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Notice of Revision of Performance Forecast

INES Corporation

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In light of its recent financial results, INES Corporation hereby announces revisions of its performance forecasts for the year ending March 2010 (those forecasts were initially announced on April 23, 2009).

1. Revision of Consolidated Forecasts

First 2 Quarters (April 1–September 30, 2009)

(¥ millions, except per-share figures)

	Revenue	Operating income	Ordinary income	Net income	Net income per share (¥)
Initial forecast (April 23, 2009) (A)	18,000	580	640	530	13.01
Revised forecast (B)	17,400	790	830	660	16.20
Change (B-A)	(600)	210	190	130	—
Percentage change (B/A)	(3.3)	36.2	29.7	24.5	—
Result for First 2 Quarters ended Sept. 2008	17,912	558	608	518	12.14

Note: The above net income per share figures were calculated using 40,740,732 shares (average shares outstanding for the period, excluding treasury stock held on September 30, 2009) as the denominator.

Full Year (April 1, 2009–March 31, 2010)

(¥ millions, except per-share figures)

	Revenue	Operating income	Ordinary income	Net income	Net income per share (¥)
Initial forecast (April 23, 2009) (A)	38,100	1,850	1,940	1,550	38.04
Revised forecast (B)	37,700	2,000	2,090	1,660	40.75
Change (B-A)	(400)	150	150	110	—
Percentage change (B/A)	(1.0)	8.1	7.7	7.1	—
Result for First 2 Quarters ended Sept. 2008	37,946	1,775	1,871	1,529	36.46

Note: The above net income per share figures were calculated using 40,739,987 shares (shares outstanding at the end of the period, excluding treasury stock held on September 30, 2009) as the denominator.

2. Revision of Non-Consolidated Forecasts

First 2 Quarters (April 1–September 30, 2009)

(¥ millions, except per-share figures)

	Revenue	Operating income	Ordinary income	Net income	Net income per share (¥)
Initial forecast (April 23, 2009) (A)	15,900	450	570	500	12.27
Revised forecast (B)	15,400	600	700	600	14.73
Change (B-A)	(500)	150	130	100	—
Percentage change (B/A)	(3.1)	33.3	22.8	20.0	—
Result for First 2 Quarters ended Sept. 2008	15,799	435	560	488	11.44

Note: The above net income per share figures were calculated using 40,740,732 shares (average shares outstanding for the period, excluding treasury stock held on September 30, 2009) as the denominator.

Full Year (April 1, 2009–March 31, 2010)

(¥ millions, except per-share figures)

	Revenue	Operating income	Ordinary income	Net income	Net income per share (¥)
Initial forecast (April 23, 2009) (A)	34,000	1,550	1,700	1,430	35.10
Revised forecast (B)	33,700	1,650	1,800	1,520	37.31
Change (B-A)	(300)	100	100	90	—
Percentage change (B/A)	(0.9)	6.5	5.9	6.3	—
Result for First 2 Quarters ended Sept. 2008	33,617	1,446	1,636	1,400	33.37

Note: The above net income per share figures were calculated using 40,739,987 shares (shares outstanding at the end of the period, excluding treasury stock held on September 30, 2009) as the denominator.

3. Reasons for Revision of Performance Forecasts

On a non-consolidated basis, the Company reported a decline in revenue vis-à-vis its initial forecast. This was due to a decrease in demand for software development services, especially from financial institutions. On the earnings side, we achieved an improved gross margin thanks to declines in unprofitable projects and basic costs. Despite an increase in selling, general, and administrative expenses, therefore, the Company posted higher earnings than its initial forecast. On a consolidated basis, revenue declined and earnings improved compared with initial forecasts, reflecting the revision of the non-consolidated forecast.

The Corporation has not changed its forecasts for cash dividends (¥6.00 interim dividend, plus ¥6.00 year-end dividend, for total annual dividends of ¥12.00 per share), as announced on April 23, 2009.

Disclaimer

Performance forecasts contained in this document reflect the Company's judgments, assumptions, and beliefs and are based on information available at the time of this document's release. However, the Company's business is affected by various factors, such as changing future economic conditions and internal and external circumstances concerning business operations, as well as uncertainties and latent risks inherent in making forecasts. Accordingly, actual results may differ from the forecasts contained herein.