

I. Statements of Income (Non-consolidated)

Q1. Please tell us about the Company's trends in sales.

A1. (Unit: millions of yen)

Description	FY2005 1st half	FY2006 1st half	Change from the previous year
Net sales	4,666	7,494	60.6%
IT consulting services	4,312	6,468	50.0%
Procurement services for hardware, etc.	354	1,026	189.8%
Sales per consultant	10.0	17.1	71.0%
Average number of consultants	468	437	-6.6%
Number of customers during the fiscal year	90	88	-2.2%
Sales per customer's project	52	85	63.5%

Q2. Which costs of sales changed substantially?

A2. The following costs did. (Unit: millions of yen)

Item	FY2005 1st half	FY2006 1st half	Change from the previous year	Major reason for the change
Labor expenses	1,223	1,473	20.4%	Increased use of in-house resources
Subcontract expenses	454	1,494	229.1%	Increased use of outside resources due to increased sales in the development phase
Total	1,677	2,967	76.9%	

Note: To distinguish between "Cost of sales" and "Selling, general and administrative expenses," the Company shifted direct expenses, including personnel expenses for consultants who are not assigned to a project, to "Selling, general and administrative expenses" from "Cost of sales."

Q3. Which item changed notably among selling, general and administrative expenses?

A3. The following item did.

Item	FY2005 1st half	FY2006 1st half	Change from the previous year	Major reason for the change
Recruitment expenses	26	148	469.2%	Increase due to active recruitment activities (for both new graduates and career employees)

II. Employees (Non-consolidated)

Q4. What is the average number of consultants?

A4. (persons)

	FY2005 1st half	FY2006 1st half
Average number of consultants	468	437

Q5. What are the average age of employees and the average number of years of service?

A5.

	FY2005 1st half	FY2006 1st half
Average age	32.2	33.2
Average number of years of service	3.7	4.0

Q6. What are sales and value-added per consultant?

A6. (Unit: millions of yen)

	FY2005 1st half	FY2006 1st half
Sales	4,666	7,494
Deduction: Purchase amount	-360	-820
Deduction: Subcontract expenses	-454	-1,494
Resultant: Value-added*	3,852	5,180
Average number of consultants	468	437
Average sales per consultant	10.0	17.1
Average value-added per consultant	8.2	11.9

*Value-added = Sales - Purchase amount - Subcontract expenses

III. Consolidated earnings

Q7. Why were consolidated earnings better than non-consolidated earnings?

A7. Because we booked income from sales operations of subsidiaries and gains on sale of investment securities (¥125 million) although there were losses from equity method investment (¥23 million)

IV. Others

Q8. What is the classification of shareholders?

A8. They are classified as follows (as of the end of June 2006).



