

# Summary of Consolidated Financial Results for the First Three Quarters of Fiscal Year ending December 31, 2015 (Japanese Accounting Standards)



November 10, 2015

Listed Company Name: FUJI SOFT INCORPORATED  
 Securities Code: 9749 URL  
 Representative: Satoyasu Sakashita, President & Representative Director  
 Contact: Tatsuya Naito, Operating Officer, General Manager of Corporate Planning Department  
 Phone: +81-45-650-8811 (main)  
 Listing Exchanges: Tokyo Stock Exchange  
<http://www.fsi.co.jp/>  
 Scheduled date to submit the Quarterly Securities Report (Shihanki Houkokusho): November 11, 2015  
 Scheduled date of dividend payment: –  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes (for institutional investors and analysts)

(Figures less than one million yen are omitted)

## 1. Consolidated Business Results for the Nine Months Ended September 30, 2015

(January 1, 2015 – September 30, 2015)

(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	%
Nine months ended 9/15	116,261	3.4	6,158	-1.7	6,654	-2.4	3,562	-5.4
Nine months ended 9/14	112,425	–	6,262	–	6,816	–	3,764	–

(Note) Comprehensive income (million yen) Nine months ended 9/15: 3,132 (-28.8%)  
 Nine months ended 9/14: 4,398 (–%)

	Net income per share	Net income per share/diluted
	Yen	Yen
Nine months ended 9/15	114.41	114.34
Nine months ended 9/14	120.90	120.72

(Note) The Company has revised the settlement date from March 31 to December 31 from the fiscal year ended December 2013, and no consolidated financial statements were prepared for the first three quarters of the fiscal year ended December 2013. No year-on-year percentage changes are therefore stated for the first three quarters of the fiscal year ended December 2014.

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
Nine months ended 9/15	154,773	102,434	59.0
Year ended 12/14	157,587	100,526	56.8

Reference: Shareholders' equity (million yen) Nine months ended 9/15: 91,330 Year ended 12/14: 89,474

## 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 12/14	–	14.00	–	14.00	28.00
Year ending 12/15	–	14.00	–	–	–
Year ending 12/15 (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, 2015

(Jan. 1, 2015 – Dec. 31, 2015)

(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	152,000	2.4	8,500	2.3	8,800	-5.1	4,800	-1.5	154.15

(Note) Revisions to forecast for consolidated business results published most recently: No

\* Notes

(1) Important changes in subsidiaries during the nine-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  
(Note) For details, please refer to “2. Matters Relating to Summary Information (Notes) (2) Application of specific accounting treatment to the preparation of quarterly consolidated financial statements” on page 4 of the accompanying materials.

(3) Changes in accounting principles and changes or restatement of accounting estimates  
 (i) Changes in accounting principles due to amendment of accounting standards, etc.: Yes  
 (ii) Changes in accounting principles other than (i): Not applicable  
 (iii) Changes in accounting estimates: Not applicable  
 (iv) Restatement: Not applicable  
 (Note) For details, please refer to “2. Matters Relating to Summary Information (Notes) (3) Changes in accounting principles and changes or restatement of accounting estimates” on page 4 of the accompanying materials.

(4) Number of outstanding shares (common shares)  
 (i) Number of shares outstanding at the end of period (including treasury shares):  
 (ii) Number of treasury shares at the end of period  
 (iii) Average number of shares during the period (quarterly consolidated cumulative period)

9/15:	33,700,000 shares	Year ended 12/14:	33,700,000 shares
9/15:	2,562,210 shares	Year ended 12/14:	2,561,793 shares
9/15:	31,138,025shares	9/14:	31,138,743 shares

\* Status of a quarterly review

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. At the time of the announcement of this financial summary, the review procedures for quarterly financial statements in accordance with the Financial Instruments and Exchange Act are complete.

\* 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 Three Quarters Ended September 30, 2015, (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 Three Quarters Ended September 30, 2015 .....	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.....	3
2. Matters Relating to Summary Information (Notes).....	4
(1) Important changes in subsidiaries during the nine-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) Notes to consolidated financial statements.....	9
Note on going concern assumptions.....	9
Note when there is a considerable change in the amount of shareholders' equity .....	9
Segment information.....	9

## 1. Qualitative Information on Consolidated Results for the First Three Quarters Ended September 30, 2015

### (1) Details of consolidated results

During the first three quarters of the consolidated fiscal year under review (from January 1, 2015 to September 30, 2015), the Japanese economy continued to stage a moderate recovery, with corporate earnings and the employment and income situation improving on the back of a weaker yen and higher stock prices, despite concern over a slowdown in emerging economies, especially in China.

In the IT industry, investment in IT picked up with the strengthening of corporate earnings, and demand was strong, reflecting the expansion of business related to M2M (Machine to Machine) and IoT (Internet of Things), which uses advanced ICT technologies.

In this operating environment, the FUJISOFT Group continued to work to enhance added value, aiming to become an innovative corporate group that links ICT development to greater value for customers, which is shown in its medium-term policy. To adequately respond to customer needs despite a continued lack of IT engineers, the FUJISOFT GROUP continued to focus on hiring and training human resources and moving ahead with system development, including expanded cooperation with business partners.

Concerning System Construction, the Company engaged in activities to win orders, proactively making proposals to customers, especially in areas involving the latest technologies and in system development, where the Company has extensive experience and can draw on its expertise in a range of technologies accumulated through past research and development projects undertaken, to meet sophisticated and diversified market needs. As a result, orders were brisk in machine control, including auto-related and factory automation (tool machine) projects, where cutting-edge technologies are being developed, and in the aerospace, electric power, and Internet business fields, where demand for new equipment, environments and services using advanced ICT technologies is increasing, as well as in the development of business systems for the financial, distribution and manufacturing industries.

In the Products and Service sector, the introduction to elderly care facilities of the communication robot PALRO, which is attracting attention in association with care prevention, made progress, and the Company supplied a model of PALRO for consumers, named Palmi, to the Robot Carrier business of DMM.com. The Company also focused on the introduction of the moreNOTE service for smart devices and the general education solution Mirai School Station to government offices, companies, and schools. The Company took steps to boost sales of these strategic products in addition to licensing business sales, which were strong in the strong in the previous fiscal year, by making appropriate organizational changes.

In addition, making the most of its experience and expertise in research on tissue engineering, the Company started to supply the Tissue Engineering Academia Model, a one-stop service for both non-clinical testing and clinical testing that is helping commercialize research on tissue engineering at universities.

As a result of these initiatives, in the first three quarters under review, net sales stood at 116,261 million yen, up 3.4% year on year. Although SG&A expenses increased with upfront investment in research and development, sales promotion, and the hiring and training of human resources from medium- to long-term perspectives, the cost rate improved with the elimination of unprofitable products in the first half and strong performance in System Construction, where high value is added, in the third quarter, which resulted from efforts to promote system development. Consequently, operating income decreased 1.7% from a year earlier, to 6,158 million yen, and ordinary income declined 2.4%, to 6,654 million yen. Net income fell 5.4%, to 3,562 million yen due to the impact of the sale of shares of subsidiaries and associates.

Results by business segment were as follows:

#### (i) SI (system integration) business

In the SI business, sales of embedded/control software were strong from the previous year, reflecting continued brisk sales of machine control systems, including auto-related and factory automation projects, and of systems in the aerospace, defense, and electric power-related industries, offsetting a decline in sales of mobile software. Sales of operation software increased, reflecting growth in the financial, distribution and manufacturing sectors. In Products and Services, sales remained flat from a year ago in the licensing business and other businesses. In the outsourcing business, sales fell mainly because of a decline in transactions in the distribution sector and the effects of contract cancellations due to the management integration of a major customer.

As a result, net sales increased 3.2% year on year, to 108,188 million yen, but operating income declined 7.4%, to 5,365 million yen due to the effect of an increase in SG&A expenses associated with upfront investment in the hiring and training of human resources.

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

(Million yen)		
	Net sales	YoY change (%)
SI business total	108,188	103.2
System construction	63,583	108.1
Embedded/control software	30,730	108.7
Operation software	32,852	107.6
Products and services	44,604	97.0
Products and services	31,442	100.0
Outsourcing	13,161	90.5

(ii) Facility business

Net sales stood at 1,831 million yen, up 14.2% year on year, reflecting rental income from office buildings owned by the Company and certain consolidated subsidiaries. Operating income grew 142.2% year on year, to 647 million yen.

(iii) Other businesses

Net sales from other businesses, including the data entry business and the contact center business rose 3.9% year on year, to 6,241 million yen, but operating income declined 28.4%, to 143 million yen due to the effect of unprofitable projects.

(2) Details of financial position

(Total assets)

Total assets stood at 154,773 million yen at the end of the consolidated first three quarters under review, down 2,814 million yen from the end of the preceding consolidated fiscal year. Current assets were 56,054 million yen (up 959 million yen from the end the previous fiscal year), and non-current asset were 98,718 million yen (down 3,774 million yen).

Important factors in the change of current assets included a decrease in cash and deposits of 1,919 million yen from the end of the previous fiscal year, to 13,324 million yen, mainly due to the repayment of borrowings and an increase in notes and accounts receivable-trade of 1,375 million yen, to 31,511 million yen associated with a rise in sales.

The main factors for the change in non-current assets included a decrease in goodwill of 759 million yen from the end of the previous fiscal year, to 2,867 million yen, and a decrease in investment securities of 3,144 million yen from the end of the previous fiscal year, to 17,420 million yen mainly due to the sale of shares of subsidiaries and associates and a change in the market value of the shares held.

(Liabilities)

At the end of the first three quarters under review, total liabilities amounted to 52,339 million yen, down 4,721 million yen from the end of the previous fiscal year. Current liabilities were 30,196 million yen (declining 7,843 million yen from the end of the previous fiscal year), and non-current liabilities were 22,142 million yen (rising 3,121 million yen).

Primary factors in the change of current liabilities included an increase in short-term loans payable of 630 million yen from the end of the previous fiscal year, to 2,640 million yen, a decrease in commercial paper of 3,000 million yen from the end of the previous fiscal year, to 2,000 million yen, and a decrease in the current portion of long-term loans payable of 4,509 million yen from the end of the previous fiscal year, to 1,463 million yen.

The main factor in the change in non-current liabilities included a 3,262 million yen increase in long-term loans payable, to 11,493 million yen.

(Net assets)

Net assets rose 1,907 million yen from the end of the preceding fiscal year, to 102,434 million yen at the end of the consolidated first three quarters under review. The equity ratio rose to 59.0%, up from 56.8% at the end of the previous fiscal year.

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

The results forecasts remain unchanged from those announced with the financial results for the fiscal year ended December 31, 2014, released on February 13, 2015.

## 2. Matters Relating to Summary Information (Notes)

### (1) Important changes in subsidiaries during the nine-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

(Changes in accounting principles)

(Application of Accounting Standard for Retirement Benefits)

Starting the consolidated first quarter under review, the Company is applying the provisions of the body text of Article 35 of the Accounting Standard for Retirement Benefits (Accounting Standards Board of Japan Statement No. 26; May 17, 2012) and the body text of Article 67 of the Implementation Guidance on Accounting Standard for Retirement Benefits (ASBJ Guidance No. 25; May 17, 2012; hereinafter the “Implementation Guidance for Retirement Benefits”) and has reviewed the method for calculating retirement benefit obligations and service costs. The method for attributing expected retirement benefits to periods is still the straight-line basis (except for certain subsidiaries), and the method for determining the discount rate has been changed from a method using the discount rate based on approximate number of years of the average remaining service period of employees to a method using the single weighted-average discount rate that reflects the estimated periods of benefit payments and amount of expected retirement benefits every such period.

The application of the Accounting Standard for Retirement Benefits and the Implementation Guidance for Retirement Benefits is in accordance with transitional accounting stipulated in Article 37 of the Accounting Standard for Retirement Benefits, and at the beginning of the consolidated first three quarters under review, the Company made an adjustment for the amount affected by the change in the method for calculating retirement benefit obligations and service costs to retained earnings.

As a result, at the beginning of the consolidated first three quarters under review, the net defined benefit asset rose 223,294 thousand yen, the net defined benefit liability rose 338,594 thousand yen, and retained earnings declined 27,456 thousand yen. The effect of the change in accounting policy on operating income, ordinary income and income before income taxes in the consolidated first three quarters under review is minor.

## 3. Consolidated Financial Statements

## (1) Consolidated balance sheet

(Thousand yen)

	FY2014 (As of December 31, 2014)	Q3 FY2015 (As of September 30, 2015)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	15,244,226	13,324,499
Notes and accounts receivable - trade	30,136,350	31,511,960
Short-term investment securities	3,010,186	4,000,405
Merchandise	262,720	353,799
Work in process	1,674,898	1,835,814
Raw materials and supplies	31,372	31,545
Other	4,746,527	5,007,453
Allowance for doubtful accounts	-11,294	-10,855
<b>Total current assets</b>	<b>55,094,987</b>	<b>56,054,623</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures	56,929,021	57,345,271
Accumulated depreciation	-22,928,028	-23,941,986
Buildings and structures, net	34,000,993	33,403,284
Land	30,415,744	30,415,744
Construction in progress	56,447	324,474
Other	15,251,067	14,678,555
Accumulated depreciation	-12,210,542	-11,636,729
Other, net	3,040,525	3,041,826
<b>Total property, plant and equipment</b>	<b>67,513,710</b>	<b>67,185,329</b>
<b>Intangible assets</b>		
Goodwill	3,626,885	2,867,418
Software	3,823,192	3,495,654
Other	191,541	189,433
<b>Total intangible assets</b>	<b>7,641,618</b>	<b>6,552,506</b>
<b>Investments and other assets</b>		
Investment securities	20,565,444	17,420,555
Net defined benefit asset	3,834,235	4,420,007
Other	2,963,616	3,155,859
Allowance for doubtful accounts	-25,843	-15,536
<b>Total investments and other assets</b>	<b>27,337,453</b>	<b>24,980,886</b>
<b>Total non-current assets</b>	<b>102,492,782</b>	<b>98,718,722</b>
<b>Total assets</b>	<b>157,587,770</b>	<b>154,773,345</b>

(Thousand yen)

	FY2014 (As of December 31, 2014)	Q3 FY2015 (As of September 30, 2015)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable-trade	7,493,810	7,668,065
Short-term loans payable	2,010,000	2,640,000
Commercial papers	5,000,000	2,000,000
Current portion of long-term loans payable	5,973,025	1,463,800
Accrued expenses	3,048,498	2,614,473
Income taxes payable	2,312,208	1,345,179
Provision for bonuses	2,825,215	4,540,897
Provision for directors' bonuses	173,981	142,130
Provision for loss on construction contracts	140,324	99,452
Other	9,062,881	7,682,436
<b>Total current liabilities</b>	<b>38,039,945</b>	<b>30,196,434</b>
<b>Non-current liabilities</b>		
Long-term loans payable	8,230,494	11,493,106
Provision for directors' retirement benefits	339,145	354,039
Net defined benefit liability	5,117,912	5,374,588
Other	5,333,739	4,921,133
<b>Total non-current liabilities</b>	<b>19,021,291</b>	<b>22,142,867</b>
<b>Total liabilities</b>	<b>57,061,237</b>	<b>52,339,302</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	26,200,289	26,200,289
Capital surplus	28,505,941	28,505,941
Retained earnings	43,646,746	46,306,317
Treasury shares	-5,178,604	-5,179,612
<b>Total shareholders' equity</b>	<b>93,174,372</b>	<b>95,832,935</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	4,685,283	4,013,824
Revaluation reserve for land	-9,051,088	-9,051,120
Foreign currency translation adjustment	568,391	389,459
Remeasurements of defined benefit plans	97,758	145,392
<b>Total accumulated other comprehensive income</b>	<b>-3,699,655</b>	<b>-4,502,444</b>
Subscription rights to shares	41,338	49,036
Minority interests	11,010,478	11,054,515
<b>Total net assets</b>	<b>100,526,533</b>	<b>102,434,042</b>
<b>Total liabilities and net assets</b>	<b>157,587,770</b>	<b>154,773,345</b>



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

## Consolidated statements of income

## Consolidated first three quarters results

	(Thousand yen)	
	Q3 FY2014 (From January 1, 2014 to September 30, 2014)	Q3 FY2015 (From January 1, 2015 to September 30, 2015)
Net sales	112,425,842	116,261,905
Cost of sales	86,557,571	89,330,604
Gross profit	25,868,270	26,931,301
Selling, general and administrative expenses	19,606,236	20,772,911
Operating income	6,262,033	6,158,389
Non-operating income		
Interest income	27,742	24,651
Dividends income	82,332	81,132
Share of profit of entities accounted for using equity method	326,311	340,503
Foreign exchange gains	45,811	-
Subsidy income	105,170	73,334
Grants	19,115	50,606
Cancellation income for system services	238,514	7,169
Other	73,207	75,976
Total non-operating income	918,205	653,373
Non-operating expenses		
Interest expenses	117,578	51,944
Foreign exchange losses	-	35,993
Loss on compensation	52,030	-
Loss on cancellations of system services	130,124	-
Loss on retirement of non-current assets	30,198	37,447
Other	34,176	31,856
Total non-operating expenses	364,107	157,242
Ordinary income	6,816,131	6,654,520
Extraordinary income		
Gain on sales of investment securities	31,075	50,000
Gain on change in equity	-	9,558
Total extraordinary income	31,075	59,558
Extraordinary losses		
Loss on retirement of non-current assets	85,225	-
Impairment loss on non-current assets	-	12,440
Loss on sales of shares of subsidiaries and associates	-	357,533
Office transfer expenses	21,347	-
Loss on agency contract cancellation	54,620	3,745
Loss on employees' pension fund withdrawal	-	12,526
Total extraordinary losses	161,192	386,246
Income before income taxes	6,686,014	6,327,833
Income taxes-current	3,127,821	2,677,660
Income taxes-deferred	-730,589	-418,941
Total income taxes	2,397,232	2,258,719
Income before minority interests	4,288,781	4,069,113
Minority interests in income (loss)	524,112	506,497
Net income	3,764,669	3,562,616

Consolidated statements of comprehensive income  
 Consolidated first three quarters results

	(Thousand yen)	
	Q3 FY2014 (From January 1, 2014 to September 30, 2014)	Q3 FY2015 (From January 1, 2015 to September 30, 2015)
Income before minority interests	4,288,781	4,069,113
Other comprehensive income		
Valuation difference on available-for-sale securities	166,849	-530,435
Deferred gains or losses on hedges	-6,522	-
Foreign currency translation adjustment	-12,261	-362,946
Remeasurements of defined benefit plans, net of tax	28,853	6,332
Share of other comprehensive income of entities accounted for using equity method	-66,952	-49,347
Total other comprehensive income	109,966	-936,396
Comprehensive income	4,398,747	3,132,717
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	3,885,368	2,795,903
Comprehensive income attributable to minority interests	513,379	336,813

## (3) 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. Q3 FY2014 (From January 1, 2014 to September 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 consolidated statements of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	104,815,040	1,603,970	106,419,011	6,006,830	112,425,842	-	112,425,842
Inter-segment sales or transfers	125,140	472,807	597,947	805,421	1,403,369	-1,403,369	-
Total	104,940,181	2,076,778	107,016,959	6,812,252	113,829,211	-1,403,369	112,425,842
Segment profit	5,794,895	267,435	6,062,330	200,660	6,262,991	-957	6,262,033

Notes:

1. "Others" is a business segment that is not included in the reported segments and includes the data entry business and contact center business etc.
2. An adjustment of profit of minus 957 thousand yen includes an elimination of inter-segment transactions of minus 957 thousand yen.
3. 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.

II. Q3 FY2014 (From January 1, 2015 to September 30, 2015)

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

(Thousand yen)

	Reported segments			Others (Note 1)	Total	Adjustment (Note 2)	Amount on consolidated statements of income (Note 3)
	SI business	Facility business	Total				
Net sales							
Sales to outside customers	108,188,475	1,831,949	110,020,425	6,241,480	116,261,905	-	116,261,905
Inter-segment sales or transfers	68,244	509,325	577,569	750,100	1,327,670	-1,327,670	-
Total	108,256,719	2,341,275	110,597,995	6,991,581	117,589,576	-1,327,670	116,261,905
Segment profit	5,365,755	647,670	6,013,425	143,673	6,157,098	1,291	6,158,389

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 tissue engineering business, etc.
2. An adjustment of segment profit of 1,291 thousand yen includes an elimination of inter-segment transactions of 1,291 thousand yen.
3. 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.