

Brief Report on Statement of Accounts (Consolidated) for the First Quarter of FY 2004

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 Listed Exchange: Tokyo
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1 . Consolidate Business Results for the First Quarter of FY 2005 (April 1, 2004 to June 30, 2004)

(1) Consolidated Operating Results

(Figures have been rounded down to the nearest million yen)

	Sales		Operating income		Ordinary income	
	(million yen)	%	(million yen)	%	(million yen)	%
First Quarter of FY2004	13,577	17.3	1,384	-	1,424	-
First Quarter of FY2003	11,572	-	1,604	-	1,578	-
FY2003	71,608		588		2,197	

	Net income		E. P. S.	Diluted E. P. S.
	(million yen)	%	(yen)	(yen)
First Quarter of FY2004	1,391	-	42.70	-
First Quarter of FY2003	1,111	-	34.11	-
FY2003	1,001		30.73	-

(Notes) Percentages for sales, operating income, ordinary income and net income indicate percentage change from the previous First Quarter of fiscal year.

[Brief Update on Consolidate Business Results for the First Quarter of FY 2005]

The ISID group (the Group) follows the completed-contract method as its accounting method for realizing sales. As many of Group's customers tend to start up their new computer systems from the start of a new fiscal year, system development and software products, Group's core businesses, see their deliveries of products and services concentrated in the latter part of the first and the second half. The sales is thus biased significantly to the second and the fourth quarters and tends to dip during the first and the third quarters.

On the consolidation basis, the sales increased to ¥13,577 million, up by ¥2,005 million compared with Q1 of the last fiscal year, with sales of each business growing almost in line with our initial forecasts.

As a result, the operating loss contracted by ¥220 million year-on-year to ¥1,384 million and the ordinary loss also decreased by ¥154 million year-on-year to ¥1,424 million, despite the posting of ¥200 million operating cost for the relocation of the Group HQ office in Shinagawa. With the relocation cost of ¥640 million posted as extraordinary loss, the Group's net loss expanded by ¥280 million to ¥1,391 million during the quarter from the level seen in the corresponding quarter of the preceding term.

The Group estimates that the extraordinary loss due to the relocation to the new office building would total about ¥1.2 billion, with the remaining amount scheduled to be posted in the second quarter.

(2) Consolidated Financial Position

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	(million yen)	(million yen)	%	(yen)
First Quarter of FY2004	46,598	29,368	63.0	901.30
First Quarter of FY2003	44,585	29,607	66.4	908.62
FY2003	50,572	30,982	61.3	950.82

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	End-of-year balance of cash and cash
	(million yen)	(million yen)	(million yen)	(million yen)
First Quarter of FY2004	1,093	1,028	301	5,278
First Quarter of FY2003	458	944	313	5,026
FY2003	1,188	1,532	221	6,116

[Brief Update on the Change in the Consolidated Financial Position]

On the consolidation basis, the outstanding balance of cash and cash equivalents (liquid funds) decreased by ¥838 million from the level seen at the end of the preceding term to ¥5,278 million during Q1.

(Operating cash flow)

The operating cash flow of the Group was up by ¥1,093 million during the quarter, with the posting of ¥2,097 million net pretax loss and the decrease in account payable by ¥2,516 million more than offset by the fall in account receivable by ¥6,275 million.

(Investment cash flow)

The investment cash flow for Q1 dropped by ¥1,028 million, mainly due to the expense of ¥1,134 million for acquiring a tangible fixed assets of the new building to which the Group HQ office was relocated.

(Financial cash flow)

The outstanding balance of the funds for financial activities declined to ¥301 million during the quarter, due mainly to the dividend payout of ¥295 million.

2 . Forecast of Consolidated Results for FY2004 (April 1, 2004 to March 31, 2005)

	Sales	Ordinary income	Net income
	(million yen)	(million yen)	(million yen)
First half of FY2004	30,300	800	1,350
FY2004	69,500	1,600	100

(Reference) Estimated E. P. S.: 3.07 yen

(Outlook for the business performance)

The initial projections of the Group for the interim- and full-term earnings remain unchanged since Q1 results was almost in line with the projections.

* The above-stated view is based on information available as of the day of the release of this paper. Going forward, the actual results may differ from the projected figures due to various factors.