

Financial Statements(under Japanese GAAP)

January 30, 2015

Company name	IFIS JAPAN LTD.	Stock Exchange listing	TSE
Code number	7833	URL	http://www.ifis.co.jp
Representative	President	Kazuharu Osawa	
Contact	Director	Shogo Noguchi	TEL 81-(3)6825-1250
Scheduled date of annual shareholder's meeting	March 20, 2015	Scheduled start date of dividend	March 23, 2015
Scheduled submission date of annual security report	March 23, 2015		
Preparation of supplementary material on earnings : Yes			
Holding of earnings performance review : Yes (for analysts)			

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

1.Consolidated Financial Results for the Fiscal Year Ended December 31, 2014(January 1, 2014 to December 31, 2014)

(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	%
Fiscal year ended December 2014	3,708	7.4	380	19.5	392	16.4	265	20.6
Fiscal year ended December 2013	3,454	9.3	318	51.7	337	55.4	220	42.2

(Note) Comprehensive income (loss) Fiscal year ended December 2014 ¥270 million (18.4%) Fiscal year ended December 2013 ¥228 million (42.5%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Profit margin on sales
	¥	¥	%	%	%
Fiscal year ended December 2014	27.53	27.51	13.3	15.4	10.3
Fiscal year ended December 2013	22.84	22.81	12.4	14.6	9.2

(Reference) Earnings on investments in equity-method affiliates Fiscal year ended December 2014 ¥1 million Fiscal year ended December 2013 ¥3 million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal year ended December 2014	2,634	2,107	80.0	218.22
Fiscal year ended December 2013	2,471	1,932	76.1	194.63

(Reference) Equity Fiscal year ended December 2014 ¥2,107 million Fiscal year ended December 2013 ¥1,879 million

(3) 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
Fiscal year ended December 2014	312	△55	△42	1,672
Fiscal year ended December 2013	314	△183	△32	1,457

2. Dividends

	Annual dividends					Total cash dividends	Dividend payout ratio(consolidated)	Dividends on equity (consolidated)
	1 st Qtr	2 nd Qtr	3 rd Qtr	Year-end	Total			
	¥	¥	¥	¥	¥	¥million	%	%
Fiscal year ended December 2013	— —	0 00	— —	4 50	4 50	43	19.7	2.4
Fiscal year ended December 2014	— —	0 00	— —	5 00	5 00	48	18.2	2.4
Fiscal year ending December 2015 (Estimated)	— —	0 00	— —	5 50	5 50	—	17.1	—

3. Projected Results for Fiscal year 2015(January 1 to December 31, 2015)

(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	%	¥
First half ending Jun. 2015	1,900	6.8	200	42.6	200	41.5	130	36.1	13.46
Fiscal year ending Dec. 2015	4,100	10.6	480	26.3	480	22.3	310	16.6	32.09

* Notes

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

(2) Changes in accounting policies, estimates, and restatements:

- 1) Changes in accounting policies in accordance with revisions of accounting standards: None
- 2) Changes other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Restatements: None

(3) Number of shares outstanding (common stock)

- | | | | | | |
|------------------|--|---------------------------------|-------------------|---------------------------------|-------------------|
| Number of shares | | | | | |
| 1) | outstanding at term end (including treasury stock) | Fiscal year ended December 2014 | 10,242,000 shares | Fiscal year ended December 2013 | 10,238,000 shares |
| 2) | Number of shares of treasury stock at term end | Fiscal year ended December 2014 | 582,237 shares | Fiscal year ended December 2013 | 582,237 shares |
| 3) | Average number of shares during the period | Fiscal year ended December 2014 | 9,656,322 shares | Fiscal year ended December 2013 | 9,651,462 shares |

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2014(January 1 to December 31, 2014)

(1) Non-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	%
Fiscal year ended December 2014	2,494	10.1	263	15.5	272	15.5	166	△6.5
Fiscal year ended December 2013	2,265	24.5	228	201.6	236	195.5	177	288.8

	Net income per share	Diluted net income per share
	¥	¥
Fiscal year ended December 2014	17.20	17.18
Fiscal year ended December 2013	18.40	18.37

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal year ended December 2014	2,176	1,845	84.8	191.07
Fiscal year ended December 2013	2,093	1,722	82.2	178.36

(Reference) Equity Fiscal year ended December 2014 ¥1,845 million Fiscal year ended December 2013 ¥1,722 million

2. Non-Consolidated earnings forecasts for Fiscal year 2015(January 1 to December 31, 2015)

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

	Net sales		Ordinary income		Net income		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥
First half ending Jun. 2015	1,300	7.9	140	28.2	87	29.0	9.01
Fiscal year ending Dec. 2015	2,700	8.2	320	17.3	200	20.5	20.70

* Disclosure regarding execution of audit procedures

At the time of disclosure of this earnings report, audit procedures in accordance with the Financial Instruments and Exchange Act are in progress.

Note to ensure appropriate use of forecasts, and other noteworthy items

(Cautionary note on forward-looking statements and other information)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. Actual business and other results may differ substantially due to various factors.

(Means of contents of supplementary material on earnings and earnings performance review)

The Company holds presentations for analysts regarding the six-month and year-end results. Distributed presentation materials and audio recordings from performance reviews are available on the Company's website.

Consolidated Financial Statements

(1) Consolidated balance sheet

(Thousands of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
(Assets)		
Current assets		
Cash and deposits	1,513,551	1,729,304
Notes and accounts receivable-trade	397,926	412,032
Work in process	23,537	21,309
Deferred tax assets	33,066	27,916
Other	37,997	32,414
Allowance for doubtful accounts	△1,262	△793
Total current assets	2,004,816	2,222,184
Noncurrent assets		
Property, plant and equipment		
Buildings and accompanying facilities	26,876	27,199
Accumulated depreciation	△15,375	△17,077
Buildings and accompanying facilities, Net	11,500	10,122
Tools, furniture and fixtures	143,963	154,489
Accumulated depreciation	△111,629	△122,338
Tools, furniture and fixtures, Net	32,333	32,151
Lease assets	4,478	—
Accumulated depreciation	△3,732	—
Lease assets, Net	746	—
Total Property, plant and equipment	44,580	42,273
Intangible assets		
Goodwill	—	2,483
Software	145,566	106,105
Software in progress	—	2,450
Other	1,469	1,469
Total intangible assets	147,036	112,508
Investments and other assets		
Investment securities	122,544	127,511
Stock of affiliated company	2,360	2,360
Affiliated company investments	44,223	51,312
Guarantee deposits	87,458	58,301
Deferred tax assets	9,864	9,860
Other	8,230	8,340
Total investment and other assets	274,681	257,685
Total noncurrent assets	466,298	412,468
Total assets	2,471,114	2,634,652

(Thousands of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
Liabilities		
Current liabilities		
Accounts payable-trade	181,293	167,777
Lease obligations	783	—
Income taxes payable	89,696	76,455
Accounts payable-other	68,627	66,413
Advances received	89,401	83,955
Provision for bonuses	11,742	12,991
Other	80,406	102,824
Total current liabilities	521,951	510,417
Noncurrent liabilities		
Deferred tax liabilities	2,007	2,223
Allowance for retirement benefits	14,435	—
Net defined benefit liability	—	14,011
Total noncurrent liabilities	16,442	16,235
Total liabilities	538,394	526,652
Net assets		
Shareholders' equity		
Capital stock	382,010	382,510
Capital surplus	437,810	438,310
Retained earnings	1,125,074	1,347,482
Treasury stock	△77,928	△77,928
Total shareholders' equity	1,866,965	2,090,373
Accumulated other comprehensive income		
Valuation difference on securities (other than subsidiaries and affiliated companies)	84	7
Currency adjustment account	12,299	17,618
Total accumulated other comprehensive income	12,383	17,626
Minority interests	53,372	—
Total net assets	1,932,720	2,107,999
Total net liabilities	2,471,114	2,634,652

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

(Thousands of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
Net sales	3,454,094	3,708,489
Cost of sales	2,191,279	2,402,238
Gross profit	1,262,814	1,306,250
Selling, general and administrative expenses	944,609	926,097
Operating income	318,205	380,153
Non-operating income		
Interest income	1,132	2,186
Dividends income	595	516
Gain on sales of securities	2,565	—
Investment gain by equity method	3,029	1,768
Foreign exchange gains	5,548	7,190
Insurance premiums refunded cancellation	4,144	—
Other	2,064	719
Total non-operating income	19,080	12,381
Non-operating expenses		
Other	7	30
Total non-operating expenses	7	30
Ordinary income	337,278	392,504
Extraordinary loss		
Loss on retirement of noncurrent assets	1,178	29
Office transfer expenses	21,661	—
Total extraordinary loss	22,839	29
Income before income taxes	314,438	392,474
Income taxes-current	111,734	122,043
Income taxes-deferred	△17,313	5,666
Total income taxes	94,421	127,709
Income before minority interests	220,017	264,764
Minority interests in income or loss	△437	△1,094
Net income	220,455	265,859

(3) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
Net cash provided by (used in) operating activities		
Income before income taxes	314,438	392,474
Depreciation and amortization	82,965	67,479
Amortization of goodwill	662	438
Increase (decrease) in allowance for doubtful accounts)	△95	△468
Increase (decrease) in provision for bonuses	2,034	1,249
Increase (decrease) in allowance for retirement benefits	113	—
Increase (decrease) in net defined benefit liability	—	△423
Interest and dividends income	△1,728	△2,702
Loss (gain) on sales of investment securities	△2,565	—
Investment gain(loss) by equity method	△3,029	△1,768
Insurance premiums refunded cancellation	△4,144	—
Loss on retirement of noncurrent assets	1,178	29
Relocation expenses	21,661	—
Decrease (increase) in notes and accounts receivable-trade	△51,963	△19,551
Decrease (increase) in inventories	△17,772	2,227
Increase (decrease) in notes and accounts payable-trade	44,297	△13,516
Increase (decrease) in accrued consumption taxes	1,744	41,850
Other	△23,308	△21,358
Subtotal	364,488	445,959
Interest and dividends income received	2,154	3,871
Income taxes paid	△51,733	△137,257
Net cash provided by (used in) operating activities	314,909	312,572
Net cash provided by (used in) investment activities		
Payments on purchase of securities	△12	—
Proceeds from sales of short-term investment securities	14,926	—
Purchase of property, plant and equipment	△18,831	△13,893
Purchase of intangible assets	△72,751	△11,871
Purchase of investment securities	△93,327	—
Proceeds from redemption of securities	33	110
Purchase of investments in subsidiaries	△2,360	△55,200
Proceeds from collection of lease and guarantee deposits	△27,195	△1,890
Proceeds from collection of guarantee deposits	5,450	29,335
Payments for insurance premium reserve	△1,079	△960
Proceeds from cancellation of insurance funds	11,550	—
Payments into time deposits	△1,201	△1,201
Proceeds from withdrawal of time deposits	1,200	—
Net cash provided by (used in) investment activities	△183,598	△55,569

(Thousands of yen)

	Fiscal year ended December 31, 2013	Fiscal year ended December 31, 2014
Net cash provided by (used in) financing activities		
Purchase of treasury stock	Δ 16	—
Income from issuance of stock	1,437	1,000
Cash dividends paid	Δ33,711	Δ43,450
Net cash provided by (used in) financing activities	Δ32,290	Δ42,450
Increase (decrease) in cash and cash equivalents	99,020	214,551
Opening balance of cash and cash equivalents	1,358,925	1,457,945
Closing balance of cash and cash equivalents	1,457,945	1,672,497