

Brief Report on Statement of Accounts (Consolidated) for the Third Quarter of FY 2005

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 . Consolidated Business Results for the Third Quarter of FY 2005 (April 1, 2005 to December 31, 2005)

(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 FY2005	44,538	8.5	725	-	502	-
Third Quarter of FY2004	48,683	3.6	589	-	301	-
FY2004	72,092		1,827		2,294	

	Net income		E. P. S.	Diluted E. P. S.
	(million yen)	%	(yen)	(yen)
Third Quarter of FY2005	634	-	19.47	-
Third Quarter of FY2004	1,467	-	45.03	-
FY2004	33		1.03	-

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

[Brief Update on Consolidated Business Results for the Third Quarter of FY 2005]

Cumulative sales revenue through first three quarters of the current accounting year was closely in line with forecasts, at 44,538 million yen (8.5% below the amount recorded during the same period of the previous year).

On the profit front, by an improved gross profit-to-sales ratio, gross profit-to-sales was higher year-on-year . However, general administrative and sales costs increased, resulting in an operating loss of 725 million yen (compared to a 589 million yen operating loss for the same period of the previous year) and an ordinary loss of 502 million yen (compared to a 301 million yen ordinary loss for the same period of the previous year).

Extraordinary gains increased year-on-year as a result of the sale of stock holdings in Kanematsu Electronics Ltd. and Japan Business Create Co., Ltd. Extraordinary losses fell year-on-year. As a result, net loss for the quarter under review was 634 million yen (a 833 million yen improvement on the same period of the previous year).

Note that the ISID Group adopts the completed contract method of accounting for sales revenue. Because many ISID Group clients place new systems on line at the start of their business year, ISID Group sales revenue tend to be concentrated more heavily in the second and fourth quarters and relatively lower in 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 FY2005	46,047	29,428	63.9	903.15
Third Quarter of FY2004	44,374	29,027	65.4	890.84
FY2004	49,454	30,560	61.8	937.90

(3) Consolidated Cash Flow

	Cash flow from operating activities	Cash flow from investment activities	Cash flow from financial activities	Year-to-date balance of cash and cash
	(million yen)	(million yen)	(million yen)	(million yen)
Third Quarter of FY2005	848	3,440	672	11,316
Third Quarter of FY2004	158	24	670	5,020
FY2004	3,125	341	671	7,635

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

During the first three quarters (April 1, 2005 to December 31, 2005) of the current accounting year, consolidated cash and cash equivalents ("cash flow" hereafter) totaled 11,316 million yen, up 3,680 million yen compared to the same period of the previous consolidated accounting year.

(Operating cash flow)

During the first three quarters, inventory assets increased (by 2,994 million yen) and purchase obligations declined (by 2,830 million yen). However, progress was made in collecting on accounts receivable, bringing about a reduction (by 5,910 million yen) in trade receivable outstanding. As a result, cash flow from business activities increased 848 million yen.

Cash flow for the period under review has risen 690 million yen compared to the same period of the previous accounting year. This is an outcome of improved income before income tax for this period.

(Investment cash flow)

Although the Group recorded expenditures (of 1,422 million yen) during the first three quarters for the acquisition of intangible fixed assets, it was offset by income from the liquidation of its stock holdings in an affiliate, Kanematsu Electronics Ltd. (5,105 million yen) and a subsidiary, Japan Business Create Co., Ltd. (376 million yen). As a result, cash flow from investment activities increased 3,440 million yen.

Compared to the same period of the previous year, expenditures declined 3,416 million yen. This was attributable chiefly to the income earned from the aforementioned liquidation of stock holdings during the quarter under review.

(Financial cash flow)

During the first three quarters of the current accounting year, dividends (of 626 million yen) were paid out by the Group, and had the effect of reducing cash flow from financing activities by 672 million yen.

Compared to the same period of the previous year, cash flow from financing activities declined 670 million yen. This was attributable chiefly to the aforementioned payment of dividends (651 million yen).

(c.f.) Non-consolidated Business Results for the Third Quarter of FY 2005 (April 1, 2005 to December 31, 2005)

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

	Sales		Operating income		Ordinary income	
	(million yen)	%	(million yen)	%	(million yen)	%
Third Quarter of FY2005	34,151	11.4	526	-	206	-
Third Quarter of FY2004	38,530	6.3	350	-	11	-
FY2004	56,948		1,320		1,721	

	Net income		Total assets	Shareholders' equity
	(million yen)	%	(million yen)	(million yen)
Third Quarter of FY2005	981	-	42,765	29,824
Third Quarter of FY2004	826	-	41,082	29,422
FY2004	945		44,303	29,424

2 . Forecast of Consolidated Results for FY2005 (April 1, 2005 to March 31, 2005)

	Sales	Operating income	Ordinary income	Net income
	(million yen)	(million yen)	(million yen)	(million yen)
Consolidated	71,209	2,690	2,911	1,544
Non-consolidated	54,845	2,061	2,474	2,798

(Reference) Estimated E. P. S. Consolidated: 47.39 yen Non-consolidated: 85.87 yen

(Outlook for the business performance)

No revisions have been made to the full-year business projections (consolidated and non-consolidated) that were announced on December 12, 2005.

* 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.