

**Information Meeting For Financial
Results For the Second Quarter of FY2009**

**August 4, 2009
Future Architect, Inc.**

Meeting Agenda

1. Overview of Earnings for the Second Quarter of FY2009
2. Summary of the Second Quarter of FY2009
3. Earnings Outlook for FY 2009
4. Hot Topics

1. Overview of Earnings for the Second Quarter of FY2009

Overview of FY2009 1H

1. Earnings were close to the level of the corresponding period of the previous fiscal year, when strong earnings were recorded, although both net sales and profits decreased on consolidated and non-consolidated bases.
 - Consolidated Net sales: ¥12,984 million, Operating income: ¥1,640 million
 - Non-consolidated Net sales: ¥8,654 million, Operating income: ¥1,640 million
2. Non-consolidated net sales fell short of earlier announced projections because of the freeze of projects that had been expected to generate large profits, due to changes in clients' investment strategies. However, operating income achieved the projected figure in line with our policies focusing on quality over quantity.
3. Earnings of Elm Corporation and Ascendia Inc., whose customers are small- and medium-sized companies, weakened, while earnings of Uoei Shoten Corporation continued to be steadier than expected. As a result, ordinary income achieved the projected figure.
4. The profit margin improved on both consolidated and non-consolidated bases.
(Consolidated: 11.6% ⇒ 12.6%; Non-consolidated: 17.3% ⇒ 19.0%)

Consolidated Results for FY2009 2Q (cumulative)

(Millions of yen)	FY2008 2Q results	FY2009 2Q plan	FY2009 2Q results	Year-on- year change
Net sales	14,341	13,600	12,984	90.5%
Operating income Operating income margin	1,669 11.6%	1,680 12.4%	1,640 12.6%	98.3%
Ordinary income Ordinary income margin	1,733 12.1%	1,700 12.5%	1,707 13.2%	98.5%
Net income Net income margin	972 6.8%	990 7.3%	950 7.3%	97.7%

Consolidated Results by Segment for FY2009 2Q (cumulative)

Corporate Revitalization Business New Business Cultivation Business

(Millions of Yen)	Results
Net sales	2,318
Operating income	(36)

IT Consulting Business

(Millions of Yen)	Results
Net sales	8,470
Operating income	1,602

Package & Service Business

(Millions of Yen)	Results
Net sales	2,362
Operating income	97

Consolidated Balance Sheets (1/2)

(Millions of Yen)	End of June 2008	End of Dec. 2008	End of June 2009	Change
Current assets	8,430	9,221	9,363	141
Cash and cash equivalents	2,566	2,655	2,995	339
Notes and accounts receivable	4,698	5,598	5,406	(191)
Deferred tax assets	208	333	307	(25)
Other	956	634	654	19
Fixed assets	5,461	4,568	4,086	(481)
Tangible fixed assets	1,630	1,278	1,138	(140)
Intangible fixed assets	1,000	573	539	(33)
Software	589	468	441	(26)
Other	410	105	98	(6)
Investments and other assets	2,830	2,716	2,408	(307)
Investment securities	1,541	1,451	1,395	(55)
Deferred tax assets	185	151	162	11
Other	1,103	1,113	850	(263)
Total assets	13,891	13,789	13,450	(339)

Consolidated Balance Sheets (2/2)

(Millions of Yen)	End of June 2008	End of Dec. 2008	End of June 2009	Change
Currents liabilities	4,113	4,750	4,268	(482)
Accounts payable	1,190	1,060	748	(311)
Short-term borrowings	622	891	1,262	370
Income tax payable, etc.	701	1,105	797	(308)
Other	1,598	1,693	1,460	(232)
Non-current liabilities	426	271	272	1
Long-term borrowings	317	80	64	(16)
Negative goodwill	-	27	64	37
Other	109	164	144	(20)
Total liabilities	4,540	5,021	4,540	(480)
Total net assets	9,351	8,768	8,909	141
Common stock	1,421	1,421	1,421	-
Treasury stock	(1,870)	(2,252)	(2,342)	(90)
Net unrealized gain on available-for-sale securities	59	179	161	(17)
Other	9,740	9,419	9,668	249
Total liability and assets	13,891	13,789	13,450	(339)
Shareholders' equity ratio	66%	63%	66%	-

Consolidated Cash Flow (Cumulative)

(Millions of Yen)	Second quarter of FY 2008	FY2008	Second quarter of FY2009	Change
Cash flows from operating activities	1,357	1,907	580	(1,327)
Cash flows from investing activities	(432)	(465)	25	490
Cash flows from financing activities	(1,317)	(1,672)	(434)	1,238
Changes in cash and cash equivalents	(399)	(250)	182	432
Cash and cash equivalents at beginning of the period	2,864	2,864	2,612	(251)
Decrease in cash and cash equivalents from exclusion from consolidated companies	(1)	(1)	-	1
Cash and cash equivalents at end of the period	2,466	2,612	2,795	182

2. Summary of the Second Quarter of FY2009

Summary of FY2009 1H

Industry trends

- In FY2009, companies remain cautious about information-related investments.
 - ⇒ According to the Current Survey of Selected Service Industries by the Ministry of Economy, Trade and Industry, until April, sales of the information service business decreased from a year earlier for the third straight month, and in May, increased only 0.5%.
- According to the Bank of Japan's Short-term Economic Survey of Enterprises in Japan (Tankan), the amount of corporate investment in software (planned for FY2009) declined year on year for the second straight year in nearly all industries, and the rate of decline expanded.
 - ⇒ The decline was conspicuous, particularly among small- and medium-sized companies in the manufacturing industry. In the financial industry, such investment was on an upswing, although it dropped from a year earlier.
- Reflecting the above market environment, companies in the IT industry had a difficult time.
 - ⇒ Many of our competitors have pessimistic forecast earnings for the current fiscal year compared to the previous fiscal year.

The Group

- Earnings results were close to the level of the corresponding period of the previous fiscal year, when strong results were recorded.
- Productivity increased through the enhancement of project management, and the profit margin improved due to the optimum allocation of resources and a reduction of outsourcing costs through the expansion of in-house production.

IT Consulting Business



Main Results for FY2009 1H (IT Consulting Business)

(Millions of Yen)	First half of FY2008	First half of FY2009
Net sales	9,990	8,470
Operating income	1,656	1,602

- Both net sales and operating income were almost as planned.
- Productivity and profit margin improved through the enhancement of project management.
- New attempts targeted to financial companies.

Future Architect

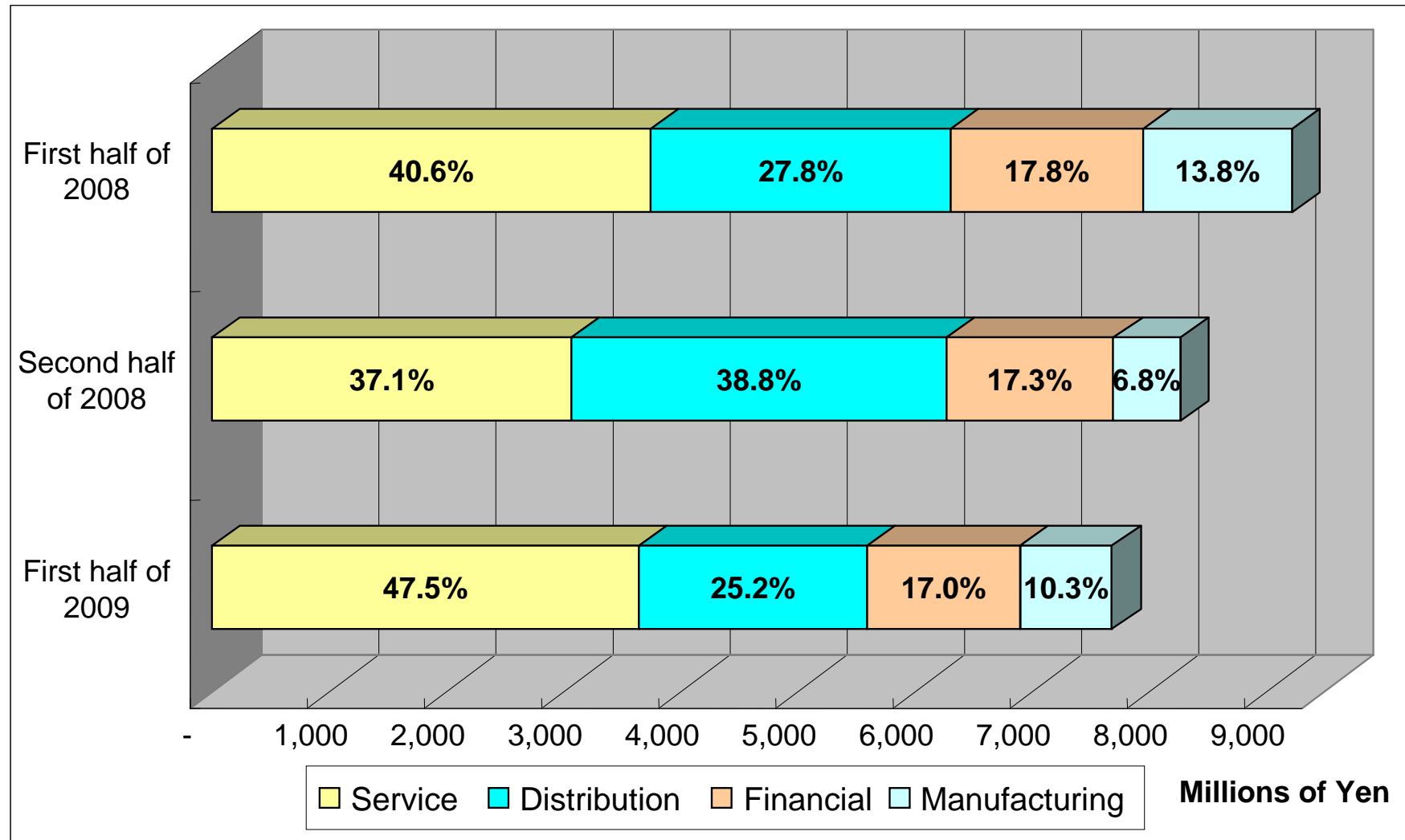
- ✓ Ensuring of steady delivery through the optimum allocation of resources and the enhancement of project management
- ✓ Improvement in profitability by assigning employees as delivery staff
- ✓ Development and embarkation on new projects starting in the second half
- ✓ Improvement and reconstruction of the training system for officers, leaders and young employees aimed at strengthening the human resources development function

Consulting business for financial companies (FFS and ABM)

- ✓ Continued reluctance of financial institutions to make investments; fluctuation in orders received
- ✓ Ensuring profits owing to the effects of cost reduction
- ✓ Development and implementation of new services by using conventional know-how

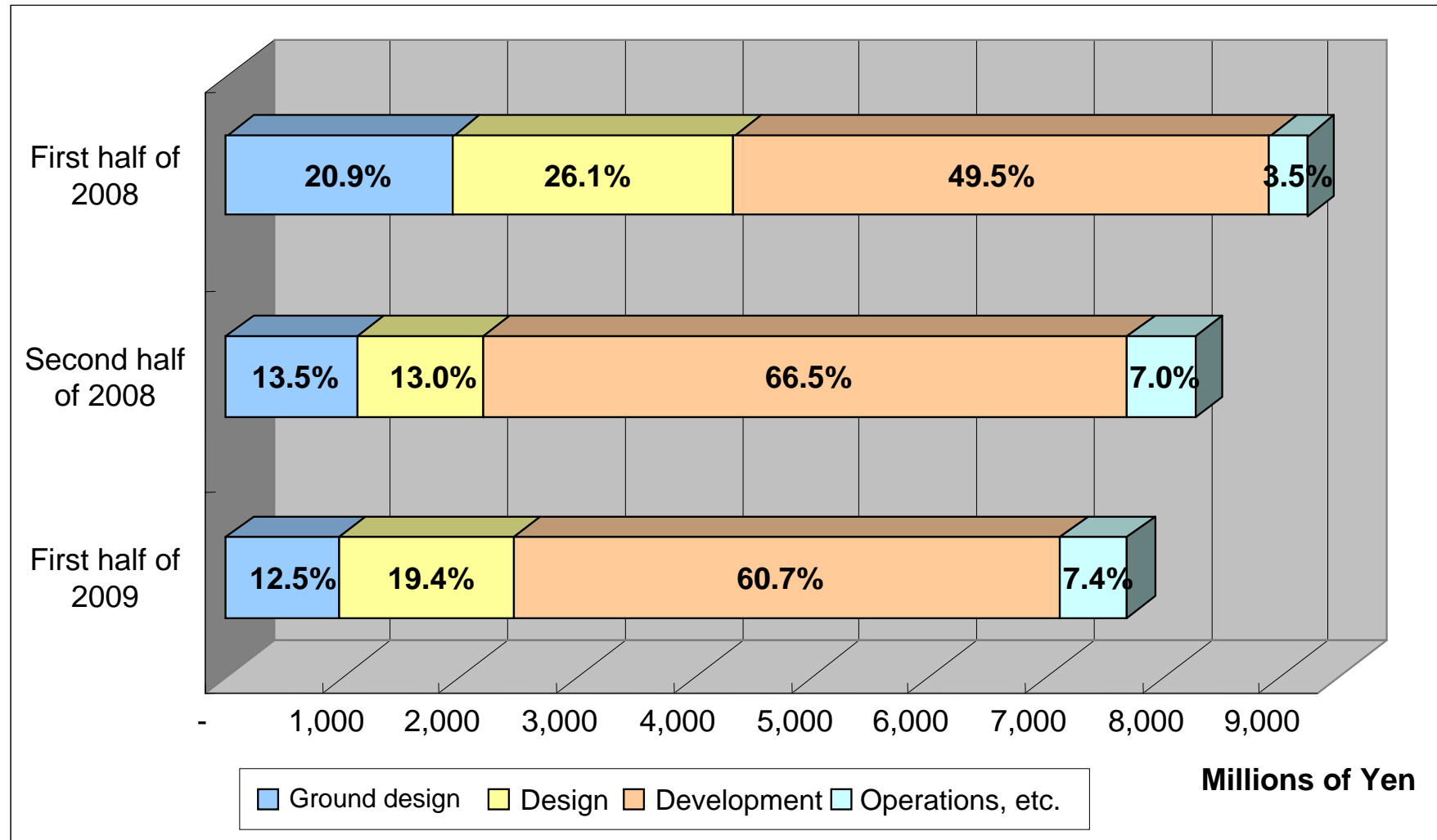
Non-consolidated Analysis of Sales from IT Consulting Business (1/2)

Trends in sales by Industry

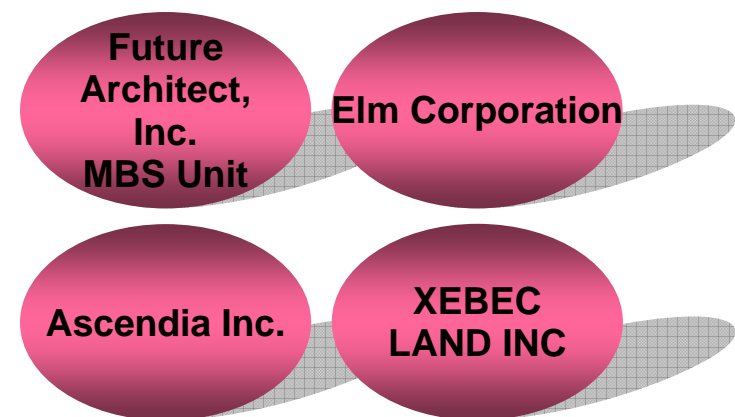


Non-consolidated Analysis of Sales from IT Consulting Business (2/2)

Trends in sales by phase



Package & Service Business



Main Results for FY2009 1H (Package & Service Business)

(Millions of Yen)	First half of FY2008	First half of FY2009
Net sales	2,249	2,362
Operating income	206	97

- Clients investments weakened affected by the economic deterioration.
- Inquiries increased, but it often took time until a contract could be concluded.
- Steady progress of complementing phases and markets (continued)

Tool & ERP business for midsize companies (Future Architect, Inc. MBS Unit)

- ✓ Implementation of measures for increasing inquiries; improvement of marketing activities
- ✓ Increase in orders (for middle-range company market businesses) introduced by the IT Consulting Service Business sector

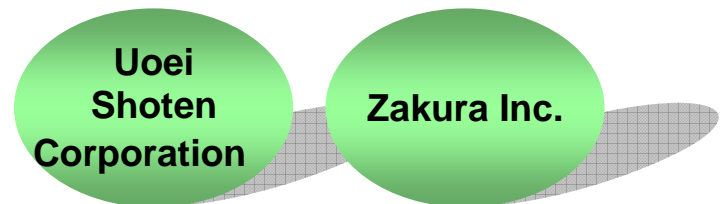
Business solution for midsize companies and SMEs (Elm Corporation)

- ✓ Weak earnings in 1Q due to the economic deterioration; a recovery in earnings in 2Q to nearly the same level as in the average year
- ✓ Securing of investment funds by customers is becoming an issue

Outsourced development, Regional Business (Ascendia Inc.)

- ✓ Decrease in orders received affected strongly by the deterioration of the local economy
- ✓ Reinforcement and development of the operation service sector (continued)

Corporate Revitalization Business / New Business Cultivation Business



Main Results for FY2009 1H

(Corporation Revitalization Business/New Business Cultivation Business)

(Millions of Yen)	First half of FY2008	First half of FY2009
Net sales	2,325	2,318
Operating income	(206)	(36)

- Management at appropriate costs
- Further improvement in gross profit margin
- Operations of new systems at all shops

Management at appropriate costs ⇒ **Elimination of waste**

- ✓ Concentration of management resources by closing unprofitable shops
- ✓ Redesigning of the personnel system and sales strategies

Improvement in gross profit margin at the end of the period
⇒ **Improvement of 8.2 percentage points from a year earlier**

- ✓ Promotion of events (such as special sales) and setting of appropriate prices with further emphasis on profitability
- ✓ Definition of responsibilities for the purchase and sale systems
- ✓ Accurate recognition of top-selling products and shelf warmers and increase in sales per shopper by introducing new systems

Introduction of computer systems
⇒ **Identification and real-time analysis of customer needs**

- ✓ Completion of automatic ordering system introduction at all stores (excluding fresh produce)
- ✓ New POS systems scheduled to be introduced at all stores

3. Earnings Outlook for FY 2009

Earnings Outlook for FY2009 (1/2)

IT Consulting Business

- In the service industry, in which we have major clients, IT investments are expected to remain robust, and repeated orders from existing customers and orders from new customers are likely to increase.
- In the distribution industry, projects that we promoted from last year in a short-term and intensive manner completed at the beginning of this year, thereby lowering sales composition. However, large projects are planned to start in the retail industry from the second half.
- In the financial industry, the Company will expand existing solutions by leveraging its strengths, while launching new solutions, aiming to establish a stable earnings structure amid the severe business climate.
- Last year, we had a shortage of staff due to an increase in orders received, and in many cases, hired outside staff. This year, we will quickly hire such staff from among Group employees, and thoroughly implement project operations with an emphasis on ensuring profits and quality (“quality over quantity”).

Example Projects

Example in which Future Architect's know-how about the logistics business is fully demonstrated

New business : sales of goods for the logistics industry!

**First operations for the customer
A new business that becomes a new earnings source**

Short-term development of a retail backbone system

**Equipped with original, cutting-edge technologies
Construction of the system in a short period of 8 months**

Outcome of the project

**Application of a hyper-performance architecture that supports 20,000 outlets, one of the largest ever in Japan
Completion of phases including the definition of requirements, design, development, and introduction nationwide in a short period of 8 months**

Track record of establishing large backbone systems

Adoption of open, advanced technical elements

Making the maximum use of the technical know-how that Future Architect has cultivated

Earnings Outlook for FY2009 (2/2)

Package & Service Business

- Efforts will be made to help the increasing inquiries lead to contract conclusion, thereby securing orders.
- Business opportunities are expected to increase through the enhancement of interconnectivity among operations that have expanded following management integration, and productivity and profitability are estimated to improve as a result of sharing know-how.
- We will establish a profit-earning structure by reducing selling, general and administrative expenses.

Corporate Revitalization/New Business Cultivation Business

- A certain degree of results have been achieved in the shift to a profit-focused corporate structure. However, more efforts and devices are needed to secure sufficient profits.
- We will increase productivity and eliminate missed sales opportunities through the full-scale operation of automatic ordering systems. We will analyze and identify customer needs and boost customer satisfaction through the use of new POS systems.
- We will consider spreading the small-scale renovation (at low costs and in a short period of time) of Kanemaki Store to other stores, and continue improving various measures aiming to increase sales and profitability.

Consolidated Earnings Outlook for FY2009

(Millions of Yen)	FY2008 Results	FY2009 Plan	Year-on-year change
Net sales	28,174	26,100	92.6%
Operating income Operating income margin	2,598 9.2%	3,200 12.3%	123.1%
Ordinary income Ordinary income margin	2,678 9.5%	3,250 12.5%	121.4%
Net income Net income margin	701 2.5%	1,930 7.4%	275.1%

4. Hot Topics

Alliance with SG Holdings Co., Ltd.

■ Purpose of the alliance

- To further advance and sophisticate logistics services
- To create new services and businesses
- To aim to develop both companies and establish a win-win relationship between the two

■ Details of the alliance

Human resources alliance:

Shin Yasunobe, COO of the Company, assumed the position of President of Sagawa Computer System Co., Ltd.

Business alliance: Promotion of human resources development and sharing of know-how through personnel exchanges, support for formulation of IT strategy (IT staff), system operations, etc.

Capital alliance: Details are currently being considered.

■ Future outlook

The capital alliance will be finalized by late August or September 2009.

The business alliance is scheduled to start by October 2009.

Reference

Non-consolidated Earnings Outlook for Second Quarter of FY2009 (cumulative period)

(Millions of Yen)	Second quarter of FY2008 results	Second quarter of FY2009 plan	Second quarter of FY2009 results	Year-on-year change
Net sales	10,008	8,900	8,654	86.5%
Operating income Operating income margin	1,729 17.3%	1,640 18.4%	1,640 19.0%	94.9%
Ordinary income Ordinary income margin	1,885 18.8%	1,650 18.5%	1,679 19.4%	89.1%
Net income Net income margin	1,092 10.9%	710 8.0%	1,008 11.7%	92.4%

Financial Topics (non-consolidated)

● Increase (decrease) in net sales (Millions of Yen)

Item	First half of FY2008	First half of FY2009	Y-o-Y ratio
Net sales	10,008	8,654	(13.5%)
IT consulting	9,581	8,049	(16.0%)
HW Procurement	65	239	263.3%
Package & Service	361	365	1.0%
Net sales per consultant	16.8	12.8	(24.0%)
Average number of consultants	593	675	13.8%

● Changes in cost of sales (Millions of Yen)

Category	First half of FY2008	First half of FY2009	Y-o-Y ratio
IT consulting service	5,973	5,087	(14.8%)
Labor expenses	1,918	2,284	19.1%
Outsourcing expenses	2,804	1,790	(36.1%)
Others	1,251	1,011	(19.2%)
Cost of sales of HW procurement	53	203	279.4%
Cost of sales of Package & Service	213	201	(5.8%)
Total	6,241	5,492	(12.0%)

● Changes in selling, general and administrative (Millions of Yen)

Expense item	First half of FY2008	First half of FY2009	Y-o-Y ratio
Selling, general and administrative expenses	2,037	1,521	(25.3%)
Personnel expenses	917	740	(19.2%)
Strategic expenses	460	271	(41.1%)
R&D expenditures	36	11	(70.1%)
Depreciation expenses	126	108	(14.7%)
Employee training expenses	134	126	(6.0%)
Recruiting expenses	162	25	(84.3%)

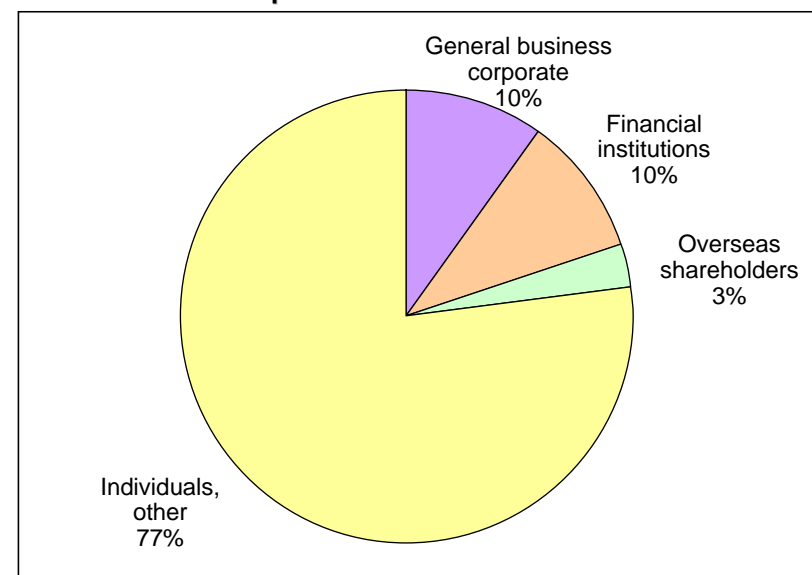
● Employees average age and average length of service

(Millions of Yen)

	First half of FY2008	First half of FY2009	Y-o-Y ratio
Net sales	10,008	8,654	(13.5%)
Cost of sales	53	203	279.4%
Outsourcing expenses	2,804	1,790	(36.1%)
Balance: value added*	7,150	6,659	(6.9%)
Average number of consultants	593	675	13.8%
Average sales per consultant	16.8	12.8	(24.0%)
Average value added per consultant	12.1	9.9	(18.2%)

* Value added = Net sales - Cost of sales - Subcontract expenses

● Shareholder composition



Note

The forecasts in this material are based on currently available information, and actual results may differ from such forecasts depending on the future direction of the Japanese economy and the IT service industry.

It should be noted that the Company does not guarantee or promise the accuracy of these forecasts.

FUTURE

Architect