

Japan Information Processing Service Co., Ltd.

FY 3/2006 interim accounts fact book



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Notes:

Insofar as the entries in this document regarding the present plans, outlook, strategies convictions and other matters of Japan Information Processing Service (JIP) are not historical facts, they are related to the outlook for the company's operating results.

Such matters are based on the judgment of JIP management derived from presently available information. In consequence, the forecasts alone should not be relied upon in their entirety.

Actual operating results are subject to various important elements, and may differ substantially from forecasts.

The important elements affecting actual results include (1) the economic situation in JIP's business domains, and (2) JIP's ability continuously to provide products and services acceptable to customers in an information technology (IT) subject to rapid technical innovation. But these are not the only factors affecting operating results.

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1. Interim consolidated balance sheet

[Unit: ¥ million]

Accounting period (fiscal year)	01/09		02/09		03/09		04/09		05/09	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
[Assets section]										
I Current assets										
1.Cash and deposits	1,990		2,333		4,906		3,720		1,851	
2.Notes and accounts receivable	7,540		7,847		6,514		5,425		5,398	
3.Marketable securities	1,080		50		14		-		-	
4.inventory assets	3,309		3,194		4,145		4,502		2,292	
5.Tax carryforward assets	304		390		606		1,343		998	
6.Others	1,793		1,428		1,656		1,204		1,162	
7.Default allowance	-56		-87		-83		-36		-39	
Total current assets	15,962	54.2%	15,156	49.8%	17,759	48.4%	16,160	44.4%	11,663	37.7%
II Fixed assets										
(1)Tangible fixed assets										
1.Buildings and structures	2,273		2,080		1,925		1,837		1,715	
2.Machinery, equipment and conveyors	12		10		10		7		98	
3.Tools and fittings	177		178		147		128		113	
4.Land	2,752		2,752		2,752		2,752		2,730	
5.Building provisional account	-		-		-		-		-	
Total tangible fixed assets	5,215	17.7%	5,022	16.5%	4,835	13.2%	4,725	13.0%	4,656	15.1%
(2)Intangible fixed assets										
1.Software	2,139		3,669		1,881		7,398		7,479	
2.Software provisional account	-		-		6,207		1,568		845	
3.Others	108		147		99		98		96	
Total intangible fixed assets	2,247	7.6%	3,817	12.5%	8,188	22.4%	9,065	24.9%	8,420	27.2%
(3)Investments and other assets										
1.Investment securities	2,479		2,818		2,791		2,863		2,483	
2.Inserted guarantee money	1,736		1,651		1,512		1,517		1,535	
3.Long-term tax carryforward assets	1,151		1,372		1,141		1,697		1,821	
4.Others	650		606		435		452		407	
5.Default allowance	-0		-0		-10		-68		-63	
Total of investments and other assets	6,016	20.4%	6,449	21.2%	5,870	16.0%	6,462	17.7%	6,184	20.0%
Fixed asset total	13,480	45.8%	15,288	50.2%	18,895	51.6%	20,254	55.6%	19,262	62.3%
Total assets	29,442	100.0%	30,445	100.0%	36,655	100.0%	36,414	100.0%	30,925	100.0%

Note: In the audit by accounting auditors, there were some changes in topic classifications, expressions and others.

Accounting period (fiscal year)	01/09		02/09		03/09		04/09		05/09	
	金額	構成比	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
[Liability section]										
I Current liabilities										
1. Notes and accounts payable	3,901		4,381		4,721		3,593		2,537	
2. Short-term borrowings	4,713		1,598		6,550		5,404		3,585	
3. Unpaid corporate taxes and others	65		73		127		74		114	
4. Allowance for bonuses	878		930		682		640		696	
5. Others	1,914		1,894		2,089		1,788		1,921	
Total current liabilities	11,473	39.0%	8,877	29.2%	14,171	38.7%	11,502	31.6%	8,856	28.6%
II Fixed liabilities										
1. Long-term borrowings	-		2,760		4,062		7,634		5,351	
2. Allowance for retirement benefits	3,347		3,579		3,735		3,712		3,622	
3. Allowance for officers' retirement bonuses	549		546		435		427		202	
4. Others	70		64		68		67		75	
Total fixed liabilities	3,968	13.5%	6,949	22.8%	8,302	22.6%	11,842	32.5%	9,252	29.9%
Total liabilities	15,441	52.4%	15,827	52.0%	22,473	61.3%	23,344	64.1%	18,108	58.6%
Minority interest	185	0.6%	285	0.9%	155	0.4%	210	0.6%	355	1.1%
[Capital section]										
I Capital	2,460	8.4%	2,460	8.1%	2,460	6.7%	2,460	6.8%	2,460	8.0%
II Capital surplus	2,997	10.2%	2,997	9.8%	2,997	8.2%	2,997	8.2%	2,997	9.7%
III Profit surplus	8,571	29.1%	9,028	29.7%	8,429	23.0%	7,312	20.1%	6,907	22.3%
IV Other securities valuation differentials	-213	-0.7%	-151	-0.5%	140	0.4%	183	0.5%	192	0.6%
V Exchange rate conversion adjustment account										
VI Treasury stock			-1	0.0%	-1	0.0%	-95	-0.3%	-95	-0.3%
Total capital	13,815	46.9%	14,333	47.1%	14,026	38.3%	12,859	35.3%	12,461	40.3%
Total of liabilities, capital and minority interest	29,442	100.0%	30,445	100.0%	36,655	100.0%	36,414	100.0%	30,925	100.0%

Note: In the audit by accounting auditors, there were some changes in topic classifications, expressions and others.

2.Interim term consolidated profit and loss statement

[Unit: ¥ million]

Accounting period (fiscal year)	01/09			02/09			03/09			04/09			05/09		
	Amount		% of total	Amount		% of total	Amount		% of total	Amount		% of total	Amount		% of total
I Sales															
1.Information service sales	13,246			18,796			17,004			17,900			17,297		
2.Sales of system sales	5,657	18,903	100.0%		18,796	100.0%		17,004	100.0%		17,900	100.0%		17,297	100.0%
II Sales cost price															
1.Information service sales cost price	10,357			15,065			14,341			16,736			14,376		
2.Product sales cost price	4,348	14,705	77.8%		15,065	80.2%		14,341	84.3%		16,736	93.5%		14,376	83.1%
Gross profit		4,197	22.2%		3,730	19.8%		2,662	15.7%		1,163	6.5%		2,920	16.9%
III SG&A expenses		3,507	18.6%		3,224	17.1%		2,829	16.7%		2,654	14.8%		2,697	15.6%
Operating profit		690	3.7%		505	2.7%		-166	-1.0%		-1,491	-8.3%		223	1.3%
IV Non-operating profit															
1.Interest received	7			7			2			1			0		
2.Dividends received	12			11			11			34			65		
3.Insurance claim monies received	20			25			27			32			7		
4.Equity method investment profit	-			-			12			5			-		
5.Others	21	62	0.3%	24	68	0.4%	14	69	0.4%	10	83	0.5%	25	99	0.6%
V Non-operating expenses															
1.Interest paid	28			20			36			72			72		
2.Equity method investment loss	180			29			-			-			-		
3.Others	21	230	1.2%	12	62	0.4%	29	65	0.4%	9	82	0.5%	0	73	0.4%
Recurring profit		521	2.8%		511	2.7%		-163	-1.0%		-1,489	-8.3%		250	1.5%
VI Extraordinary profit															
1.Return of default allowances	1			-			-			-			3		
2.Profit on sale of investment securities	262			0			24			-			0		
3.Others	-	263	1.4%	2	2	0.0%	9	34	0.2%	24	24	0.1%	-	4	0.0%
VII Extraordinary loss															
1.Loss on fixed asset elimination	13			1			54			1			1		
2.Amortization of differential on change in retirement benefit accounting standards	103			103			103			103			-		
3.Valuation loss on investment securities	519			247			169			-			3		
4.Loss on dissolution of administrative units	16			6			19			-			0		
5.Others	9	661	3.5%	66	426	2.2%	13	361	2.1%	350	455	2.5%	-	4	0.0%
Net interim term profit before tax and other adjustments		123	0.7%		88	0.5%		-490	-2.9%		-1,921	-10.7%		249	1.5%
Corporate, residence and business taxes		58	0.3%		65	0.4%		118	0.7%		41	0.2%		71	0.4%
Corporate tax and other adjustments		120	0.6%		-69	-0.4%		-49	-0.3%		-987	-5.5%		97	0.6%
Minority interest loss (additional)		6	0.0%		8	0.0%		40	0.2%		3	0.0%		1	0.0%
Minority interest profit (exclusion)		-			-			-			-			-	
Interim term net profit		-49	-0.3%		101	0.5%		-519	-3.1%		-979	-5.4%		78	0.5%

Note: In the audit by accounting auditors, there were some changes in topic classifications, expressions and others.

3. Interim term consolidated cash flow statement

[Unit: ¥ million]

Accounting period (fiscal year)	01/09		02/09		03/09		04/09		05/09	
	Amount		Amount		Amount		Amount		Amount	
I Cash flow from operating activities										
1.Net interim term profit before tax and other adjustments	123		88		-490		-1,921		249	
2.Cash flow from operating activities										
(1)Depreciation	540		600		644		1,337		1,660	
(2)Equity method profit/loss	180		29		-12		-5		-	
(3) Increase/decrease in retirement bonus allowance	0		1		-		-		-	
(4)Increase/decrease in retirement benefit allowance	78		77		38		-64		-109	
(5)Increase/decrease in officers' retirement bonus allowance	-172		-54		-171		-67		-289	
(6)Increase/decrease in sales loans	3,257		4,105		3,211		1,719		3,438	
(7)Increase/decrease in inventory assets	-1,025		-1,174		-1,019		-477		-369	
(8)Increase/decrease in stocking-in debt	-1,536		-968		-60		-915		-1,515	
(9)Software increase amount	-777		-1,543		-		-		-	
(11)Increase on software for sale (including provisional account)	-		-		-408		-141		-426	
(10)Others	-394		-356		-118		-455		-113	
Subtotal		273		804		1,611		-992		2,524
3.Interest and dividends received	24		26		20		36		66	
4.Interest paid	-15		-20		-37		-77		-71	
5.Corporate and other taxes paid	-721		-467		-580		-413		-51	
Cash flow from operating activities		-437		342		1,013		-1,445		2,467
II Cash flow from investing activities										
1.Expenditures for acquisition of marketable securities	49		6		94		-		-	
2.Expenditures for acquisition of tangible fixed assets	-24		-28		-22		-23		-58	
3.Expenditures for acquisition of investment securities	146		135		390		-51		-51	
4.Expenditures for acquisition of software (including provisional account)	-		-		-2,750		-502		-811	
5.Others	-9		93		152		60		227	
Cash flow from investing activities		162		205		-2,134		-516		-693
III Cash flow from financial activities										
1.Income from short-term borrowings	970		970		3,570		3,120		600	
2.Disbursements for repayment of short-term borrowings	-1,018		-1,640		-1,500		-1,070		-2,170	
3.Dividend payments	-140		-139		-179		-140		-138	
4.Dividend payments to minority stockholders	-3		-6		-4		-5		-4	
5.Income from long-term borrowings	-		-		1,000		500		-	
6.Repayment of long-term borrowings	-		-172		-172		-751		-1,141	
7.Expenditures for stock buybacks	-		-		-		-93		-	
Cash flow from financial activities		-192		-989		2,713		1,559		-2,854
IV Cash and equivalents conversion differentials		-		-		-		-		-
V Increase/decrease in cash and equivalents		-467		-440		1,592		-403		-1,081
VI Balance of cash and equivalents at beginning of term		3,418		2,773		3,313		4,113		2,922
VII Balance of cash and equivalents, due to increase in number of consolidated companies, at beginning of term		70		-		-		-		-
VIII Balance of cash and equivalents at end of term		3,020		2,333		4,906		3,710		1,841

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