




Summary of Financial Results for the First Half of Fiscal Year ending March 31, 2009

November 10, 2008

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 submission of report: November 13, 2008
 Scheduled date of dividend payment: December 10, 2008

(Figures less than one million yen are omitted.)

1. Consolidated Business Results for the Six Months Ended September 30, 2008 (Apr. 1, 2008 – Sep. 30, 2008)

(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 9/08	83,221	—	3,910	—	3,535	—	1,136	—
Six months ended 9/07	83,675	2.1	3,334	-23.1	3,951	-13.3	1,812	—

	Net income per share	Net income per share/diluted
	Yen	Yen
Six months ended 9/08	34.14	34.13
Six months ended 9/07	50.44	50.41

(Note) As the “Accounting Standard for Quarterly Financial Statements” (Accounting Standards Board of Japan (ASBJ) Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No. 14) are applied from the current fiscal year, the year-on-year rate of change in the first half of the fiscal year ending March 31, 2009 is not stated.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Six months ended 9/08	171,057	79,298	40.6	2,164.78
Year ended 3/08	177,461	82,296	41.0	2,148.90

Reference: Shareholders' equity (million yen): 9/08: 69,379

Year ended 3/08: 72,740

2. Dividends

(Record date)	Dividend per share				
	First quarter	Interim	Third quarter	Year end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended 3/08	—	10.00	—	15.00	25.00
Year ending 3/09	—	15.00			
Year ending 3/09 (forecast)			—	15.00	30.00

(Note) Revision of dividend forecast in the first half under review: None

3. Forecast for Consolidated Business Results for the Fiscal Year Ending March 31, 2009 (Apr. 1, 2008 – Mar. 31, 2009)

(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
Full year	175,000	2.5	8,500	13.1	8,600	10.8	3,300	51.9	97.49

(Note) Revision of consolidated results forecast in the first half under review: None

4. Others

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

(2) Adoption of the simplified accounting methods and accounting methods specific to the preparation of quarterly consolidated financial statements: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 5 for further information.

(3) Changes in accounting principles, procedures and presentation methods for preparation of consolidated financial statements

1) Changes caused by revision of accounting standards: Yes

2) Other changes: Yes

Note: Please refer to “Qualitative Information and Financial Statements, 4. Others” on page 5 for further information.

(4) Number of outstanding shares (common shares)

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

First half ended 9/08: 35,746,329 shares	Year ended 3/08: 37,546,329 shares
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2) Number of treasury stock at the end of period

First half ended 9/08: 3,696,961 shares	Year ended 3/08: 3,696,026 shares
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3) Average number of shares during the period (consolidated cumulative period)

First half ended 9/08: 33,295,234 shares	First half ended 9/07: 35,935,077 shares
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* Cautionary statement with respect to forward-looking statements

- The “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Statements” (ASBJ Guidance No. 14) are applied from the current fiscal year. Also, quarterly consolidated financial statements are prepared in accordance with the “Quarterly Consolidated Financial Statements Regulations.”

- The above forecasts are prepared based on data available as of the announcement date. Since various uncertainties exist in forecasts, actual results may differ from the forecast figures.

Qualitative Information and Financial Statements

1. Qualitative Information Regarding Consolidated Operating Results

In the first half under review, the sustained rise in crude oil prices was halted, along with the accompanying surge in the cost of raw materials. However, signs of slowdown continued to increase in the Japanese economy under the effects of the global financial crisis that commenced in the United States.

In the business environment surrounding the industry to which the Fujisoft Group belongs, demand for services including SaaS/ASP remained high, and IT investment in high-efficiency areas, such as the SaaS/ASP services, became widely accepted in the market. However, companies grew increasingly cautious with regard to IT investment as a result of the slowdown in the domestic economy. With the diversification of customer needs for system development and falling service prices as additional contributing factors, market growth slowed.

Responding to these circumstances, the Group launched the SaaS business as a new initiative and commenced the provision of the FSSaaS (FS Service), which combines SaaS with virtual techniques.

We also entered into an agency sales agreement for the Google Apps Premier Edition, which Google designed for corporations, established the service infrastructure for this software, and supplied it with a set of organized support services that range from introduction to maintenance response to customization. We also developed and began selling products such as “FS Incident,” a system for converting incident reports into data and sharing them, and “FSDTV Middleware For IPTV,” middleware for IPTV which is compatible with NGN (a next-generation telecommunications network which is equipped with the flexibility and economy of an IP network, in addition to the security of the reliability and stability offered by traditional telephone networks).

In an additional step, we will launch “Minnano Theater Wii,” video delivery software for Nintendo’s home-use game console, Wii, in December 2008. This software will enable users to play back DVD-quality videos on their TVs when they are connected to a Wii.

As a result, net sales in the first half under review came to 83,221 million yen, down 0.5% from the same period of the previous fiscal year. Selling, general and administrative expenses grew 3.0% year on year, to 16,575 million yen, because of factors such as a rise in personnel expenses. However, operating income rose 17.3%, to 3,910 million yen, thanks to cost rate improvement.

Ordinary income fell 10.5%, to 3,535 million yen, owing to various factors including losses on equity-method investments. Net income declined 37.3%, to 1,136 million yen.

Information on year-on-year changes is presented for reference.

Segment results by business were as follows:

The Fujisoft Group changed business classifications in the first quarter of the current consolidated accounting period. Details of the changes are outlined in “(Note) 4 Change of business segment” in (6) Segment Information [Segment information by business type].

1) Software development related business

With respect to embedded software, sales in the field of telecommunications declined. As for operation software, sales fell for the financial industry, but rose for the distribution industry.

As a result, sales in this segment amounted to 68,412 million yen, and operating income was 3,786 million yen.

2) Outsourcing business

Sales remained strong for office services, but declined for system maintenance and operation services.

As a result, sales came to 13,583 million yen, and operating income totaled 122 million yen.

3) Other business

Sales of job placement and temporary staffing agency services were 1,225 million yen. Operating income from the services amounted to 0 million yen.

2. Qualitative Information Regarding Consolidated Financial Position

(Total assets)

Total assets at the end of the first half under review were 171,057 million yen, or 6,403 million yen less than their level at the end of the previous consolidated fiscal year. The breakdown shows current assets of 61,617 million yen (down 7,648 million yen) and fixed assets of 109,440 million yen (up 1,245 million yen).

The main factors behind the decline in current assets were a fall in cash and deposits of 5,935 million yen, to 15,621 million yen, and a decline in notes and accounts receivable-trade of 2,643 million yen, to 32,660 million yen.

The increase in fixed assets was mainly attributable to a rise in tangible fixed assets of 473 million yen, to 78,378 million yen, and a growth in investment securities of 694 million yen, to 13,817 million yen, which was recorded under investments and other assets.

(Liabilities)

Total liabilities at the end of the first half under review came to 91,759 million yen, or 3,404 million yen less than their level at the end of the previous consolidated fiscal year. The breakdown shows current liabilities of 83,756 million yen (down 5,009 million yen from the end of the previous consolidated fiscal year) and long-term liabilities of 8,002 million yen (up 1,604 million yen from the end of the previous consolidated fiscal year).

The main factors behind the decline in current liabilities were a fall in notes and accounts payable - trade of 3,119 million yen, to 10,180 million yen.

The growth in long-term liabilities was mainly attributable to long-term lease obligations of 1,405 million yen, which was recorded under other.

(Net assets)

Net assets decreased to 79,298 million yen as of September 30, 2008, representing a fall of 2,998 million yen from the end of the previous fiscal year.

The major factors were the acquisition of the Company's shares in the market and the retirement of treasury shares.

As a result, the equity ratio fell from 41.0% at the end of the previous consolidated fiscal year to 40.6%.

(Cash flows)

The balance of cash and cash equivalents ("cash") decreased 5,934 million yen from the end of the previous fiscal year, to 15,732 million yen at the end of the first half under review on a consolidated basis.

The state of cash flows during the first half is as follows.

1) Cash flows from operating activities

Net cash provided by operating activities in the first half under review was 2,589 million yen.

The main components were income before taxes and minority interests of 3,522 million yen, an increase in cash due to the posting of depreciation expenses of 3,385 million yen and a decline in accounts receivable of 2,412 million yen, a decrease in trades payable of 3,119 million yen, a fall in consumption tax payable of 1,267 million yen, and income taxes paid of 2,138 million yen.

2) Cash flows from investing activities

Net cash used in investing activities was 4,651 million yen.

The main components were payment for purchase of tangible fixed assets of 1,164 million yen, payment for purchase of intangible fixed assets of 1,378 million yen, and payment for purchase of securities of 2,273 million yen.

3) Cash flows from financing activities

Net cash used in financing activities was 3,867 million yen.

This result mainly reflected payment for the purchase of treasury stock of 3,444 million yen, and dividends paid of 507 million yen.

3. Qualitative Information Regarding Forecasts for Consolidated Business Results

Looking to the future, we expect that the U.S. subprime loan issue will cause major confusion, not only in the U.S. economy but also in the global economy. We predict that the environment surrounding the Japanese economy, including securities markets, will become tougher, and the impression of a domestic economic slowdown and a sense of uncertainty about the future of corporate capital investment will grow stronger.

Under these economic circumstances, IT investment is likely to continue in the industry in which we operate for reasons such as compensation for a worker shortage and a measure for addressing the aging of existing systems. However, we anticipate that movements toward such investment will slow. At the same time, we predict that customers will strengthen their requests in areas such as delivery deadlines and quality, and that their requests will become increasingly sophisticated and diversified.

In the embedded software development business, we expect that moves will be made toward further cost reduction, in addition to greater manufacturer requests for strict observance of delivery deadlines and quality, based on a feeling of business stagnation.

In this environment, the Fujisoft Group remains committed to making greater efforts to reach the position of the "world's preeminent solution vendor." It will do this by expanding its operations from delegated development to commodity development and by making aggressive forays into overseas markets, in addition to Japanese markets, based on its policy of "aiming to become the leading company in the IT industry."

We are not revising the results forecast announced on May 13, 2008 in the Summary of Financial Results for the Fiscal Year ended March 31, 2008.

4. Others

(1) Changes in consolidated subsidiaries during the period (changes in scope of consolidation)

Not applicable.

(2) Application of simplified accounting methods and accounting methods specific to the preparation of quarterly consolidated financial statements

1) Simplified accounting methods

a) Method of inventory valuation

For the valuation of inventory at the end of the first half under review, we omitted physical stocktaking and used a method of computing inventory in a reasonable manner on the basis of physical inventory at the end of the previous fiscal year.

Also, for the write-down of the book value of inventory, we use a method of writing down the book value of only those inventories for which a decline in profitability is evident using their estimated net sales values.

b) Method of calculating the depreciation expenses of fixed assets

For assets for which the declining balance method is used, we calculated depreciation expenses by proportionally distributing the amount of depreciation for the fiscal year to the period.

2) Accounting methods specific to the preparation of quarterly consolidated financial statements

Not applicable.

(3) Changes in accounting principles, procedures and presentation methods for preparation of consolidated financial statements

1) The “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Statements (ASBJ Guidance No. 14) are applied from the current fiscal year. Also, quarterly consolidated financial statements are prepared in accordance with the Quarterly Consolidated Financial Statements Regulations.

2) The “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9 on July 5, 2006) are applied from the first quarter of the fiscal year ending March 31, 2009, and the valuation standard has been changed from the cost method to the cost method (method of writing down the book value based on a fall in profitability).

This change does not have an impact on earnings of the Company.

3) Application of the Accounting Standard for Lease Transactions, etc.

The “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 originally issued by the Corporate Accounting Council (“CAC”) on June 17, 1993 and revised by the ASBJ on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 originally issued by the Japanese Institute of Certified Public Accountants (“JICPA”) on January 18, 1994 and revised by the ASBJ on March 30, 2007) are applied early from the first quarter of the fiscal year ending March 31, 2009. For finance leases other than those in which ownership rights of the leased property are deemed to transfer to the lessee, we have changed the accounting method from a method similar to that used for ordinary rental transactions to a method similar to that used for ordinary trading transactions and record them as leased assets.

The depreciation of leased assets is accounted for by a method of calculating depreciation with the residual value being zero and the lease period being the useful life.

For finance leases other than those in which ownership rights of the leased property are deemed to transfer to the lessee whose date of commencing the lease transaction is before the first fiscal year of application, an accounting method similar to that used for ordinary rental transactions continues to be used.

These accounting methods caused operating income for the first half under review to rise by 6,745,000 yen, and ordinary income and net income for the first half to fall by 5,933,000 yen.

The impact of the accounting methods on segment information is stated in the corresponding sections of this document.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheet

(Thousand yen)

	IH FY2008 (As of September 30, 2008)	FY2007 Summary (As of March 31, 2008)
(Assets)		
Current assets		
Cash and time deposits	15,621,701	21,556,770
Notes and accounts receivable-trade	32,660,311	35,304,074
Securities	1,703,387	1,896,454
Finished goods	441,746	607,666
Raw materials	6,801	4,373
Work in progress	3,623,405	3,233,305
Other	7,875,490	6,994,216
Allowance for doubtful receivables	-315,600	-331,146
Total current assets	61,617,243	69,265,715
Fixed assets		
Tangible fixed assets		
Building and structures	56,877,867	56,515,839
Accumulate depreciation	-13,371,645	-12,149,940
Building and structures - net	43,506,221	44,365,899
Land	29,301,982	29,301,982
Construction in progress	200,736	63,200
Other	11,612,639	9,878,650
Accumulate depreciation	-6,242,873	-5,704,175
Other - net	5,369,765	4,174,475
Total tangible fixed assets	78,378,705	77,905,556
Intangible fixed assets		
Goodwill	2,909,740	3,477,350
Software	6,699,863	6,641,523
Other	804,874	805,935
Total intangible fixed assets	10,414,477	10,924,810
Investments and other assets		
Investment securities	13,817,207	13,122,552
Other	6,880,040	6,298,568
Allowance for doubtful receivables	-49,788	-55,917
Total investments and other assets	20,647,459	19,365,204
Total fixed assets	109,440,642	108,195,571
Total assets	171,057,886	177,461,287

(Thousand yen)

	1H FY2008 (As of September 30, 2008)	FY2007 Summary (As of March 31, 2008)
(Liabilities)		
Current liabilities		
Note and accounts payable	10,180,083	13,300,072
Short-term loans	56,278,130	55,737,461
Accrued expenses	10,600,193	10,701,039
Income taxes payable	1,752,218	1,954,260
Allowance for bonuses to directors and corporate auditors	58,146	219,126
Other	4,888,225	6,854,135
Total current liabilities	83,756,996	88,766,094
Long-term liabilities		
Long-term loans	591,600	608,800
Liabilities for retirement benefits to employees	4,402,141	4,281,942
Liabilities for retirement benefits to directors and corporate auditors	340,344	383,542
Other	2,668,344	1,123,928
Total Long-term liabilities	8,002,430	6,398,213
Total liabilities	91,759,427	95,164,308
(Net assets)		
Owners' equity		
Common stock	26,200,289	26,200,289
Capital surplus	28,438,965	28,438,965
Retained earnings	32,259,574	35,802,405
Treasury stock	-7,839,891	-8,566,839
Total owners' equity	79,058,938	81,874,820
Valuation and translation adjustment		
Valuation difference of available-for-sale securities	-614,056	-17,377
Deferred hedge gain (loss)	-13,722	-65,240
Land revaluation difference	-9,051,263	-9,051,263
Total valuation and translation adjustments	-9,679,042	-9,133,881
Stock acquisition rights	15,522	—
Minority interest	9,903,040	9,556,039
Total net assets	79,298,459	82,296,979
Total liabilities and net assets	171,057,886	177,461,287

(2) Consolidated Income Statement
Consolidated first half results

	(Thousand yen)
	Consolidated results for first half under review (From April 1, 2008 to September 30, 2008)
Net sales	83,221,219
Cost of sales	62,735,089
Gross of profit	20,486,130
Selling, general and administrative expenses	16,575,765
Operating income	3,910,364
Non-operating income	
Interest income	31,045
Dividend income	54,996
Rent income	670,775
Other	202,102
Total non-operating income	958,918
Non-operating expenses	
Interest expense	398,432
Losses from equity-method investment	362,916
Cost of rents	390,688
Exchange loss	26,764
Other	154,659
Total non-operating expenses	1,333,461
Ordinary income	3,535,822
Extraordinary losses	
Loss on valuation of investment securities	9,750
Loss on changes in equity	3,263
Total extraordinary losses	13,013
Income before income taxes and minority interests	3,522,809
Income taxes – current	1,636,664
Income taxes – deferred	127,218
Total income taxes	1,763,883
Minority interests	622,241
Net income	1,136,684

(3) Consolidated Cash Flow Statement

	(Thousand yen)
	Consolidated results for first half under review (From April 1, 2008 to September 30, 2008)
Cash flows from operating activities	
Income before income taxes and minority interests	3,522,809
Depreciation	3,385,708
Amortization of goodwill	534,105
Increase (-: decrease) in liabilities for retirement benefits for employees	120,198
Interest expense	398,432
Loss on valuation of investment securities	9,750
Decrease (-: increase) in accounts receivable	2,412,080
Decrease (-: increase) in inventories	150,371
Increase (-: decrease) in trades payable	-3,119,989
Increase (-: decrease) in accrued personnel expenses	-52,036
Increase (-: decrease) in consumption tax payable	-1,267,038
Increase (-: decrease) in long-term prepaid expenses	-808,336
Other	-310,943
Subtotal	4,975,111
Interest and dividends received	146,172
Interest paid	-393,857
Income taxes paid	-2,138,207
Net cash provided by operating activities	2,589,218
Cash flows from investing activities	
Payments for purchases of tangible fixed assets	-1,164,771
Payments for purchases of intangible fixed assets	-1,378,769
Payments for purchases of securities	-2,296,722
Proceeds from sales of securities	2,495,583
Payments for purchases of investment securities	-2,273,092
Proceeds from sales of investment securities	42,020
Other	-75,327
Net cash used in investing activities	-4,651,080
Cash flows from financing activities	
Acquisition of short-term loans	59,700,000
Repayment of short-term loans	-59,051,791
Repayment of long-term loans	-124,740
Payments for purchases of treasury stock	-3,444,800
Dividends paid	-507,699
Dividends paid to minority shareholders	-284,744
Other	-153,298
Net cash used by financing activities	-3,867,074
Translation difference of cash and cash equivalents	-5,540
Increase (-: decrease) in cash and cash equivalents	-5,934,476
Cash and cash equivalents at beginning of period	21,667,287
Cash and cash equivalents at end of period	15,732,810

The “Accounting Standard for Quarterly Financial Statements” (ASBJ Statement No. 12) and the “Guidance on Accounting Standard for Quarterly Financial Statements (ASBJ Guidance No. 14) are applied from the current fiscal year.

Also, quarterly consolidated financial statements are prepared in accordance with the Quarterly Consolidated Financial Statements Regulations.

(4) Event or situation that gives rise to doubt about going concern

1H FY2008 (From April 1, 2008 to September 30, 2008)

Not applicable.

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

1H FY2008 (From April 1, 2008 to September 30, 2008)

(Thousand yen)

	Common stock	Capital surplus	Retained earnings	Treasury stock	Total owners' equity
Balance at the end of FY2007	26,200,289	28,438,965	35,802,405	-8,566,839	81,874,820
Changes to items during the period					
Dividends from surplus			-507,766		-507,766
Net income			1,136,684		1,136,684
Purchase of treasury stock (note) 1				-3,444,800	-3,444,800
Retirement of treasury stock (note) 2			-4,171,748	4,171,748	
Total changes to items during the period	—	—	-3,542,830	726,947	-2,815,882
Balance at the end of 2Q FY2008	26,200,289	28,438,965	32,259,574	-7,839,891	79,058,938

Notes: 1. We acquired 1,800,000 shares of treasury stock through market transactions during the period from June 11, 2008 to September 10, 2008.

2. We retired 1,800,000 shares of treasury stock as of June 30, 2008.

(6) Segment Information

Segment information by business type

1H FY2008 (From April 1, 2008 to September 30, 2008)

(Thousand yen)

	Software development related business	Outsourcing business	Other businesses	Total	Eliminations or corporate	Consolidation
Net sales						
(1) Sales to outside customers	68,412,475	13,583,443	1,225,300	83,221,219	—	83,221,219
(2) Inter-segment sales or transfers	12,187	29,154	8,857	50,199	(50,199)	—
Total	68,424,663	13,612,597	1,234,157	83,271,418	(50,199)	83,221,219
Operating income	3,786,709	122,899	685	3,910,294	70	3,910,364

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 and operating systems, contract software development of operational applications used in various industries, quality evaluation and control support, consulting, development and sale of products, and design, manufacture and sale of personal computer-related equipment, etc.

(2) Outsourcing business

System maintenance and operations, data entry and helpdesk services, etc.

(3) Other businesses

Temporary staff dispatch business, etc.

3. Change of accounting method

As stated in “4. (3) Changes in accounting principles, procedures and presentation methods for the preparation of consolidated financial statements” on page 5, the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 originally issued by the Corporate Accounting Council (“CAC”) on June 17, 1993 and revised by the ASBJ on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 originally issued by the Japanese Institute of Certified Public Accountants (“JICPA”) on January 18, 1994 and revised by the ASBJ on March 30, 2007) are applied from the first quarter of the fiscal year ending March 31, 2009. This change caused operating income for the software development related business to increase by 6,745,000 yen in the first half under review. The change had no impact on the outsourcing business and other business.

4. Change of business segment

In the past, we classified our businesses into four segments, namely the software development-related business, the outsourcing business, the solution services business and other businesses. However, the solution services business is closely tied to other segments, given our position as an IT solutions vendor, and the ratio of sales in this segment to total sales has been declining and will continue to decline. We can therefore provide segment information that is better aligned with the current organizational structure of the Group by consolidating the solution services business into other segments. We have consequently changed our business segments into the following three categories starting the first quarter: the software development-related business, the outsourcing business and other businesses.

(Reference) Segment information by business type based on the traditional method
1H FY2008 (From April 1, 2008 to September 30, 2008)

(Thousand yen)

	Software development related business	Outsourcing business	Solution services business	Other businesses	Total	Eliminations or corporate	Consolidation
Net sales							
(1) Sales to outside customers	59,384,201	13,862,392	8,749,325	1,225,300	83,221,219	—	83,221,219
(2) Inter-segment sales or transfers	1,394	29,154	10,792	8,857	50,199	(50,199)	
Total	59,385,595	13,891,547	8,760,117	1,234,157	83,271,418	(50,199)	83,221,219
Operating income (-: loss)	4,622,972	226,330	-939,693	685	3,910,294	70	3,910,364

Note: Description of each business

(1) Software development-related business

Contract software development of telecommunication control systems, machine control systems and operating systems, contract software development of operational applications used in various industries, development and sale of products, and design, manufacture and sale of personal computer-related equipment, etc.

(2) Outsourcing business

System maintenance and operations, consulting, technical support, data entry and helpdesk services, quality evaluation and control support, etc.

(3) Solution services business

Sales of hardware and software, network services, data center services, education, contents production and operation, etc.

(4) Other businesses

Temporary staff dispatch business, etc.

Geographical segment information

1H FY2008 (From April 1, 2008 to September 30, 2008)

As Japan accounts for more than 90% of totals sales of all geographical segments, the posting of geographical segment information is omitted.

Overseas sales

1H FY2008 (From April 1, 2008 to September 30, 2008)

Not applicable because overseas sales are less than 10% of consolidated net sales.

6. Other information

Production, Orders, and Sales Situations

(1) Production performance

Segment by business type	Amount (thousand yen)
Software development related business	49,894,990

- Notes: 1. The figures are for the software development business.
2. Amounts are not inclusive of the consumption tax.

(2) Orders

Segment by business type	Orders (thousand yen)	Backlog of orders (thousand yen)
Software development related business	71,285,104	30,284,879

- Notes: 1. The figures are for the software development business.
2. Amounts are not inclusive of the consumption tax.

(3) Sales performance

Segment by business type	Amount (thousand yen)
Software development related business	68,412,475
Outsourcing business	13,583,443
Other businesses	1,225,300
Total	83,221,219

Note: Amounts are not inclusive of the consumption tax.

<Reference information>

Financial statements for the first half of the previous fiscal year
 (1) Consolidated income statement for the previous interim period

(Thousand yen)

Account	Consolidated results for the previous interim period (From April 1, 2007 to September 30, 2007)		
	Classification	(Thousand yen)	(%)
I Net sales		83,675,079	100.0
II Cost of sales		64,252,227	76.8
Gross of profit		19,422,851	23.2
III Selling, general and administrative expenses		16,088,811	19.2
Operating income		3,334,040	4.0
IV Non-operating income			
1 Interest income and dividends	43,307		
2 Gains on sales of securities	28,113		
3 Rent income	405,607		
4 Proceeds from cancellation of system services	116,944		
5 Gains on equity-method investment	251,777		
6 Exchange gains	50,381		
7 Other	475,124	1,371,255	1.6
V Non-operating expenses			
1 Interest expense	366,483		
2 Cost of rents	272,169		
3 Loss on cancellation of system services	53,165		
4 Other	61,716	753,534	0.9
Ordinary income		3,951,760	4.7
VI Extraordinary gains			
1 Gains on sales of investment securities	87,812		
2 Gains on changes in equity	174,659	262,472	0.3
VII Extraordinary losses			
1 Loss on valuation of investment securities	184,883		
2 Impairment loss on fixed assets	3,130		
3 Amortization of goodwill	138,714	326,728	0.4
Income before income taxes and minority interests		3,887,504	4.6
Income taxes – current	1,550,939		
Income taxes – deferred	-13,656	1,537,283	1.8
Minority interests		537,564	0.6
Net income		1,812,656	2.2

(2) Consolidated cash flow statement for the previous interim period

	Consolidated results for the previous interim period (From April 1, 2007 to September 30, 2007)
Classification	(Thousand yen)
I Cash flows from operating activities	
1 Income before income taxes and minority interests	3,887,504
2 Depreciation	4,924,265
3 Impairment loss on fixed assets	3,130
4 Amortization of goodwill	739,187
5 Increase (decrease) in liabilities for retirement benefits for employees	35,311
6 Loss on valuation of investment securities	184,883
7 Decrease in accounts receivable	895,581
8 Increase in inventory	-339,284
9 Decrease in trades payable	-888,845
10 Decrease in accrued personnel expenses	-48,008
11 Increase in consumption tax payable	563,876
12 Other	-3,320,351
Subtotal	6,637,249
13 Interest and dividends received	159,157
14 Interest paid	-387,595
15 Income taxes paid	-3,018,008
Net cash provided by operating activities	3,390,803
II Cash flows from investing activities	
1 Payments for purchases of securities	-3,493,319
2 Proceeds from sales of securities	4,959,720
3 Payments for purchases of tangible fixed assets	-1,795,881
4 Payments for purchases of intangible fixed assets	-3,246,030
5 Payments for purchases of investment securities	-1,274,985
6 Proceeds from sales of investment securities	153,432
7 Payments for acquisition of shares in subsidiaries	-27,544
8 Proceeds from sales of shares in subsidiaries	179,786
9 Other	22,030
Net cash used in investing activities	-4,522,791

	Consolidated results for the previous interim period (From April 1, 2007 to September 30, 2007)
Classification	(Thousand yen)
III Cash flows from financing activities	
1 Acquisition of short-term loans	51,890,000
2 Repayment of short-term loans	-47,699,700
3 Repayment of long-term loans	-945,740
4 Proceeds from payments by minority shareholders	598,913
5 Dividends paid	-358,392
6 Dividends paid to minority shareholders	-226,116
7 Payments for purchases of treasury stock	-2,217,917
Net cash provided by financing activities	1,041,047
IV Increase (decrease) in cash and cash equivalents	-90,940
V Cash and cash equivalents at beginning of period	18,378,792
VI Increase in cash and cash equivalents due to inclusion of subsidiaries in consolidation	176,344
VII Decrease in cash and cash equivalents due to exclusion of subsidiaries from consolidation	-307,827
VIII Cash and cash equivalents at end of period	18,156,369

(3) Segment Information

Segment information by business type

Previous consolidated interim period (From April 1, 2007 to September 30, 2007)

(Thousand yen)

Classification	Software development related business	Outsourcing business	Solution services business	Other businesses	Total	Eliminations or corporate	Consolidation
Net sales							
(1) Sales to outside customers	58,601,889	15,761,374	8,121,648	1,190,166	83,675,079	—	83,675,079
(2) Inter-segment sales or transfers	42,451	16,451	16,934	4,535	80,373	(80,373)	—
Total	58,644,341	15,777,826	8,138,583	1,194,701	83,755,452	(80,373)	83,675,079
Operating expenses	54,166,624	15,457,080	9,636,613	1,161,095	80,421,412	(80,373)	80,341,039
Operating income (-:loss)	4,477,717	320,746	-1,498,029	33,605	3,334,040	0	3,334,040

Geographical segment information

Previous consolidated interim period (From April 1, 2007 to September 30, 2007)

As Japan accounts for more than 90% of totals sales of all geographical segments, the posting of geographical segment information is omitted.

Overseas sales

Previous consolidated interim period (From April 1, 2007 to September 30, 2007)

Not applicable because overseas sales are less than 10% of consolidated net sales