

Document and entity information

	Jul 2014	Jan 2014
Company information		
Company information		
FASF member mark		true
Document name		第2四半期決算短信 〔日本基準〕(連結)
Filing date		2014-03-04
Company name		Bit-isle Inc.
Stock exchange listings		
Tokyo		
Tokyo 1st section		true
Tokyo 2nd section		-
Tokyo Mothers		-
Tokyo JASDAQ		-
Tokyo PRO Market		-
Tokyo Others		-
Nagoya		
Nagoya 1st section		-
Nagoya 2nd section		-
Nagoya Centrex		-
Nagoya Others		-
Sapporo		
Sapporo		-
Sapporo Ambitious		-
Sapporo Others		-
Fukuoka		
Fukuoka		-
Fukuoka Q-Board		-
Fukuoka Others		-
Green Sheet		
Japan Securities Dealers Association		-
Securities code		38110
URL		http://www.bit-isle.co.jp/
Business category		
General Business	true	
Specific Business	-	
Fiscal Year End	2014-07-31	
Quarterly period		2
Representative		
Title		代表取締役社長兼CEO
Name		寺田 航平
Inquiries		
Title		取締役管理本部長
Name		深井 英夫
Tel		03-5782-8721
Other		
Quarterly statement filing date (as planned)		2014-03-14
Dividend payable date (as planned)		2014-04-23
Supplemental material of quarterly results		true
Way of getting		-
Convening briefing of quarterly results		true
Target for briefing of quarterly results		アナリスト・機関投資家向け
Note to fraction processing method		(百万円未満切捨て)

Business Results-Quarterly operating results

(in millions of yens)

	Jan 2014	Jan 2013
Quarterly operating results		
Quarterly operating results		
Consolidated operating results		
Consolidated income statements information		
Net sales		
Net sales	8,819	8,056

% change	9.5	15.0
Operating income		
Operating income	1,501	1,594
% change	-5.8	20.0
Ordinary income		
Ordinary income	1,367	1,456
% change	-6.1	23.3
Net income		
Net income	851	894
% change	-4.8	35.3
Note to consolidated income statements information		
Comprehensive income		
Comprehensive income	712	1,049
Change in comprehensive income	-32.1	59.2
Other consolidated operating results		
Net income per share (Yen)	23.96	27.06
Diluted net income per share (Yen)	23.30	26.42
Note to consolidated operating results		
Note to operating results	-	

Business Results-Quarterly financial positions

(in millions of yens)

	Jan 2014	Jul 2013
Quarterly financial positions		
Quarterly financial positions		
Consolidated financial positions		
Total assets	37,856	34,528
Net assets	12,598	12,129
Capital adequacy ratio (%)	32.3	34.2
Net assets per share (Yen)	343.40	333.20
Note to consolidated financial positions		
Owner's equity	12,235	11,823
Note to financial positions	-	

Business Results-Note to quarterly business results

Jan 2014

Quarterly note to business results	
Quarterly note to business results	
Note to consolidated financial results	
Note to consolidated financial results	-

Quarterly Dividends

(in millions of yens)

	Jul 2014	Jan 2014	Jul 2013
Quarterly dividends			
Quarterly dividends			
Dividends			
Dividend per share (Yen)			
Dividend per share (Yen)			
First quarter			
Result	-		-
Second quarter			
Result	6.00		5.00
Third quarter			
Result			-
Forecast	-		
Upper	-		
Lower	-		
Year end			
Result			10.00
Forecast	7.00		
Upper	-		
Lower	-		
Annual			

Result		15.00
Forecast	13.00	
Upper	-	
Lower	-	
Correction of dividend forecast from the most recent dividend forecast		
Correction of dividend forecast from the most recent dividend forecast		
Annual	-	
Note to dividends		
Note to dividends		
Annual	-	

Quarterly Forecasts

(in millions of yens)

		Jul 2014
Quarterly forecasts		
Quarterly forecasts		
Title for forecasts		3. 平成26年 7月期の 連結業績予想(平成25 年 8月 1日～平成26 年 7月31日)
Preamble to consolidated forecasts		
Preamble to forecasts		-
Main table of consolidated forecasts		
Net sales		
Net sales		
Forecast		18,000
Upper		-
Lower		-
% change		
Forecast		8.0
Upper		-
Lower		-
Operating income		
Operating income		
Forecast		2,700
Upper		-
Lower		-
% change		
Forecast		-12.0
Upper		-
Lower		-
Ordinary income		
Ordinary income		
Forecast		2,400
Upper		-
Lower		-
% change		
Forecast		-12.6
Upper		-
Lower		-
Net income		
Net income		
Forecast		1,500
Upper		-
Lower		-
% change		
Forecast		-11.9
Upper		-
Lower		-
Net income per share (Yen)		
Net income per share (Yen)		
Forecast		42.27
Upper		-
Lower		-
Note to consolidated forecasts		
Note to forecasts		-
Correction of financial forecast from the most recent financial forecast		
Correction of financial forecast from the most recent financial forecast		-
Forecast		true

Notes, Quarterly-Material changes in subsidiaries during this period changes in scope of consolidations resulting from change in subsidiaries

	Jan 2014
Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change is subsidiaries)	
Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change is subsidiaries)	
Others	
Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change is subsidiaries)	
Material changes in subsidiaries during this period (Changes in scope of consolidations resulting from change is subsidiaries)	-
Number of subsidiaries newly consolidated	-
Name of subsidiaries newly consolidated	-
Number of subsidiaries excluded from consolidation	-
Name of subsidiaries excluded from consolidation	-
Note to material changes in subsidiaries during this period	
Note to material changes in subsidiaries during this period	-

Notes, Quarterly-Applying of specific accounting of the consolidated quarterly financial statements

	Jan 2014
Applying of specific accounting of the consolidated quarterly financial statements	
Applying of specific accounting of the consolidated quarterly financial statements	
Others	
Applying of specific accounting of the consolidated quarterly financial statements	
Applying of specific accounting of the consolidated quarterly financial statements	true
Note to applying of specific accounting of the consolidated quarterly financial statements	
Note to applying of specific accounting of the consolidated quarterly financial statements	(注)詳細は、添付資料3ページ「四半期連結財務諸表の作成に特有の会計処理の適用」をご覧ください。

Notes, Quarterly-Changes in accounting policies and accounting estimates retrospective restatement

	Jan 2014
Changes in accounting policies, accounting estimates and retrospective restatement	
Changes in accounting policies, accounting estimates and retrospective restatement	
Others	
Changes in accounting policies, accounting estimates and retrospective restatement	
Changes in accounting policies based on revisions of accounting standard	-
Changes in accounting policies other than ones based on revisions of accounting standard	-
Changes in accounting estimates	-
Retrospective restatement	-
Note to changes in accounting policies, accounting estimates and retrospective restatement	
Note to changes in accounting policies, accounting estimates and retrospective restatement	-

Notes, Quarterly-Number of issued and outstanding shares common stock

	Jan 2014	Jul 2013	Jan 2013
Number of issued and outstanding shares (common stock)			
Number of issued and outstanding shares (common stock)			
Others			

Number of issued and outstanding shares (common stock)			
Number of issued and outstanding shares at the end of fiscal year (including treasury stock)	35,630,400	35,483,200	
Number of treasury stock at the end of fiscal year	-	-	
Average number of shares	35,529,458		33,040,202
Note to number of issued and outstanding shares (common stock)			
Note to number of issued and outstanding shares (common stock)	-		

This information is a summary of the earnings report. It does not contain all details included in the earnings report disclosed in Japanese.

Translation, Summary

This material is translation and summary form Japanese version announcing on same date. If there is difference between this material and Japanese version, please refer to Japanese versions.

Qualitative Information on Consolidated Results

(1) Qualitative information on consolidated results

Operating results

IT outsourcing services market in Japan, which was worth 2,968.4 billion yen in 2012, is expected to grow to 3,292.5 billion yen in 2017 (Yano Research Institute Ltd.). Notwithstanding the increasingly uncertain economic outlook, because IT outsourcing services help users reduce costs, the market should maintain solid growth, particularly for companies that are able to provide services that strengthen the business foundations of their customers while cutting costs with services that meet diversified user needs. And many companies have started to view internet assets as something to “use”, instead of something to “own”. This paradigm shift is one of the elements that are driving the growth of the Bit-isle Group’s business.

The data center market, which is closely correlated to the iDC service, the core service of the Bit-isle Group, is also expected to grow from 992.6 billion yen in 2013 to 1,283.1 billion yen in 2017, driven by higher demand for new services such as cloud computing and SaaS. Even after that, the market is forecast to continue to grow by around 7% (International Data Corporation Japan).

In this environment, the Group continued its efforts to raise utilization rates at data centers by stepping up sales of its iDC service and sought to increase profits from managed services, particularly cloud services. Thanks to the steady performance of the iDC service, managed services and solutions services, the Group recorded net sales of 8,819 million yen (an increase of 9.5% year on year), but due to gain electric power price rate, operating income of 1,501 million yen (a decrease of 5.8% year on year), ordinary income of 1,367 million yen (a decrease of 6.1% year on year), and net income of 851 million yen (a decrease of 4.8% year on year) for currently period under review.

iDC services

In iDC services, as a result of continuing to develop and strengthen the sales system based on data centers equipped with sufficient power receiving capability and extensible space able to respond to the solid market conditions, the number of racks in operation increased to 4,528 racks at current fiscal year under review (an increase of 1.3% year on year). This represented a steady buildup in net sales and customer numbers.

Consequently, net sales in the iDC service reached 5,395 million yen (an increase of 0.6% year on year).

Managed services

In managed services, both sales and profits increased, reflecting our efforts to bolster cloud services. As a result, net sales came to 2,319 million yen (an increase of 12.8% year on year) in managed services.

Solutions services

In solutions services, because the consistently solid performance of system integration and engineering services for users outside the Group at Bit-surf Inc., a wholly owned subsidiary, net sales in solutions services is 1,002 million yen (an increase of 57.0 % year on year) .

(2) Qualitative information on the consolidated financial position

Total assets stood 37,856 million yen at currently period of the fiscal year under review, increase of 3,327 million yen from the end of the previous fiscal year. This was mainly attributable to increase in cash and deposits of 1,305 million yen, increase in property, plant and equipment of 3,606 million yen due to data center buildings and facilities, and decrease depreciation to data center buildings, and facilities of 1,610 million yen.

Total liabilities increase 2,859 million yen from the end of the previous fiscal year, to 25,258 million yen at current fiscal year under review. The major factors included to increase debt balance of 3,390 million yen, decrease accounts payable other of 288 million yen and decrease advances received of 247 million yen.

Net assets at current fiscal year under review increased 469 million yen from the end of the previous fiscal year, to 12,598 million yen. The major factors included dividend payments of 354 million yen, net income of 851 million yen. As a result, the shareholders’ equity ratio came to 32.3 %.

Translation, Summary

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(3) Outlook for Forecasts for consolidated sales and income for the year ending July 31, 2014

Forecasts for consolidated sales and income for the year ending July 31, 2014 is revised. Detail following.

(August 1, 2013 to July 31, 2014)

	Net sales	Operating income	Ordinary income	Net income
Previous forecast (A) (Announced on September 10, 2013)	Million yen 18,800	Million yen 3,500	Million yen 3,200	Million yen 2,000
Revised forecast (B)	18,000	2,700	2,400	1,500
Change (B-A)	-800	-800	-800	-500
Rate of change (%)	-4.3	-22.9	-25.0	-25.0
(Reference) Results for the previous fiscal year (ended July 31, 2013)	16,663	3,068	2,745	1,703