

**Summary Report of Operating Results
for the Third 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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 Representative: Shin Yasunobe, President & COO.
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 Scheduled submit date of quarterly report: November 12, 2009
 Scheduled date for distribution of dividend payments: –

(Amount rounded off to million yen)

1. Consolidated Results for the Third Quarter of Fiscal 2009 (January 1, 2009 to September 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	%
3Q, Fiscal 2009	18,377	–	2,077	–	2,126	–	1,158	–
3Q, Fiscal 2008	21,390	19.7	2,155	6.6	2,209	7.2	981	22.9

	Quarterly net income per share	Quarterly net income per share (fully diluted)
	Yen	Yen
3Q, Fiscal 2009	2,642.28	–
3Q, Fiscal 2008	2,189.44	–

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
3Q, Fiscal 2009	13,590	9,836	71.9	21,406.76
Fiscal 2008	13,789	8,768	63.1	19,815.58

(Reference) Shareholders' equity

3Q, Fiscal 2009: 9,775 million yen
 Fiscal 2008: 8,706 million yen

2. Dividends

	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	Total
Fiscal 2008	–	0.00	–	1,600.00	1,600.00
Fiscal 2009	–	0.00	–		
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	4,226.60

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 4-5) “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)

3Q, Fiscal 2009:	476,640 shares
Fiscal 2008:	476,640 shares
 - b. Total treasury stocks as of the end of the period

3Q, Fiscal 2009:	20,008 shares
Fiscal 2008:	37,261 shares
 - c. Average number of outstanding stocks during the quarter under review (accumulated period for consolidated quarter)

3Q, Fiscal 2009:	438,436 shares
3Q, 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 nine-month period of fiscal 2009, the Japanese economy remained very weak, as exemplified by a substantial decrease in corporate earnings, due to the impact of the worldwide financial crisis on the real economy. However, the economy has started indicating signs of recovery, as production of some manufacturers are gradually recovering toward the latter half of the fiscal year under review. Nevertheless, given the continued deterioration of the employment situation and sluggish consumer spending, coupled with expected changes in economic policies following the change of political power in Japan, it is unclear whether the economy will head toward recovery.

Under such circumstances, the Group's net sales for the first nine-month period of fiscal 2009 were ¥18,377 million (14.1% down from the corresponding period of the previous fiscal year), while operating income decreased by 3.6% to ¥2,077 million, ordinary income decreased by 3.8% to ¥2,126 million and net income decreased by 18.0% to ¥1,158 million.

Operating results by business segment are as follows. Figures for the operating results represent values before adjusting for internal sales or transfers among segments

In the IT Consulting Business, net sales were ¥11,844 million (down 19.1% from the corresponding period of the previous fiscal year). While existing projects advanced smoothly, as indicated by a cutover of some large projects as scheduled, new projects could not make up for the decline resulting from some projects being completed. Considering the current sluggish economic environment, we have pursued a profit-focused policy, which has helped us achieve steady deliveries under an appropriate system centering on employees, and rationalize costs while also reducing outsourcing costs. Through such efforts, we ensured an operating income of ¥2,172 million (down 1.1%) and the operating income margin improved to 18.3% from 15.0% in the corresponding period of the previous fiscal year.

In the Package & Service Business, midsize companies, our main customers, are having difficulty in securing their earnings and raising funds due to the business downturn, leading to a decrease of capital spending. Thus, inquiries we receive do not necessarily lead to us receiving orders, and in some cases, lease credit to customers is eventually rejected, resulting in lower capacity utilization rates. With the decline in unit price of orders, coupled with the lower capacity utilization rates, net sales in this business segment were ¥3,309 million (down 5.2% from the corresponding period of the previous fiscal year). Operating income was ¥45 million (down 81.4%), since fixed expenses, mainly personnel costs, were not fully covered due to the lower sales.

In the Corporate Revitalization/New Business Cultivation Business, the food supermarket Uoei Shoten Corporation, which occupies the main part of the business, is pushing forward with a review of costs, while reviewing its sales strategy to provide product line-ups that reflect consumer needs while securing gross profit. Net sales declined slightly to ¥3,467 million (down 2.7% from the corresponding period of the previous fiscal year) partly due to sluggish consumer spending, which is attributable to business downturn and uncertainty over the future of the economy. However, operating loss substantially decreased to ¥76 million (compared with a loss of ¥299 million in the corresponding period of the previous fiscal year) thanks to an elimination of waste and a reduction of purchase prices through continuous negotiations with suppliers, rationalization of merchandise management through the introduction of automatic order placement system and closure or renovation of unprofitable stores.

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

As of the end of the third quarter under review, total assets decreased by ¥199 million from the end of previous consolidated fiscal year to ¥13,590 million. The main factors for this were decrease in accounts receivable as a result of a fund collection from customers and depreciation of assets, most of which were tangible fixed assets.

Liabilities decreased by ¥1,268 million from the end of the previous consolidated fiscal year to ¥3,753 million. The main factors for this were decrease of accounts payable resulting from a curb in outsourcing costs and decrease in accrued corporate tax due to payments thereof.

To note, Net assets increased by ¥1,068 million from the end of the previous consolidated fiscal year to ¥9,836 million. The main factors for this were increase in retained earnings due to the posting of net income for the period and disposition of treasury stock.

Analysis of cash flows

Net cash provided from operating activities amounted to ¥556 million, owing primarily to the posting of net income before tax of ¥2,126 million for the nine-month period, and decrease in accounts receivable of ¥305 million due to fund collection from customers.

Net cash used in investing activities was ¥999 million, mainly due to payment of ¥284 million to acquire tangible and intangible fixed assets and payment of ¥795 million to acquire investment securities, following a capital alliance.

Net cash provided from financial activities was ¥128 million, primarily reflecting proceeds from sale of treasury stock of ¥781 million.

Owing to these operating, investing and financial activities, the balance of cash and cash equivalents at the end of the consolidated third quarter under review was ¥2,306 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 July 31, 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 third quarter under review and multiplying such estimated legal effective tax rate to the net income before tax of the quarter.

Deferred tax assets are judged if they are recoverable or not by utilizing the earnings forecast and tax planning used in the previous consolidated fiscal year, since we deem that there have been no significant changes in the management environment or temporary differences since the end of the previous consolidated fiscal year.

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.

5. Quarterly Period Consolidated Financial Statements

(1) Quarterly Period Consolidated Balance Sheets

	(thousands of yen)	
	End of consolidated third quarter under review (September 30, 2009)	Summarized consolidated balance sheet for the end of previous consolidated fiscal year (December 31, 2008)
Assets		
Current assets		
Cash and deposits	2,506,836	2,655,451
Notes receivable and accounts receivable	5,300,863	5,598,580
Merchandise and finished goods	137,279	171,746
Work in process	37,874	76,080
Others	721,636	773,318
Allowance for doubtful accounts	(10,848)	(53,861)
Total current assets	8,693,642	9,221,315
Fixed assets		
Tangible fixed assets		
Buildings and structures	2,757,312	2,779,483
Accumulated depreciation and accumulated impairment loss	(2,145,097)	(2,134,196)
Buildings and structures, net	612,214	645,287
Land	177,037	208,965
Others	1,524,627	1,683,839
Accumulated depreciation and accumulated impairment loss	(1,173,986)	(1,259,538)
Others, net	350,641	424,301
Total tangible fixed assets	1,139,893	1,278,553
Intangible fixed assets		
Software	446,346	468,185
Others	96,350	105,204
Total intangible fixed assets	542,697	573,389
Investments and other assets		
Investment securities	2,055,607	1,451,336
Others	1,297,719	1,401,560
Allowance for doubtful accounts	(139,034)	(136,429)
Total investments and other assets	3,214,292	2,716,467
Total fixed assets	4,896,883	4,568,411
Total assets	13,590,526	13,789,726

(thousands of yen)

	End of consolidated third quarter under review (September 30, 2009)	Summarized consolidated balance sheet for the end of previous consolidated fiscal year (December 31, 2008)
Liabilities		
Current liabilities		
Accounts payable	558,996	1,060,133
Short-term borrowings	1,030,000	632,000
Long-term borrowings due within one year	32,000	259,466
Accrued corporate tax, etc.	476,610	1,105,532
Allowance for bonuses	50,027	51,319
Reserve for quality assurance	116,473	176,447
Others	1,229,911	1,465,645
Total current liabilities	3,494,019	4,750,545
Fixed liabilities		
Long-term borrowings	48,000	80,000
Allowance for retirement benefits	109,487	140,071
Negative goodwill	83,353	27,033
Others	18,710	24,002
Total non-current liabilities	259,551	271,107
Total liabilities	3,753,571	5,021,652
Net assets		
Shareholders' equity		
Common stock	1,421,815	1,421,815
Capital surplus	2,495,772	2,866,178
Consolidated retained earnings	6,929,017	6,493,346
Treasury stock	(1,171,668)	(2,252,724)
Total shareholders' equity	9,674,936	8,528,615
Valuation, translation adjustments, etc.		
Net unrealized gain on available-for-sale securities	101,729	179,601
Foreign currency translation adjustments	(1,653)	(1,665)
Total valuation, translation adjustments, etc.	100,076	177,936
Minority interests	61,942	61,522
Total net assets	9,836,954	8,768,073
Total liabilities and net assets	13,590,526	13,789,726

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

(thousands of yen)

	Accumulated period for the consolidated quarter under review (from January 1, 2009 to September 30, 2009)
Net sales	18,377,068
Cost of sales	11,843,038
Gross profit	6,534,030
Selling, general and administrative expenses	
Officers' remuneration	279,682
Salaries and bonuses	2,160,754
Employee training expenses	187,489
Research & development expenditures	33,604
Depreciation	149,906
Recruitment expenses	47,573
Amortization of goodwill	104,519
Others	1,493,098
Total selling, general and administrative expenses	4,456,627
Operating income	2,077,402
Non-operating income	
Interest income	5,718
Dividend income	6,847
Amortization of negative goodwill	42,598
Others	34,693
Total non-operating income	89,858
Non-operating expenses	
Interest expenses	8,732
Equity in loss of non-consolidated subsidiaries & affiliates	24,853
Others	7,307
Total non-operating expenses	40,892
Ordinary income	2,126,367
Extraordinary income	
Gains on sale of investment securities	58,233
Total extraordinary income	58,233
Extraordinary losses	
Losses on sale of fixed assets	6,048
Losses on disposal of fixed assets	1,191
Losses on devaluation of investment securities	19,220
Impairment losses	31,927
Total extraordinary losses	58,387
Net income before taxes for the quarterly period	2,126,214
Income taxes	966,069
Minority interests in net income	1,672
Quarterly net income	1,158,472

Period for the Consolidated Third Quarter

(thousands of yen)

	Period for the consolidated third quarter under review (from July 1, 2009 to September 30, 2009)
Net sales	5,392,514
Cost of sales	3,435,960
Gross profit	1,956,554
Selling, general and administrative expenses	
Officers' remuneration	89,158
Salaries and bonuses	788,214
Employee training expenses	60,009
Research & development expenditures	11,253
Depreciation	51,598
Recruitment expenses	19,720
Amortization of goodwill	33,229
Others	484,200
Total selling, general and administrative expenses	1,537,383
Operating income	419,170
Non-operating income	
Interest income	1,693
Dividend income	167
Amortization of negative goodwill	14,154
Others	3,558
Total non-operating income	19,573
Non-operating expenses	
Interest expenses	2,467
Equity in income of non-consolidated subsidiaries & affiliates	33,030
Others	2,583
Total non-operating expenses	38,081
Ordinary income	400,662
Extraordinary income	
Gains on sale of investment securities	1
Reversal of reserve for bonuses	17,790
Total extraordinary income	17,792
Extraordinary losses	
Losses on sale of fixed assets	398
Losses on disposal of fixed assets	667
Total extraordinary losses	1,066
Net income before taxes for the quarterly period	417,388
Income taxes	210,297
Minority interests in net loss (decrease)	931
Quarterly net income	208,022

(3) Quarterly Period Consolidated Statements of Cash Flows

(thousands of yen)

	Accumulated period for the consolidated quarter under review (from January 1, 2009 to September 30, 2009)
Cash flows from operating activities:	
Net income before taxes (quarterly period)	2,126,214
Depreciation	402,767
Impairment loss	31,927
Increase (decrease) in allowance for doubtful accounts	(40,408)
Increase (decrease) in reserve for bonuses	(1,291)
Increase (decrease) in reserve for quality assurance	(59,974)
Increase (decrease) in allowance for retirement benefits	(30,584)
Earned interest and dividends	(12,566)
Interest expenses	8,732
Equity in losses (income) of subsidiaries & affiliates	24,853
Losses (gains) on sale of fixed assets	6,048
Losses on disposal of fixed assets	1,191
Losses (gains) on sale of investment securities	(58,233)
Losses (gains) on devaluation of investment securities	19,220
Decrease (increase) in accounts receivable	305,509
Decrease (increase) in inventories	72,673
Increase (decrease) in accounts payable	(501,137)
Others	(188,244)
Subtotal	2,106,695
Interest and dividends received	11,997
Interest paid	(10,937)
Income and other taxes	(1,551,000)
Net cash provided by (used in) operating activities	556,754

(thousands of yen)

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

Cash flows from investing activities:	
Payments into time deposits	(65,323)
Proceeds from withdrawal of time deposits	107,812
Purchase of tangible fixed assets	(132,002)
Proceeds from sale of tangible fixed assets	3,780
Acquisition of intangible fixed assets	(152,539)
Purchase of investment securities	(795,000)
Proceeds from sale of investment securities	72,016
Purchases of shares in subsidiaries	(5,600)
Payments for lease and guarantee deposits	(108,378)
Proceeds from collection of lease and guarantee deposits	75,017
Collection of loans	315
Net cash provided by (used in) investing activities	(999,900)
Cash flows from financing activities:	
Increase (decrease) in short-term borrowings	398,000
Repayment of long-term borrowings	(259,466)
Purchase of treasury stock	(90,845)
Proceeds from sale of treasury stock	781,000
Dividends paid	(698,468)
Dividends paid to minority shareholders	(1,252)
Net cash provided by (used in) financing activities	128,966
Effect of exchange rate changes on cash and cash equivalents	8,053
Increase (decrease) in cash and cash equivalents	(306,125)
Cash and cash equivalents at beginning of the period	2,612,962
Cash and cash equivalents at end of the quarterly period	2,306,836

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 third quarter under review (from July 1, 2009 to September 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	3,373,649	876,277	1,142,587	5,392,514	-	5,392,514
(2) Inter-segment sales or transfer	600	70,080	6,463	77,143	(77,143)	-
Total	3,374,249	946,358	1,149,050	5,469,658	(77,143)	5,392,514
Operating income (loss)	570,357	(70,066)	(39,776)	460,514	(41,343)	419,170
II. Assets, depreciation, impairment loss and capital expenditures						
Assets	8,110,404	1,509,612	929,628	10,549,645	3,040,880	13,590,526
Depreciation	94,150	19,035	17,811	130,996	557	131,553
Capital expenditures	59,304	7,049	70,256	136,611	-	136,611

Accumulated period for the consolidated quarter under review (from January 1, 2009 to September 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	11,843,150	3,104,470	3,429,447	18,377,068	-	18,377,068
(2) Inter-segment sales or transfer	1,800	204,709	38,097	244,607	(244,607)	-
Total	11,844,950	3,309,180	3,467,545	18,621,676	(244,607)	18,377,068
Operating income (loss)	2,172,707	45,269	(76,486)	2,141,490	(64,088)	2,077,402
II. Assets, depreciation, impairment loss and capital expenditures						
Assets	8,110,404	1,509,612	929,628	10,549,645	3,040,880	13,590,526
Depreciation	288,214	68,958	43,922	401,095	1,671	402,767
Impairment loss	-	-	31,927	31,927	-	31,927
Capital expenditures	183,462	26,133	74,946	284,541	-	284,541

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 4,757,651 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 third quarter under review (from July 1, 2009 to September 30, 2009) and accumulated period for the consolidated quarter under review (from January 1, 2009 to September 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 third quarter under review (from July 1, 2009 to September 30, 2009) and accumulated period for the consolidated quarter under review (from January 1, 2009 to September 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

At the meeting of our Board of Directors held on August 29, 2009, a resolution to form a capital and business partnership with SG Holdings Co., Ltd., and disposal of treasury stock through a third-party allocation to SG Holdings were concluded. Our treasury stocks were disposed of as of September 14, 2009.

As a result, capital surplus decreased 370,405 thousand yen and consolidated retained earnings declined 19,794 thousand yen, with treasury stock decreasing 1,171,200 thousand yen.

[Reference Materials]

Financial Statements for quarterly period ended September 30, 2008

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

Accumulated period for the consolidated quarter under review (January 1, 2008 - September 30, 2008)

Item	Quarterly period ended September 2008 (3Q, Fiscal 2008)
	Amount (thousands of yen)
I. Net sales	21,390,167
II. Cost of sales	14,287,207
Gross profit	7,102,959
III. Selling, general and administrative expenses	4,947,959
1. Officers' remuneration	289,406
2. Salaries and bonuses	2,264,026
3. Employee training expenses	215,783
4. Research & development expenditures	58,790
5. Depreciation	164,903
6. Recruitment expenses	215,868
7. Amortization of goodwill	131,695
8. Other	1,607,486
Operating Income	2,155,000
IV. Non-operating income	105,679
1. Interest income	10,552
2. Dividend income	10,847
3. Amortization of negative goodwill	42,586
4. Other	41,694
V. Non-operating expenses	51,452
1. Interest expenses	11,657
2. Foreign exchange losses	15,399
3. Equity in loss of non-consolidated subsidiaries & affiliates	16,627
4. Other	7,768
Ordinary income	2,209,227
VI. Extraordinary income	150,022
1. Gain on sales of investment securities	9,124
2. Gain on transfer of business	140,898
VII. Extraordinary losses	332,184
1. Losses on disposal of fixed assets	13,290
2. Loss on retirement of non current assets	26,819
3. Loss on sales of investment securities	2,863
4. Losses on devaluation of investment securities	244,422
5. Impairment losses	44,788
Net income before taxes for the quarterly period	2,027,065
Corporate, residential and enterprise taxes	1,049,277
Minority interests in net income	(3,897)
Quarterly net income	981,685

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

Accumulated period for the consolidated quarter under review (January 1, 2008 - September 30, 2008)

Item	Quarterly period ended September 2008 (3Q, Fiscal 2008)
	Amount (thousands of yen)
I. Cash flows from operating activities:	
Net income before taxes	2,027,065
Depreciation	574,826
Increase (decrease) in allowance for doubtful accounts	(38,060)
Increase (decrease) in reserve for bonuses	81,541
Increase (decrease) in provision for retirement benefits	29,468
Increase (decrease) in reserve for quality assurance	108,793
Earned interest and dividends	(21,399)
Interest expenses	11,657
Equity in income (losses) of subsidiaries & affiliates	16,627
Gain on transfer of business	(140,898)
Gains (losses) on sale of non current assents	13,290
Losses on retirement of non current assents	26,819
Gains (losses) on sales of investment securities	(6,261)
Losses on devaluation of investment securities	244,422
Impairment losses	44,788
Increase (decrease) in accounts receivable	(679,553)
Increase (decrease) in inventories	36,489
Increase (decrease) in other assets	99,174
Increase (decrease) in accounts payable	(51,017)
Increase (decrease) in other liabilities	(249,584)
Subtotal	2,128,191
Interest and dividends received	19,991
Interest paid	(14,086)
Income and other taxes	(266,116)
Net cash provided by (used in) operating activities	1,867,979

Item	Quarterly period ended September 2008 (3Q, Fiscal 2008)
	Amount (thousands of yen)
II. Cash flows from investing activities:	
Decrease (increase) in time deposits	31,779
Purchase of tangible fixed assets	(319,134)
Proceeds from sales of tangible fixed assets	11,150
Acquisition of intangible fixed assets	(133,609)
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	37,648
Net increase in deposit guarantees	(187,774)
Proceeds from collection of deposit guarantees	200,043
Net increase (decrease) in loans	(70,751)
Payment for acquisition of business	(80,000)
Proceeds from transfer of business	200,000
Net cash provided by (used in) investing activities	(461,958)
III. Cash flows from financing activities:	
Increase (Decrease) in short-term borrowings	(855,000)
Repayment of long-term borrowings	(381,691)
Redemption of debentures	(20,000)
Dividends paid	(426,356)
Dividends paid to minority shareholders	(2,679)
Net cash provided by (used in) financing activities	(1,685,726)
IV. Effect of exchange rate changes on cash and cash equivalents	(8,177)
V. Increase (decrease) in cash and cash equivalents	(287,883)
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	2,575,132

(3) Segment information

[Business segment information]

Accumulated period for the consolidated quarter under review (January 1, 2008 - September 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	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. 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 4,483,068 thousand yen and these assets consist mainly of surplus funds (cash and securities) and assets relating to the administration sector.

4. Beginning from this quarter, 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 quarter 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 ¥31,422 thousand (¥115,157 thousand increase in depreciation and a decrease in other operating expenses of ¥83,735 thousand) in the IT Consulting Business segment, while decreasing operating expenses by the same amounts (¥115,157 thousand decrease in depreciation and a increase in other operating expenses of ¥83,735 thousand) in the Package & Service Business segment.

[Geographical segment information]

Accumulated period for the consolidated quarter under review (January 1, 2008 - September 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 consolidated quarter under review (January 1, 2008 - September 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	Third-quarter accumulated period of fiscal 2008 (from January 1, 2008 to September 30, 2008)		Third-quarter accumulated period of fiscal 2009 (from January 1, 2009 to September 30, 2009)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
IT consulting services	15,546,144	5,549,266	10,743,189	4,168,702
Package & service business	3,755,102	1,198,931	2,644,916	644,434
Corporate Revitalization Business/ New Business Cultivation Business	11,385	1,063	18,981	2,217
Total	19,312,632	6,749,261	13,407,086	4,815,353