

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

Name of Listed Company: Information Services International - Dentsu, Ltd.  
 Listed Exchange: Tokyo  
 Code Number: 4812  
 Location of Head Office: Tokyo  
 (URL <http://www.isid.co.jp>)  
 Representative : Jutaro Takinami, President and COO  
 Contact for Inquiries : Jiro Sakai, General Manager, Accounting & Finance Department  
 TEL: (03)6713-6160

## 1 . Consolidate Business Results for the Third Quarter of FY 2004 (April 1, 2004 to December 31, 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)	%
Third Quarter of FY2004	48,683	3.6	589	-	301	-
Third Quarter of FY2003	46,995	-	1,241	-	59	-
FY2003	71,608		588		2,197	

	Net income		E. P. S.	Diluted E. P. S.
	(million yen)	%	(yen)	(yen)
First Quarter of FY2004	1,467	-	45.03	-
First Quarter of FY2003	315	-	9.69	-
FY2003	1,001		30.73	-

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

## [Brief Update on Consolidate Business Results for the Third Quarter of FY 2004 ]

Cumulative sales through the third quarter amounted to ¥48,683million, an increase of ¥1,688 million year on year. Owing to firm IT investment intentions in the area of product design in the manufacturing industry, sales of software products for the manufacturing industry expanded. Also, sales of consolidated accounting software, loan business-related software for financial institutions, and other proprietary software products widened.

Prompted by an increase in sales, cumulative operating income improved ¥652 million year on year. On the other hand, since a profit of ¥856 million from the sale of investment securities was posted as non-operating income last year, cumulative ordinary income decreased ¥242 million year on year. As for net income for the period under review, the office building relocation cost and the settlement amount resulting from the termination of the system development project announced on October 28, 2004 were posted as extraordinary loss. For this reason, net income contracted ¥1,152 million year on year during the third quarter.

The ISID group adopts the completed-contract method as its accounting method for realizing sales. As many of the Group's customers tend to start up their computer systems from the start of a new fiscal year, the delivery of the Group's solution is concentrated in the latter part of the first and second half. Sales therefore are biased significantly to the second and the fourth quarters and tends to drop during the first and third quarters.

## (2) Consolidated Financial Position

	Total assets	Shareholders' equity	Ratio of shareholders' equity to total assets	Shareholders' equity per share
	(million yen)	(million yen)	%	(yen)
Third Quarter of FY2004	44,374	29,027	65.4	890.84
Third Quarter of FY2003	45,709	29,610	64.8	908.71
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)
Third Quarter of FY2004	158	24	670	5,020
Third Quarter of FY2003	4	771	640	5,279
FY2003	1,188	1,532	221	6,116

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

On a consolidated basis, the outstanding balance of cash and cash equivalents (hereinafter "liquid funds") declined ¥1,095 million from the end of the preceding term to ¥5,020 million during the third quarter (April 1-December 31, 2004).

#### (Operating cash flow)

During the third quarter (April 1-December 31, 2004) cash flows from operating activities rose ¥158 million as a result of a ¥7,175 million decrease in trade receivables, despite the posting of a ¥1,878 million pretax loss and a ¥4,299 million contraction in accounts payable.

#### (Investment cash flow)

During the third quarter (April 1-December 31, 2004) cash flows from investing activities widened ¥24 million due to the return of ¥1,925 million in the deposit and guaranty money for the old office building in spite of ¥1,183 million in expenses for acquiring tangible fixed assets of the new building to which the Group headquarters office was relocated.

#### (Financial cash flow)

During the third quarter (April 1-December 31, 2004) the outstanding balance of funds for financing activities decreased ¥670 million mainly due to the payment of dividend.

(c.f.) Non-consolidate Business Results for the First Quarter of FY 2004 (April 1, 2004 to December 31, 2004)

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

	Sales		Operating income		Ordinary income	
	(million yen)	%	(million yen)	%	(million yen)	%
Third Quarter of FY2004	38,530	6.3	350	-	11	-
Third Quarter of FY2003	36,260	-	902	-	201	-
FY2003	55,982		97		1,288	

	Net income		Total assets	Shareholders' equity
	(million yen)	%	(million yen)	(million yen)
First Quarter of FY2004	826	-	41,082	29,422
First Quarter of FY2003	153	-	41,650	29,872
FY2003	735		46,407	30,527

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

	Sales	Operating income	Ordinary income	Net income
	(million yen)	(million yen)	(million yen)	(million yen)
Consolidated	72,396	1,367	1,692	436
Non-consolidate	56,777	1,002	1,409	1,185

(Reference) Estimated E. P. S. Consolidated: 13.38 yen Non-consolidated: 36.37 yen

(Outlook for the business performance)

The projections of the Group for the full-term earnings remain unchanged since Q3 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.