

**Summary Report of Operating Results
for the first Quarter of Fiscal 2008
(Year ending December 2008)**

Company name: Future Architect, Inc.
 Shares listed on: First Section of Tokyo Stock Exchange
 Security code number: 4722
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(Amount rounded off to million yen)

1. Consolidated Results for the first Quarter of Fiscal 2008 (January 1, 2008 to March 31, 2008)

(1) Consolidated operating results

(Percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Quarterly net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q, Fiscal 2008	6,808	18.4	679	(15.7)	749	(10.1)	400	(22.1)
1Q, Fiscal 2007	5,749	60.7	805	7.6	833	14.8	513	32.3
Fiscal 2007	25,018	63.9	3,046	10.6	3,162	15.4	1,268	(16.8)

	Quarterly net income per share	Quarterly net income per share (fully diluted)
	Yen	Yen
1Q, Fiscal 2008	892.81	-
1Q, Fiscal 2007	1,080.88	1,076.51
Fiscal 2007	2,729.31	2,725.02

Note: Fully diluted quarterly net income per share for the first quarter of fiscal 2008 is not stated because the average stock price was below the exercise price of the stock acquisition right and hence net income per share for the quarter under review is not diluted.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	Percent (%)	Yen
1Q, Fiscal 2008	13,313	8,750	65.1	19,340.93
1Q, Fiscal 2007	15,428	9,748	60.5	19,853.62
Fiscal 2007	14,036	8,852	62.4	19,540.06

(3) Consolidated cash flow position

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at the end of the period
	Million yen	Million yen	Million yen	Million yen
1Q, Fiscal 2008	1,343	(361)	(977)	2,860
1Q, Fiscal 2007	(540)	(757)	(993)	2,787
Fiscal 2007	1,597	(469)	(3,240)	2,864

2. Dividends

(Record date)	Dividends per share (yen)	
	Year-end dividend	Annual dividend
Fiscal 2007	950	950
Fiscal 2008	-	-
Fiscal 2008 (Forecast)	1,100	1,100

3. Projected Consolidated Results for Fiscal 2008 (January 1, 2008 to December 31, 2008) [Reference]

(percentages represent year-on-year percentage changes from fiscal 2007 for full-year data, and from the first half of fiscal 2007 for interim period data)

	Net sales		Operating income	
	Million yen	%	Million yen	%
Interim (6-month) period	11,980	6.6	1,580	35.2
Full year	26,630	6.4	3,500	14.9

	Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Yen
Interim (6-month) period	1,600	28.9	770	136.7	1,717.32
Full year	3,570	12.9	1,760	38.8	3,925.30

4. Others

- (1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries that involved changes in the scope of consolidation): None
- (2) Adoption of simple method as account processing method: Yes
- (3) Changes in accounting methods compared with the previous fiscal year: None

Note: For further details, please see “4. Other” of “Qualitative information, financial statements, etc.” on page 3.

*Points to note about the proper use of projections, and other noteworthy events

The above projection, representing our best estimate based on information currently available to us, incorporates uncertain factors.

Qualitative information, financial statements, etc.

1. Qualitative information about consolidated operating results

During the first quarter (from January 1, 2008 to March 31, 2008), the Japanese economy, which had continued to expand, plateaued and uncertainty about its outlook deepened, because of price hikes of energy and raw materials, the stalled U.S. economy and worldwide confusion in financial markets.

For the first quarter of fiscal 2008, the Group's net sales were ¥6,808 million, up 18.4% from the corresponding quarter of the previous year. Meanwhile, ordinary income decreased 10.1% to ¥749 million and net income fell 22.1% to ¥400 million.

Operating results by business segment are as follows:

In the IT Consulting Business, order intake continued to be strong as it did in the previous term, because customers highly valued our know-how about open systems and downsizing, in which the Company has specialized since its foundation. In addition, some large projects entered the development phase, and our utilization rate remained high. Net sales from this business were ¥4,647 million, up 31.2% from the preceding year. Meanwhile, to cope with an increase in orders received and a sharp rise in orders for development, we deployed sufficient resources at the early stages of projects, which temporarily and substantially raised our partner-related expenses. As a result, ordinary income was ¥686 million, up 4.1%.

Sales of the IT Consulting Business are broken down into: 60% for the logistics/service industries (up from 53% the previous year), 26% for the financial industry (down from 31%) and 14% for the manufacturing industry (down from 16%).

In the Package & Service Business, our subsidiary Ascendia Inc., which is engaged mainly in system development based on Java and Web technologies, began to participate in the Company's projects on a full-scale basis, which indicates a clear synergy effect of our merger. Meanwhile, Elm Corporation saw its utilization rate decrease affected by organizational streamlining and personnel reassignments resulting from reorganization at the end of the previous year. Net sales from this business dropped 15.5% year-on-year to ¥1,123 million. Ordinary income also decreased 51.0% to ¥67 million, because of an increase in expenses caused by relocating the head office and the reorganization.

In the Corporate Revitalization/New Operations Development Business, the effects of store renovation began to emerge. Net sales from this business rose sharply from the previous year and stood at ¥1,167 million, up 33.0%. However, because of sales promotion expenses in relation to the renovation of the second store, we posted an ordinary loss of ¥56 million, compared with an ordinary loss of ¥18 million on the same quarter of the previous year.

In the quarter under review, the Group added in-house venture company Zakura Inc. (<http://zakura.co.jp/>), whose scale is still small, to this business.

2. Qualitative information about consolidated financial condition

In the quarter under review, total assets decreased from a year earlier to ¥13,313 million, owing primarily to a decline in software and deferred tax assets. Liabilities were ¥4,562 million, because of a fall in interest-bearing debts such as long-term borrowings. Net assets posted ¥8,750 million, reflecting an increase in retained earnings caused by factors such as net income, acquisition of treasury shares, and changes in minority interests.

Cash inflows from operating activities totaled ¥1,343 million (up ¥1,883 million from the corresponding quarter of the previous year). Net income before taxes was ¥740 million (down ¥98 million), payment of corporate tax and other taxes was ¥203 million (up ¥382 million) and accounts receivable increased ¥1,027 million (up ¥2,098 million).

Cash flows used in investing activities were ¥361 million (up ¥395 million). Acquisition of investment securities totaled ¥122 million, and the net increase in deposit guarantees was ¥114 million (up ¥190 million).

Cash flows used in financial activities were ¥977 million (up ¥15 million), reflecting net decrease in short-term borrowings of ¥435 million (down ¥539 million), repayment of long-term borrowings of ¥185 million (up ¥59 million), and payment of dividends of ¥346 million (up ¥20 million).

Owing to these operating, investing and financial activities, the balance of cash and cash equivalents at the end of the quarter under review was ¥2,860 million (up ¥73 million).

3. Qualitative information about consolidated earnings forecast

There is no revision to our consolidated earnings forecast which we announced on February 7, 2008.

4. Others

- (1) Changes in significant subsidiaries during the quarter under review (changes in specified subsidiaries that involved changes in the scope of consolidation)

There is no applicable item.

- (2) Adoption of simplified accounting methods

Corporation tax, etc. is calculated using the estimated annual tax rate based on the legal effective tax rate.

- (3) Changes in accounting methods compared with the previous fiscal year

There is no applicable item.

5. First quarter consolidated financial statements

(1) (Summary) Quarterly Period Consolidated Balance Sheets

Item	Quarterly period ended March 2007 (end of 1Q, Fiscal 2007)	Quarterly period ended March 2008 (end of 1Q, Fiscal 2008)	Year-on-year comparison		(Reference) Fiscal 2007
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)	Change (%)	Amount (thousands of yen)
(Assets)					
I. Current assets					
1. Cash and deposits	2,787,254	2,960,821	173,566	6.2	2,964,532
2. Notes receivable and accounts receivable	3,175,973	3,464,184	288,211	9.1	4,409,484
3. Inventories	379,612	296,249	(83,363)	(22.0)	268,139
4. Deferred tax assets	758,493	272,228	(486,265)	(64.1)	275,523
5. Others	685,994	483,282	(202,711)	(29.6)	383,203
6. Allowance for doubtful accounts	△105,531	(22,997)	82,533	78.2	(27,105)
Total current assets	7,681,796	7,453,768	(228,028)	(3.0)	8,273,777
II. Fixed assets					
1. Tangible fixed assets					
(1) Buildings and structures	876,829	796,220	(80,609)	(9.2)	827,740
(2) Land	326,159	296,143	(30,016)	(9.2)	296,143
(3) Others	541,440	464,059	(77,381)	(14.3)	482,728
Total tangible fixed assets	1,744,430	1,556,422	(188,007)	(10.8)	1,606,612
2. Intangible fixed assets					
(1) Goodwill	135,757	71,195	(64,562)	(47.6)	103,532
(2) Software	1,402,149	688,152	(713,997)	(50.9)	749,416
(3) Others	582,491	382,288	(200,203)	(34.4)	394,714
Total intangible fixed assets	2,120,398	1,141,635	(978,762)	(46.2)	1,247,664
3. Investments and other assets					
(1) Investment securities	1,868,471	1,613,687	(254,783)	(13.6)	1,526,446
(2) Long-term loans	493,900	–	(493,900)	–	40,428
(3) Deposit guarantees	796,250	892,297	96,046	12.1	838,030
(4) Deferred tax assets	570,146	305,080	(265,066)	(46.5)	250,851
(5) Others	737,071	403,988	(333,082)	(45.2)	367,614
(6) Allowance for doubtful accounts	(583,598)	(53,735)	529,863	90.8	(114,473)
Total investments and other assets	3,882,241	3,161,318	(720,923)	(18.6)	2,908,897
Total fixed assets	7,747,070	5,859,377	(1,887,693)	(24.4)	5,763,174
Total assets	15,428,867	13,313,145	(2,115,721)	(13.7)	14,036,951

Item	Quarterly period ended March 2007 (end of 1Q, Fiscal 2007)	Quarterly period ended March 2008 (end of 1Q, Fiscal 2008)	Year-on-year comparison		(Reference) Fiscal 2007
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)	Change (%)	Amount (thousands of yen)
(Liabilities)					
I. Current liabilities					
1. Accounts payable	778,263	1,033,831	255,568	32.8	1,213,444
2. Short-term borrowings	946,000	450,000	(496,000)	(52.4)	885,000
3. Long-term borrowings due within one year	792,914	272,493	(520,420)	(65.6)	407,906
4. Debentures due within one year	–	160,000	160,000	–	170,000
5. Accrued corporate tax, etc.	301,176	389,712	88,536	29.4	249,031
6. Allowance for bonuses	108,043	119,053	11,010	10.2	37,215
7. Reserve for quality assurance	153,000	81,191	(71,808)	(46.9)	92,041
8. Other	1,484,371	1,653,979	169,608	11.4	1,678,406
Total current liabilities	4,563,767	4,160,261	(403,505)	(8.8)	4,733,044
II. Fixed Liabilities					
1. Bonds	180,000	–	(180,000)	–	–
2. Long-term borrowings	706,892	320,306	(386,585)	(54.7)	369,969
3. Allowance for retirement benefits	63,249	50,286	(12,963)	(20.5)	50,286
4. Others	166,811	31,484	(135,326)	(81.1)	31,529
Total non-current liabilities	1,116,953	402,077	(714,875)	(64.0)	451,784
Total liabilities	5,680,720	4,562,339	(1,118,381)	(19.7)	5,184,829
(Net assets)					
I. Shareholders' equity					
1. Common stock	1,421,815	1,421,815	–	–	1,421,815
2. Capital surplus	2,867,893	2,866,178	(1,715)	(0.1)	2,866,178
3. Consolidated retained earnings	5,459,402	6,192,125	732,722	13.4	6,213,675
4. Treasury stock	(551,259)	(1,870,942)	(1,319,683)	(239.4)	(1,870,942)
Total shareholders' equity	9,197,851	8,609,176	(588,675)	(6.4)	8,630,726
II. Valuation, translation adjustments, etc.					
1. Net unrealized gain on available-for-sale securities	141,107	63,781	(77,326)	(54.8)	130,354
2. Foreign currency translation adjustments	520	(1,006)	(1,527)	–	152
Total valuation, translation adjustments, etc.	141,628	62,774	(78,854)	(55.7)	130,507
III. Minority interests	408,666	78,856	(329,810)	(80.7)	90,888
Total net assets	9,748,146	8,750,806	(997,339)	(10.2)	8,852,122
Total liabilities and net assets	15,428,867	13,313,145	(2,115,721)	(13.7)	14,036,951

2. (Summary) Quarterly Period Consolidated Statements of Income

Item	Quarterly period ended March 2007 (1Q, Fiscal 2007)	Quarterly period ended March 2008 (1Q, Fiscal 2008)	Year-on-year comparison		(Reference) Fiscal 2007
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)	Change (%)	Amount (thousands of yen)
I. Net Sales	5,749,797	6,808,529	1,058,732	18.4	25,018,281
II. Cost of sales	3,376,843	4,435,637	1,058,794	31.4	14,793,440
Gross Profit	2,372,953	2,372,892	(61)	(0.0)	10,224,840
III. Selling, general and administrative expenses	1,567,532	1,693,789	126,257	8.1	7,178,613
1. Officers' remuneration	101,982	92,558	(9,424)	(9.2)	450,471
2. Salaries and bonuses	603,748	728,906	125,158	20.7	2,525,220
3. Employee training expenses	21,492	20,373	(1,119)	(5.2)	246,009
4. Research & development expenditures	30,931	4,669	(26,262)	(84.9)	144,100
5. Depreciation	58,147	50,795	(7,352)	(12.6)	219,903
6. Recruitment expenses	78,175	82,267	4,092	5.2	319,635
7. Amortization of goodwill	10,434	46,509	36,075	345.7	166,395
8. Provision of allowance for doubtful accounts	56,000	–	△56,000	–	–
9. Other	606,619	667,709	61,089	10.1	3,106,877
Operating Income	805,421	679,102	(126,319)	(15.7)	3,046,226
IV. Non-operating income	41,225	82,322	41,097	99.7	165,865
1. Interest income	3,862	3,750	(111)	(2.9)	11,345
2. Dividend income	390	4,822	4,432	1,136.5	9,461
3. Amortization of negative goodwill	–	14,242	14,242	–	56,623
4. Equity in income of non-consolidated subsidiaries & affiliates	20,952	48,420	27,467	131.1	18,247
5. Other	16,020	11,086	(4,933)	(30.8)	70,187
V. Non-operating expenses	12,964	11,989	(974)	(7.5)	49,687
1. Interest expenses	7,531	5,280	(2,251)	(29.9)	27,275
2. Foreign-exchange losses	–	5,495	5,495	–	–
3. Other	5,432	1,214	(4,218)	(77.7)	22,411
Ordinary Income	833,682	749,435	(84,246)	(10.1)	3,162,405

Item	Quarterly period ended March 2007 (1Q, Fiscal 2007)	Quarterly period ended March 2008 (1Q, Fiscal 2008)	Year-on-year comparison		(Reference) Fiscal 2007
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)	Change (%)	Amount (thousands of yen)
VI. Extraordinary income	145,863	–	(145,863)	–	273,442
1. Gains on sale of fixed assets	–	–	–	–	8,084
2. Gains on sale of investment securities	138,598	–	(138,598)	–	261,102
3. Gain on changes in equity	7,264	–	(7,264)	–	4,255
VII. Extraordinary losses	140,350	8,676	(131,673)	(93.8)	830,661
1. Losses on sale of fixed assets	–	–	–	–	6,384
2. Losses on disposal of fixed assets	36,400	2,942	(33,457)	(91.9)	75,806
3. Losses on sale of investment securities	–	–	–	–	3,000
4. Losses on devaluation of investment securities	103,950	5,734	(98,216)	(94.5)	292,331
5. Office relocation expenses	–	–	–	–	116,000
6. Impairment losses	–	–	–	–	317,138
7. Losses on devaluation of inventories	–	–	–	–	19,999
Net income before taxes for the quarterly period	839,195	740,758	(98,436)	(11.7)	2,605,186
Corporate, residential and enterprise taxes	337,025	356,101	19,076	5.7	1,385,149
Minority interests in net income	(11,669)	(15,654)	(3,984)	(34.1)	(48,075)
Quarterly net income	513,839	400,311	(113,527)	(22.1)	1,268,112

3. (Summary) Quarterly Consolidated Statements of Cash Flows

Item	Quarterly period ended March 2007 (1Q, Fiscal 2007)	Quarterly period ended March 2008 (1Q, Fiscal 2008)	(Reference) Fiscal 2007
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)
I. Cash flows from operating activities:			
Net income before taxes (quarterly period)	839,195	740,758	2,605,186
Depreciation and amortization	198,047	196,751	824,754
Increase (decrease) in allowance for doubtful accounts	55,700	(64,846)	(21,311)
Increase (decrease) in reserve for bonuses to directors/reserve for bonuses	77,713	81,837	6,885
Increase (decrease) in allowance for retirement benefits	–	–	(12,963)
Increase (decrease) in reserve for quality assurance	(107,000)	(10,849)	(179,765)
Earned interest and dividends	(4,252)	(8,572)	(20,807)
Interest expenses	7,531	5,280	27,275
Gains on changes in equity	(7,264)	–	(4,255)
Equity in income (losses) of subsidiaries & affiliates	(20,952)	(48,420)	(18,247)
Losses on sale of tangible fixed assets	–	–	(1,700)
Losses on disposal of tangible fixed assets	36,400	2,942	75,806
Gains (losses) on sale of investment securities	(138,598)	–	(258,102)
Losses on devaluation of investment securities	103,950	5,734	292,331
Impairment losses	–	–	317,138
Office relocation expenses	–	–	116,000
Losses on devaluation of inventories	–	–	19,999
Increase (decrease) in accounts receivable	(1,071,431)	1,027,007	(2,241,655)
Increase (decrease) in inventories	96,191	(28,109)	157,601
Increase (decrease) in other assets	14,755	691	192,497
Increase (decrease) in accounts payable	(35,848)	(179,612)	354,687
Increase (decrease) in other liabilities	5,733	(176,870)	70,057
Subtotal	49,869	1,543,720	2,301,414
Interest and dividends received	4,172	9,559	20,055
Interest paid	(7,898)	(6,104)	(25,114)
Income and other taxes	(586,171)	(203,857)	(698,509)
Net cash provided by (used in) operating activities	(540,028)	1,343,318	1,597,844
II. Cash flows from investing activities:			
Purchase of tangible fixed assets	(525,891)	(51,059)	(757,536)
Proceeds from sale of tangible fixed assets	1,204	–	75,067
Acquisition of intangible fixed assets	(92,519)	(45,067)	(234,086)
Proceeds related to the acquisition of shares of newly consolidated subsidiaries	–	5,135	–
Acquisition of subsidiaries' shares	–	–	(123,156)
Acquisition of affiliated companies' shares	–	(34,800)	–
Purchase of investment securities	–	(122,000)	(30,198)
Proceeds from sale of investment securities	162,223	–	466,849
Net increase in deposit guarantees	(304,035)	(114,014)	(374,661)
Proceeds from collection of deposit guarantees	–	558	239,806
Collection of loans	–	105	99,630
Proceeds from other investment activities	1,926	–	168,613
Net cash provided by (used in) investing activities	(757,091)	(361,141)	(469,974)

	Quarterly period ended March 2007 (1Q, Fiscal 2007)	Quarterly period ended March 2008 (1Q, Fiscal 2008)	(Reference) Fiscal 2007
III. Cash flows from financing activities:			
(Decrease) increase in short-term borrowings	104,000	(435,000)	43,000
Repayment of long-term borrowings	(244,515)	(185,075)	(966,446)
Redemption of debentures	(10,000)	(10,000)	(20,000)
Purchase of treasury stock	(475,069)	–	(1,879,546)
Dividends paid	(366,571)	(346,249)	(416,507)
Dividends paid to minority shareholders	(1,200)	(1,392)	(1,200)
Net cash provided by (used in) financing activities	(993,356)	(977,716)	(3,240,699)
IV. Effect of exchange rate changes on cash and cash equivalents	(96)	(6,655)	(464)
V. Increase (decrease) in cash and cash equivalents	(2,290,572)	(2,194)	(2,113,293)
VI. Cash and cash equivalents at beginning of the period	3,871,832	2,864,532	3,871,832
VII. Increase in cash and cash equivalents from merger	437,035	–	1,105,993
VIII. Increase in cash and cash equivalents due to the additional of new consolidated companies	768,958	–	–
IX. Decrease in cash and cash equivalents because of exclusion of consolidated subsidiaries	–	(1,516)	–
X. Cash and cash equivalents at end of the quarterly period	2,787,254	2,860,821	2,864,532

4. Segment information

[Business segment information]

Business segment information is omitted for the previous quarter.

First Quarter of Fiscal 2008 (from January 1, 2008 to March 31, 2008)

(thousands of yen)

	IT Consulting Business	Package & Service Business	Corporate Revitalization/ New Operations Development Business	Total	Elimination or corporate	Consolidated
I. Net sales and operating income (or loss)						
Net sales						
(1) Net sales to outside clients	4,647,271	1,021,605	1,139,652	6,808,529	–	6,808,529
(2) Inter-segment sales or transfer	–	101,637	27,780	129,417	(129,417)	–
Total	4,647,271	1,123,243	1,167,432	6,937,947	(129,417)	6,808,529
Operating expenses	3,959,707	1,055,651	1,242,575	6,257,934	(128,506)	6,129,427
Operating income	687,563	67,591	(75,142)	680,012	(910)	679,102
II. Assets, depreciation and capital expenditures						
Assets	6,855,095	2,427,972	1,067,851	10,350,918	2,962,227	13,313,145
Depreciation	109,566	70,391	16,794	196,751	–	196,751
Capital expenditures	78,339	10,570	7,216	96,126	–	96,126

Notes:

1. Method of classifying business segments

Business segments are classified according to the contents of businesses.

2. Main products in each business segment

Business segment	Business operations
IT Consulting Business	To provide solutions by establishing information systems with cutting-edge IT and practical, advanced techniques, while sharing clients' managerial issues from the viewpoint of management and understanding the essence of clients' business.
Package & Service Business	Helping clients improve their operational efficiency by using ASP operations to sell or provide software packages for highly specialized fields, such as sales management and ERP, and to develop mission-critical systems on a commission basis.
Corporate Revitalization/ New Operations Development Business	To get deeply involved in the management team of client firms, quickly revitalize client firms through drastic reform focusing on IT, and establish models of success for each industry. To form an alliance with corporations involved in businesses which the Group does not engage in, or establish and invest in startups, while using and combining the Company's overall know-how and technical capability about management, operations and IT. By doing this, we aim to maximize these client firms' value or accelerate their growth, and eventually contribute to the development of the industries concerned.

3. The amount of assets which were included under "Elimination or corporate" was 4,564,491 thousand yen and these assets consist mainly of surplus funds (cash and securities) and assets relating to the administration sector.

Fiscal 2007 (from January 1, 2007 to December 31, 2007)

(thousands of yen)

	IT Consulting Business	Package & Service Business	New Operations Development Business	Total	Elimination or corporate	Consolidated
I. Net sales and operating income (or loss)						
Net sales						
(1) Net sales to outside clients	17,007,704	4,532,971	3,476,733	25,017,410	871	25,018,281
(2) Inter-segment sales or transfer	6,128	142,533	–	148,661	(148,661)	–
Total	17,013,832	4,675,505	3,476,733	25,166,071	(147,790)	25,018,281
Operating expenses	13,987,628	4,561,877	3,669,621	22,219,128	(247,074)	21,972,054
Operating income (or loss)	3,026,203	113,627	(192,887)	2,946,943	99,283	3,046,226
II. Assets, depreciation, impairment losses and capital expenditures						
Assets	7,435,206	2,651,017	1,154,071	11,240,295	2,796,656	14,036,951
Depreciation	471,192	307,338	46,043	824,575	179	824,754
Impairment losses	–	317,138	–	317,138	–	317,138
Capital expenditures	789,003	98,183	104,435	991,622	–	991,622

Notes:

1. Method of classifying business segments

Business segments are classified according to the contents of businesses.

2. Main products in each business segment

Business segment	Business operations
IT Consulting Business	To provide solutions by establishing information systems with cutting-edge IT and practical, advanced techniques, while sharing clients' managerial issues from the viewpoint of management and understanding the essence of clients' business.
Package & Service Business	Helping clients improve their operational efficiency by using ASP operations to sell or provide software packages for highly specialized fields, such as sales management and ERP, and to develop mission-critical systems on a commission basis.
Corporate Revitalization Business	To get deeply involved in the management team of client firms, quickly revitalize client firms through drastic reform focusing on IT, and establish models of success for each industry.

3. The amount of assets which were included under "Elimination or corporate" was 4,388,611 thousand yen, and these assets consist mainly of surplus funds (cash and securities) and assets relating to the administration sector.

[Geographical segment information]

During the previous quarter, the quarter under review and the previous fiscal year, domestic operations accounted for more than 90% of consolidated sales, and thus geographical segment information is omitted.

[Overseas sales]

During the previous quarter, the quarter under review and the previous fiscal year, sales from overseas operations accounted for less than 10% of consolidated sales. Overseas sales information is therefore omitted.

6. Others

Orders received

(Unit: thousands of yen)

Function	Quarterly period ended March 2007 (January 1, 2007 – March 31, 2007)		Quarterly period ended March 2008 (January 1, 2008 – March 31, 2008)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
IT consulting services	4,090,286	2,440,748	7,371,866	7,391,284
Package & service business	990,801	717,497	1,269,842	752,901
Corporate Revitalization Business	–	–	2,422	950
Total	5,081,087	3,158,245	8,644,131	8,145,136

Notes: In the Corporate Revitalization/New Operations Development Business, the Group did not manufacture on order for the corresponding quarter of the previous year, and thus there is no applicable item.