

**Summary Report of Operating Results  
for the first Quarter of Fiscal 2009  
(Year ending December 2009)**

Company name: Future Architect, Inc.  
 Shares listed on: First Section of Tokyo Stock Exchange  
 Security code number: 4722  
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 Scheduled submit date of quarterly report: May 14, 2009  
 Scheduled date for distribution of dividend payments: –

(Amount rounded off to million yen)

**1. Consolidated Results for the first Quarter of Fiscal 2009** (January 1, 2009 to March 31, 2009)

## (1) Consolidated operating results (accumulated total)

(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 2009	6,692	–	736	–	776	–	423	–
1Q, Fiscal 2008	6,808	18.4	679	(15.7)	749	(10.1)	400	(22.1)

	Quarterly net income per share	Quarterly net income per share (fully diluted)
	Yen	Yen
1Q, Fiscal 2009	966.23	–
1Q, Fiscal 2008	892.81	–

Note: Since “Accounting Standards for Quarterly Financial Statements,” etc., are applied from the consolidated fiscal year under review, the increase/decrease over the year-on-year quarter is not stated.

## (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	Percent (%)	Yen
1Q, Fiscal 2009	12,319	8,340	67.2	18,966.50
Fiscal 2008	13,789	8,768	63.1	19,815.58

(Reference) Shareholders' equity

1Q, Fiscal 2009: 8,281 million yen  
 Fiscal 2008: 8,706 million yen

**2. Dividends**

(reference date)	Dividends per share (yen)				
	End of the first quarter dividend	End of the second quarter dividend	End of the third quarter dividend	Year-end dividend	Annual dividend
Fiscal 2008	–	0.00	–	1,600.00	1,600.00
Fiscal 2009	–	–	–	–	–
Fiscal 2009 (Forecast)	–	0.00	–	1,600.00	1,600.00

Note: Modification of the projected dividends during the quarter under review: None

**3. Projected Consolidated Results for Fiscal 2009** (January 1, 2009 to December 31, 2009)

(Percentage figures reflect year-on-year change)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
Second quarter	13,600	(5.2)	1,680	0.7	1,700	(1.9)	990	1.8	2,267.36
Full year	26,100	(7.4)	3,200	23.1	3,250	21.4	1,930	175.1	4,420.20

Note: Modification of the projected consolidated results during the quarter under review: None

#### 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 simplified accounting method or special accounting method for the preparation of consolidated quarterly financial statements: Yes  
Note: For details, please refer to (page-4) “Qualitative information, financial statements, etc.”- 4. Others.
- (3) Changes in principle, procedure, presentation, etc., of the accounting process related to the preparation of consolidated quarterly financial statements (those stated as changes in important matters to be the basis for the preparation of consolidated quarterly financial statements)
  - a. Changes accompanying revision of accounting standards: Yes
  - b. Changes other than a.: NoneNote: For details, please refer to (page-4) “Qualitative information, financial statements, etc.”- 4. Others.
- (4) Number of outstanding shares (common stock)
  - a. Total outstanding shares as of the end of the period (including treasury stocks)

1Q, Fiscal 2009:	476,640 shares
Fiscal 2008:	476,640 shares
  - b. Total treasury stocks as of the end of the period

1Q, Fiscal 2009:	40,008 shares
Fiscal 2008:	37,261 shares
  - c. Average number of outstanding stocks during the quarter under review (accumulated period for consolidated quarter)

1Q, Fiscal 2009:	438,427 shares
1Q, Fiscal 2008:	448,373 shares

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

1. The above projection, representing our best estimate based on information currently available to us, incorporates uncertain factors. Please refer to (page-4) “Qualitative information, financial statements, etc.”- 3. Qualitative information about consolidated earnings forecast, regarding the prerequisites for the above forecast and other related matters.
2. From the consolidate fiscal year under review, “Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards No.12) and “Accounting Standards Application Guideline for Quarterly Financial Statements” (Application Guideline for Corporate Accounting Standards No.14) are adopted. Also, the quarterly financial statements are prepared in accordance with the “Rules for Consolidated Financial Statements.”

## Qualitative information, financial statements, etc.

### 1. Qualitative information about consolidated operating results

During the first quarter of consolidated fiscal year under review, the Japanese economy continued to suffer from harsh conditions and fell in such vicious cycle that the slumped production/export, and the declined corporate profitability due to the effects of global scale economic recession caused the employment environment to be unstable and the consumer spending to hover at a low level.

Under such circumstances, the Group's net sales for the first quarter of consolidated fiscal year were ¥6,692 million (1.7% down from the corresponding quarter of the previous fiscal year), while operating income increased by 8.4% to ¥736 million, ordinary income increased by 3.6% to ¥776 million and net income increased by 5.8% to ¥423 million.

Operating results by business segment are as follows:

In the IT Consulting Business, net sales decreased to ¥4,361 million (6.1% down from the corresponding quarter of the previous fiscal year) mainly because of the decreased sales to financing industries as many companies suppressed IT investments due to profit decline. However, operating income increased by 5.5% to ¥725 million as corporate-wide enhancement of project management system improved profitability and drastic streamlining of expenditure mainly in the outsourcing costs also contributed to this result.

Sales of the IT Consulting Business are broken down into: 64% for the logistics/service industries (up from 60% the previous year), 21% for the financial industry (down from 26%) and 15% for the manufacturing industry (up from 14%).

In the Package & Service Business, thanks to the effect of sales expansion owing to business handover from ASI Corporation to Ascendia Inc. in the previous consolidated fiscal year, net sales increased to ¥1,218 million (8.5% up from the corresponding quarter of the previous fiscal year). On the other hand, profitability deteriorated due to the effect of stagnant small and medium and small size companies market. Thus, operating income stayed at ¥32 million (52.2% down year-on-year).

In the Corporate Revitalization/New Operations Development Business, a change was made to the sales strategy applied to the food supermarket (Uoei Shoten Corporation), which holds main part of the business, to promote fair price sales. As a result, net sales slightly increased, despite stagnant economy, to ¥1,195 million (2.4% up from the corresponding quarter of the previous fiscal year). In terms of profitability, reduction of purchase price from continuous negotiations with suppliers, rationalization of merchandize management by introducing automatic order placement system, closing of unprofitable shops, etc., began to show their effects. Operating loss decreased significantly to ¥15 million, compared to a loss of ¥75 million on the same quarter of the previous year.

From the consolidated fiscal year under review, "Accounting Standards for Quarterly Financial Statements" (Corporate Accounting Standards No.12) and "Accounting Standards Application Guideline for Quarterly Financial Statements" (Application Guideline for Corporate Accounting Standards No.14) are newly adopted. Therefore, the year-to-year comparison in the above statement is provided only for reference.

### 2. Qualitative information about consolidated financial condition

Assets, liabilities and net asset

In the quarter under review, total assets decreased by ¥1,470 million from the end of previous consolidated fiscal year to ¥12,319 million. The main factors were decrease of cash and deposit due to the payment of corporate tax and dividends, etc.

Liabilities decreased by ¥1,042 million from the previous consolidated fiscal year to ¥3,979 million. The main factors were decrease of borrowings and accrued corporate tax due to repayments and payments thereof, etc.

Net assets decreased by ¥428 million from the previous consolidated fiscal year to ¥8,340 million. The main factors were decrease of reserved profit due to payment of dividends, acquisition of treasury stock, etc.

## Analysis of cash flows

Net cash provided from operating activities totaled ¥617 million, owing primarily to the posting of net income before tax for the quarter of ¥746 million and decrease of accounts receivable of ¥928 million due to recovery of funds from customers.

Net cash used in investing activities were ¥17 million, owing primarily to payments for acquisition of tangible and intangible fixed assets of ¥78 million.

Net cash used in financial activities were ¥1,085 million, reflecting net decrease in short-term borrowings of ¥302 million due to repayments, payment of dividends of ¥648 million and payment of ¥90 million for acquisition of treasury stock.

Owing to these operating, investing and financial activities, balance of cash and cash equivalents at the end of the consolidated quarter under review is ¥2,129 million.

### 3. Qualitative information about consolidated earnings forecast

There is no revision to the earnings forecast for the second consolidated quarter and the consolidated fiscal year ending December 2009, which the company announced previously on February 5, 2009.

### 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 method or special accounting method for the preparation of consolidated quarterly financial statements:

Income taxes and payables are calculated by appropriately estimating the legal effective tax rate after the adoption of tax effect accounting which is to be assessed upon net income before tax of the consolidated fiscal year including the consolidated first quarter under review and multiplying such estimated legal effective tax rate to the net income before tax of the consolidated first quarter. The adjustment amount for corporate tax, etc., is included in the amount of corporate tax, etc.

- (3) Changes in principle, procedure, presentation, etc., of the accounting process related to the preparation of consolidated quarterly financial statements

(Accounting standards for the quarterly financial statements)

From the consolidate fiscal year under review, “Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards No.12) and “Accounting Standards Application Guideline for Quarterly Financial Statements” (Application Guideline for Corporate Accounting Standards No.14) are adopted. Also, quarterly financial statements are prepared in accordance with “Rules for Consolidated Financial Statements.”

(Accounting standards for lease transaction)

From the first consolidated quarter under review, the company adopted “Accounting Standards for Lease Transaction” (Corporate Accounting Standards No.13 prescribed by the First Division of Corporate Accounting Council on June 17, 1993, revised on March 30, 2007) and “Accounting Standards Application Guideline for Lease Transaction” (Corporate Accounting Standards Application Guideline No.16 prescribed by the Accounting System Committee of Public Accountant Association of Japan, revised on March 30, 2007) earlier than the application deadline. According to this, accounting procedure of finance lease transaction not accompanying transfer of property right is changed from regular lease transactions to regular sale transactions. Also, straight line method is applied to depreciation of leased assets, with leasing period as useful life and residual value as zero.

For finance lease transactions without transfer of property right, which commencement date of lease was before the first year of adopting the above standards, accounting procedure based on regular lease transaction is applied continuously.

There is no effect of the above change of procedure to profit and loss.

(Temporary handling of overseas subsidiaries for the accounting method used for the preparation of consolidated financial statements)

“Temporary Handling of Overseas Subsidiaries for The Accounting Method Used for the Preparation of Consolidated Financial Statements” (Report to Meet Business Practice No.18 dated May 17, 2006) is adopted from the first consolidated quarter under review. Modifications necessary for the consolidated account settlement are applied.

There is no effect of the above change of procedure to profit and loss.

## 5. Quarterly Period Consolidated Financial Statements

### (1) Quarterly Period Consolidated Balance Sheets

	(thousands of yen)	
	End of consolidated first quarter under review (March 31, 2009)	Summarized consolidated balance sheet for the end of previous consolidated fiscal year (December 31, 2008)
<b>Assets</b>		
Current assets		
Cash and deposits	2,375,255	2,655,451
Notes receivable and accounts receivable	4,670,433	5,598,580
Merchandise and finished goods	205,442	171,746
Work in process	49,208	76,080
Others	916,117	773,318
Allowance for doubtful accounts	(46,732)	(53,861)
<b>Total current assets</b>	<b>8,169,724</b>	<b>9,221,315</b>
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,725,993	2,779,483
Accumulated depreciation and accumulated impairment loss	(2,098,408)	(2,134,196)
Buildings and structures, net	627,585	645,287
Land	177,037	208,965
Others	1,605,301	1,683,839
Accumulated depreciation and accumulated impairment loss	(1,212,386)	(1,259,538)
Others, net	392,914	424,301
<b>Total tangible fixed assets</b>	<b>1,197,538</b>	<b>1,278,553</b>
Intangible fixed assets		
Software	447,054	468,185
Others	100,861	105,204
<b>Total intangible fixed assets</b>	<b>547,916</b>	<b>573,389</b>
Investments and other assets		
Investment securities	1,351,964	1,451,336
Others	1,189,848	1,401,560
Allowance for doubtful accounts	(137,775)	(136,429)
<b>Total investments and other assets</b>	<b>2,404,037</b>	<b>2,716,467</b>
<b>Total fixed assets</b>	<b>4,149,491</b>	<b>4,568,411</b>
<b>Total assets</b>	<b>12,319,216</b>	<b>13,789,726</b>

(thousands of yen)

	End of consolidated first quarter under review (March 31, 2009)	Summarized consolidated balance sheet for the end of previous consolidated fiscal year (December 31, 2008)
<b>Liabilities</b>		
Current liabilities		
Accounts payable	1,052,959	1,060,133
Short-term borrowings	330,000	632,000
Long-term borrowings due within one year	232,000	259,466
Accrued corporate tax, etc.	374,651	1,105,532
Allowance for bonuses	120,213	51,319
Reserve for quality assurance	44,419	176,447
Others	1,555,148	1,465,645
Total current liabilities	3,709,393	4,750,545
Fixed liabilities		
Long-term borrowings	64,000	80,000
Allowance for retirement benefits	136,175	140,071
Negative goodwill	45,603	27,033
Others	24,002	24,002
Total non-current liabilities	269,781	271,107
<b>Total liabilities</b>	<b>3,979,175</b>	<b>5,021,652</b>
<b>Net assets</b>		
Shareholders' equity		
Common stock	1,421,815	1,421,815
Capital surplus	2,866,178	2,866,178
Consolidated retained earnings	6,213,962	6,493,346
Treasury stock	(2,342,869)	(2,252,724)
Total shareholders' equity	8,159,086	8,528,615
Valuation, translation adjustments, etc.		
Net unrealized gain on available-for-sale securities	123,431	179,601
Foreign currency translation adjustments	(1,135)	(1,665)
Total valuation, translation adjustments, etc.	122,296	177,936
Minority interests	58,658	61,522
<b>Total net assets</b>	<b>8,340,041</b>	<b>8,768,073</b>
<b>Total liabilities and net assets</b>	<b>12,319,216</b>	<b>13,789,726</b>

(2) Quarterly Period Consolidated Statements of Income  
Accumulated Period for the Consolidated First Quarter

(thousands of yen)

	Accumulated period for the consolidated quarter under review (from January 1, 2009 to March 31, 2009)
Net sales	6,692,884
Cost of sales	4,481,287
Gross profit	2,211,596
Selling, general and administrative expenses	
Officers' remuneration	99,272
Salaries and bonuses	703,427
Employee training expenses	23,957
Research & development expenditures	18,469
Depreciation	49,569
Recruitment expenses	16,424
Amortization of goodwill	38,260
Others	526,076
Total selling, general and administrative expenses	1,475,458
Operating income	736,138
Non-operating income	
Interest income	2,842
Dividend income	1,295
Amortization of negative goodwill	14,290
Equity in income of non-consolidated subsidiaries & affiliates	9,889
Others	18,572
Total non-operating income	46,889
Non-operating expenses	
Interest expenses	3,051
Others	3,400
Total non-operating expenses	6,451
Ordinary income	776,576
Extraordinary income	
Gains on sale of investment securities	16,899
Total extraordinary income	16,899
Extraordinary losses	
Losses on sale of fixed assets	3,264
Losses on disposal of fixed assets	523
Losses on devaluation of investment securities	11,143
Impairment losses	31,927
Total extraordinary losses	46,860
Net income before taxes for the quarterly period	746,615
Income taxes	324,604
Minority interests in net income	(1,611)
Quarterly net income	423,622

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

(thousands of yen)

	Accumulated period for the consolidated quarter under review (from January 1, 2009 to March 31, 2009)
Cash flows from operating activities:	
Net income before taxes (quarterly period)	746,615
Depreciation	137,414
Impairment loss	31,927
Increase (decrease) in allowance for doubtful accounts	(5,784)
Increase (decrease) in reserve for bonuses	68,894
Increase (decrease) in allowance for retirement benefits	(3,896)
Increase (decrease) in reserve for quality assurance	(132,028)
Earned interest and dividends	(4,137)
Interest expenses	3,051
Equity in income (losses) of subsidiaries & affiliates	(9,889)
Gains (losses) on sale of fixed assets	3,264
Losses on disposal of fixed assets	523
Gains (losses) on sale of investment securities	(16,899)
Gains (losses) on devaluation of investment securities	11,143
Increase (decrease) in accounts receivable	928,147
Increase (decrease) in inventories	(6,823)
Increase (decrease) in accounts payable	(7,173)
Others	(94,068)
Subtotal	1,650,280
Interest and dividends received	4,068
Interest paid	(3,457)
Income and other taxes	(1,033,278)
Net cash provided by (used in) operating activities	617,612
Cash flows from investing activities:	
Payments into time deposits	(59,363)
Proceeds from withdrawal of time deposits	58,787
Purchase of tangible fixed assets	(33,598)
Proceeds from sale of tangible fixed assets	1,692
Acquisition of intangible fixed assets	(44,730)
Proceeds from sale of investment securities	20,312
Purchases of shares in subsidiaries	(5,400)
Payments for lease and guarantee deposits	(181)
Proceeds from collection of lease and guarantee deposits	44,597
Collection of loans	105
Net cash provided by (used in) investing activities	(17,778)
Cash flows from financing activities:	
Increase (decrease) in short-term borrowings	(302,000)
Repayment of long-term borrowings	(43,466)
Purchase of treasury stock	(90,845)
Dividends paid	(648,249)
Dividends paid to minority shareholders	(1,252)
Net cash provided by (used in) financing activities	(1,085,813)
Effect of exchange rate changes on cash and cash equivalents	2,364
Increase (decrease) in cash and cash equivalents	(483,614)
Cash and cash equivalents at beginning of the period	2,612,962
Cash and cash equivalents at end of the quarterly period	2,129,347

From the consolidated fiscal year under review, “Accounting Standards for Quarterly Financial Statements” (Corporate Accounting Standards No.12) and “Accounting Standards Application Guideline for Quarterly Financial Statements” (Application Guideline for Corporate Accounting Standards No.14) are adopted. Also, quarterly financial statements are prepared in accordance with “Rules for Consolidated Financial Statements.”

(4) Notes regarding premise of surviving company

Not applicable

(5) Segment information

[Business segment information]

First quarter of fiscal 2009 (first quarter of fiscal year ending December 2009) (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	4,361,104	1,157,803	1,173,976	6,692,884	–	6,692,884
(2) Inter-segment sales or transfer	600	60,799	21,543	82,943	(82,943)	–
Total	4,361,704	1,218,603	1,195,519	6,775,828	(82,943)	6,692,884
Operating expenses	3,636,243	1,186,293	1,210,595	6,033,132	(76,385)	5,956,746
Operating income (loss)	725,460	32,310	(15,075)	742,695	(6,557)	736,138
II. Assets, depreciation, impairment loss and capital expenditures						
Assets	7,255,768	2,201,227	1,007,455	10,464,451	1,854,765	12,319,216
Depreciation	96,872	26,950	13,033	136,856	557	137,414
Impairment loss	–	–	31,927	31,927	–	31,927
Capital expenditures	72,885	4,447	995	78,328	–	78,328

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 3,577,063 thousand yen and these assets consist mainly of surplus funds (cash and securities) and assets relating to the administration sector.

[Geographical segment information]

First quarter of fiscal 2009 (first quarter of fiscal year ending December 2009)

Domestic operations accounted for more than 90% of consolidated sales, and thus geographical segment information is omitted.

[Overseas sales]

First quarter of fiscal 2009 (first quarter of fiscal year ending December 2009)

Sales from overseas operations accounted for less than 10% of consolidated sales. Overseas sales information is therefore omitted.

(6) Notes when any significant change to shareholders' equity takes place

Not applicable

[Reference Materials]

Financial Statements for Previous Quarter

(1) (Summary) Quarterly Period Consolidated Statements of Income

Item	Quarterly period ended December 2008 (1Q, Fiscal 2008)
	Amount (thousands of yen)
I. Net sales	6,808,529
II. Cost of sales	4,435,637
Gross profit	2,372,892
III. Selling, general and administrative expenses	1,693,789
1. Officers' remuneration	92,558
2. Salaries and bonuses	728,906
3. Employee training expenses	20,373
4. Research & development expenditures	4,669
5. Depreciation	50,795
6. Recruitment expenses	82,267
7. Amortization of goodwill	46,509
8. Other	667,709
Operating Income	679,102
IV. Non-operating income	82,322
1. Interest income	3,750
2. Dividend income	4,822
3. Amortization of negative goodwill	14,242
4. Equity in income of non-consolidated subsidiaries & affiliates	48,420
5. Other	11,086
V. Non-operating expenses	11,989
1. Interest expenses	5,280
2. Foreign-exchange losses	5,495
3. Other	1,214
Ordinary income	749,435
VI. Extraordinary income	—
VII. Extraordinary losses	8,676
1. Losses on disposal of fixed assets	2,942
2. Losses on devaluation of investment securities	5,734
Net income before taxes for the quarterly period	740,758
Corporate, residential and enterprise taxes	356,101
Minority interests in net income	(15,654)
Quarterly net income	400,311

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

Item	Quarterly period ended December 2008 (1Q, Fiscal 2008)
	Amount (thousands of yen)
I. Cash flows from operating activities:	
Net income before taxes	740,758
Depreciation	196,751
Increase (decrease) in allowance for doubtful accounts	(64,846)
Increase (decrease) in reserve for bonuses	81,837
Increase (decrease) in reserve for quality assurance	(10,849)
Earned interest and dividends	(8,572)
Interest expenses	5,280
Equity in income (losses) of subsidiaries & affiliates	(48,420)
Losses on disposal of tangible fixed assets	2,942
Losses on devaluation of investment securities	5,734
Increase (decrease) in accounts receivable	1,027,007
Increase (decrease) in inventories	(28,109)
Increase (decrease) in other assets	691
Increase (decrease) in accounts payable	(179,612)
Increase (decrease) in other liabilities	(176,870)
Subtotal	1,543,720
Interest and dividends received	9,559
Interest paid	(6,104)
Income and other taxes	(203,857)
Net cash provided by (used in) operating activities	1,343,318

Item	Quarterly period ended December 2008 (1Q, Fiscal 2008)
	Amount (thousands of yen)
II. Cash flows from investing activities:	
Purchase of tangible fixed assets	(51,059)
Acquisition of intangible fixed assets	(45,067)
Proceeds related to the acquisition of shares of newly consolidated subsidiaries	5,135
Acquisition of affiliated companies' shares	(34,800)
Purchase of investment securities	(122,000)
Net increase in deposit guarantees	(114,014)
Proceeds from collection of deposit guarantees	558
Collection of loans	105
Net cash provided by (used in) investing activities	(361,141)
III. Cash flows from financing activities:	
Increase (Decrease) in short-term borrowings	(435,000)
Repayment of long-term borrowings	(185,075)
Redemption of debentures	(10,000)
Dividends paid	(346,249)
Dividends paid to minority shareholders	(1,392)
Net cash provided by (used in) financing activities	(977,716)
IV. Effect of exchange rate changes on cash and cash equivalents	(6,655)
V. Increase (decrease) in cash and cash equivalents	(2,194)
VI. Cash and cash equivalents at beginning of the period	2,864,532
VII Decrease in cash and cash equivalents because of exclusion of consolidated subsidiaries	(1,516)
VIII Cash and cash equivalents at end of the quarterly period	2,860,821

## (3) Segment information

[Business segment information]

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.

[Geographical segment information]

First quarter of fiscal 2008 (first quarter of fiscal year ending December 2008)

Domestic operations accounted for more than 90% of consolidated sales, and thus geographical segment information is omitted.

[Overseas sales]

First quarter of fiscal 2008 (first quarter of fiscal year ending December 2008)

Sales from overseas operations accounted for less than 10% of consolidated sales. Overseas sales information is therefore omitted.

6. Others

Orders received

(thousands of yen)

Function	Quarterly period ended March 2008 (January 1, 2008 – March 31, 2008)		Quarterly period ended March 2009 (January 1, 2009 – March 31, 2009)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
IT consulting services	7,371,866	7,391,284	4,212,945	5,120,504
Package & service business	1,269,842	752,901	980,911	927,096
Corporate Revitalization Business/ New Operations Development Business	2,422	950	1,820	1,048
Total	8,644,131	8,145,136	5,195,678	6,048,648