

**Consolidated Financial Statements
for the First Six Months of
the Fiscal Year Ending March 31, 2010**

(From April 1, 2009 to September 30, 2009)

UBIC, Inc.

Consolidated Financial Statements
(1) Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2009	As of March 31, 2009 (Summary)
ASSETS		
Current assets		
Cash and time deposits	402,905	347,791
Accounts receivable	141,403	292,174
Inventories	252	252
Other current assets	50,934	52,458
Allowance for doubtful accounts	–	(4,982)
Total current assets	595,496	687,694
Non-current assets		
Property and equipment	85,640	99,066
Intangible assets		
Software	179,508	156,269
Other intangible assets	1,975	–
Total intangible assets	181,483	156,269
Investments and other assets		
Investment securities	148,514	204,764
Claims provable in bankruptcy	4,982	–
Other assets	50,009	48,163
Allowance for doubtful accounts	(4,982)	–
Total investments and other assets	198,523	252,928
Total non-current assets	465,647	508,264
Total assets	1,061,144	1,195,959

(Thousands of yen)

	As of September 30, 2009	As of March 31, 2009 (Summary)
LIABILITIES		
Current liabilities		
Accounts payable	14,324	70,534
Short-term loans payable	100,000	—
Current portion of long-term loans payable	107,540	115,260
Income taxes payable	1,373	1,764
Accrued bonuses	3,773	6,626
Accounts payable—other	50,432	37,187
Other current liabilities	19,171	22,932
Total current liabilities	296,614	254,304
Non-current liabilities		
Long-term loans payable	199,100	250,960
Provision for retirement benefits	5,137	4,290
Other non-current liabilities	8,000	1,296
Total non-current liabilities	212,237	256,547
Total liabilities	508,851	510,851

(Thousands of yen)

	As of September 30, 2009	As of March 31, 2009 (Summary)
NET ASSETS		
Shareholders' equity		
Common stock	449,943	449,943
Capital surplus	237,403	251,193
Retained earnings	(54,072)	3,835
Treasury stock	(16)	(16)
Total shareholders' equity	633,257	704,456
Valuation and translation adjustments		
Net unrealized loss on investment securities	(67,589)	(11,339)
Foreign currency translation adjustments	(13,375)	(8,009)
Total valuation and translation adjustments	(80,965)	(19,349)
Total net assets	552,292	685,107
Total liabilities and net assets	1,061,144	1,195,959

(2) Consolidated Statements of Income

(Thousands of yen)

	First six months of fiscal 2008 (From April 1, 2008 to September 30, 2008)	First six months of fiscal 2009 (From April 1, 2009 to September 30, 2009)
Net sales	389,477	606,887
Cost of sales	213,288	348,793
Gross profit	176,188	258,093
Selling, general and administrative expenses	305,070	297,195
Operating loss	(128,881)	(39,101)
Non-operating income		
Interest income	882	242
Dividend income	4,500	—
Tax refund	—	222
Foreign exchange gain	7,578	—
Other income	922	40
Total non-operating income	13,884	504
Non-operating expenses		
Interest expense	3,224	4,215
Foreign exchange losses	—	27,920
Other expenses	217	211
Total non-operating expenses	3,441	32,347
Ordinary loss	(118,438)	(70,944)
Loss before income taxes	(118,438)	(70,944)
Income taxes		
Current	240	82
Deferred	(47,612)	1,172
Total income taxes	(47,372)	1,254
Net loss	(71,066)	(72,199)

(3) Consolidated Statements of Cash Flows

(Thousands of yen)

	First six months of fiscal 2008 (From April 1, 2008 to September 30, 2008)	First six months of fiscal 2009 (From April 1, 2009 to September 30, 2009)
Cash flows from operating activities		
Loss before income taxes	(118,438)	(70,944)
Depreciation	29,554	36,039
Stock issuance cost	—	2
Increase in provision for retirement benefits	1,026	846
Increase (decrease) in accrued bonuses	3,521	(2,853)
Interest and dividend income	(5,382)	(242)
Interest expense	3,224	4,215
Foreign exchange loss (gain)	2,691	20,409
Decrease in accounts receivable	202,588	135,432
Decrease in inventories	5,202	0
Increase in other current assets	(24,072)	(313)
Decrease in accounts payable	(39,111)	(55,409)
Decrease in accrued consumption taxes	(669)	—
Decrease in accounts payable—other	(96,484)	(4,046)
Other	2,837	2,528
Subtotal	(33,512)	65,665
Interest and dividends received	882	242
Interest paid	(3,224)	(4,464)
Income taxes paid	(53,042)	(555)
Net cash (used in) provided by operating activities	(88,897)	60,887

	(Thousands of yen)	
	First six months of fiscal 2008 (From April 1, 2008 to September 30, 2008)	First six months of fiscal 2009 (From April 1, 2009 to September 30, 2009)
Cash flows from investing activities		
Acquisitions of property and equipment	(32,080)	(563)
Acquisitions of intangible assets	(36,250)	(28,819)
Payments for guarantee deposits	(13,288)	(2,025)
Acquisitions of investment securities	(16,000)	-
Net cash used in investing activities	(97,620)	(31,408)
Cash flows from financing activities		
Net increase in short-term loans payable	-	100,000
Proceeds from long-term loans payable	300,000	-
Repayments of long-term loans payable	(33,680)	(59,580)
Proceeds from issuance of stocks	8,500	998
Dividends paid	(6,624)	-
Net cash provided by financing activities	268,196	41,418
Effect of exchange rate changes on cash and cash equivalents	(4,049)	(15,751)
Net increase in cash and cash equivalents	77,627	55,145
Cash and cash equivalents, beginning of period	297,828	347,657
Cash and cash equivalents, end of period	375,456	402,802

(4) Segment Information

[Information by Operating Segment]

First six months of fiscal 2008 (from April 1, 2008 to September 30, 2008)

Information by operating segment has been omitted because the Company and consolidated subsidiaries are involved in a single segment—computer forensics related business—and there are no other segments to disclose.

First six months of fiscal 2009 (from April 1, 2009 to September 30, 2009)

Information by operating segment has been omitted because the Company and consolidated subsidiaries are involved in a single segment—computer forensics related business—and there are no other segments to disclose.

[Information by Geographic Segment]

First six months of fiscal 2008 (from April 1, 2008 to September 30, 2008)

(Thousands of yen)

	Japan	USA	Total	Eliminations& corporate	Consolidated
Net sales					
(1) Outside customers	275,503	113,973	389,477	—	389,477
(2) Inter-segment sales and transfers	46,958	1,231	48,190	(48,190)	—
Total	322,462	115,204	437,667	(48,190)	389,477
Operating loss	(109,981)	(18,900)	(128,881)	—	(128,881)

First six months of fiscal 2009 (from April 1, 2009 to September 30, 2009)

(Thousands of yen)

	Japan	USA	Total	Eliminations& corporate	Consolidated
Net sales					
(1) Outside customers	237,646	369,240	606,887	—	606,887
(2) Inter-segment sales and transfers	227,279	16,828	244,108	(244,108)	—
Total	464,926	386,069	850,995	(244,108)	606,887
Operating income (loss)	(50,049)	10,948	(39,101)	—	(39,101)

Note: Geographic segments are classified on the basis of geographic proximity.

[Overseas Sales]

First six months of fiscal 2008 (from April 1, 2008 to September 30, 2008)

(Thousands of yen)

	USA	Total
I Overseas net sales	91,277	91,277
II Consolidated net sales		389,477
III Percentage of overseas net sales to consolidated net sales (%)	23.4	23.4

First six months of fiscal 2009 (from April 1, 2009 to September 30, 2009)

(Thousands of yen)

	USA	Other	Total
I Overseas net sales	63,513	1,054	64,568
II Consolidated net sales			606,887
III Percentage of overseas net sales to consolidated net sales (%)	10.5	0.2	10.6

Notes:

1. Countries and regions are classified on the basis of geographic proximity.
2. Overseas net sales are sales of the Company and its consolidated subsidiaries which were transacted in countries or regions outside of Japan.