

**Summary Report of Consolidated Operating Results  
for the Third Quarter of Fiscal 2005  
(Year ended December 2005)**

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 Shares listed on: First Section of Tokyo Stock Exchange  
 Security code number: 4722  
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1. Matters relating to the preparation of quarterly financial information

(1) Changes in accounting methods: Yes

- Standard for recording corporation tax, etc.: Calculated using estimated annual tax rate based on legal effective tax rate

(2) Changes in accounting methods compared with Fiscal 2004: None

(3) Changes in scope of consolidation or application of equity method: Yes

(new) Future Investment Corporation

2. Summary of operating results for the third quarter of fiscal 2005 (January 1, 2005 – September 30, 2005)

(1) Trends in consolidated operating results

	Net sales		Operating income		Ordinary income		Quarterly net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
3Q, Fiscal 2005	7,668	6.1	1,386	142.2	1,337	145.1	841	138.4
3Q, Fiscal 2004	7,230	–	572	–	545	–	352	–
(Reference) Fiscal 2004	9,364	-13.1	888	-35.4	844	-42.4	458	-50.3

	Quarterly net income per share	Quarterly net income per share (fully diluted)
	Yen	Yen
3Q, Fiscal 2005	7,271.83	–
3Q, Fiscal 2004	3,016.93	–
(Reference) Fiscal 2004	3,926.00	–

Note: The percentages indicate rates of changes in Sales, Operating income, Ordinary income, Quarterly net income compared with the same quarter of the previous year.

[Qualitative information on trends in consolidated operating results]

1. Signs of an economic recovery are gradually emerging, although uncertain factors, such as high crude oil prices, do remain. Meanwhile, the new organization that was introduced from March 2005 is functioning effectively. Moreover, thanks to the favorable effects of internal efforts, including education in project quality improvement, orders remained steady without relying on any particular clients. The total number of clients as at the end of the third quarter was 105 (compared with 90 clients in the same quarter of the previous year) with 45 new clients (compared with 46 clients) and 60 existing clients (compared with 44 clients).

2. Thanks to brisk orders, the capacity operating ratio—which had shown falling quarter-on-quarter figures—has now recovered close to the level of the projected ratio in the second quarter. The Group recorded sales of ¥2,978 million for the third quarter (from July 1, 2005 to September 30, 2005), exceeding the first quarter result of ¥2,293 million and second quarter sales of ¥2,397 million. As a result, the Group has accumulated sales of ¥7,668 million and ordinary income of ¥1,337 million.

3. Accumulated sales of IT consulting services to the third quarter were up about 6% from the same quarter of the previous year. Although sales in some sectors, such as the financial sector, were down, overall sales increased across a broad range of sectors and the Group achieved results generally in line with projections, including sector-wise sales.

4. IT consulting services sales consists of the following categories, based on their objectives:

1) To meet corporate needs for reform or management renewal through IT, we have built a real time platform, accounting for 47% of total sales, using the Group's real time processing middleware component group and downsizing methodology. At the same time, we have achieved substantial reductions in IT costs.

2) To respond to corporate demand for highly specialized solutions, we primarily introduce the loan support system for financial institutions, enterprise application integration and an inter-system interface base solution, accounting for 23% of the total sales.

3) Sales of the system that supports M&A strategy account for 11% of total sales. The Group is building a unified system infrastructure between groups to facilitate corporate reorganization. It is also examining the overall composition of IT, which is the key for revitalization.

4) Because IT often becomes a bottleneck for rapidly growing companies, they plan to introduce scalable systems that can flexibly adapt to future growth. Sales from this field account for 6% of the total sales.

5. In extraordinary income and loss, the Group booked ¥639 million from sales of investment securities, and a total loss of ¥447 million, including the depreciation of software for sale associated with impairment and losses from disposal of software for in-house use.

(2) Changes in consolidated financial condition

	Total assets	Shareholders' equity	Shareholders' equity ratio	Equity per share
	Million yen	Million yen	Percent (%)	Yen
3Q, Fiscal 2005	10,610	7,129	67.2	61,816.10
3Q, Fiscal 2004	9,794	6,677	68.2	57,504.90
(Reference) Fiscal 2004	9,194	6,612	71.9	57,138.06

【Consolidated cash flow position】

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
	Million yen	Million yen	Million yen	Million yen
3Q, Fiscal 2005	1,257	678	(571)	5,188
3Q, Fiscal 2004	166	1,528	(1,267)	3,970
(Reference) Fiscal 2004	534	1,187	(1,446)	3,822

[Qualitative information regarding changes in consolidated financial condition]

1. Gross assets at the end of the third quarter of the current year came to ¥10,610 million, attributable to factors such as the depreciation of software and the sale of investment securities.

Liabilities came to ¥3,481 million, the result of factors including an increase in short-term borrowings and the recording of accrued income taxes. Shareholders' equity came to ¥7,129 million, the result of an increase in retained earnings from quarterly net income and the acquisition of treasury stocks.

2. Cash flows from operating activities for this third quarter were ¥1,257 million (compared with ¥1,091 million in the same quarter of the previous year), reflecting quarterly net income before taxes of ¥1,529 million (¥931 million), depreciation costs of ¥613 million (¥217 million), a ¥639 million outflow from the sale of investment securities (¥325 million outflow) and a ¥599 million outflow from notes and accounts receivable (¥511 million yen outflow).

Cash flow from investment activities were ¥678 million (compared with a ¥849 million outflow in the same quarter of the previous year), attributable to ¥890 million in income from the sale of investment securities (a ¥1,424 million outflow).

Cash flows from financing activities totaled an outflow of ¥571 million (compared with an outflow of ¥696 in the same quarter of the previous year), reflecting the repayment of long-term debt of ¥566 million (unchanged from the same quarter of the previous year), dividend payments of ¥311 million (¥4 million) and an increase in short-term loans of ¥400 million (¥550 million).

As a result of a ¥1,366 million increase through cash flows from operating, investing and financing activities, cash and cash equivalents outstanding at the end of this quarter were 5,188 million (compared with ¥1,217 million in the same quarter of the previous year).

\* supporting data

(Summary) Quarterly period consolidated balance sheets, (Summary) Quarterly period consolidated statements of income

[Reference]

Consolidated projection for fiscal 2005 (January 1, 2005 to December 31, 2005)

	Net sales	Operating income	Net income
	Million yen	Million yen	Million yen
Full year	10,824	1,736	1,134

Note: Projected net income per share (fiscal 2005): ¥9,837.35

Non-consolidated projections for fiscal 2005 (January 1, 2005 to December 31, 2005)

	Net sales	Operating income	Net income
	Million yen	Million yen	Million yen
Full year	10,722	1,754	964

Note: Projected net income per share (fiscal 2005): ¥8,361.33

[Qualitative information regarding the projection]

Thanks to buoyant demand from both new and existing clients, with orders exceeding our projections, improvements in the capacity operating ratio and the favorable effects from cost cutting, we have revised upwards the consolidated projections for fiscal 2005 of net sales by ¥544 million, ordinary income by ¥236 million and net income by ¥194 million, compared with the forecasts announced on August 9, 2005.

Non-consolidated projections have also been revised upwards, for the same reasons.

This projection, representing our best estimate based on the information currently available to us, incorporates uncertain factors.

1. (Summary) Quarterly Period Consolidated Balance Sheets

Item	Quarterly period ended September 2004	Quarterly period ended September 2005	Year-on-year comparison		(Reference) Fiscal 2004
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)	Change (%)	Amount (thousands of yen)
(Assets)					
I. Current assets					
1. Cash and cash equivalents	3,970,155	5,188,086	1,217,931	30.7	3,822,079
2. Notes and accounts receivable	1,401,430	1,700,833	299,403	21.4	1,101,408
3. Inventories	4,521	44,567	40,045	885.6	5,461
4. Deferred tax assets	141,491	110,330	(31,161)	-22.0	121,992
5. Other	199,833	506,148	306,315	153.3	499,448
6. Allowance for doubtful accounts	(700)	(9,724)	(9,024)	1,289.2	(700)
Total current assets	5,716,732	7,540,242	1,823,510	31.9	5,549,690
II. Fixed assets					
1. Tangible fixed assets					
(1) Buildings	114,287	96,835	(17,452)	-15.3	109,369
(2) Other	223,391	225,574	2,183	1.0	205,738
Total tangible fixed assets	337,679	322,409	(15,269)	(4.5)	315,108
2. Intangible fixed assets					
(1) Software	1,196,633	445,041	(751,591)	-62.8	969,279
(2) Other	12,688	11,504	(1,184)	-9.3	12,198
Total intangible fixed assets	1,209,321	456,546	(752,775)	-62.2	981,477
3. Investments and other assets					
(1) Investment securities	2,104,404	1,783,660	(320,743)	-15.2	1,904,883
(2) Other	426,432	507,757	81,325	19.1	443,168
Total investments and other assets	2,530,836	2,291,418	(239,418)	-9.5	2,348,051
Total fixed assets	4,077,837	3,070,373	(1,007,463)	-24.7	3,644,637
Total assets	9,794,569	10,610,616	816,046	8.3	9,194,327

Item	Quarterly period ended September 2004	Quarterly period ended September 2005	Year-on-year comparison		(Reference) Fiscal 2004
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)	Change (%)	Amount (thousands of yen)
(Liabilities)					
I. Current liabilities					
1. Accounts payable	459,215	301,060	(158,155)	-34.4	183,270
2. Short-term borrowings	750,000	1,050,000	300,000	40.0	650,000
3. Long-term borrowings due within one year	566,000	468,000	(98,000)	(17.3)	566,000
4. Reserve for quality assurance	30,000	130,000	100,000	333.3	45,000
5. Accrued income taxes	69,104	671,337	602,233	871.5	51,222
6. Other	774,262	860,781	86,518	11.2	618,361
Total current liabilities	2,648,583	3,481,179	832,596	31.4	2,113,854
II. Non-current liabilities					
1. Long-term borrowings	468,000	–	(468,000)	-100.0	468,000
Total non-current liabilities	468,000	–	(468,000)	-100.0	468,000
Total liabilities	3,116,583	3,481,179	364,596	11.7	2,581,854
(Minority interests)					
Minority interests	–	–	–	–	–
(Shareholders' equity)					
I. Common stock	1,421,815	1,421,815	–	–	1,421,815
II. Additional paid-in capital	2,495,772	2,495,772	–	–	2,495,772
III. Consolidated retained earnings	3,189,517	3,821,652	632,134	19.8	3,292,773
IV. Net unrealized gain on available-for-sale securities	455,049	446,195	(8,854)	-1.9	366,756
V. Foreign currency translation adjustments	218	(20)	(239)	-109.3	(1,787)
VI. Treasury stock	(884,387)	(1,055,978)	(171,591)	19.4	(962,857)
Total shareholders' equity	6,677,986	7,129,436	451,450	6.8	6,612,473
Total liabilities, minority interests and shareholders' equity	9,794,569	10,610,616	816,046	8.3	9,194,327

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

Item	Quarterly period ended September 2004	Quarterly period ended September 2005	Year-on-year comparison		(Reference) Fiscal 2004
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)	Change (%)	Amount (thousands of yen)
I. Net Sales	7,230,693	7,668,986	438,292	6.1	9,364,232
II. Cost of sales	4,052,779	3,973,904	(78,875)	-1.9	5,078,205
Gross Profit	3,177,913	3,695,081	517,168	16.3	4,286,026
III. Selling, general and administrative expenses	2,605,658	2,308,894	(296,763)	(11.4)	3,397,381
1. Officers' remuneration	127,885	146,405	18,520	14.5	141,760
2. Salaries and bonuses	1,196,859	1,050,258	(146,600)	-12.2	1,689,158
3. Employee training expenses	96,838	83,435	(13,403)	-13.8	107,753
4. Research & development expenditures	271,500	291,672	20,172	7.4	330,262
5. Depreciation	102,559	99,795	(2,763)	-2.7	148,472
6. Recruitment expenses	135,868	44,952	(90,915)	-66.9	152,657
7. Other	674,148	592,375	(81,773)	-12.1	827,316
Operating Income	572,254	1,386,186	813,932	142.2	888,645
IV. Non-operating income	14,457	18,139	3,681	25.5	17,670
1. Interest income	798	15,012	14,213	1,779.0	1,318
2. Dividend income	3,724	750	(2,973)	-79.8	6,129
3. Other	9,934	2,375	(7,558)	-76.0	10,222
V. Non-operating expenses	40,780	66,508	25,727	63.1	61,543
1. Interest expenses	15,590	7,984	(7,605)	-48.8	16,118
2. Equity in loss of non-consolidated subsidiaries & affiliates	24,362	57,311	32,948	135.2	43,898
3. Other	827	1,212	385	46.6	1,527
Ordinary Income	545,931	1,337,817	791,885	145.1	844,772

Item	Quarterly period ended September 2004	Quarterly period ended September 2005	Year-on-year comparison		(Reference) Fiscal 2004
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)	Change (%)	Amount (thousands of yen)
VI. Extraordinary income	325,385	639,289	313,903	96.5	410,935
1. Gains on sale of investment securities	313,626	639,289	325,662	103.8	399,176
2. Reversal of allowance for losses on restructuring	11,759	—	(11,759)	-100	11,759
VII. Extraordinary losses	237,099	447,390	174,290	63.8	505,711
1. Losses on disposal of fixed assets	—	1,584	1,584	—	—
2. Losses on devaluation of investment securities	3,127	—	(3,127)	-100.0	3,127
3. Office relocation expenses	27,864	—	(27,864)	-100.0	27,864
4. Losses on contract cancellation	198,000	12,249	(185,750)	-93.8	198,000
5. Depreciation costs for software	44,107	357,796	313,662	711.1	267,359
6. Losses on disposal of software	—	62,564	62,564	—	9,360
7.. Losses on restructuring of business	—	13,221	13,221	—	—
Net income before taxes for the period	598,217	1,529,715	931,498	155.7	749,996
Corporate, residential and enterprise taxes	245,230	688,372	443,141	180.7	291,573
Quarterly net income	352,986	841,343	488,357	138.4	458,423

### 3. (Summary) Quarterly Period Consolidated Statements of Retained Earnings

	Quarterly period ended September 2004	Quarterly period ended September 2005	(Reference) Fiscal 2004
Item	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)
<b>(Additional paid-in capital)</b>			
I. Balance at the beginning of the period	2,495,772	2,495,772	2,495,772
II. Balance at the end of the period	2,495,772	2,495,772	2,495,772
<b>(Retained earnings)</b>			
I. Balance at the beginning of the period	3,208,882	3,292,773	3,208,882
II. Increase in retained earnings			
1. Net income for the period	352,986	841,343	458,423
III. Decrease in retained earnings			
1. Dividends	316,248	312,465	316,248
2. Reduction in retained earnings in association with decreased consolidated subsidiaries	27,037	—	29,217
3. Reduction in retained earnings in association with decreased equity-method affiliates	29,066	—	29,066
IV. Balance at the end of the period	3,189,517	3,821,652	3,292,773

#### 4. (Summary) Quarterly Consolidated Statements of Cash Flows

Item	Quarterly period ended September 2004	Quarterly period ended September 2005	(Reference) Fiscal 2004
	Amount (thousands of yen)	Amount (thousands of yen)	Amount (thousands of yen)
I. Cash flows from operating activities:			
Net income before taxes	598,217	1,529,715	749,996
Depreciation and amortization	396,331	613,762	786,198
Increase (decrease) in allowance for doubtful accounts	9	9,024	9
Increase (decrease) in reserve for quality assurance	(84,000)	85,000	(69,000)
Earned interest and dividends	(4,523)	(15,763)	(7,447)
Interest expenses	15,590	7,984	16,118
Foreign exchange gains (losses)	(5,132)	679	(5,132)
Losses on restructuring of business	—	13,221	—
Equity in income (losses) of subsidiaries & affiliates	24,362	57,311	43,898
Losses on disposal of tangible fixed assets	10,978	1,584	10,978
Losses on disposal of software	—	62,564	9,360
Gains (losses) on sale of investment securities	(313,626)	(639,289)	(399,176)
Losses on devaluation of investment securities	3,127	—	3,127
Increase (decrease) in accounts receivable	(88,235)	(599,425)	211,551
Increase (decrease) in inventories	(1,052)	38,845	(2,222)
Increase (decrease) in other assets	(30,013)	2,589	(36,785)
Increase (decrease) in accounts payable	78,420	117,790	(197,525)
Increase (decrease) in other liabilities	223,255	220,076	76,107
Subtotal	823,711	1,427,982	1,190,056
Interest and dividends received	4,534	6,743	7,453
Interest paid	(16,942)	(10,062)	(17,582)
Income and other taxes	(644,823)	(166,863)	(645,031)
Net cash provided by (used in) operating activities	166,479	1,257,799	534,895
II. Cash flows from investing activities:			
Purchase of tangible fixed assets	(69,805)	(66,136)	(86,518)
Acquisition of intangible fixed assets	(638,415)	(70,696)	(777,937)
Purchase of investment securities	(158,581)	(66,297)	(171,182)
Proceeds from sale of investment securities	2,314,548	890,215	2,443,848
Net increase in deposit guarantees	—	—	(747)
Proceeds from collection of deposit guarantees	80,326	1,200	80,326
Increase in short term loans	—	—	(300,000)
Purchase of golf club memberships	—	(10,000)	—
Net cash provided by (used in) investing activities	1,528,072	678,286	1,187,789
III. Cash flows from financing activities:			
(Decrease) increase in short-term borrowings	(150,000)	400,000	(250,000)
Repayment of long-term borrowings	(566,000)	(566,000)	(566,000)
Purchase of treasury stock	(235,392)	(93,121)	(313,862)
Dividends paid	(315,919)	(311,906)	(316,397)
Net cash provided by (used in) financing activities	(1,267,311)	(571,027)	(1,446,259)
IV. Effect of exchange rate changes on cash and cash equivalents	3,155	949	5,893
V. Increase (decrease) in cash and cash equivalents	430,395	1,366,007	282,319
VI. Cash and cash equivalents at beginning of the period	3,579,241	3,822,079	3,579,241
VII. Decrease in cash and cash equivalents due to removal of a subsidiary from consolidated financial statement	(39,482)	—	(39,482)
VIII. Cash and cash equivalents at end of the period	3,970,155	5,188,086	3,822,079

## 5. Segment information

### [Business segment information]

The Group does not engage in any business other than IT-related consulting services.

### [Geographical segment information]

During the previous and current three-month period, domestic operations accounted for more than 90% of consolidated sales. Geographical segment information is therefore omitted.

### [Overseas sales]

During the previous and current three-month period, sales from overseas operations accounted for less than 10% of consolidated sales. Overseas sales information is therefore omitted.

## 6. Production, Orders Received and Sales

### (1) Production

(Unit: thousands of yen)

Function	Quarterly period ended September 2004 (January 1, 2004 - September 30, 2004)		Quarterly period ended September 2005 (January 1, 2005 - September 30, 2005)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
IT consulting services	3,342,432		3,583,232	
Hardware and other procurement services	711,400		429,777	

Note: For IT consulting services, amounts are stated at cost. For hardware and other procurement services, amounts are stated at cost or cost of purchase

### (2) Orders received (Outstanding contracts)

(Unit: thousands of yen)

Function	Quarterly period ended September 2004 (January 1, 2004 - September 30, 2004)		Quarterly period ended September 2005 (January 1, 2005 - September 30, 2005)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
IT consulting services	6,347,447	1,495,387	8,221,832	2,582,498
Hardware and other procurement services	852,975	34,881	503,657	55,500
Total	7,200,422	1,530,268	8,725,489	2,637,998

### (3) Sales

(Unit: thousands of yen)

Function	Quarterly period ended September 2004 (January 1, 2004 - September 31, 2004)		Quarterly period ended September 2005 (January 1, 2005 - September 31, 2005)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
IT consulting services	6,409,658		7,215,209	
Hardware and other procurement services	821,035		453,776	
Total	7,230,693		7,668,986	