

Earnings Digest

January 31, 2009

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, 2009	Scheduled start date of dividend	March 23, 2009
Scheduled submission date of annual security report	March 23, 2009		

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

1. Consolidated Financial Results for the FY ended December 31, 2008 (January 1, 2008 to December 31, 2008)

(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 2008	3,475	-1.2	274	-36.3	280	-31.5	85	-48.9
FY 2007	3,519	25.6	431	1.0	408	-5.6	166	-28.5

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Profit margin on sales
	¥	¥	%	%	%
FY 2008	1,681.07	1,666.49	6.0	13.6	8.1
FY 2007	3,362.97	3,261.86	12.6	20.3	12.3

(Reference)	Earnings on investments in equity-method affiliates	Fiscal year ended December 2008	None	Fiscal year ended December 2007	None
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(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
FY 2008	1,936	1,514	75.2	29,717.74
FY 2007	2,182	1,462	63.9	29,317.16

(Reference)	Equity	FY 2008	¥1,456 million	FY 2007	¥1,393 million
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(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 2008	157	-429	-25	845
FY 2007	272	-315	-62	1,143

2. Dividends

	Dividend per share (¥)			Total cash dividends	Dividend payout ratio (consolidated)	Dividends on equity (consolidated)
	First half	Second half	Annual			
	¥	¥	¥	¥million	%	%
FY 2007	- -	700 00	700 00	34	21.0	2.4
FY 2008	- -	500 00	500 00	25	29.7	1.7
FY 2009 (Estimated)	- -	700 00	700 00	35	17.0	2.6

3. Forecast for Fiscal year 2009 (January 1 to December 31, 2009)

(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. 2009	1,800	1.5	120	-16.9	120	-17.6	60	13.3	1,777.16
Fiscal year ending Dec. 2009	3,800	9.3	350	27.4	350	25.0	210	146.7	4,210.07

* 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 3,4,5,6 for the matters related to the forecast of consolidated business results provided herein.

4. Consolidated Financial Statements

(1) Consolidated balance sheet

	Fiscal year ended December 31, 2007		Fiscal year ended December 31, 2008		Comparison		
	Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)		
(Assets)							
Current assets							
1.Cash and deposits	1,174,300		879,517			-294,782	
2.Accounts receivable-trade	484,497		314,487			-170,010	
3.Loans	-		50,000			50,000	
4.Deferred tax assets	14,900		6,604			-8,295	
5.Other	19,765		19,304			-461	
Total current assets	1,693,464	77.6	1,269,914	65.6		-423,550	
Noncurrent assets							
1.Property, plant and equipment							
(1) Buildings and other facilities	23,276		29,453		6,176		
Accumulated depreciation	7,629	15,646	8,917	20,535	1,287	4,888	
(2) Vehicles	1,550		1,836		285		
Accumulated depreciation	1,329	220	1,675	160	345	-60	
(3) Tools, furniture and fixtures	118,816		140,289		21,473		
Accumulated depreciation	39,322	79,494	71,974	68,315	32,651	-11,178	
Total Property, plant and equipment		95,362	4.4		89,012	4.6	-6,349
2.Intangible assets							
(1) Goodwill	69,895		27,385			-42,510	
(2) Software	131,966		444,181			312,215	
(3) Software in progress	118,421		-			-118,421	
(4) Other	668		13,634			12,966	
Total intangible assets		320,952	14.7		485,201	25.1	164,249
3.Investments and other assets							
(1) Investment securities	-		10,000			10,000	
(2) Guarantee deposits	52,401		67,310			14,908	
(3) Other	20,171		14,748			-5,423	
Investments and other assets		72,573	3.3		92,058	4.7	19,485
Total noncurrent assets		488,887	22.4		666,273	34.4	177,385
Total assets		2,182,352	100.0		1,936,187	100.0	-246,164

	Fiscal year ended December 31, 2007		Fiscal year ended December 31, 2008		Comparison	
	Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)	
(Liabilities)						
Current liabilities						
1.Accounts payable-trade	431,572		245,573			-185,998
2.Current portion of long-term loans payable	2,004		481			-1,523
3.Income taxes payable	147,859		37,037			-110,821
4.Provision for bonuses	6,776		7,203			426
5.Accounts payable-other	27,249		31,593			4,343
6.Advances received	64,803		69,741			4,938
7.Other	37,572		28,842			-8,729
Total current liabilities	717,837	32.9	420,473	21.7		-297,363
Noncurrent liabilities						
1.Long-term loans payable	481		-			-481
2. Deferred tax liabilities	1,107		1,000			-106
Total noncurrent liabilities	1,588	0.1	1,000	0.1		-587
Total liabilities	719,426	33.0	421,474	21.8		-297,951
(Net assets)						
Shareholders' equity						
1.Capital stock	374,270	17.2	380,690	19.7		6,420
2.Capital surplus	430,070	19.7	436,490	22.5		6,420
3.Retained earnings	589,147	27.0	639,333	33.0		50,186
Total shareholders' equity	1,393,487	63.9	1,456,513	75.2		63,026
Minority interests	69,439	3.1	58,199	3.0		-11,239
Total net assets	1,462,926	67.0	1,514,713	78.2		51,786
Total net liabilities	2,182,352	100.0	1,936,187	100.0		-246,164

(2) Consolidated Statement of Income

	Fiscal year ended December 31, 2007		Fiscal year ended December 31, 2008		Comparison			
	Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)	Ratio (%)	Amount (Thousands of yen)			
Net sales		3,519,715	100.0		3,475,760	100.0		-43,955
Cost of sales		2,243,819	63.7		2,276,352	65.5		32,533
Gross profit		1,275,896	36.3		1,199,407	34.5		-76,488
Selling, general and administrative expenses		844,720	24.0		924,764	26.6		80,043
Operating income		431,175	12.3		274,642	7.9		-156,532
Non-operating income								
1. Interest income	1,220			1,921			701	
2. Dividends income	2			2			-	
3. Insurance fee	1,515			-			-1,515	
4. Gain on sales of securities	368			-			-368	
5. Consumption taxes-deferred	-			2,671			2,671	
6. Other	965	4,070	0.1	842	5,437	0.2	-122	1,366
Non-operating expenses								
1. Interest expenses	8			2			-5	
2. Loss on cancellation of specified money in trust	26,412			-			-26,412	
3. Other	-	26,421	0.8	0	2	0.0	0	-26,418
Ordinary income		408,825	11.6		280,077	8.1		-128,747
Extraordinary loss								
1. Loss on retirement of noncurrent assets	466			12			-453	
2. Impairment loss	-	466	0.0	28,000	28,013	0.8	28,000	27,546
Income before income taxes		408,358	11.6		252,064	7.3		-156,294
Income taxes-current	229,869			149,652			-80,216	
Income taxes-deferred	1,496	231,366	6.6	8,188	157,841	4.5	6,692	73,524
Minority interests in income		10,562	0.3		9,106	0.3		-1,456
Net income		166,430	4.7		85,116	2.5		-81,534

(3) Consolidated statement of cash flows

	Fiscal year ended December 31, 2007	Fiscal year ended December 31, 2008	Comparison
	Amount (Thousands of yen)	Amount (Thousands of yen)	Amount (Thousands of yen)
Net cash provided by (used in) operating activities			
Income before income taxes	408,358	252,064	-156,294
Depreciation and amortization	46,647	127,826	81,179
Amortization of goodwill	14,703	18,924	4,220
Impairment loss	-	28,000	28,000
Increase (decrease) in provision for bonuses	2,561	426	-2,134
Interest and dividends income	-1,222	-1,923	-701
Interest expenses	8	2	-6
Loss on cancellation of specified money in trust	26,412	-	-26,412
Loss on retirement of noncurrent assets	466	12	-453
Decrease (increase) in notes and accounts receivable-trade	-129,971	174,948	304,919
Increase (decrease) in notes and accounts payable-trade	139,882	-185,998	-325,880
Increase (decrease) in accrued consumption taxes	-441	-9,958	-9,517
Other	-38,853	13,995	52,848
Subtotal	468,553	418,321	-50,231
Interest and dividends income received	1,222	1,923	701
Proceeds from long-term loans payable	-8	-2	6
Income taxes refund	-197,601	-262,287	-64,686
Net cash provided by (used in) operating activities	272,165	157,954	-114,210
Net cash provided by (used in) investment activities			
Payments for specified money in trust	-300,000	-	300,000
Proceeds from cancellation of specified money in trust	275,832	-	-275,832
Purchase of property, plant and equipment	-59,640	-35,408	24,232
Purchase of intangible assets	-200,639	-295,826	-95,187
Purchase of investment securities	-	-10,000	-10,000
Proceed from new consolidated subsidiaries' cash received	2,363	-	-2,363
Purchase of investments in subsidiaries	-10,000	-23,000	-13,000
Proceeds from collection of lease and guarantee deposits	-	-12,637	-12,637
Proceeds from return of guarantee deposits	-	15	15
Proceeds from sales and redemption of securities	-	-50,000	-50,000
Payments into time deposits	-32,016	-13,600	18,416
Proceeds from withdrawal of time deposits	9,004	10,816	1,812
Net cash provided by (used in) investment activities	-315,096	-429,641	-114,544
Net cash provided by (used in) financing activities			
Decrease in short-term loans payable	-25,001	-	25,001
Repayment of long-term loans payable	-8,039	-2,004	6,035
Proceeds from issuance of common stock	6,300	12,814	6,514
Cash dividends paid	-34,629	-34,930	-301
Cash dividends paid to minority shareholders	-800	-1,760	-960
Net cash provided by (used in) financing activities	-62,169	-25,879	36,289
Net increase (decrease) in cash and cash equivalents	-105,100	-297,566	-192,465
Opening balance of cash and cash equivalents	1,248,584	1,143,483	-105,100
Closing balance of cash and cash equivalents	1,143,483	845,917	-297,566