

**Summary Report of Operating Results
for the Second 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: August 12, 2009
 Scheduled date for distribution of dividend payments: –

(Amount rounded off to million yen)

1. Consolidated Results for the Second Quarter of Fiscal 2009 (January 1, 2009 to June 30, 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	%
2Q, Fiscal 2009	12,984	–	1,640	–	1,707	–	950	–
2Q, Fiscal 2008	14,341	27.6	1,669	42.8	1,733	39.6	972	199.1

	Quarterly net income per share	Quarterly net income per share (fully diluted)
	Yen	Yen
2Q, Fiscal 2009	2,172.34	–
2Q, Fiscal 2008	2,169.89	–

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
2Q, Fiscal 2009	13,450	8,909	65.8	20,260.74
Fiscal 2008	13,789	8,768	63.1	19,815.58

(Reference) Shareholders' equity

2Q, Fiscal 2009: 8,846 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	–	0.00	–	1,600.00	1,600.00
Fiscal 2009 (Forecast)	–	–	–	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)

(Percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
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)

2Q, Fiscal 2009:	476,640 shares
Fiscal 2008:	476,640 shares
 - b. Total treasury stocks as of the end of the period

2Q, 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)

2Q, Fiscal 2009:	437,524 shares
2Q, 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 consolidated second-quarter cumulative period ended June 30, 2009, the Japanese economy remained very harsh due to a substantial decrease in corporate earnings caused by the impact of the worldwide financial crisis on the real economy. However, the economic downturn is gradually coming to a halt, as production of some manufacturers recovered toward the latter half of the term under review. Nevertheless, given the continued deterioration of the employment situation and sluggish consumer spending, it is unclear whether the economy will head toward recovery.

Under such circumstances, the Group's net sales for the second quarter of consolidated fiscal year were ¥12,984 million (9.5% down from the corresponding quarter of the previous fiscal year), while operating income decreased by 1.7% to ¥1,640 million, ordinary income decreased by 1.5% to ¥1,707 million and net income decreased by 2.3% to ¥950 million.

Under such severe economic circumstances, although net sales decreased from a year earlier, profits as a whole were generally as planned: operating income dropped 2.4% from the initial plan, ordinary income increased 0.5% and net income decreased 4.0%

Operating results by business segment are as follows. The operating results figures represent values before adjustment of internal sales or transfers among segments.

In the IT Consulting Business, net sales were ¥8,470 million (down 15.2% from the corresponding period of the previous fiscal year). Sales to the service industry maintained the level of the corresponding period of the previous fiscal year, while sales to the logistics, financial and manufacturing industries decreased due to cutover of large projects during the previous fiscal year and weaker client investment attitude. However, the operating income margin improved to 18.9% from 16.6% thanks to profit-focused measures such as improvement in profitability through corporate-wide enhancement of project management system and drastic streamlining of expenditures, mainly in outsourcing costs. Operating income was ¥1,602 million (down 3.3%).

In the Package & Service Business, net sales were ¥2,362 million (up 5.0% from the corresponding period of the previous fiscal year). This increase was achieved thanks to the effect of sales expansion caused by business handover from ASI Corporation to Ascendia Inc. in the previous consolidated fiscal year, although the entire market became sluggish as smaller companies, our main targets, were affected by the economic downturn. At the same time, operating income was only ¥97 million (down 52.9%) due to the decreased operating rate in the first quarter and the decreased unit price for receiving orders.

In the Corporate Revitalization/New Business Cultivation Business, the food supermarket Uoei Shoten Corporation, which occupies the main part of the business, strove to improve its management. To this end, Uoei Shoten reviewed its sales strategy and implemented various measures including: promotion of sales at appropriate prices, reduction of purchase prices through continuous negotiations with suppliers, rationalization of merchandise management by introducing an automatic order placement system, closure of unprofitable stores, and renovation and reduction of store floor area. As a result, net sales declined slightly to ¥2,318 million yen (down 0.3% from the corresponding period of the previous fiscal year), affected chiefly by the closure of stores. Meanwhile, losses improved substantially, with operating loss at ¥36 million (compared with a loss of ¥206 million in the corresponding period of the previous fiscal 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 ¥339 million from the end of previous consolidated fiscal year to ¥13,450 million. The main factor was the depreciation of assets, and most of them were tangible fixed assets.

Liabilities decreased by ¥480 million from the previous consolidated fiscal year to ¥4,540 million. The main factors were the decrease of accounts payable and accrued corporate tax due to payments thereof.

Net assets decreased by ¥141 million from the previous consolidated fiscal year to ¥8,909 million. The main factor was the increase of retained earnings due to net income for the quarter.

Analysis of cash flows

Net cash provided from operating activities totaled ¥580 million, owing primarily to the posting of net income before tax for the quarter of ¥1,708 million and decrease of accounts receivable of ¥198 million due to recovery of funds from customers.

Net cash provided from investing activities was ¥25 million, due mainly to proceeds from withdrawal of time deposits of ¥107 million and proceeds from sales of investment securities of ¥71 million.

Net cash used in financial activities was ¥434 million, reflecting dividend payments of ¥696 million and a payment of ¥90 million for acquisition of treasure 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 ¥2,795 million.

3. Qualitative information about consolidated earnings forecast

There is no revision to the earnings forecast for the consolidated fiscal year ending December 2009, which the company announced previously on April 23, 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 second quarter under review and multiplying such estimated legal effective tax rate to the net income before tax of the consolidated second 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)

Finance lease transactions not accompanying transfer of property rights were previously accounted for in a manner similar to the accounting treatment for regular lease transactions. However, “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 on January 18, 1994, revised on March 30, 2007) became applicable to the consolidated quarterly financial statements of the fiscal year beginning from April 1, 2008 and on. Following this change, the Company applied these accounting standards from the first quarter of the fiscal year under review, and finance lease transactions not accompanying transfer of property rights have been accounted for in a similar manner to the accounting treatment for 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 second quarter under review (June 30, 2009)	Summarized consolidated balance sheet for the end of previous consolidated fiscal year (December 31, 2008)
Assets		
Current assets		
Cash and deposits	2,995,073	2,655,451
Notes receivable and accounts receivable	5,406,673	5,598,580
Merchandise and finished goods	144,996	171,746
Work in process	75,542	76,080
Others	757,730	773,318
Allowance for doubtful accounts	(16,746)	(53,861)
Total current assets	9,363,270	9,221,315
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,728,463	2,779,483
Accumulated depreciation and accumulated impairment loss	(2,121,175)	(2,134,196)
Buildings and structures, net	607,287	645,287
Land	177,037	208,965
Others	1,584,953	1,683,839
Accumulated depreciation and accumulated impairment loss	(1,230,847)	(1,259,538)
Others, net	354,105	424,301
Total tangible fixed assets	1,138,431	1,278,553
Intangible fixed assets		
Software	441,279	468,185
Others	98,470	105,204
Total intangible fixed assets	539,750	573,389
Investments and other assets		
Investment securities	1,395,737	1,451,336
Others	1,150,486	1,401,560
Allowance for doubtful accounts	(137,598)	(136,429)
Total investments and other assets	2,408,625	2,716,467
Total fixed assets	4,086,807	4,568,411
Total assets	13,450,077	13,789,726

(thousands of yen)

	End of consolidated second quarter under review (June 30, 2009)	Summarized consolidated balance sheet for the end of previous consolidated fiscal year (December 31, 2008)
Liabilities		
Current liabilities		
Accounts payable	748,374	1,060,133
Short-term borrowings	1,030,000	632,000
Long-term borrowings due within one year	232,000	259,466
Accrued corporate tax, etc.	797,071	1,105,532
Allowance for bonuses	105,475	51,319
Reserve for quality assurance	136,665	176,447
Others	1,218,817	1,465,645
Total current liabilities	4,268,404	4,750,545
Fixed liabilities		
Long-term borrowings	64,000	80,000
Allowance for retirement benefits	125,321	140,071
Negative goodwill	64,278	27,033
Others	18,710	24,002
Total non-current liabilities	272,310	271,107
Total liabilities	4,540,715	5,021,652
Net assets		
Shareholders' equity		
Common stock	1,421,815	1,421,815
Capital surplus	2,866,178	2,866,178
Consolidated retained earnings	6,740,790	6,493,346
Treasury stock	(2,342,869)	(2,252,724)
Total shareholders' equity	8,685,914	8,528,615
Valuation, translation adjustments, etc.		
Net unrealized gain on available-for-sale securities	161,870	179,601
Foreign currency translation adjustments	(1,295)	(1,665)
Total valuation, translation adjustments, etc.	160,574	177,936
Minority interests	62,873	61,522
Total net assets	8,909,362	8,768,073
Total liabilities and net assets	13,450,077	13,789,726

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

(thousands of yen)

	Accumulated period for the consolidated quarter under review (from January 1, 2009 to June 30, 2009)
Net sales	12,984,554
Cost of sales	8,421,430
Gross profit	4,563,123
Selling, general and administrative expenses	
Officers' remuneration	190,524
Salaries and bonuses	1,375,978
Employee training expenses	127,480
Research & development expenditures	22,350
Depreciation	98,308
Recruitment expenses	27,853
Amortization of goodwill	71,289
Others	1,008,898
Total selling, general and administrative expenses	2,922,682
Operating income	1,640,440
Non-operating income	
Interest income	4,025
Dividend income	6,680
Amortization of negative goodwill	28,444
Equity in income of non-consolidated subsidiaries & affiliates	8,177
Others	33,529
Total non-operating income	80,857
Non-operating expenses	
Interest expenses	6,265
Others	7,118
Total non-operating expenses	13,384
Ordinary income	1,707,914
Extraordinary income	
Gains on sale of investment securities	58,232
Total extraordinary income	58,232
Extraordinary losses	
Losses on sale of fixed assets	5,649
Losses on disposal of fixed assets	523
Losses on devaluation of investment securities	19,220
Impairment losses	31,927
Total extraordinary losses	57,321
Net income before taxes for the quarterly period	1,708,825
Income taxes	755,772
Minority interests in net income	2,603
Quarterly net income	950,450

Period for the Consolidated Second Quarter

(thousands of yen)

	Period for the consolidated second quarter under review (from April 1, 2009 to June 30, 2009)
Net sales	6,291,669
Cost of sales	3,940,142
Gross profit	2,351,527
Selling, general and administrative expenses	
Officers' remuneration	91,251
Salaries and bonuses	672,551
Employee training expenses	103,522
Research & development expenditures	3,880
Depreciation	48,738
Recruitment expenses	11,428
Amortization of goodwill	33,029
Others	482,821
Total selling, general and administrative expenses	1,447,224
Operating income	904,302
Non-operating income	
Interest income	1,182
Dividend income	5,385
Amortization of negative goodwill	14,154
Others	14,957
Total non-operating income	35,680
Non-operating expenses	
Interest expenses	3,214
Equity in income of non-consolidated subsidiaries & affiliates	1,712
Others	3,718
Total non-operating expenses	8,644
Ordinary income	931,338
Extraordinary income	
Gains on sale of investment securities	41,332
Total extraordinary income	41,332
Extraordinary losses	
Losses on sale of fixed assets	2,384
Losses on devaluation of investment securities	8,076
Total extraordinary losses	10,460
Net income before taxes for the quarterly period	962,210
Income taxes	431,167
Minority interests in net income	4,214
Quarterly net income	526,828

(3) Quarterly Period Consolidated Statements of Cash Flows

(thousands of yen)

	Accumulated period for the consolidated quarter under review (from January 1, 2009 to June 30, 2009)
Cash flows from operating activities:	
Net income before taxes (quarterly period)	1,708,825
Depreciation	271,213
Impairment loss	31,927
Increase (decrease) in allowance for doubtful accounts	(35,924)
Increase (decrease) in reserve for bonuses	54,156
Increase (decrease) in reserve for quality assurance	(39,781)
Increase (decrease) in allowance for retirement benefits	(14,750)
Earned interest and dividends	(10,706)
Interest expenses	6,265
Equity in losses (income) of subsidiaries & affiliates	(8,177)
Losses (gains) on sale of fixed assets	5,649
Losses on disposal of fixed assets	523
Losses (gains) on sale of investment securities	(58,232)
Losses (gains) on devaluation of investment securities	19,220
Decrease (increase) in accounts receivable	198,772
Decrease (increase) in inventories	27,288
Increase (decrease) in accounts payable	(311,759)
Others	(255,279)
Subtotal	1,589,229
Interest and dividends received	10,699
Interest paid	(7,493)
Income and other taxes	(1,012,421)
Net cash provided by (used in) operating activities	580,014
Cash flows from investing activities:	
Payments into time deposits	(65,323)
Proceeds from withdrawal of time deposits	107,812
Purchase of tangible fixed assets	(50,511)
Proceeds from sale of tangible fixed assets	2,952
Acquisition of intangible fixed assets	(97,419)
Proceeds from sale of investment securities	71,714
Purchases of shares in subsidiaries	(5,600)
Payments for lease and guarantee deposits	(2,755)
Proceeds from collection of lease and guarantee deposits	64,478
Collection of loans	210
Net cash provided by (used in) investing activities	25,557
Cash flows from financing activities:	
Increase (decrease) in short-term borrowings	398,000
Repayment of long-term borrowings	(43,466)
Purchase of treasury stock	(90,845)
Dividends paid	(696,704)
Dividends paid to minority shareholders	(1,252)
Net cash provided by (used in) financing activities	(434,268)
Effect of exchange rate changes on cash and cash equivalents	10,807
Increase (decrease) in cash and cash equivalents	182,111
Cash and cash equivalents at beginning of the period	2,612,962
Cash and cash equivalents at end of the quarterly period	2,795,073

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]

Period for the consolidated second quarter under review (from April 1, 2009 to June 30, 2009) (thousands of yen)

	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	4,108,396	1,070,389	1,112,883	6,291,669	-	6,291,669
(2) Inter-segment sales or transfer	600	73,829	10,091	84,520	(84,520)	-
Total	4,108,996	1,144,219	1,122,975	6,376,190	(84,520)	6,291,669
Operating income (loss)	876,889	65,234	(21,634)	920,489	(16,186)	904,302
II. Assets, depreciation, impairment loss and capital expenditures						
Assets	8,429,298	2,077,931	1,049,686	11,556,916	1,893,161	13,450,077
Depreciation	97,192	22,972	13,077	133,242	557	133,799
Impairment loss	-	-	-	-	-	-
Capital expenditures	51,271	14,636	3,694	69,602	-	69,602

Accumulated period for the consolidated quarter under review (from January 1, 2009 to June 30, 2009)

	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	8,469,500	2,228,193	2,286,860	12,984,554	-	12,984,554
(2) Inter-segment sales or transfer	1,200	134,629	31,634	167,464	(167,464)	-
Total	8,470,700	2,362,822	2,318,494	13,152,018	(167,464)	12,984,554
Operating income (loss)	1,602,350	97,545	(36,710)	1,663,185	(22,744)	1,640,440
II. Assets, depreciation, impairment loss and capital expenditures						
Assets	8,429,298	2,077,931	1,049,686	11,556,916	1,893,161	13,450,077
Depreciation	194,064	49,923	26,111	270,099	1,114	271,213
Impairment loss	-	-	31,927	31,927	-	31,927
Capital expenditures	124,157	19,083	4,689	147,930	-	147,930

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. 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 3,600,125 thousand yen and these assets consist mainly of surplus funds (cash and securities) and assets relating to the administration sector.

[Geographical segment information]

Period for the consolidated second quarter under review (from April 1, 2009 to June 30, 2009) and accumulated period for the consolidated quarter under review (from January 1, 2009 to June 30, 2009)

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

[Overseas sales]

Period for the consolidated second quarter under review (from April 1, 2009 to June 30, 2009) and accumulated period for the consolidated quarter under review (from January 1, 2009 to June 30, 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 quarterly period ended June 30, 2008

(1) Consolidated Statements of Income for the First Half

Item	First half (Jan. 1, 2008 - Jun. 30, 2008)
	Amount (thousands of yen)
I. Net sales	14,341,257
II. Cost of sales	9,310,141
Gross profit	5,031,115
III. Selling, general and administrative expenses	3,362,079
1. Officers' remuneration	192,690
2. Salaries and bonuses	1,495,628
3. Employee training expenses	137,111
4. Research & development expenditures	39,182
5. Depreciation	106,867
6. Recruitment expenses	163,809
7. Amortization of goodwill	89,102
8. Other	1,137,687
Operating Income	1,669,035
IV. Non-operating income	82,854
1. Interest income	5,297
2. Dividend income	10,772
3. Amortization of negative goodwill	28,414
4. Equity in income of non-consolidated subsidiaries & affiliates	10,252
5. Other	28,116
V. Non-operating expenses	18,615
1. Interest expenses	8,362
2. Other	10,253
Ordinary income	1,733,274
VI. Extraordinary income	148,780
1. Gain on sales of investment securities	7,882
2. Gain on transfer of business	140,898
VII. Extraordinary losses	56,585
1. Losses on disposal of fixed assets	13,295
2. Loss on retirement of non current assets	25,510
3. Loss on sales of investment securities	1,793
4. Losses on devaluation of investment securities	15,986
Net income before taxes for the quarterly period	1,825,469
Income taxes - current	649,331
Income taxes - deferred	187,312
Minority interests in net income	15,906
Quarterly net income	972,918

(2) Consolidated Statements of Cash Flows for the First Half

Item	First half (Jan. 1, 2008 - Jun. 30, 2008)
	Amount (thousands of yen)
I. Cash flows from operating activities:	
Net income before taxes	1,825,469
Depreciation	379,434
Increase (decrease) in allowance for doubtful accounts	(9,062)
Increase (decrease) in provision for retirement benefits	14,638
Increase (decrease) in reserve for bonuses	29,265
Increase (decrease) in reserve for quality assurance	55,453
Earned interest and dividends	(16,070)
Interest expenses	8,362
Gain on transfer of business	(140,898)
Equity in income (losses) of subsidiaries & affiliates	(10,252)
Losses on sales of non current assets	13,295
Losses on retirement of non current assets	25,510
Gains on sales of investment securities	(7,882)
Losses on sales of investment securities	1,793
Losses on devaluation of investment securities	15,986
Increase (decrease) in accounts receivable	(277,627)
Increase (decrease) in inventories	(21,502)
Increase (decrease) in other assets	46,217
Increase (decrease) in accounts payable	(16,077)
Increase (decrease) in other liabilities	(364,761)
Subtotal	1,551,291
Interest and dividends received	15,763
Interest paid	(8,805)
Income and other taxes	(201,141)
Net cash provided by (used in) operating activities	1,357,108

Item	First half (Jan. 1,2008 - Jun. 30, 2008)
	Amount (thousands of yen)
II. Cash flows from investing activities:	
Purchase of tangible fixed assets	(230,799)
Proceeds from sales of tangible fixed assets	11,145
Acquisition of intangible fixed assets	(97,819)
Proceeds from sales of intangible assets	354
Proceeds related to the acquisition of shares of newly consolidated subsidiaries	5,135
Purchase of investment securities	(156,800)
Proceeds from sales of investment securities	13,058
Net increase in deposit guarantees	(116,224)
Proceeds from collection of deposit guarantees	139,602
Collection of loans	210
Net cash provided by (used in) investing activities	(432,136)
III. Cash flows from financing activities:	
Increase (Decrease) in short-term borrowings	(585,000)
Repayment of long-term borrowings	(297,633)
Redemption of debentures	(10,000)
Dividends paid	(423,104)
Dividends paid to minority shareholders	(1,392)
Net cash provided by (used in) financing activities	(1,317,129)
IV. Effect of exchange rate changes on cash and cash equivalents	(3,886)
V. Increase (decrease) in cash and cash equivalents	(396,044)
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	2,466,971

(3) Segment information

[Business segment information]

First half (from January 1, 2008 to June 30, 2008)

(thousands of yen)

	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	9,990,574	2,070,508	2,280,164	14,341,247	10	14,341,257
(2) Inter-segment sales or transfer	-	178,950	45,612	224,563	(224,563)	-
Total	9,990,574	2,249,458	2,325,777	14,565,810	(224,553)	14,341,257
Operating expenses	8,334,223	2,042,517	2,531,930	12,908,671	(236,449)	12,672,221
Operating income	1,656,351	206,941	(206,152)	1,657,139	11,896	1,669,035
II. Assets, depreciation and capital expenditures						
Assets	7,760,322	2,248,565	1,532,303	11,541,191	2,350,194	13,891,385
Depreciation	298,040	44,082	37,311	379,434	-	379,434
Capital expenditures	220,552	27,267	80,798	328,618	-	328,618

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. 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 4,330,377 thousand yen and these assets consist mainly of surplus funds (cash and securities) and assets relating to the administration sector.

4. Beginning in the first half under review, the Corporate Revitalization Business was renamed the Corporate Revitalization/New Business Cultivation Business.

5. Change in allocation method of operating expenses

Up until the previous fiscal year, operating expenses had been directly charged each to the Package & Service Business and the IT Consulting Business because there was less mutual cooperation between the two business sectors.

In the first half under review, the ERP business was consolidated into Future Architect, Inc. and then incorporated into Industry Business Operations. With this consolidation, mutual cooperation between the IT Consulting Business and Package & Service Business segments was strengthened further. Accordingly, it became better to allocate operating expenses for both business segments regarding them as a group, in order to accurately understand the operating income in each segment. Given this, operating expenses were allocated proportionally based on personnel expenses.

Compared with the previous method, this change had the effect of increasing operating expenses by ¥27,135 thousand (¥76,341 thousand increase in depreciation and a decrease in other operating expenses of ¥49,205

thousand) in the IT Consulting Business segment, while decreasing operating expenses by the same amounts (¥76,341 thousand decrease in depreciation and a increase in other operating expenses of ¥49,205 thousand) in the Package & Service Business segment.

[Geographical segment information]

Accumulated period for the second quarter of fiscal 2008 (January 1, 2008 to June 30, 2008)

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

[Overseas sales]

Accumulated period for the second quarter of fiscal 2008 (January 1, 2008 to June 30, 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	Second-quarter accumulated period of fiscal 2008 (from January 1, 2008 to June 30, 2008)		Second-quarter accumulated period of fiscal 2009 (from January 1, 2009 to June 30, 2009)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
IT consulting services	11,572,092	6,145,866	7,382,309	4,181,471
Package & service business	2,531,841	1,157,073	2,012,410	888,205
Corporate Revitalization Business/ New Business Cultivation Business	5,910	1,486	10,180	1,517
Total	14,109,844	7,304,427	9,404,900	5,071,194