

Summary of Consolidated Financial Results for the First Half of Fiscal Year ending December 31, 2014 (Japanese Accounting Standards)



August 7, 2014

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Listing Exchanges: Tokyo Stock Exchange

Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): August 8, 2014
 Scheduled date of dividend payment: September 10, 2014
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: Yes

(Figures less than one million yen are omitted)

1. Consolidated Business Results for the Six Months Ended June 30, 2014 (January 1, 2014 – June 30, 2014)

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

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended 6/14	75,207	–	3,936	–	4,161	–	2,208	–
Six months ended 6/13	69,863	-0.6	4,135	3.2	4,733	26.5	2,439	66.2

(Note) Comprehensive income (million yen) Six months ended 6/14: 2,408 (–%)
 Six months ended 6/13: 3,724 (201.3%)

	Net income per share	Net income per share/diluted
	Yen	Yen
Six months ended 6/14	70.93	70.84
Six months ended 6/13	78.41	78.24

The Company has revised the settlement date from March 31 to December 31 from fiscal year 2013. Accordingly, year-on-year percentage changes are omitted, as the period of the previous first half (from April 1, 2013 to September 30, 2013) which would be compared is different from the first half under review (January 1, 2014 to June 30, 2014). (In the previous first half, the consolidated period of the Company and subsidiaries whose financial period ended on March 31 was the period from April 1, 2013 to September 30, 2013, and the consolidated period of subsidiaries whose financial period ended on December 31 was the period from January 1, 2013 to June 30, 2013.)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Six months ended 6/14	155,194	97,042	55.7
Year ended 12/13	154,522	95,072	54.9

Reference: Shareholders' equity (million yen) Six months ended 6/14: 86,510 Year ended 12/13: 84,806

2. Dividends

	Dividend per share				
	End of first quarter	End of interim period	End of third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 12/13	–	14.00	–	7.00	21.00
Year ending 12/14	–	14.00	–	–	–
Year ending 12/14 (forecast)	–	–	–	14.00	28.00

(Note) Revisions to dividend forecasts published most recently: No

3. Forecast for Consolidated Business Results for the Fiscal Year Ending December 31, 2014

(January 1, 2014 – December 31, 2014) (Percentages represent year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	149,200	–	8,300	–	8,500	–	4,800	–	154.15

(Note) Revisions to forecast for consolidated business results published most recently: Yes

The Company has changed its settlement date, and the previous fiscal year is nine months from April 1, 2013 to December 31, 2013. The table above thus does not include year-on-year percentage changes.

* Notes

(1) Important changes in subsidiaries during the six-month period under review (changes in specified subsidiaries resulting in change in scope of consolidation): Not applicable

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting principles and changes or restatement of accounting estimates

- (i) Changes in accounting principles due to amendment of accounting standards, etc.: Not applicable
- (ii) Changes in accounting principles other than (i): Not applicable
- (iii) Changes in accounting estimates: Not applicable
- (iv) Restatement: Not applicable

(4) Number of outstanding shares (common shares)

1) Number of shares outstanding at the end of period (including treasury shares):

6/14:	33,700,000 shares	Year ended 12/13:	33,700,000 shares
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2) Number of treasury shares at the end of period

6/14:	2,561,380 shares	Year ended 12/13:	2,560,948 shares
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3) Average number of shares during the period (quarterly consolidated cumulative period)

6/14:	31,138,817 shares	6/13:	31,115,075 shares
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* Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have not been reviewed at the time of the announcement of this financial summary.

* Cautionary statement with respect to forward-looking statements

The above forecast has been prepared based on data available on the announcement date. Since the data contains uncertainties, actual results may differ materially from the projections above due to changes in business performance and other factors.

For assumptions concerning financial forecasts, please refer to 1. Qualitative Information on Consolidated Results for the First Half Ended June 30, 2014, (3) Information on the future outlook, including forecast for consolidated business results on page 4 of the accompanying materials.

Accompanying Materials – Contents

1. Qualitative Information on Consolidated Results for the First Half Ended June 30, 2014.....	2
(1) Details of consolidated results.....	2
(2) Details of financial position.....	3
(3) Information on the future outlook, including forecast for consolidated business results.....	4
2. Matters Relating to Summary Information (Notes).....	4
(1) Important changes in subsidiaries during the six-month period under review.....	4
(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements....	4
(3) Changes in accounting principles and changes or restatement of accounting estimates.....	4
3. Consolidated Financial Statements	5
(1) Consolidated balance sheet.....	5
(2) Consolidated statements of income and consolidated statements of comprehensive income	7
(3) Consolidated cash flow statement	9
(4) Notes to consolidated financial statements.....	11
Note on going concern assumptions.....	11
Note when there is a considerable change in the amount of shareholders' equity	11
Segment information.....	11

1. Qualitative Information on Consolidated Results for the First Half Ended June 30, 2014

(1) Details of consolidated results

	Net sales (billion yen)	Operating income (billion yen)	Ordinary income (billion yen)	Net income (billion yen)	Net income per share (yen)
Six months ended June 2014	75.2	3.9	4.1	2.2	70.93
Same period of previous fiscal year (Note 1)	70.3	3.3	4.6	3.1	102.37
Year-on-year percentage change	6.9%	16.7%	-9.6%	-30.8%	-30.7%
(Reference) First six months of the year ended December 2013 (Note 2)	69.8	4.1	4.7	2.4	78.41

Notes:

1. Same period of previous fiscal year is the same period of the previous fiscal year (from January 1, 2013 to June 30, 2013) corresponding to the first six months under review (from January 1, 2014 to June 30, 2014).
2. In the first half of the fiscal year ended December 31, 2013, the consolidated period of the Company and subsidiaries whose financial period ended on March 31 was the period from April 1, 2013 to September 30, 2013, and the consolidated period of subsidiaries whose financial period ended on December 31 was the period from January 1, 2013 to June 30, 2013.)

The operating results described below are compared with amounts for the same period of the previous fiscal year.

During the first half of the consolidated fiscal year under review (from January 1, 2014 to June 30, 2014), the Japanese economy remained on a recovery path, as the effect of the consumption tax hike remained limited and with corporate earnings, capital spending, and the employment situation all improving on the strength of the government's policy measures. In the information service industry, with a recovery in corporate earnings, investment in the renewal of existing systems and in advanced ICT technologies expanded.

In this business environment, the FUJISOFT Group continued to promote its medium-term policy, "Creating a high value-added structure," aiming to become an innovative corporate group that links ICT development to greater value for customers. As a result, the Group achieved growth that was faster than that of the domestic software market.

In System Construction, the Group expanded sales mainly in the field of machine control, where software control for automobiles and machine tools is becoming more important, in the field of social infrastructure, where steps need to be taken in response to the emergence of high-speed networks against a backdrop of increasing penetration rates of smart devices, and in the Internet business, where the use of advanced ICT technologies is being promoted. Sales in this segment rose due to a rise in sales in these fields, which more than offset declining sales over time in mobile phone development. The Group has been cautious on hiring, but to expand operations further, the Group is stepping up its recruitment.

In Products and Services, the Group promoted Mirai School Station, a comprehensive educational solution to achieve smart learning using moreNOTE, the Company's strategic Smart Document Service, and ICT. In addition, the Group aggressively promoted, using the media, the communication robot PALRO, which is being introduced in the nursing care industry. Meanwhile, the licensing business grew significantly from the previous fiscal year through enhanced cooperation with vendors.

In overseas operations, the Group's consolidated subsidiary VINX CORP. established a subsidiary in Vietnam in January 2014, which is functioning as a support base and development base for large general retailers in the ASEAN region.

As a result of these initiatives, in the consolidated first half under review, net sales stood at 75,207 million yen (up 6.9% year on year). Selling, general and administrative expenses rose 1.8% year on year to 13,289 million yen, and operating income was 3,936 million yen (up 16.7% year on year). Given a decline in the share of profit of a securities-related affiliate accounted for using equity method, ordinary income stood at 4,161 million yen (down 9.6% year on year), and net income amounted to 2,208 million yen (down 30.8%).

Results by business segment were as follows:

(i) SI (system integration) business

In the SI Business, sales of embedded/control software continued the previous year's downward trend, chiefly reflecting a decline in sales of mobile software due to the effect of a contraction in the mobile phone business of major customers, which outweighed strong orders mainly for auto-related and networking equipment-related projects. Sales of operation software increased on the back of growth in the Internet business and a year-on-year increase in almost all fields. In Products and Service, sales increased mainly due to a strong performance in the licensing business of FUJISOFT INCORPORATED. In the outsourcing business, sales fell, mainly reflecting the effects of the management integration of a major customer.

As a result, net sales stood at 70,166 million yen, up 6.5% year on year. Operating income was 3,647 million yen, climbing 23.6%.

* The following table shows a breakdown of net sales in the SI business.

(Thousand yen)		
	Net sales	YoY change (%)
SI business total	70,166,799	106.5
System construction	39,123,823	101.1
Embedded/control software	18,532,814	94.2
Operation software	20,591,009	108.3
Products and services	31,042,975	114.3
Products and services	21,593,128	124.6
Outsourcing	9,449,846	96.0

(ii) Facility business

Sales were 1,005 million yen, down 3.5% year on year, reflecting decline in rent income from office buildings owned by the Company and certain consolidated subsidiaries as a result of vacation by tenants. Operating income declined 51.0% year on year, to 155 million yen.

(iii) Other businesses

Sales were 4,034 million yen, up 17.5% year on year, reflecting revenues in the data entry business and contact center business. Other businesses produced operating income of 135 million yen, up 30.8% year on year.

(2) Details of financial position

(Total assets)

Total assets stood at 155,194 million yen at the end of the consolidated first half under review, up 671 million yen from the end of the preceding consolidated fiscal year. Current assets were 53,577 million yen (up 1,670 million yen from the end of the previous fiscal year), and non-current assets were 101,616 million yen (down 998 million yen).

Important factors in the change in current assets included an increase in short-term investment securities of 714 million yen from the end of the preceding consolidated fiscal year, to 3,017 million yen.

The main factors for the change in non-current assets included a decrease in buildings and structures of 642 million yen, to 34,678 million yen, due mainly to depreciation, and a 364 million yen decline in goodwill to 3,600 million yen.

(Liabilities)

At the end of the first half under review, total liabilities amounted to 58,151 million yen, down 1,299 million yen from the end of the previous fiscal year. Current liabilities were 43,408 million yen (rising 3,552 million yen from the end of the previous fiscal year), and non-current liabilities were 14,743 million yen (dropping 4,852 million yen).

Primary factors in the change of current liabilities included a 1,339 million yen increase in accounts payable-trade from the end of the previous fiscal year, to 8,773 million yen, a 1,192 million yen rise in income taxes payable, to 1,467 million yen, and a 928 million yen climb in provision for bonuses, to 3,325 million yen.

The main factor in the change in non-current liabilities was a 4,843 million yen fall in long-term loans payable, to 4,582 million yen.

(Net assets)

Net assets rose 1,970 million yen from the end of the preceding fiscal year, to 97,042 million yen at the end of the consolidated first half under review. The equity ratio rose to 55.7%, up from 54.9% at the end of the previous fiscal year.

(Cash flows)

Consolidated cash and cash equivalents (“cash”) at the end of the first half under review were 14,971 million yen, an increase of 629 million yen from the end of the previous fiscal year.

Cash flows by activity were as follows:

(i) Cash flows from operating activities

Net cash provided by operating activities stood at 9,115 million yen.

The principal factors included income before income taxes of 4,088 million yen, depreciation of 2,541 million yen, an increase in notes and accounts payable-trade of 1,342 million yen, and an increase in accounts payable-labor cost of 1,138 million yen.

(ii) Cash flows from investing activities

Net cash used in investing activities came to 2,988 million yen.

The principal factors were payments of 1,322 million yen for purchase of property, plant and equipment, and intangible assets, and the purchase of investment securities of 1,401 million yen.

(iii) Cash flows from financing activities

Net cash used in financing activities was 5,492 million yen.

The principal factors included a net increase in commercial papers of 4,000 million yen, a decrease in short-term loans payable of 4,888 million yen, and repayments of long-term loans payable of 4,219 million yen.

(3) Information on the future outlook, including forecast for consolidated business results

Considering the results in the first half under review and expecting that the licensing business will continue to perform well in the second half, the Company has changed its full-year results forecasts for the fiscal year ending December 31, 2014 included in the financial results for the fiscal year ended December 31, 2013 announced on February 13, 2014 and forecasts net sales of 149.2 billion yen (up 3.6% from the previous forecast), operating income of 8.3 billion yen (an increase of 6.4%), ordinary income of 8.5 billion yen (a rise of 10.4%), and net income of 4.8 billion yen (a climb of 11.6%).

* The above forecasts have been prepared based on data available on the announcement date. Actual results may differ from the projections due to various factors.

2. Matters Relating to Summary Information (Notes)

(1) Important changes in subsidiaries during the six-month period under review

Not applicable.

(2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements

(Calculation of tax expense)

Certain consolidated subsidiaries make a reasonable estimate of the effective tax rate after the application of tax effect accounting to income before income taxes for the current fiscal year and multiply quarterly income before income taxes by the estimated effective tax rate.

(3) Changes in accounting principles and changes or restatement of accounting estimates

Not applicable.

3. Consolidated Financial Statements

(1) Consolidated balance sheet

	(Thousand yen)	
	FY2013 (As of December 31, 2013)	H1 FY2014 (As of June 30, 2014)
Assets		
Current assets		
Cash and deposits	14,345,725	15,071,572
Notes and accounts receivable - trade	28,260,519	27,282,664
Short-term investment securities	2,302,205	3,017,146
Merchandise	270,467	521,018
Work in process	1,810,083	1,757,303
Raw materials and supplies	38,686	30,765
Other	4,916,143	5,918,209
Allowance for doubtful accounts	-36,394	-20,821
Total current assets	51,907,437	53,577,858
Non-current assets		
Property, plant and equipment		
Buildings and structures	56,784,117	56,881,428
Accumulated depreciation	-21,462,708	-22,202,819
Buildings and structures, net	35,321,408	34,678,608
Land	30,415,744	30,415,744
Construction in progress	79,087	133,262
Other	15,321,201	15,323,931
Accumulated depreciation	-11,643,816	-11,985,338
Other, net	3,677,385	3,338,592
Total property, plant and equipment	69,493,626	68,566,208
Intangible assets		
Goodwill	3,965,908	3,600,919
Software	3,942,693	3,599,919
Other	192,390	190,215
Total intangible assets	8,100,993	7,391,055
Investments and other assets		
Investment securities	18,241,090	18,527,068
Net defined benefit asset	4,243,759	4,449,116
Other	2,573,484	2,689,063
Allowance for doubtful accounts	-37,658	-6,075
Total investments and other assets	25,020,675	25,659,172
Total non-current assets	102,615,295	101,616,436
Total assets	154,522,732	155,194,294

	(Thousand yen)	
	FY2013 (As of December 31, 2013)	H1 FY2014 (As of June 30, 2014)
Liabilities		
Current liabilities		
Accounts payable-trade	7,433,520	8,773,079
Short-term loans payable	5,862,270	1,053,800
Commercial papers	4,000,000	8,000,000
Current portion of long-term loans payable	9,645,058	10,310,969
Accrued expenses	3,349,520	3,427,383
Income taxes payable	275,376	1,467,683
Provision for bonuses	2,397,009	3,325,084
Provision for directors' bonuses	121,186	76,715
Provision for loss on construction contracts	79,963	95,263
Other	6,691,568	6,878,208
Total current liabilities	39,855,474	43,408,187
Non-current liabilities		
Long-term loans payable	9,426,177	4,582,621
Provision for directors' retirement benefits	293,938	302,387
Net defined benefit liability	5,032,272	5,072,466
Other	4,842,870	4,785,725
Total non-current liabilities	19,595,258	14,743,200
Total liabilities	59,450,732	58,151,388
Net assets		
Shareholders' equity		
Capital stock	26,200,289	26,200,289
Capital surplus	28,505,941	28,505,941
Retained earnings	39,546,398	41,419,337
Treasury shares	-5,176,648	-5,177,538
Total shareholders' equity	89,075,980	90,948,029
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,902,435	3,694,334
Deferred gains or losses on hedges	9,021	1,248
Revaluation reserve for land	-9,051,088	-9,051,088
Foreign currency translation adjustment	351,393	311,527
Remeasurements of defined benefit plans	518,317	606,139
Total accumulated other comprehensive income	-4,269,919	-4,437,837
Subscription rights to shares	21,082	30,116
Minority interests	10,244,856	10,502,598
Total net assets	95,072,000	97,042,906
Total liabilities and net assets	154,522,732	155,194,294

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

Consolidated statements of income

Consolidated first half results

(Thousand yen)

	H1 FY2013 (From April 1, 2013 to September 30, 2013)	H1 FY2014 (From January 1, 2014 to June 30, 2014)
Net sales	69,863,465	75,207,331
Cost of sales	53,168,752	57,982,062
Gross profit	16,694,712	17,225,268
Selling, general and administrative expenses	12,559,158	13,289,003
Operating income	4,135,553	3,936,264
Non-operating income		
Interest income	14,604	17,775
Dividends income	57,668	77,986
Share of profit of entities accounted for using equity method	582,233	165,563
Foreign exchange gains	—	23,527
Subsidy income	55,324	32,817
Grants	15,022	19,115
Cancellation income for system services	127,648	20,925
Other	137,058	35,767
Total non-operating income	989,560	393,480
Non-operating expenses		
Interest expenses	151,438	84,971
Foreign exchange losses	24,362	—
Loss on compensation	—	52,030
Cancellation loss for system services	137,960	—
Other	77,653	30,832
Total non-operating expenses	391,414	167,834
Ordinary income	4,733,699	4,161,911
Extraordinary income		
Gain on sales of investment securities	23,559	31,075
Gain on change in equity	455,926	—
Gain on reversal of loss on the closure of offices	5,041	—
Total extraordinary income	484,527	31,075
Extraordinary losses		
Loss on retirement of non-current assets	—	39,255
Impairment loss on non-current assets	387,831	—
Office transfer expenses	4,098	10,473
Compensation payment	40,565	—
System migration-related expenses	58,100	—
Loss on agency contract cancellation	—	54,620
Total extraordinary losses	490,594	104,349
Income before income taxes	4,727,632	4,088,637
Income taxes-current	758,728	1,919,406
Income taxes-deferred	1,570,107	-453,695
Total income taxes	2,328,835	1,465,710
Income before minority interests	2,398,796	2,622,927
Minority interests in income (loss)	-40,937	414,281
Net income	2,439,734	2,208,645

Consolidated statements of comprehensive income
Consolidated first half results

	(Thousand yen)	
	H1 FY2013 (From April 1, 2013 to September 30, 2013)	H1 FY2014 (From January 1, 2014 to June 30, 2014)
Income before minority interests	2,398,796	2,622,927
Other comprehensive income		
Valuation difference on available-for-sale securities	983,910	-25,454
Deferred gains or losses on hedges	-23,344	-14,410
Foreign currency translation adjustment	373,750	-93,621
Remeasurements of defined benefit plans, net of tax	-	26,034
Share of other comprehensive income of entities accounted for using equity method	-8,234	-106,500
Total other comprehensive income	1,326,082	-213,952
Comprehensive income	3,724,879	2,408,974
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,610,945	2,050,004
Comprehensive income attributable to minority interests	113,934	358,969

(3) Consolidated cash flow statement

(Thousand yen)

	H1 FY2013 (From April 1, 2013 to September 30, 2013)	H1 FY2014 (From January 1, 2014 to June 30, 2014)
Net cash provided by (used in) operating activities		
Income before income taxes	4,727,632	4,088,637
Depreciation	3,195,464	2,541,429
Loss on retirement of non-current assets	—	39,255
Impairment loss on noncurrent assets	387,831	—
Office transfer expenses	4,098	10,473
System migration-related expenses	58,100	—
Loss on agency contract cancellation	—	54,620
Amortization of goodwill	222,991	239,135
Increase (decrease) in provision for retirement benefits	46,963	—
Increase (decrease) in net defined benefit liability	—	65,739
Decrease (increase) in net defined benefit asset	—	-215,541
Interest expenses	151,438	84,971
Loss (gain) on sales of investment securities	-23,559	-31,075
Equity in (earnings) losses of affiliates	-582,233	-165,563
Loss (gain) on change in equity	-455,926	—
Decrease (increase) in notes and accounts receivable-trade	1,621,802	957,436
Decrease (increase) in inventories	552,956	-189,209
Increase (decrease) in notes and accounts payable-trade	-911,503	1,342,439
Increase (decrease) in accounts payable-labor cost	-685,280	1,138,696
Increase (decrease) in accrued consumption taxes	-216,956	445,909
Increase (decrease) in accounts payable-other	-569,288	-171,120
Decrease (increase) in long-term prepaid expenses	-235,700	-42,360
Increase (decrease) in provision for loss on construction contracts	-214,748	15,300
Other	-1,290,895	-564,531
Subtotal	5,783,184	9,644,641
Interest and dividends income received	184,450	317,066
Interest expenses paid	-123,171	-87,763
Income taxes paid	-2,292,397	-758,606
Net cash provided by (used in) operating activities	3,552,065	9,115,338
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-703,797	-569,515
Purchase of intangible assets	-1,692,203	-752,735
Purchase of short-term investment securities	-280,402	—
Proceeds from sales of short-term investment securities	652,529	—
Purchase of investment securities	-773,457	-1,401,940
Proceeds from sales of investment securities	702,511	31,075
Purchase of goodwill	—	-225,864
Other	-6,360	-69,468
Net cash provided by (used in) investing activities	-2,101,180	-2,988,448

(Thousand yen)

	H1 FY2013 (From April 1, 2013 to September 30, 2013)	H1 FY2014 (From January 1, 2014 to June 30, 2014)
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	8,799,800	80,000
Decrease in short-term loans payable	-7,145,730	-4,888,470
Proceeds from long-term loans payable	3,044,289	41,539
Repayment of long-term loans payable	-6,006,864	-4,219,184
Net increase (decrease) in commercial papers	—	4,000,000
Purchase of treasury stock	-434,382	-960
Cash dividends paid	-405,070	-251,399
Cash dividends paid to minority shareholders	-130,083	-181,992
Repayments of lease obligations	-302,666	-137,786
Proceeds from exercise of stock option	434,858	20,349
Other	-5,000	45,000
Net cash provided by (used in) financing activities	-2,150,849	-5,492,904
Effect of exchange rate change on cash and cash equivalents	125,050	-20,405
Net increase (decrease) in cash and cash equivalents	-574,914	613,579
Cash and cash equivalents at beginning of period	13,698,127	14,342,325
Increase in cash and cash equivalents from newly consolidated subsidiary	12,664	15,677
Cash and cash equivalents at end of period	13,135,876	14,971,582

(4) Notes to consolidated financial statements

(Note on going concern assumptions)

Not applicable.

(Note when there is a considerable change in the amount of shareholders' equity)

Not applicable.

(Segment Information)

[Segment Information]

I. H1 FY2013 (From April 1, 2013 to September 30, 2013)

1. Information on Sales and Profit and Loss by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on first-half consolidated statements of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	65,450,597	1,020,157	66,470,754	3,392,710	69,863,465	–	69,863,465
Inter-segment sales or transfers	29,956	313,467	343,423	569,056	912,480	-912,480	–
Total	65,480,553	1,333,625	66,814,178	3,961,767	70,775,945	-912,480	69,863,465
Segment profit	3,705,652	336,682	4,042,334	93,139	4,135,474	78	4,135,553

Notes:

- “Others” is a business segment that is not included in the reported segments and includes the data entry business and contact center business etc.
- An adjustment of segment profit of 78,000 yen includes an elimination of inter-segment transactions of 78,000 yen.
- The segment profit has been adjusted to the operating income stated in the consolidated income statement.

2. Information on Impairment Loss in Fixed Assets and Goodwill by Reported Segment

Material impairment loss on fixed assets

In the SI business segment, the full carrying amount of assets affected by changes in business content and withdrawal from certain businesses was recorded as a loss on the impairment of fixed assets in extraordinary loss. In the first half under review, the amount recorded as loss on the impairment of fixed assets is 387,831,000 yen.

II. H1 FY2014 (From January 1, 2014 to June 30, 2014)

1. Information on Sales and Profit and Loss by Reported Segment

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on first-half consolidated statements of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	70,166,799	1,005,754	71,172,554	4,034,777	75,207,331	–	75,207,331
Inter-segment sales or transfers	77,663	310,376	388,039	494,723	882,763	-882,763	–
Total	70,244,462	1,316,131	71,560,594	4,529,500	76,090,094	-882,763	75,207,331
Segment profit	3,647,643	155,581	3,803,225	135,075	3,938,300	-2,035	3,936,264

Notes:

- “Others” is a business segment that is not included in the reported segments and includes the data entry business and contact center business etc.
- An adjustment of segment profit of minus 2,035,000 yen includes an elimination of inter-segment transactions of minus 2,035,000 yen.
- The segment profit has been adjusted to the operating income stated in the consolidated income statement.

2. Information on Impairment Loss in Fixed Assets and Goodwill by Reported Segment

The presentation of information has been omitted due to its lack of material significance.