

Financial Statements

January 28, 2011

Company name	IFIS JAPAN LTD.	Stock Exchange	TSE Mothers
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 18, 2011	Scheduled start date of dividend	March 23, 2011
Scheduled submission date of annual security report	March 18, 2011		

1. Consolidated Financial Results for the Fiscal Year Ended December 31, 2010

(January 1, 2010 to December 31, 2010)

(1) Consolidated Operating Results

(Fractions less than Yen1 million have been omitted.)

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

	Net sales		Operating income		Ordinary income		Net income	
	Yen million	%	Yen million	%	Yen million	%	Yen million	%
Fiscal year ended December 2010	2,699	-8.9	110	55.0	122	36.5	84	132.3
Fiscal year ended December 2009	2,964	-14.7	71	-74.1	89	-67.9	36	-57.4

	Net income per share	Diluted net income per share	Return on equity	Return on assets	Profit margin on sales
	Yen	Yen	%	%	%
Fiscal year ended December 2010	1,690.55	1,688.18	5.7	6.3	4.1
Fiscal year ended December 2009	713.99	713.06	2.5	4.6	2.4

(Reference) Earnings on investments in equity-method affiliates Fiscal year ended December 2010 None
Fiscal year ended December 2009 None

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Yen million	Yen million	%	Yen
Fiscal year ended December 2010	1,958	1,546	76.2	29,983.28
Fiscal year ended December 2009	1,944	1,500	74.2	28,779.35

(Reference) Equity Fiscal year ended December 2010 1,491 Yen million
Fiscal year ended December 2009 1,443 Yen 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
	Yen million	Yen million	Yen million	Yen million
Fiscal year ended December 2010	238	-70	-36	1,149
Fiscal year ended December 2009	222	20	-71	1,017

2. Dividends

	Dividend per share (Yen)					Total cash dividends Yen million	Dividend payout ratio(consolidated) %	Dividends on equity (consolidated) %
	1 st Qtr	2 nd Qtr	3 rd Qtr	Year-end	Total			
Fiscal year ended December 2009	Yen -	Yen 0	Yen -	Yen 500.00	Yen 500.00	25	70.0	1.7
Fiscal year ended December 2010	-	0	-	500.00	500.00	24	29.6	1.7
Fiscal year ending December 2011 (Estimated)	-	0	-	500.00	500.00	-	23.7	-

3. Projected Results for Fiscal year 2011(January 1 to December 31, 2011)

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

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Yen million	%	Yen million	%	Yen million	%	Yen million	%	Yen
First half ending Jun. 2011	1,300	-4.2	60	155.1	60	74.8	35	96.6	703.69
Fiscal year ending Dec. 2011	2,700	0.0	170	54.3	170	38.7	105	24.6	2,111.06

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)

-Fiscal year ended December 2010: 51,070 shares

-Fiscal year ended December 2009: 51,070 shares

2) Number of shares of treasury stock at term end

-Fiscal year ended December 2010: 1,332 shares

-Fiscal year ended December 2009: 929 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 3 to 5 for the matters related to the forecast of consolidated business results provided herein.

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

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.

5. Consolidated Financial Statements
(1) Consolidated balance sheet

(Thousands of yen)

	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Assets		
Current assets		
Cash and deposits	1,067,688	1,199,047
Notes and accounts receivable-trade	239,858	275,765
Receivables on accrued corporate tax etc.	43,286	-
Deferred tax assets	355	14,998
Other	19,716	20,463
Allowance for doubtful accounts	495	1,281
Total current assets	1,370,411	1,508,994
Noncurrent assets		
Tangible assets		
Property, plant and equipment		
Buildings and accompanying facilities	29,457	29,457
Accumulated depreciation	12,146	15,011
Buildings and accompanying facilities, Net	17,311	14,446
Vehicles	1,455	617
Accumulated depreciation	1,405	603
Vehicles, Net	49	13
Tools, furniture and fixtures	140,734	143,679
Accumulated depreciation	97,946	114,510
Tools, furniture and fixtures, Net	42,787	29,169
Lease assets	4,478	4,478
Accumulated depreciation	746	1,492
Lease assets, Net	3,732	2,985
Total Tangible assets	63,880	46,614
Intangible assets		
Goodwill	15,798	4,211
Software	386,944	292,217
Other	604	604
Total intangible assets	403,347	297,034
Investments and other assets		
Investment securities	10,000	15,190
Shares of subsidiaries and affiliated companies	-	12,630
Guarantee deposits	85,286	69,113
Other	11,661	8,727
Total investment and other assets	106,948	105,661
Total noncurrent assets	574,176	449,311
Total assets	1,944,588	1,958,305
Liabilities		
Current liabilities		
Accounts payable-trade	230,709	216,092
Lease obligations	783	783
Income taxes payable	1,451	37,655
Accounts payable-other	59,960	33,343
Advances received	68,196	74,266
Deferred tax liabilities	592	-
Provision for bonuses	9,815	6,020
Other	45,844	39,369
Total current liabilities	417,354	407,532
Noncurrent liabilities		
Lease obligations	3,134	2,351
Deferred tax liabilities	1,345	1,465
Negative goodwill	14,992	-
Other	7,250	-
Total noncurrent liabilities	26,723	3,816
Total liabilities	444,078	411,348
Net assets		
Shareholders' equity		
Capital stock	381,290	381,290
Capital surplus	437,090	437,090
Retained earnings	650,130	709,338
Treasury stock	25,485	36,584
Total shareholders' equity	1,443,025	1,491,134
Valuation and translation adjustments		
Valuation difference on securities (other than subsidiaries and affiliated companies)	-	174
Total valuation and translation adjustments	-	174
Minority interests	57,484	55,648
Total net assets	1,500,509	1,546,956
Total net liabilities	1,944,588	1,958,305

(2) Consolidated Statement of Income

(Thousands of yen)

	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Net sales	2,964,124	2,699,584
Cost of sales	1,992,231	1,763,260
Gross profit	971,892	936,323
Selling, general and administrative expenses	900,844	826,183
Operating income	71,047	110,140
Non-operating income		
Interest income	1,600	838
Dividends income	2	259
Refund of consumption tax etc.	917	74
Amortization of negative goodwill	14,992	7,621
Other	1,676	3,909
Total non-operating income	19,188	12,702
Non-operating expenses		
Interest expenses	0	-
Forex translation loss	-	142
Purchase of treasury stock expenses	341	173
Other	110	-
Total non-operating expenses	451	316
Ordinary income	89,783	122,526
Extraordinary loss		
Loss on retirement of noncurrent assets	13,842	869
Losses on sale of shares of subsidiaries	-	340
Total extraordinary loss	13,842	1,210
Income before income taxes	75,941	121,315
Income taxes-current	31,988	51,254
Income taxes-deferred	7,186	15,235
Total income taxes	39,174	36,018
Minority interests in income	484	1,019
Net income	36,282	84,278

(3) Consolidated statement of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2009	Fiscal year ended December 31, 2010
Net cash provided by (used in) operating activities		
Income before income taxes	75,941	121,315
Depreciation and amortization	153,364	147,794
Loss on sale from shares of subsidiaries and affiliated companies	-	340
Amortization of goodwill	11,586	11,586
Amortization of negative goodwill	14,992	7,621
Increase (decrease) in allowance for doubtful accounts	4	906
Increase (decrease) in provision for bonuses	1,005	8,731
Interest and dividends income	1,602	1,098
Interest expenses	0	-
Loss on retirement of noncurrent assets	13,842	869
Decrease (increase) in notes and accounts receivable-tr	90,208	43,316
Increase (decrease) in notes and accounts payable-trad	14,863	14,617
Increase (decrease) in accrued consumption taxes	12,218	1,990
Other	7,307	12,260
Subtotal	332,001	210,641
Interest and dividends income received	1,602	1,098
Interest expenses paid	0	-
Income taxes paid	111,164	16,609
Income taxes refund	-	43,286
Net cash provided by (used in) operating activities	222,439	238,417
Net cash provided by (used in) investment activities		
Purchase of property, plant and equipment	9,170	4,450
Purchase of intangible assets	62,637	18,073
Purchase of investment securities	-	4,995
Expenditure resulting from sale of shares of subsidiaries and affiliated companies	-	12,630
Expenditure resulting from sale of shares in subsidiaries due to change in scope of consolidation	-	27,896
Proceed from new consolidated subsidiaries' cash receiv	60,512	-
Purchase of investments in subsidiaries	-	2,250
Payments for guarantee deposits	1,863	28
Proceeds from return of guarantee deposits	412	88
Decrease (increase) in short-term loans receivable	50,000	-
Increase in time deposits	20,000	-
Decrease in time deposits	3,600	-
Net cash provided by (used in) investment activities	20,853	70,234
Net cash provided by (used in) financing activities		
Repayment of long-term loans payable	481	-
Repayment for obligations of civil rehabilitation	19,726	-
Proceeds from issuance of common stock	1,197	-
Purchase of treasury stock	25,826	11,272
Cash dividends paid	25,485	25,070
Cash dividends paid to minority shareholders	1,200	480
Total net cash provided by (used in) financing activities	71,521	36,823
Net increase (decrease) in cash and cash equivalents	171,770	131,359
Opening balance of cash and cash equivalents	845,917	1,017,688
Closing balance of cash and cash equivalents	1,017,688	1,149,047