

**Summary Report of Operating Results  
for the Third 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 Third Quarter of Fiscal 2008** (January 1, 2008 to September 30, 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	%
3Q, Fiscal 2008	21,390	19.7	2,155	6.6	2,209	7.2	981	22.9
3Q, Fiscal 2007	17,866	52.4	2,020	-10.0	2,059	-7.8	798	-37.4
Fiscal 2007	25,018	-	3,046	-	3,162	-	1,268	-

	Quarterly net income per share	Quarterly net income per share (fully diluted)
	Yen	Yen
3Q, Fiscal 2008	2,189.44	-
3Q, Fiscal 2007	1,703.93	1,700.03
Fiscal 2007	2,729.31	2,725.02

Note: Fully diluted quarterly net income per share for the third quarter under review is not stated because the average stock price during the period 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
3Q, Fiscal 2008	13,841	9,440	67.6	20,854.82
3Q, Fiscal 2007	13,046	8,639	65.2	18,741.60
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
3Q, Fiscal 2008	1,867	(461)	(1,685)	2,575
3Q, Fiscal 2007	865	(424)	(3,306)	2,110
Fiscal 2007	1,597	(469)	(3,240)	2,864

## 2. Dividends

(Record date)	Dividends per share (yen)		
	End of interim period	Year-end dividend	Annual dividend
Fiscal 2007	-	950	950
Fiscal 2008 (Actual)	-		1,600
Fiscal 2008 (Forecast)		1,600	

## 3. Projected Consolidated Results for Fiscal 2008 (January 1, 2008 to December 31, 2008) [Reference] (Percentages show year-on-year changes)

	Net sales		Operating income	
	Million yen	%	Million yen	%
Full year	28,000	11.9	3,550	16.5

	Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Yen
Full year	3,600	13.8	2,040	60.9	4,549.78

## 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 fiscal 2006: 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

In Japan, the economy stagnated and there was an increasing feeling of uncertainty about the future of the economy, affected by fluctuating prices of raw materials, a stalled U.S. economy, and worldwide financial confusion.

In the nine-month period of fiscal 2008 (from January 1 through September 30, 2008), consolidated net sales were ¥21,390 million, up 19.7% from the corresponding period of the previous year, with ordinary income at ¥2,209 million, up 7.2%, and net income at ¥981 million, up 22.9%.

Operating results by business segment are as follows:

In relation to the IT Consulting Service Business, the financial industry became reluctant to make investments, affected by the worldwide financial crisis originating in the subprime mortgage crisis in the U.S. Meanwhile, the needs of the service and logistics industries to reinforce IT-related systems remained strong despite the slowing economy, and the Group continued to receive steady orders from these industries in the period under review. Against this backdrop, the utilization of consultants remained high, and delivery was also favorably carried out. As a result, net sales of the IT Consulting Service Business were ¥14,645 million, up 25.6% from the same period of the preceding year. The Group achieved a steady recruitment, but had to depend on external partners for the establishment of flexible team structures, which pushed down profitability slightly. Accordingly, operating income was ¥2,197 million, up 5.7%.

Sales of the IT Consulting Service Business are broken down into 36% for the service industry, unchanged from the corresponding quarter of the previous year; 31% for the logistics industry, up from 22% in the same quarter of the preceding year; 20% for the financial industry, down from 29%; and 13% for the manufacturing industry, unchanged.

With respect to the Package & Service Business, the core company Elm Corporation continued to receive a steady inflow of orders. The operations of ASCII Solutions, Inc., which were acquired by Ascendia Inc., began to contribute to earnings of this business. Net sales of the Package & Service Business were ¥3,491 million, up 1.5% from the corresponding period of the previous year. Operating income soared 332.1% to ¥242 million. This increase is attributable to the clear effect of organizational improvement and business review accompanying the realignment implemented at the end of the previous year, and the reduction of costs resulting from a decrease in the burden of depreciation of software assets.

The Corporate Revitalization Business/New Business Cultivation Business booked net sales of ¥3,562 million, reflecting the higher capability to attract customers than a year earlier, which was obtained by reviewing measures for promoting sales through renovation of outlets and distribution of flyers. However, the business posted an operating loss of ¥299 million. In response to a surge in purchasing prices caused by sharp increases in oil and food prices, the Group improved opportunity loss and waste loss by reviewing its order-taking operations, and revised purchasing terms through negotiations with suppliers. By making these efforts, we were able to improve gross profit margin, albeit slightly, but failed to reshape the business into a profitable entity.

The Group booked extraordinary loss of ¥332 million, including evaluation loss on investment securities. However, our net income increased from the corresponding period of the previous year, because of a rise in ordinary income.

## 2. Qualitative information about consolidated financial condition

As of the end of the third quarter under review, total assets increased from the previous year, centering on current assets such as cash and cash equivalents and notes and accounts receivable, and stood at ¥13,841 million.

Liabilities remained almost unchanged at ¥4,401 million. Net assets were ¥9,440 million reflecting a rise in retained earnings mainly owing to net income.

For the first nine-month period, cash inflows from operating activities amounted to ¥1,867 million (up ¥1,002 million from the corresponding period of the previous year). Quarterly net income before taxes was ¥2,027 million (up ¥215 million), payment of corporation tax and other taxes was ¥266 million (up ¥413 million) and accounts receivable decreased ¥679 million (up ¥617 million).

Cash flows used in investing activities were ¥461 million (down ¥37 million). Acquisition of tangible fixed assets came to ¥319 million (up ¥351 million), and acquisition of investment securities was ¥156 million (down ¥126 million).

Cash flows used in financial activities were ¥1,685 million (up ¥1,621 million), reflecting a decrease in short-term borrowings of ¥855 million (down ¥329 million), a repayment of long-term borrowings of ¥381 million (up ¥409 million), and a payment of dividends of ¥426 million (down ¥10 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 ¥2,575 million (up ¥464 million).

## 3. Qualitative information about consolidated earnings forecast

There is no revision to our consolidated earnings forecast which we announced on August 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. Third quarter consolidated financial statements

### (1) (Summary) Quarterly Period Consolidated Balance Sheets

Item	Quarterly period ended September 2007 (end of 3Q, Fiscal 2007)	Quarterly period ended September 2008 (end of 3Q, 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 cash equivalents	2,210,974	2,635,266	424,291	19.2	2,964,532
2. Notes and accounts receivable	3,500,032	5,101,373	1,601,340	45.8	4,409,484
3. Inventories	330,376	220,258	(110,117)	(33.3)	268,139
4. Deferred tax assets	377,450	208,131	(169,318)	(44.9)	275,523
5. Other	507,382	493,908	(13,474)	(2.7)	383,203
6. Allowance for doubtful accounts	(65,782)	(25,049)	40,732	61.9	(27,105)
Total current assets	6,860,434	8,633,888	1,773,453	25.9	8,273,777
II. Fixed assets					
1. Tangible fixed assets					
(1) Buildings and structures	820,503	814,715	(5,787)	(0.7)	827,740
(2) Other	813,709	769,502	(44,206)	(5.4)	778,872
Total tangible fixed assets	1,634,212	1,584,218	(49,994)	(3.1)	1,606,612
2. Intangible fixed assets					
(1) Goodwill	79,843	14,353	(65,489)	(82.0)	103,532
(2) Software	822,753	510,116	(312,637)	(38.0)	749,416
(3) Other	408,788	354,768	(54,019)	(13.2)	394,714
Total intangible fixed assets	1,311,385	879,238	(432,146)	(33.0)	1,247,664
3. Investments and other assets					
(1) Investment securities	1,488,741	1,442,038	(46,703)	(3.1)	1,526,446
(2) Deposit guarantees	804,766	892,817	88,050	10.9	838,030
(3) Deferred tax assets	545,568	116,196	(429,372)	(78.7)	250,851
(4) Other	512,168	331,803	(180,365)	(35.2)	408,042
(5) Allowance for doubtful accounts	(110,652)	(38,861)	71,791	64.9	(114,473)
Total investments and other assets	3,240,594	2,743,994	(496,599)	(15.3)	2,908,897
Total fixed assets	6,186,192	5,207,450	(978,741)	(15.8)	5,763,174
Total assets	13,046,627	13,841,339	794,711	6.1	14,036,951

Item	Quarterly period ended September 2007 (end of 3Q, Fiscal 2007)	Quarterly period ended September 2008 (end of 3Q, 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)
<b>(Liabilities)</b>					
<b>I. Current liabilities</b>					
1. Accounts payable	977,757	1,155,916	178,158	18.2	1,213,444
2. Short-term borrowings	316,000	30,000	(286,000)	(90.5)	885,000
3. Long-term borrowings due within one year	546,555	303,584	(242,971)	(44.5)	407,906
4. Bonds due within one year	20,000	150,000	130,000	650.0	170,000
5. Income tax payable etc.	255,559	823,659	568,099	222.3	249,031
6. Allowance for bonuses	125,804	118,756	(7,047)	(5.6)	37,215
7. Reserve for quality assurance	63,958	203,339	139,380	217.9	94,546
8. Other	1,461,769	1,414,180	(47,588)	(3.3)	1,675,900
Total current liabilities	3,767,405	4,199,436	432,030	11.5	4,733,044
<b>II. Non-current liabilities</b>					
1. Bonds	150,000	-	(150,000)	-	-
2. Long-term borrowings	406,946	92,600	(314,346)	(77.2)	369,969
3. Allowance for retirement benefits	46,861	79,755	32,893	70.2	50,286
4. Others	36,411	29,484	(6,926)	(19.0)	31,529
Total non-current liabilities	640,218	201,839	(438,379)	(68.5)	451,784
Total liabilities	4,407,624	4,401,275	(6,348)	(0.1)	5,184,829
<b>(Net assets)</b>					
<b>I. Shareholders' equity</b>					
1. Common stock	1,421,815	1,421,815	-	-	1,421,815
2. Additional paid-in capital	2,866,178	2,866,178	-	-	2,866,178
3. Consolidated retained earnings	5,744,453	6,773,499	1,029,045	17.9	6,213,675
4. Treasury stock	(1,547,075)	(1,870,942)	(323,867)	(20.9)	(1,870,942)
Total shareholders' equity	8,485,371	9,190,550	705,178	8.3	8,630,726
<b>II. Valuation, translation adjustments, etc.</b>					
1. Net unrealized gain on available-for-sale securities	19,329	160,899	141,570	732.4	130,354
2. Foreign currency translation adjustments	272	(712)	(984)	(361.4)	152
Total valuation, translation adjustments, etc.	19,602	160,187	140,585	717.2	130,507
<b>III. Minority interests</b>					
Minority interests	134,028	89,325	(44,703)	(33.4)	90,888
Total net assets	8,639,002	9,440,063	801,060	9.3	8,852,122
Total liabilities and net assets	13,046,627	13,841,339	794,711	6.1	14,036,951

## (2) (Summary) Quarterly Period Consolidated Statements of Income

Item	Quarterly period ended September 2007 (3Q, Fiscal 2007)	Quarterly period ended September 2008 (3Q, 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	17,866,596	21,390,167	3,523,571	19.7	25,018,281
II. Cost of sales	10,398,850	14,287,207	3,888,357	37.4	14,793,440
Gross Profit	7,467,745	7,102,959	(364,785)	(4.9)	10,224,840
III. Selling, general and administrative expenses	5,446,934	4,947,959	(498,974)	(9.2)	7,178,613
1. Officers' remuneration	314,884	289,406	(25,478)	(8.1)	442,974
2. Salaries and bonuses	2,082,133	2,264,026	181,893	8.7	2,532,716
3. Employee training expenses	194,965	215,783	20,818	10.7	246,009
4. Research & development expenditures	125,264	58,790	(66,474)	(53.1)	144,100
5. Depreciation	169,797	164,903	(4,893)	(2.9)	219,903
6. Recruitment expenses	248,242	215,868	(32,374)	(13.0)	319,635
7. Amortization of goodwill	113,931	131,695	17,764	15.6	166,395
8. Other	2,197,715	1,607,486	(590,229)	(26.9)	3,106,877
Operating Income	2,020,811	2,155,000	134,188	6.6	3,046,226
IV. Non-operating income	125,143	105,679	(19,463)	(15.6)	165,865
1. Interest income	10,127	10,552	425	4.2	11,345
2. Dividend income	6,091	10,847	4,755	78.1	9,461
3. Amortization of negative goodwill	42,463	42,586	123	0.3	56,623
4. Investment gains on equity method	-	-	-	-	18,247
5. Other	66,461	41,694	(24,767)	(37.3)	70,187
V. Non-operating expenses	86,005	51,452	(34,552)	(40.2)	49,687
1. Interest expenses	23,919	11,657	(12,261)	(51.3)	27,275
2. Foreign exchange losses	-	15,399	15,399	-	-
3. Equity in loss of non-consolidated subsidiaries & affiliates	44,018	16,627	(27,391)	(62.2)	-
4. Other	18,066	7,768	(10,298)	(57.0)	22,411
Ordinary Income	2,059,949	2,209,227	149,277	7.2	3,162,405

Item	Quarterly period ended September 2007 (3Q, Fiscal 2007)	Quarterly period ended September 2008 (3Q, 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	268,413	150,022	(118,391)	(44.1)	273,442
1. Gains on sale of fixed assets	-	-	-	-	8,084
2. Gains on sale of investment securities	261,102	9,124	(251,977)	(96.5)	261,102
3. Gains on transfer of business	-	140,898	140,898	-	-
4. Gain on changes in equity	7,311	-	(7,311)	-	4,255
VII. Extraordinary losses	516,780	332,184	(184,595)	(35.7)	830,661
1. Losses on sale of fixed assets	6,281	13,290	7,009	111.6	6,384
2. Losses on disposal of fixed assets	69,410	26,819	(42,591)	(61.4)	75,806
3. Losses on sale of investment securities	-	2,863	2,863	-	3,000
4. Losses on devaluation of investment securities	103,950	244,422	140,472	135.1	292,331
5. Office relocation expenses	-	-	-	-	116,000
6. Impairment losses	317,138	44,788	(272,350)	(85.9)	317,138
7. Losses on devaluation of inventories	19,999	-	(19,999)	-	19,999
Net income before taxes for the quarterly period	1,811,582	2,027,065	215,482	11.9	2,605,186
Corporate, residential and enterprise taxes	1,077,965	1,049,277	(28,688)	(2.7)	1,385,149
Minority interests in net income	(65,274)	(3,897)	61,376	94.0	(48,075)
Quarterly net income	798,891	981,685	182,794	22.9	1,268,112

## (3) (Summary) Quarterly Consolidated Statements of Cash Flows

(thousands of yen)

Item	Quarterly period ended September 2007 (3Q, Fiscal 2007)	Quarterly period ended September 2008 (3Q, Fiscal 2008)	(Reference) Fiscal 2007
	Amount	Amount	Amount
I. Cash flows from operating activities:			
Net income before taxes (quarterly period)	1,811,582	2,027,065	2,605,186
Depreciation and amortization	599,389	574,826	824,754
Increase (decrease) in allowance for doubtful accounts	(486,658)	(38,060)	(21,311)
Increase (decrease) in reserve for bonuses	95,474	81,541	6,885
Increase (decrease) in allowance for retirement benefits	(16,388)	29,468	(12,963)
Increase (decrease) in reserve for quality assurance	(207,848)	108,793	(179,765)
Earned interest and dividends	(16,218)	(21,399)	(20,807)
Interest expenses	23,919	11,657	27,275
Gains on changes in equity	(7,311)	-	(4,255)
Equity in income (losses) of subsidiaries & affiliates	44,018	16,627	(18,247)
Gains on transfer of business	-	(140,898)	-
Gains (losses) on sale of fixed assets	6,281	13,290	(1,700)
Losses on disposal of fixed assets	69,410	26,819	75,806
Gains (losses) on sale of investment securities	(261,102)	(6,261)	(258,102)
Losses on devaluation of investment securities	103,950	244,422	292,331
Impairment losses	317,138	44,788	317,138
Office relocation expenses	-	-	116,000
Losses on devaluation of inventories	19,999	-	19,999
Increase (decrease) in accounts receivable	(1,296,980)	(679,553)	(2,241,655)
Increase (decrease) in inventories	(95,364)	36,489	157,601
Increase (decrease) in other assets	637,480	99,174	192,497
Increase (decrease) in accounts payable	119,001	(51,017)	354,687
Increase (decrease) in other liabilities	(97,558)	(249,584)	70,057
Subtotal	1,552,945	2,128,191	2,301,414
Interest and dividends received	15,566	19,991	20,055
Interest paid	(23,462)	(14,086)	(25,114)
Income and other taxes	(680,031)	(266,116)	(698,509)
Net cash provided by (used in) operating activities	865,018	1,867,979	1,597,844
II. Cash flows from investing activities:			
Decrease (increase) in time deposits	-	31,779	100,000
Purchase of tangible fixed assets	(670,634)	(319,134)	(757,536)
Proceeds from sale of tangible fixed assets	3,743	11,150	75,067
Acquisition of intangible fixed assets	(181,921)	(133,609)	(234,086)
Proceeds from sale of intangible fixed assets	626	354	687
Acquisition of shares of newly consolidated subsidiaries	-	5,135	-
Acquisition of subsidiaries shares	(37,783)	-	(123,156)
Sale of subsidiaries shares	-	-	13,359
Purchase of investment securities	(30,198)	(156,800)	(30,198)
Proceeds from sale of investment securities	459,849	37,648	466,849
Net increase in deposit guarantees	(312,960)	(187,774)	(374,661)
Proceeds from collection of deposit guarantees	212,216	200,043	239,806
Net increase (decrease) in loans	86,025	(70,751)	99,630
Proceeds from cancellation of insurance reserves	33,473	-	41,263
Proceeds from cancellation of golf-club membership	13,000	-	13,000
Payment for acquisition of business	-	(80,000)	-
Proceeds from transfer of business	-	200,000	-
Net cash provided by (used in) investing activities	(424,564)	(461,958)	(469,974)

	Quarterly period ended September 2007 (3Q, Fiscal 2007)	Quarterly period ended September 2008 (3Q, Fiscal 2008)	(Reference) Fiscal 2007
III. Cash flows from financing activities:			
(Decrease) increase in short-term borrowings	(526,000)	(855,000)	43,000
Repayment of long-term borrowings	(790,820)	(381,691)	(966,446)
Redemption of debentures	(20,000)	(20,000)	(20,000)
Purchase of treasury stock	(1,533,526)	-	(1,879,546)
Dividends paid	(415,414)	(426,356)	(416,507)
Dividends paid to minority shareholders	(1,200)	(2,679)	(1,200)
Net cash provided by (used in) financing activities	(3,306,961)	(1,685,726)	(3,240,699)
IV. Effect of exchange rate changes on cash and cash equivalents	(344)	(8,177)	(464)
V. Increase (decrease) in cash and cash equivalents	(2,866,852)	(287,883)	(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	1,105,993	-	1,105,993
VIII. Decrease in cash and cash equivalents owing to exclusion of subsidiaries from consolidation	-	(1,516)	-
IX. Cash and cash equivalents at end of the quarterly period	2,110,974	2,575,132	2,864,532

## (4) Segment information

[Business segment information]

Third Quarter of Fiscal 2007 (from January 1, 2007 to September 30, 2007)

(thousands of yen)

	IT Consulting Business	Package & Service Business	Corporate Revitalization Business	Total	Elimination or corporate	Consolidated
I. Net sales and operating income (or loss)						
Net sales						
(1) Net sales to outside clients	11,650,383	3,352,810	2,863,036	17,866,230	365	17,866,596
(2) Inter-segment sales or transfer	6,128	87,416	-	93,544	(93,544)	-
Total	11,656,511	3,440,227	2,863,036	17,959,775	(93,179)	17,866,596
Operating expenses	9,577,537	3,384,008	2,986,564	15,948,109	(102,325)	15,845,784
Operating income	2,078,974	56,219	(123,528)	2,011,665	9,145	2,020,811
II. Assets, depreciation and capital expenditures						
Assets	6,215,487	2,868,689	856,133	9,940,310	3,106,318	13,046,627
Depreciation	342,996	216,547	39,845	599,389	-	599,389
Capital expenditures	733,708	86,822	32,024	852,556	-	852,556

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 4,393,007 thousand yen and these assets consist mainly of surplus funds (cash and securities) and assets relating to the administration sector.

Third Quarter of Fiscal 2008 (from January 1, 2008 to September 30, 2008)

	IT Consulting Business	Package & Service Business	Corporate Revitalization/ New Business Cultivation Business	Total	Elimination or corporate	Consolidated
I. Net sales and operating income (or loss)						
Net sales						
(1) Net sales to outside clients	14,645,391	3,248,271	3,496,494	21,390,157	10	21,390,167
(2) Inter-segment sales or transfer	488	243,163	65,935	309,587	(309,587)	-
Total	14,645,879	3,491,435	3,562,429	21,699,744	(309,577)	21,390,167
Operating expenses	12,448,277	3,248,535	3,861,445	19,558,257	(323,090)	19,235,167
Operating income	2,197,602	242,899	(299,015)	2,141,486	13,513	2,155,000
II. Assets, depreciation and capital expenditures						
Assets	7,761,855	2,348,051	1,272,977	11,382,885	2,458,453	13,841,339
Depreciation	441,912	73,906	59,007	574,826	-	574,826
Capital expenditures	295,896	45,511	111,335	452,743	-	452,743

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 Business Cultivation 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.  In addition, to maximize client companies' value or accelerate their growth by using or combining the Company's know-how and technical capability about management, operations and overall IT, while forming alliances with companies engaged in businesses that no group company operates, and founding and investing in new firms, with an aim to contribute to the development of the relevant industries.

3. The amount of assets which were included under "Elimination or corporate" was 4,483,068 thousand yen and these assets consist mainly of surplus funds (cash and securities) and assets relating to the administration sector.

4. Beginning in the quarter under review, we have changed the name of the former "Corporate Revitalization Business" to the "Corporate Revitalization Business/New Business Cultivation Business."

5. Change in method for allocating operating expenses

Until the previous fiscal year, we had directly allocated operating expenses to the Package & Service Business and to the IT Consulting Service Business, as there was less mutual cooperation between these two businesses.

Beginning in the quarter under review, the ERP business has been integrated into Future Architect, Inc. and become one business of the Industry Business Operations. Because of this integration, mutual cooperation between the Package & Service Business and the IT Consulting Service Business has become closer. This means that it is beneficial, and also in line with the actual situation of each business segment, to appropriate operating expenses to both businesses regarding them as one body. Hence, we have decided to allocate operating expenses for these businesses in proportion to their personnel expenses.

As a result, compared with the conventional method, this change had the effect of increasing operating expenses of the IT Consulting Service Business by 31,422 thousand yen (owing to an increase of 115,157 thousand yen in depreciation and a decrease of 83,735 thousand yen in other operating expenses), while decreasing those of the Package & Service Business by the same amount of 31,422 thousand yen (owing to a decrease of 115,157 thousand yen in depreciation and an increase of 83,735 thousand yen in other operating expenses).

Fiscal 2007 (from January 1, 2007 to September 30, 2007)

(thousands of yen)

	IT Consulting Business	Package & Service Business	Corporate Revitalization 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	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 September 2007 (January 1, 2007 to September 30, 2007)		Quarterly period ended September 2008 (January 1, 2008 to September 30, 2008)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
	IT consulting services	14,813,949	5,054,911	15,546,144
Package & service business	3,022,931	727,426	3,755,102	1,198,931
Corporate Revitalization / New Business Cultivation Business	-	-	11,385	1,063
Total	17,836,881	5,782,337	19,312,632	6,749,261

Notes: There is no applicable item for the Corporate Revitalization Business/New Business Cultivation Business for the corresponding quarter of the previous year as it did not implement production by order during the period.