

Financial Statements(under Japanese GAAP)

February 10, 2016

Company name	IFIS JAPAN LTD.	Stock Exchange listing	TSE
Code number	7833	URL	http://www.ifis.co.jp
Representative	President	Kazuharu Osawa	
Contact	Director	Hiroki Osawa	TEL 81-(3)6825-1250
Scheduled date of annual shareholder's meeting	March 25, 2016	Scheduled start date of dividend	March 28, 2016
Scheduled submission date of annual security report	March 28, 2016		
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, 2015(January 1, 2015 to December 31, 2015)

(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 2015	4,241	14.4	582	53.3	594	51.4	381	43.4
Fiscal year ended December 2014	3,708	7.4	380	19.5	392	16.4	265	20.6

(Note) Comprehensive income (loss) Fiscal year ended December 2015 ¥377 million (40.0%) Fiscal year ended December 2014 ¥270 million (18.4%)

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Profit margin on sales
Fiscal year ended December 2015	¥ 39.47	¥ 39.46	% 16.8	% 20.9	% 13.7
Fiscal year ended December 2014	27.53	27.51	13.3	15.4	10.3

(Reference) Earnings on investments in equity-method affiliates Fiscal year ended December 2015 ¥7 million Fiscal year ended December 2014 ¥1million

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
Fiscal year ended December 2015	¥ million 3,057	¥ million 2,418	% 79.1	¥ 250.36
Fiscal year ended December 2014	2,634	2,107	80.0	218.22

(Reference) Equity Fiscal year ended December 2015 ¥2,418 million Fiscal year ended December 2014 ¥2,107 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
Fiscal year ended December 2015	¥ million 570	¥ million Δ193	¥ million Δ67	¥ million 1,982
Fiscal year ended December 2014	312	Δ55	Δ42	1,672

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 2014	—	0 00	—	5 00	5 00	48	18.2	2.4
Fiscal year ended December 2015	—	2 00	—	5 50	7 50	72	19.0	3.2
Fiscal year ending December 2016 (Estimated)	—	0 00	—	6 50	6 50	—	15.7	—

3. Projected Results for Fiscal year 2016(January 1 to December 31, 2016)

(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. 2016	2,200	5.2	300	3.7	300	2.0	190	1.9	19.67
Fiscal year ending Dec. 2016	4,700	10.8	630	8.1	630	6.0	400	4.9	41.41

* 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 2015 | 10,242,000 shares | Fiscal year ended December 2014 | 10,242,000 shares |
| 2) | Number of shares of treasury stock at term end | Fiscal year ended December 2015 | 582,237 shares | Fiscal year ended December 2014 | 582,237 shares |
| 3) | Average number of shares during the period | Fiscal year ended December 2015 | 9,659,763 shares | Fiscal year ended December 2014 | 9,656,322 shares |

(Reference) Non-Consolidated Financial Results

1. Non-Consolidated Financial Results for the Fiscal Year Ended December 31, 2015(January 1 to December 31, 2015)

(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 2015	2,869	15.0	443	68.4	446	63.5	280	69.1
Fiscal year ended December 2014	2,494	10.1	263	15.5	272	15.5	166	△6.5

	Net income per share	Diluted net income per share
Fiscal year ended December 2015	¥ 29.06	¥ 29.06
Fiscal year ended December 2014	¥ 17.20	¥ 17.18

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Fiscal year ended December 2015	2,485	2,058	82.8	213.11
Fiscal year ended December 2014	2,176	1,845	84.8	191.07

(Reference) Equity Fiscal year ended December 2015 ¥2,058 million Fiscal year ended December 2014 ¥1,845 million

2. Non-Consolidated earnings forecasts for Fiscal year 2016(January 1 to December 31, 2016)

(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. 2016	1,470	4.0	220	2.4	140	3.2	14.49
Fiscal year ending Dec. 2016	3,170	10.5	470	5.3	300	6.9	31.06

* 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, 2014	Fiscal year ended December 31, 2015
(Assets)		
Current assets		
Cash and deposits	1,729,304	2,030,368
Notes and accounts receivable-trade	412,032	400,422
Work in process	21,309	32,031
Deferred tax assets	27,916	21,871
Other	32,414	102,278
Allowance for doubtful accounts	△793	△4
Total current assets	2,222,184	2,586,967
Noncurrent assets		
Property, plant and equipment		
Buildings and accompanying facilities	27,199	28,054
Accumulated depreciation	△17,077	△18,661
Buildings and accompanying facilities, Net	10,122	9,393
Tools, furniture and fixtures	154,489	160,260
Accumulated depreciation	△122,338	△134,656
Tools, furniture and fixtures, Net	32,151	25,604
Total Property, plant and equipment	42,273	34,997
Intangible assets		
Goodwill	2,483	60,333
Software	106,105	99,219
Software in progress	2,450	9,452
Other	1,469	1,469
Total intangible assets	112,508	170,475
Investments and other assets		
Investment securities	127,511	115,616
Stock of affiliated company	2,360	2,360
Affiliated company investments	51,312	55,914
Guarantee deposits	58,301	56,566
Deferred tax assets	9,860	24,991
Other	8,340	9,535
Total investment and other assets	257,685	264,983
Total noncurrent assets	412,468	470,456
Total assets	2,634,652	3,057,424

(Thousands of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015
Liabilities		
Current liabilities		
Accounts payable-trade	167,777	203,402
Income taxes payable	76,455	138,142
Accounts payable-other	66,413	78,743
Advances received	83,955	91,720
Provision for bonuses	12,991	14,901
Other	102,824	94,909
Total current liabilities	510,417	621,820
Noncurrent liabilities		
Deferred tax liabilities	2,223	2,520
Net defined benefit liability	14,011	14,708
Total noncurrent liabilities	16,235	17,228
Total liabilities	526,652	639,049
Net assets		
Shareholders' equity		
Capital stock	382,510	382,510
Capital surplus	438,310	438,310
Retained earnings	1,347,482	1,661,118
Treasury stock	△77,928	△77,928
Total shareholders' equity	2,090,373	2,404,010
Accumulated other comprehensive income		
Valuation difference on securities (other than subsidiaries and affiliated companies)	7	△223
Currency adjustment account	17,618	14,588
Total accumulated other comprehensive income	17,626	14,365
Total net assets	2,107,999	2,418,375
Total net liabilities	2,634,652	3,057,424

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

(Thousands of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015
Net sales	3,708,489	4,241,754
Cost of sales	2,402,238	2,661,719
Gross profit	1,306,250	1,580,035
Selling, general and administrative expenses	926,097	997,235
Operating income	380,153	582,800
Non-operating income		
Interest income	2,186	2,365
Dividends income	516	116
Investment gain by equity method	1,768	7,631
Foreign exchange gains	7,190	123
Other	719	1,122
Total non-operating income	12,381	11,359
Non-operating expenses		
Interest expenses	—	44
Other	30	17
Total non-operating expenses	30	61
Ordinary income	392,504	594,098
Extraordinary loss		
Loss on retirement of noncurrent assets	29	186
Total extraordinary loss	29	186
Income before income taxes	392,474	593,911
Income taxes-current	122,043	189,730
Income taxes-deferred	5,666	22,926
Total income taxes	127,709	212,656
Income before minority interests	264,764	381,254
Minority interests in income or loss	△1,094	—
Net income	265,859	381,254

(3) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015
Net cash provided by (used in) operating activities		
Income before income taxes	392,474	593,911
Depreciation and amortization	67,479	56,973
Amortization of goodwill	438	6,481
Increase (decrease) in allowance for doubtful accounts)	△468	△789
Increase (decrease) in provision for bonuses	1,249	1,909
Increase (decrease) in net defined benefit liability	△423	697
Interest and dividends income	△2,702	△2,481
Interest expenses	—	44
Investment gain(loss) by equity method	△1,768	△7,631
Loss on retirement of noncurrent assets	29	186
Decrease (increase) in notes and accounts receivable-trade	△19,551	18,183
Decrease (increase) in inventories	2,227	△9,218
Increase (decrease) in notes and accounts payable-trade	△13,516	35,625
Increase (decrease) in accrued consumption taxes	41,850	△13,044
Other	△21,358	10,511
Subtotal	445,959	691,358
Interest and dividends income received	3,871	3,859
Interest expenses paid	—	△44
Income taxes paid	△137,257	△127,646
Income taxes refund	—	3,133
Net cash provided by (used in) operating activities	312,572	570,659
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	△13,893	△7813
Purchase of intangible assets	△11,871	△22,726
Payments for transfer of business	—	△110,000
Proceeds from redemption of securities	110	10,398
Purchase of investments in subsidiaries	△55,200	—
Proceeds from collection of lease and guarantee deposits	△1,890	—
Proceeds from collection of guarantee deposits	29,335	24
Payments for insurance premium reserve	△960	△960
Proceeds from cancellation of insurance funds	—	—
Payments into time deposits	△1,201	△1,201
Proceeds from withdrawal of time deposits	—	10,000
Advance payments for business transfer agreement	—	△70,900
Net cash provided by (used in) investment activities	△55,569	△193,178

(Thousands of yen)

	Fiscal year ended December 31, 2014	Fiscal year ended December 31, 2015
Net cash provided by (used in) financing activities		
Increase in short-term loans payable	—	50,000
Decrease in short-term loans payable	—	△50,000
Income from issuance of stock	1,000	—
Cash dividends paid	△43,450	△67,618
Net cash provided by (used in) financing activities	△42,450	△67,618
Increase (decrease) in cash and cash equivalents	214,551	309,862
Opening balance of cash and cash equivalents	1,457,945	1,672,497
Closing balance of cash and cash equivalents	1,672,497	1,982,360