of Japan (ASBJ) Statement No. 18 on March 31, 2008) and the Guidance on Accounting Standards for Asset Retirement Obligations (ASBJ Guidance No. 21 on March 31, 2008) were applied from the consolidated fiscal year under review. As a result of their application, operating income and ordinary income for the consolidated fiscal year under review decreased 3,329,000 yen each, and income before income taxes declined 14,338,000 yen. The change in asset retirement obligations that resulted from the application of these accounting standards was 11,391,000 yen. (Application of the Accounting Standard for Business Combinations and Other Accounting Standards) Accounting Standard for Business Combinations (ASBJ Statement No. 21 on December 26, 2008), Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22 on December 26, 2008), partial amendments to Accounting Standard for Research and Development costs (ASBJ Statement No. 23 on December 26, 2008), Accounting Standard for Business Divestiture (ASBJ Statement No. 7 on December 26, 2008), Accounting Standard for Equity Method of Accounting for Investments (ASBJ Statement No. 16 on December 26, 2008) and Guidance on Accounting Standard for Business Combinations and Accounting Standards for Business Divestiture (ASBJ Guidance No. 10 on December 26, 2008) were applied from the consolidated fiscal year under review.

(8) Change in presentation

FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
(Consolidated Income Statement) 1. Because “Rent income” that was independently presented in the previous consolidated fiscal year has become less significant, it is included in “Other” of “Non-operating income” for the consolidated fiscal year ended March 31, 2010 (34,782,000 yen for the fiscal year ended March 31, 2010). 2. Because “Cancellation income for system services” that was independently presented in the previous consolidated fiscal year has become less significant, it is included in “Other” of “Non-operating income” for the consolidated fiscal year ended March 31, 2010 (44,946,000 yen for the consolidated fiscal year ended March 31, 2010). 3. Because “Cancellation loss for system services” that was independently presented in the previous consolidated fiscal year has become less significant, it is included in “Other” of “Non-operating expenses” for the consolidated fiscal year ended March 31, 2010 (15,362,000 yen for the consolidated fiscal year ended March 31, 2010). (Consolidated Cash Flow Statement) 1. Because “Directors’ bonus payments” that were independently presented in the previous consolidated fiscal year have become less significant, they are included in “Other” of net cash provided by operating activities for the consolidated fiscal year ended March 31, 2010 (-13,913,000 yen for the consolidated fiscal year ended March 31, 2010). 2. Because “Loss (gain) on sales of investment securities” (-51,567,000 yen for the previous consolidated fiscal year) that was included in “Other” of net cash provided by operating activities for the previous consolidated fiscal year has become more significant, it is independently presented in the consolidated fiscal year ended March 31, 2010. 3. Because “Loss (gain) on sales of noncurrent assets” (-9,787,000 yen for the previous consolidated fiscal year) that was included in “Other” of net cash provided by operating activities for the previous consolidated fiscal year has become more significant, it is independently presented in the consolidated fiscal year ended March 31, 2010. 4. Because “Loss (gain) on sales of property, plant and equipment” (68,475,000 yen for the previous consolidated fiscal year) that was included in “Other” of net cash provided by investing activities for the previous consolidated fiscal year has become more significant, it is independently presented in the consolidated fiscal year ended March 31, 2010.	(Consolidated Income Statement) 1. Following the application of the Cabinet Office Ordinance Partially Revising Regulations on Terminology, Forms and Preparation of Financial Statements (Cabinet Office Ordinance No. 5, March 24, 2009) under Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22, December 26, 2008) from the consolidated fiscal year under review, income before minority interests is included in the consolidated statement of income for the consolidated fiscal year under review. 2. Because “Cancellation income for system services” that was included in “Other” of “Non-operating income” for the previous consolidated fiscal year (44,946,000 yen for the previous consolidated fiscal year) has become more significant, it is independently presented for the consolidated fiscal year ended March 31, 2011. 3. Because “Cancellation loss for system services” that was included in “Other” of “Non-operating expenses” for the previous consolidated fiscal year (15,362,000 yen for the previous consolidated fiscal year) has become more significant, it is independently presented for the consolidated fiscal year ended March 31, 2011. (Consolidated Cash Flow Statement) 1. Because “Loss (gain) on sales of noncurrent assets” that was independently presented in the previous consolidated fiscal year has become less significant (-2,000 yen for the consolidated fiscal year under review), it is included in “Other” of net cash provided by operating activities in the consolidated fiscal year under review. 2. Because “Purchases of treasury stock” that was independently presented in the previous consolidated fiscal year has become less significant (-432,000 yen for the consolidated fiscal year under review), it is included in “Other” in net cash used in financing activities for the consolidated fiscal year under review.

(9) Additional information

FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
————————	The Company has adopted the Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, June 30, 2010) from the consolidated fiscal year under review. The figures of "Valuation and translation adjustments" and "Total valuation and translation adjustments" were presented for "Other accumulated comprehensive income" and "Total other accumulated comprehensive income" for the previous consolidated fiscal year.

(10) Notes to Consolidated Financial Statements

(Consolidated Balance Sheet) (Thousand yen)

FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
*1 Shares of non-consolidated subsidiaries and affiliates Investment securities (stocks) 4,795,942	*1 Shares of non-consolidated subsidiaries and affiliates Investment securities (stocks) 5,351,319
*2 Assets submitted as collateral and secured debt are as follows: Assets submitted as collateral Time deposits 69,198 The above time deposits have been submitted as collateral for short-term loans payable of 5,004,000 yen, a current portion of bonds of 38,400,000 yen, bonds payable of 24,000,000 yen, and long-term loans payable of 11,239,000 yen.	*2 Assets submitted as collateral and secured debt are as follows: Assets submitted as collateral Time deposits 36,100 The above time deposits have been submitted as collateral for short-term loans payable of 5,004,000 yen, a current portion of bonds of 24,000,000 yen, and long-term loans payable of 6,235,000 yen.
*3 In accordance with the Law Concerning Revaluation of Land (Law No. 34 enacted on March 31, 1998, and revised on March 31, 2001), the Company revaluated its business-use land on March 31, 2002. In accordance with the Law Partially Revising the Law Concerning Revaluation of Land (Law No. 24 enacted on March 31, 1999), the Company booked the amount equivalent to the tax on the revaluation difference in Net assets as "Land revaluation difference." Method of revaluation: The Company computed by making reasonable adjustments to the obtained with the method decided and announced by the Commissioner of the National Tax Administration Agency for calculation of the land price as the basis of the taxable price for the land tax specified by Article 16 of the Land Tax Law (Law No. 69, 1991) defined by Article 2-4 of the Enforcement Order (Ordinance No. 119 issued on March 31, 1998) of the Law Concerning Revaluation of Land. Date of revaluation: March 31, 2002 Difference between the market price of the land at the end of the fiscal year 2009 when revaluation is made, and the book value after revaluation -365,757	*3 In accordance with the Law Concerning Revaluation of Land (Law No. 34 enacted on March 31, 1998, and revised on March 31, 2001), the Company revaluated its business-use land on March 31, 2002. In accordance with the Law Partially Revising the Law Concerning Revaluation of Land (Law No. 24 enacted on March 31, 1999), the Company booked the amount equivalent to the tax on the revaluation difference in Net assets as "Land revaluation difference." Method of revaluation: The Company computed by making reasonable adjustments to the obtained with the method decided and announced by the Commissioner of the National Tax Administration Agency for calculation of the land price as the basis of the taxable price for the land tax specified by Article 16 of the Land Tax Law (Law No. 69, 1991) defined by Article 2-4 of the Enforcement Order (Ordinance No. 119 issued on March 31, 1998) of the Law Concerning Revaluation of Land. Date of revaluation: March 31, 2002 Difference between the market price of the land at the end of the fiscal year 2010 when revaluation is made, and the book value after revaluation -1,439,260

FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
4 Contingent liabilities We guarantee loans from financial institution for other than consolidated subsidiaries as follows: KOUSOKUYA INC. 3,125 *5 Inventories relating to made-to-order software development that is likely to incur losses and provision for loss on construction contracts are separately presented, without being set off. Of inventories relating to made-to-order software development that is likely to incur losses, the amount corresponding to the provision for loss on construction contracts is a work in process of 119,100,000 yen.	―――――――― *5 Inventories relating to made-to-order software development that is likely to incur losses and provision for loss on construction contracts are separately presented, without being set off. Of inventories relating to made-to-order software development that is likely to incur losses, the amount corresponding to the provision for loss on construction contracts is a work in process of 125,867,000 yen.

(Consolidated Income Statement) (Thousand yen)

<table>
<tr><th>FY2009
(From April 1, 2009 to March 31, 2010)</th><th>FY2010
(From April 1, 2010 to March 31, 2011)</th></tr>
<tr><td>*1 Provision for loss on construction contracts included in cost of sale
122,328</td><td>*1 Provision for loss on construction contracts included in cost of sale
275,273</td></tr>
<tr><td>*2 Total research and development expenses
Research and development expenses that are included in selling, general and administrative expenses and manufacturing costs
1,005,439</td><td>*2 Total research and development expenses
Research and development expenses that are included in selling, general and administrative expenses and manufacturing costs
799,224</td></tr>
<tr><td>*3 ――――――</td><td>*3 Impairment loss of noncurrent assets
The FUJISOFT Group impairment loss of the following assets in the consolidated fiscal year under review.
<table><tr><th>Location</th><th>Intended purpose</th><th>Category</th><th>Impairment loss</th></tr><tr><td>Dojimahama, Kita-ku, Osaka</td><td>System equipment</td><td>Tools, furniture and fixtures</td><td>77,039</td></tr><tr><td>Dojimahama, Kita-ku, Osaka</td><td>Telephone, etc.</td><td>Telephone subscription right</td><td>1,897</td></tr><tr><td>Dojimahama, Kita-ku, Osaka</td><td>Use of facilities</td><td>Right of using facilities</td><td>813</td></tr><tr><td>Chiyoda-ku, Tokyo, etc.</td><td>Idle facilities</td><td>Telephone subscription right</td><td>5,387</td></tr><tr><td>Yokohama City, Kanagawa Prefecture</td><td>Idle facilities</td><td>Telephone subscription right</td><td>1,449</td></tr></table>We group the assets mainly based on the division on management accounting in which revenue and expenditure are grasped.
The Company recorded the recoverable amount before the scheduled service suspension date as the book value for assets whose value significantly falls or whose use changes on the scheduled service suspension date.
Consequently, for the amounts reduced as mentioned above, the Company recorded an impairment loss of 79,750,000 yen in extraordinary loss.
Idle facilities not directly used in the business are accounted individually. The value of idle facilities whose fair value has fallen and that are not expected to be used in the future has been reduced to the recoverable amount. Consequently, the Company recorded an impairment loss of 6,836,000 yen as extraordinary loss.</td></tr>
<tr><td>*4 The gain on sales of noncurrent assets was from sales of the head office building of Tosho Computer Systems Co., Ltd., the Company's consolidated subsidiary.</td><td>―――――――</td></tr>
<tr><td>*5 Compensation income was from CYBERNET SYSTEMS CO., LTD. for compensation for the termination of the sales agency agreement with The Mathworks.</td><td>―――――――</td></tr>
<tr><td>*6 The loss on retirement of noncurrent assets arose from the retirement of old assets of Tosho Computer Systems Co., Ltd., the Company's consolidated subsidiary, following the reconstruction of its system.</td><td>―――――――</td></tr>
<tr><td>*7 Office transfer expenses arose mainly from expenses for work related to the relocation of consolidated subsidiaries.</td><td>―――――――</td></tr>
</table>

(Consolidated statements of comprehensive income)

Consolidated fiscal year under review (from April 1, 2010 to March 31, 2011)

*1 Other comprehensive income for the consolidated fiscal year immediately before the consolidated fiscal year under review

(Thousand yen)

Valuation difference on available-for-sale securities	1,268,708
Deferred gains or losses on hedges	-19,663
Foreign currency translation adjustment	-81,479
Share of other comprehensive income of associates accounted for using equity method	30,331
Total	1,197,897

*2 Comprehensive income for the consolidated fiscal year immediately before the consolidated fiscal year under review

(Thousand yen)

Comprehensive income attributable to owners of the parent	4,808,794
Comprehensive income attributable to minority interests	1,184,568
Total	5,993,362

(Consolidated Statements of Changes in Net Assets)

FY2009 (From April 1, 2009 to March 31, 2010)

1. Outstanding shares

Category	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock (shares)	35,746,329	—	—	35,746,329

2. Treasury stock

Category	As of March 31, 2009	Increase	Decrease	As of March 31, 2010
Common stock (shares)	3,860,219	689	—	3,860,908

Note: Main component of increase or decrease is as follows:
Purchase of odd-lot shares: 689 shares

3. Subscription rights to shares

Company name	Item	Category of shares to be issued upon exercise	Number of shares to be issued upon exercise				Balance at the end of the consolidated fiscal year under review (Thousand yen)
			As of March 31, 2009	Increase	Decrease	As of March 31, 2010	
The Company (parent company)	Subscription rights to shares	—	—	—	—	—	95,886
Total		—	—	—	—	—	95,886

4. Dividends

(1) Dividend payments

Resolution	Category	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Dividend record date	Effective date
Board of directors meeting held on May 13, 2009	Common stock	478,303	15	March 31, 2009	June 23, 2009
Board of directors meeting held on November 5, 2009	Common stock	159,432	5	September 30, 2009	December 10, 2009

(2) Dividends with a record date in the fiscal year 2009 but an effective date in the following fiscal year

Resolution	Category	Funds for dividend	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Dividend record date	Effective date
Board of directors meeting held on May 12, 2010	Common stock	Retained earnings	318,862	10	March 31, 2010	June 29, 2010

FY2010 (From April 1, 2010 to March 31, 2011)

1. Outstanding shares

Category	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock (shares)	35,746,329	—	—	35,746,329

2. Treasury stock

Category	As of March 31, 2010	Increase	Decrease	As of March 31, 2011
Common stock (shares)	3,860,908	310	—	3,861,218

Note: Main component of increase or decrease is as follows:
Increase from the purchase of odd-lot shares: 310 shares

3. Subscription rights to shares

Company name	Item	Category of shares to be issued upon exercise	Number of shares to be issued upon exercise				Balance at the end of the consolidated fiscal year under review (Thousand yen)
			As of March 31, 2010	Increase	Decrease	As of March 31, 2011	
The Company	Subscription rights to shares	—	—	—	—	—	105,000
Consolidated subsidiaries	Subscription rights to shares	—	—	—	—	—	4,728
Total		—	—	—	—	—	109,728

4. Dividends

(1) Dividend payments

Resolution	Category	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Dividend record date	Effective date
Board of directors meeting held on May 12, 2010	Common stock	318,862	10	March 31, 2010	June 29, 2010
Board of directors meeting held on November 5, 2010	Common stock	318,861	10	September 30, 2010	December 10, 2010

(2) Dividends with a record date in the fiscal year 2010 but an effective date in the following fiscal year

Resolution	Category	Funds for dividend	Total amount of dividend (Thousand yen)	Dividend per share (Yen)	Dividend record date	Effective date
Board of directors meeting held on May 11, 2011	Common stock	Retained earnings	318,859	10	March 31, 2011	June 28, 2011

(Consolidated Cash Flow Statement)

<table>
<tr><th>FY2009
(From April 1, 2009 to March 31, 2010)</th><th>FY2010
(From April 1, 2010 to March 31, 2011)</th></tr>
<tr><td>*1 Relation between the ending balance of cash and cash equivalents and the accounts and their amounts on the Consolidated Balance Sheet
(As of March 31, 2010)
(Thousand yen)
Cash and time deposits 16,741,043
Securities 315,471
Time deposits with maturity of more than 3 months -94,198
Securities other than MMF -275,049
Cash and cash equivalents 16,687,266

*2 Details of main assets and liabilities of companies that have become consolidated subsidiaries as a result of the acquisition of equity stakes
The details of assets and liabilities at the time companies were included in consolidated companies as a result of the acquisition of equity stakes and the details of the acquisition price of the shares and the acquisition expenses are as follows:
Sigmetrix, L.L.C.
(Thousand yen)
Current assets 102,006
Noncurrent assets 297
Goodwill 345,400
Current liabilities -115,470
Acquisition price of the stake in SIGMETRIX, LLC 332,233
Cash and cash equivalents of SIGMETRIX, LLC -72,049
Difference: Expenditures for the acquisition of SIGMETRIX, LLC 260,184

WATERLOO MAPLE INC.
(Thousand yen)
Current assets 483,934
Noncurrent assets 163,160
Goodwill 3,142,517
Current liabilitie 571,169
Noncurrent liabilities -49,930
Acquisition price of the stake in WATERLOO MAPLE INC. 3,168,512
Cash and cash equivalents of WATERLOO MAPLE INC. -64,474
Difference: Expenditures for the acquisition of WATERLOO MAPLE INC. 3,104,037

FSI Inc
(Thousand yen)
Current assets 212,980
Noncurrent assets 182,134
Deferred assets 2,680
Goodwill 370,547
Current liabilities -145,142
Noncurrent liabilities -603,775
Acquisition price of the stake in FSI Inc 19,425
Cash and cash equivalents of FSI Inc. -100,419
Difference: Expenditures for the acquisition of FSI Inc. 80,994</td><td>*1 Relation between the ending balance of cash and cash equivalents and the accounts and their amounts on the Consolidated Balance Sheet
(As of March 31, 2011)
(Thousand yen)
Cash and time deposits 22,045,272
Securities 163,762
Time deposits with maturity of more than 3 months -41,100
Securities other than MMF -123,308
Cash and cash equivalents 22,044,626

——————</td></tr>
</table>

(Segment Information)

1. Segment information by business type

FY2009 (From April 1, 2009 to March 31, 2010) (Thousand yen)

	Software development related business	Outsourcing business	Other businesses	Total	Eliminations or corporate	Consolidation
I Net sales and operating income/loss						
Net sales						
(1) Sales to outside customers	111,704,540	25,731,847	4,246,510	141,682,899	—	141,682,899
(2) Inter-segment sales or transfers	5,508	343,873	1,108,951	1,458,333	(1,458,333)	—
Total	111,710,049	26,075,721	5,355,462	143,141,233	(1,458,333)	141,682,899
Operating expenses	110,346,573	25,663,634	3,837,697	139,847,905	(1,458,323)	138,389,581
Operating income	1,363,476	412,087	1,517,764	3,293,327	(10)	3,293,317
II Assets, depreciation, impairment loss and capital expenditure						
Assets	97,852,058	22,106,094	26,246,127	146,204,280	22,646,546	168,850,827
Depreciation	4,623,648	1,079,232	1,634,744	7,337,624	—	7,337,624
Capital expenditure	4,264,185	2,845,004	106,382	7,215,573	—	7,215,573

Notes:
1. Business is classified based on the classification adopted for internal management.
2. Description of each business
   (1) Software development related business
   Contract software development of telecommunication control systems, machine control systems, operating systems and operation applications used in different industries, quality evaluation and control support, consulting, product development and sales, and design, manufacture, sales and other activities of personal computer related devices
   (2) Outsourcing business
   System maintenance and operations, data entry and helpdesk services, etc.
   (3) Other businesses
   Temporary staff dispatch business, etc.
3. Change in accounting policies
   (1) From the consolidated fiscal year under review, the Company has adopted the Accounting Standard for Construction Contracts (Accounting Standards Board of Japan Statement No. 15; December 27, 2007) and the Guidance on the Accounting Standard for Construction Contracts (ASBJ Guidance No. 18; December 27, 2007).
   As a result, net sales of the software development related business rose 1,674,846,000 yen, and its operating income increased 387,767,000 yen.
   (2) From the consolidated fiscal year under review, the real-estate rental business has been included in "Other businesses." As a result, compared with the figures calculated by the previous accounting method (figures before the deduction of internal sales and the transfer within business segments), net sales of other businesses rose 2,902,808,000 yen and operating income increased 1,386,611,000 yen.
4. Operating expenses do not include any non-apportionable operating expenses included in "Eliminations or corporate."
5. Among assets, major group assets included in "Eliminations or corporate" are parent company's funds for idle money under management (cash and securities), funds for long-term investments (investment securities) and assets related to administrative departments.
   FY2008: 27,329,271,000 yen
   FY2009: 22,646,546,000 yen
6. Depreciation and capital expenditures included long-term prepaid expenses and intangible assets, and their amortization/depreciation expenses.

2. Geographical segment information

FY2009 (From April 1, 2009 to March 31, 2010)

Since sales in Japan accounted for more than 90% of total sales in all segments, a description of geographical segment information is omitted.

3. Overseas sales

FY2009 (From April 1, 2009 to March 31, 2010)

As overseas net sales account for less than 10% of consolidated net sales, the posting of information about overseas net sales is omitted.

[Segment information]

1. Overview of reported segments

The reported segments of the Group are its constituents for which separate financial information is available and which the Board of Directors regularly examines to determine the distribution of management resources and evaluate performance.

The Group consists of two service units, or reported segments: the SI (system integration) business and the facility business.

- SI (system integration) business

Overall system integration including contract software development of telecommunication control systems, machine control systems, and operating systems, contract software development of business applications used in different industries, quality evaluation and control support, consulting, development and sale of products, design, production, and sale of personal computer-related devices, and systems maintenance and operations services

- Facility business

The leasing of office buildings that the Company and certain consolidated subsidiaries own

2. Calculating of net sales, income, loss, assets, liabilities and other items by reported segment

The accounting method of the reported business segments is generally the same as the details stated in the "Important basic matters for the preparation of consolidated financial statements."

Reported segments' income is based on operating income. Internal income and the transfer amount among the segments are based on the actual market prices.

3. Information on net sales, income, loss, assets, liabilities and other items by reported segment

FY2009 (From April 1, 2009 to March 31, 2010) (Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amounts recorded in the consolidated financial statements (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	131,028,282	2,141,814	133,170,096	8,512,802	141,682,899	—	141,682,899
Inter-segment sales or transfers	71,469	1,100,587	1,172,057	1,418,607	2,590,664	-2,590,664	—
Total	131,099,751	3,242,402	134,342,154	9,931,409	144,273,563	-2,590,664	141,682,899
Segment profit	2,256,691	968,651	3,225,342	96,070	3,321,413	-28,096	3,293,317
Segment assets	164,227,596	744,435	164,972,032	3,878,794	168,850,827	—	168,850,827
Other items							
Depreciation and amortization	6,966,619	227,170	7,193,789	143,835	7,337,624	—	7,337,624
Amortization of goodwill	1,157,232	—	1,157,232	—	1,157,232	—	1,157,232
Increase in property, plant and equipment and intangible assets	6,840,352	4,320	6,844,673	370,900	7,215,573	—	7,215,573

Notes: 1. "Others" is a business segment that is not included in the reported segments and includes the data entry business, contact center business and temporary staff dispatch business etc.
2. An adjustment of segment profit of minus 28,096,000 yen includes an elimination of inter-segment transactions of minus 28,096,000 yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

FY2010 (From April 1, 2010 to March 31, 2011) (Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amounts recorded in the consolidated financial statements (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	124,643,835	2,106,545	126,750,381	7,995,350	134,745,731	—	134,745,731
Inter-segment sales or transfers	49,240	851,955	901,196	1,079,056	1,980,253	-1,980,253	—
Total	124,693,076	2,958,501	127,651,577	9,074,407	136,725,985	-1,980,253	134,745,731
Segment profit (loss)	3,171,618	652,156	3,823,775	-31,047	3,792,728	435	3,793,163
Segment assets	165,247,096	788,185	166,035,281	3,380,983	169,416,264	—	169,416,264
Other items							
Depreciation and amortization	7,099,316	109,824	7,209,141	153,063	7,362,204	—	7,362,204
Amortization of goodwill	1,185,811	—	1,185,811	—	1,185,811	—	1,185,811
Increase in property, plant and equipment and intangible assets	6,116,077	6,015	6,122,092	51,466	6,173,558	—	6,173,558

Notes: 1. "Others" is a business segment that is not included in the reported segments and includes the data entry business, contact center business and temporary staff dispatch business etc.
2. An adjustment of segment profit of 435,000 yen includes an elimination of inter-segment transactions of 435,000 yen.
3. The segment profit has been adjusted to the operating income stated in the consolidated income statement.

(Additional information)

Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Statement No. 17 on March 27, 2009) and the Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information (ASBJ Guidance No. 20 on March 21, 2008) were applied from the consolidated fiscal year under review.

[Related information]

FY2010 (From April 1, 2010 to March 31, 2011)

1. Information about each product and service

The details have been omitted, because the FUJISOFT Group provides reports based on the management approach by product and service.

2. Information about each region

(1) Net sales

The details of net sales were omitted, because net sales that were classified as those for external customers in Japan exceeded 90% of net sales stated in the consolidated statements of income.

(2) Property, plant and equipment

The details of property, plant and equipment were omitted, because property, plant and equipment in Japan exceeded 90% of those stated in the consolidated balance sheets.

3. Information about each major customer

The details of major customers were omitted, because there were no customers who account for 10% of net sales for external customers stated in the consolidated statements of income.

[Information on the impairment loss of noncurrent assets by reported segment]

FY2010 (From April 1, 2010 to March 31, 2011) (Thousand yen)

	Reported segments			Others	Total	Adjustment	Amounts recorded in the consolidated financial statements
	SI business	Facility business	Total				
Impairment loss	86,586	—	86,586	—	86,586	—	86,586

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

FY2010 (From April 1, 2010 to March 31, 2011) (Thousand yen)

	Reported segments			Others	Total	Adjustment	Amounts recorded in the consolidated financial statements
	SI business	Facility business	Total				
Amortization during the fiscal year under review	1,185,811	—	1,185,811	—	1,185,811	—	1,185,811
Outstanding balance as at the end of the fiscal year under review	4,206,566	—	4,206,566	—	4,206,566	—	4,206,566

[Information on gain on negative goodwill by reported segment]

FY2010 (From April 1, 2010 to March 31, 2011)

Because CYBERNET SYSTEMS CO., LTD., the Company's consolidated subsidiary, acquired the treasury stock, the percentage of voting rights the Company holds against CYBERNET SYSTEMS CO., LTD. increased. As a result, the Company recorded a gain on negative goodwill of 18,587,000 yen for the consolidated fiscal year under review.

(Rental properties)

The Company and certain of its consolidated subsidiaries own rental office buildings in Tokyo and other areas. Because these rental office buildings are used by the Company and its consolidated subsidiaries, they are classified as real estate that includes properties used as rental properties.

The amount of real estate that includes properties used as rental properties presented in the consolidated balance sheets, changes during the fiscal year under review, and its fair value are as follows:

FY2009 (From April 1, 2009 to March 31, 2010) (Thousand yen)

	Amount presented in the consolidated balance sheets			Fair value as of March 31, 2010
	As of March 31, 2009	Changes during FY2009	As of March 31, 2010	
Real estate that includes properties that are used as rental properties	47,287,530	-1,334,496	45,953,033	53,554,097

Notes: 1. The amount presented in the consolidated balance sheets is the amount calculated by deducting accumulated depreciation and the accumulated impairment loss from the acquisition costs.

2. Changes in rental properties during FY2009 were mainly attributable to a decline in depreciation.

3. The fair value as of March 31, 2010 was determined mainly based on the amount that reflects the value appraised by real-estate appraisers, and other amounts based on indicators that are considered to appropriately reflect the market value.

Earnings from real estate that includes properties that are used as rental properties for the fiscal year ended March 31, 2010 were as follows:

(Thousand yen)

	Rent income	Rent expenses	Difference	Others (Loss (gain) from sales)
Real estate that includes properties that are used as rental properties	1,677,251	833,374	843,876	—

Note: Because real estate that includes properties used as rental properties also includes the supply of services and properties used by certain consolidated subsidiaries, it is not included in the above rent income. Expenses associated with the above real estate (such as depreciation, repair expenses, and taxes and dues) are included in the rent expenses.

FY2010 (From April 1, 2010 to March 31, 2011) (Thousand yen)

	Amount presented in the consolidated balance sheets			Fair value as of March 31, 2011
	As of March 31, 2010	Changes during FY2009	As of March 31, 2011	
Real estate that includes properties that are used as rental properties	45,953,033	-1,249,955	44,703,078	50,790,625

(Notes) 1. The amount presented in the consolidated balance sheets is the amount calculated by deducting accumulated depreciation and the accumulated impairment loss from the acquisition costs.

2. Changes in rental properties during FY2010 were mainly attributable to a decline in depreciation.

3. The fair value as of March 31, 2011 was determined mainly based on the amount that reflects the value appraised by real-estate appraisers, and other amounts based on indicators that are considered to appropriately reflect the market value.

Earnings from real estate that includes properties that are used as rental properties for the fiscal year ended March 31, 2011 were as follows: (Thousand yen)

	Rent income	Rent expenses	Difference	Others (Loss (gain) from sales)
Real estate that includes properties that are used as rental properties	1,602,873	771,268	831,605	—

(Note) Because real estate that includes properties used as rental properties also includes the supply of services and properties used by certain consolidated subsidiaries, it is not included in the above rent income. Expenses associated with the above real estate (such as depreciation, repair expenses, and taxes and dues) are included in the rent expenses.

(Per-Share Information) (Yen)

FY2009 (From April 1, 2009 to March 31, 2010)		FY2010 (From April 1, 2010 to March 31, 2011)	
Net assets per share	2,267.85	Net assets per share	2,313.11
Net income per share	116.37	Net income per share	78.77
Fully diluted net income per share has not been presented because there are no residual securities with diluting effects.		Fully diluted net income per share has not been presented because there are no residual securities with diluting effects.	

Note: Basis for calculation

1. Net asset per share

	FY2009 (As of March 31, 2010)	FY2010 (As of March 31, 2011)
Total net assets on the consolidated balance sheets (thousand yen)	83,297,655	84,278,797
Net assets on common shares (thousand yen)	72,311,379	73,753,755
Breakdown of differences		
Stock acquisition rights (thousand yen)	95,886	109,728
Minority interests (thousand yen)	10,890,390	10,415,312
Number of shares outstanding (thousand shares)	35,746	35,746
Number of treasury stock (thousand shares)	3,860	3,861
Number of common shares used in calculation of net assets per share (thousand shares)	31,885	31,885

2. Net income per share and diluted net income per share

	FY2009 (From April 1, 2009 to March 31, 2010)	FY2010 (From April 1, 2010 to March 31, 2011)
Net income on the income statement (thousand yen)	3,710,405	2,511,689
Net income on common shares (thousand yen)	3,710,405	2,511,689
Amounts which do not belong to ordinary shareholders (thousand yen)	—	—
Average number of common shares during the fiscal year (thousand shares)	31,885	31,885
Outlines of potential shares not included in the computation of fully diluted net income per share because of the absence of diluting effect	(The Company) Type of stock Stock subscription rights under Article 280-19 of the former Commercial Law Number of potential shares: 690,300 shares Issue price: 6,680 yen Stock option resolved at the annual general meeting of shareholders on June 23, 2008 Number of shares associated with stock acquisition rights: 300,000 shares Issue price: 1,993 yen (Consolidated subsidiaries) Mercury Staffing Co., Ltd. Number of potential shares: 1,907 shares Issue price: 8,700 yen	(The Company) ———— Stock option resolved at the annual general meeting of shareholders on June 23, 2008 Number of shares associated with stock acquisition rights: 300,000 shares Issue price: 1,993 yen (Consolidated subsidiaries) Vinculum Japan Corporation Number of potential shares: 1,470 shares Issue price: 62,933 yen

(Post-Balance Sheet Events)
Not applicable.

(Omission of disclosure)
The disclosure of notes to lease transactions, information on related parties, financial instruments, securities, derivatives, retirement benefit, stock options, tax effect accounting, merger, and asset retirement obligations have been omitted, because the disclosure of such matters in the summary of financial results is not considered necessary.

5. Other

(Production, Orders, and Sales Situations)

(1) Production performance

The table below shows production performance by business segment in the fiscal year under review.

Segment by business type	Amount (thousand yen)
SI business	94,375,745
Facility business	1,021,335
Other	7,898,903
Total	103,295,983

Notes: 1. Inter-segment transactions were canceled out.
2. The amount is calculated based on the manufacturing cost.
3. Amounts are not inclusive of the consumption tax.

(2) Orders

The table below shows orders received by business segment in the fiscal year under review.

Segment by business type	Amount of orders (thousand yen)	Outstanding balance of orders (thousand yen)
SI business	120,617,810	32,385,799
Facility business	2,157,533	54,513
Other	7,943,106	931,680
Total	130,718,450	33,371,993

Notes: 1. Inter-segment transactions were canceled out.
2. Amounts are not inclusive of the consumption tax.

(3) Sales performance

The table below shows sales performance by business segment in the fiscal year under review.

Segment by business type	Amount (thousand yen)
SI business	124,643,835
Facility business	2,106,545
Other	7,995,350
Total	134,745,731

Notes: 1. Inter-segment transactions were canceled out.
2. Amounts are not inclusive of the consumption tax.
3. Sales by major customer and the ratio of sales by major customer to total sales in the fiscal year under review were omitted, since the ratio was less than 10%.