

Earnings Digest

January 29, 2010

Company name	IFIS JAPAN LTD.	Stock Exchange	TSE Mothers
Code number	7833	URL	http://www.ifis.co.jp
Representative	President	Kazuharu Osawa	
Contact	Managing Director	Shogo Noguchi	TEL 81-(3)6825-1250
Scheduled date of annual shareholder's meeting	March 19, 2010	Scheduled start date of dividend	March 23, 2010
Scheduled submission date of annual security report	March 19, 2010		

(Fractions less than ¥1 million have been omitted.)

1. Consolidated Financial Results for FY 2009 (January 1, 2009 to December 31, 2009)

(1) Consolidated Operating Results (Percentages figure represent changes from same period of previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
FY 2009	2,964	-14.7	71	-74.1	89	-67.9	36	-57.4
FY 2008	3,475	-1.2	274	-36.3	280	-31.5	85	-48.9

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Profit margin on sales
	¥	¥	%	%	%
FY 2009	713.99	713.06	2.5	4.6	2.4
FY 2008	1,681.07	1,666.49	6.0	13.6	8.1

(Reference) Earnings on investments in equity-method affiliates FY 2009 None FY 2008 None

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY 2009	1,944	1,500	74.2	28,779.35
FY 2008	1,936	1,514	75.2	29,717.74

(Reference) Equity FY 2009 ¥1,443millions FY 2008 ¥1,456 million

(3) Consolidated Cash Flows

	Net cash provided by (used in) operating activities	Net cash provided by (used in) investment activities	Net cash provided by (used in) financing activities	Closing balance of cash and cash equivalents
	¥ million	¥ million	¥ million	¥ million
FY 2009	222	20	-71	1,017
FY 2008	157	-429	-25	845

2. Dividends

	Dividend per share (¥)					Total cash dividends ¥million	Dividend payout ratio (consolidated) %	Dividends on equity (consolidated) %
	1 st Q ¥	2 nd Q ¥	3 rd Q ¥	Year-end ¥	Total ¥			
FY 2008	- -	- -	- -	500 00	500 00	25	29.7	1.7
FY 2009	- -	- -	- -	500 00	500 00	25	70.0	1.7
FY 2010 (Estimated)	- -	- -	- -	500 00	500 00	-	27.8	-

3. Forecast for Fiscal Year 2010 (January 1 to December 31, 2010)

(Percentages figure represent changes from same period of previous year.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Midterm Ending Jun. 2010	1,500	0.7	15	-67.1	30	-37.1	10	-31.1	199.72
FY 2010	3,200	8.0	135	90.0	150	67.1	90	148.1	1,797.48

4. Other

(1) Significant changes in subsidiaries during the period (changes in specified subsidiaries resulting in the change in consolidation scope): None

(2) Changes in accounting principles, procedures, and the presentation for consolidated financial statements (matters to be included in the section, Changes in Basic Important Matters for Preparation of Consolidated Financial Statements)

1) Changes due to revisions of accounting standards etc: Yes

2) Changes other than 1): Yes

(3) Number of shares outstanding (common stock)

1)	Number of shares outstanding at term end (including treasury stock)	FY 2009	51,070 shares	FY 2008	50,970 shares
2)	Number of shares of treasury stock at term end	FY 2009	929 shares	FY 2008	- shares

* Note to ensure appropriate use of forecasts

· These forecasts are based on information available to the company as of the date of release of this document and are subject to a number of risks, uncertainties and assumptions. As such, actual results may differ materially from those projected.

Please refer to page 4 to 6 for the matters related to the forecast of consolidated business results provided herein.

5. Consolidated Financial Statements
(1) Consolidated balance sheet

(Thousands of yen)

	FY 2008	FY 2009
Assets		
Current assets		
Cash and deposits	879,517	1,067,688
Notes and accounts receivable-trade	314,487	239,858
Loan receivable	50,000	-
Income taxes receivable	-	43,286
Deferred tax assets	6,604	355
Other	19,304	19,716
Allowance for doubtful accounts	-	-495
Total current assets	1,269,914	1,370,411
Noncurrent assets		
Tangible assets		
Property, plant and equipment		
Buildings and accompanying facilities	29,453	29,457
Accumulated depreciation	-8,917	-12,146
Buildings and accompanying facilities,	20,535	17,311
Vehicles	1,836	1,455
Accumulated depreciation	-1,675	-1,405
Vehicles, Net	160	49
Tools, furniture and fixtures	140,289	140,734
Accumulated depreciation	-71,974	-97,946
Tools, furniture and fixtures, Net	68,315	42,787
Lease assets	-	4,478
Accumulated depreciation	-	-746
Lease assets, Net	-	3,732
Total tangible asset	89,012	63,880
Intangible assets		
Goodwill	27,385	15,798
Software	444,181	386,944
Other	13,634	604
Investment securities	10,000	10,000
Total intangible assets	485,201	403,347
Investments and other assets		
Guarantee deposits	67,310	85,286
Other	14,748	11,661
Total investment and other assets	92,058	106,948
Total noncurrent assets	666,273	574,176
Total assets	1,936,187	1,944,588
Liabilities		
Current liabilities		
Accounts payable-trade	245,573	230,709
Current portion of long-term loans	481	-
Lease obligations	-	783
Income taxes payable	37,037	1,451
Accounts payable-other	31,593	59,960
Advances received	69,741	68,196
Deferred tax liabilities	-	592
Provision for bonuses	7,203	9,815
Other	28,842	45,844
Total current liabilities	420,473	417,354
Noncurrent liabilities		
Lease obligations	-	3,134
Deferred tax liabilities	1,000	1,345
Negative goodwill	-	14,992
Other	-	7,250
Total noncurrent liabilities	1,000	26,723
Total liabilities	421,474	444,078
Net assets		
Shareholders' equity		
Capital stock	380,690	381,290
Capital surplus	436,490	437,090
Retained earnings	639,333	650,130
Treasury stock	-	-25,485
Total shareholders' equity	1,456,513	1,443,025
Minority interests	58,199	57,484
Total net assets	1,514,713	1,500,509
Total liabilities and net assets	1,936,187	1,944,588

(2) Consolidated Statement of Income

(Thousands of yen)

	FY 2008	FY 2009
Net sales	3,475,760	2,964,124
Cost of sales	2,276,352	1,992,231
Gross profit	1,199,407	971,892
Selling, general and administrative expenses	924,764	900,844
Operating income	274,642	71,047
Non-operating income		
Interest income	1,921	1,600
Dividends income	2	2
Adjustment of consumption tax	2,671	917
Amortization of negative goodwill	-	14,992
Other	842	1,676
Total non-operating income	5,437	19,188
Non-operating expenses		
Interest expenses	2	0
Purchase of treasury stock expenses	-	341
Other	0	110
Total non-operating expenses	2	451
Ordinary income	280,077	89,783
Extraordinary loss		
Loss on retirement of noncurrent assets	12	13,842
Impairment loss	28,000	-
Total extraordinary loss	28,013	13,842
Income before income taxes	252,064	75,941
Income taxes-current	149,652	31,988
Income taxes-deferred	8,188	7,186
Total income taxes	157,841	39,174
Minority interests in profit	9,106	484
Net income	85,116	36,282

(3) Consolidated statement of cash flows

(Thousands of yen)

	FY 2008	FY 2009
I. Net cash provided by (used in) operating activities		
Income before income taxes	252,064	75,941
Depreciation and amortization	127,826	153,364
Impairment loss	28,000	-
Amortization of goodwill	18,924	11,586
Amortization of negative goodwill	-	-14,992
Increase (decrease) in allowance for doubtful accounts	-	-4
Increase (decrease) in provision for bonuses	426	-1,005
Interest and dividends income	-1,923	-1,602
Interest expenses	2	0
Loss on retirement of noncurrent assets	12	13,842
Decrease (increase) in notes and accounts receivable-trade	174,948	90,208
Increase (decrease) in notes and accounts payable-trade	-185,998	-14,863
Increase (decrease) in accrued consumption taxes	-9,958	12,218
Other	13,995	7,307
Subtotal	418,321	332,001
Interest and dividends income received	1,923	1,602
Interest expenses paid	-2	-0
Income taxes refund	-262,287	-111,164
Total net cash provided by (used in) operating activities	157,954	222,439
II. Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	-35,408	-9,170
Purchase of intangible assets	-295,826	-62,637
Purchase of investment securities	-10,000	-
Proceed from new consolidated subsidiaries' cash received	-	60,512
Purchase of investments in subsidiaries	-23,000	-
Payments for guarantee deposits	-12,637	-1,863
Proceeds from return of guarantee deposits	15	412
Decrease (increase) in short-term loans receivable	-50,000	50,000
Increase in time deposits	-13,600	-20,000
Decrease in time deposits	10,816	3,600
Total net cash provided by (used in) investment activities	-429,641	20,853
III. Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	-2,004	-481
Repayment for obligations of civil rehabilitation	-	-19,726
Proceeds from issuance of common stock	12,814	1,197
Purchase of treasury stock	-	-25,826
Cash dividends paid	-34,930	-25,485
Cash dividends paid to minority shareholders	-1,760	-1,200
Total net cash provided by (used in) financing activities	-25,879	-71,521
. Net increase (decrease) in cash and cash equivalents	-297,566	171,770
. Opening balance of cash and cash equivalents	1,143,483	845,917
. Closing balance of cash and cash equivalents	845,917	1,017,688