

## I. Income Statement (Non-consolidated)

Q1. Tell us about the Company's trends in sales.

A1. (Unit: millions of yen)

|  | FY2004 | FY2005 | Change from the previous year |
|--|--------|--------|-------------------------------|
| Net sales                                  | 9,267  | 10,846 | 17.0%                         |
| IT consulting services                     | 8,378  | 10,168 | 21.4%                         |
| Procurement services for hardware, etc.    | 889    | 677    | -23.9%                        |
| Sales per consultant                       | 19.0   | 24.9   | 31.1%                         |
| Average number of consultants              | 489    | 452    | -7.6%                         |
| Number of customers during the fiscal year | 104    | 112    | 7.7%                          |
| Sales per project                          | 89     | 97     | 9.0%                          |

Q2. Which cost of sales changed substantially?

A2. The following costs did: (Unit: millions of yen)

| Item                                  | FY2004 | FY2005 | Change from the previous year | Major reason for the change  |
|---------------------------------------|--------|--------|-------------------------------|--|
| Labor expenses                        | 2,021  | 2,663  | 31.8%                         | Rise in the operating rate of projects   |
| Subcontract expenses                  | 1,202  | 1,348  | 12.2%                         | Active use of external partners  |
| Transportation and traveling expenses | 364    | 341    | -6.3%                         | Decrease in number of projects in remote places and effects of cost reducing efforts |

Q3. Which items changed notably among selling, general and administrative expenses?

A3. The following items did:

| Item                                  | FY2004 | FY2005 | Change from the previous year | Major reason for the change   |
|---------------------------------------|--------|--------|-------------------------------|---|
| Personnel expenses                    | 1,686  | 1,451  | -13.9%                        | The level of sales promotion activities, which were aggressively implemented in fiscal 2004, returned to normal |
| Research and development expenses     | 330    | 676    | 104.9%                        | Increase in testing and research activities for financial-related businesses                                    |
| Transportation and traveling expenses | 141    | 122    | -13.5%                        | Decrease in sales promotion activities  |

Note: To distinguish between "Cost of sales" and "Selling, general and administrative expenses," the Company shifted direct expenses, including personnel expenses for consultants who are not assigned to a project, to "Selling, general and administrative expenses" from "Cost of sales."

Q4. What is the major component of extraordinary income?

A4. Gains on sale of investment securities (totaling ¥569 million for two issues).

Q5. What is the breakdown of extraordinary losses?

A5. They consist of the following items (unit: millions of yen).

Depreciation costs for software: 357, Losses on devaluation of investment securities: 122

Losses on disposal of software: 62, Provision of allowance for doubtful accounts: 30,

Losses on restructuring: 13, Losses on contract cancellation: 12

## II. Balance Sheets (Non-consolidated)

**Q6.** What is the reason for the increase in “cash and cash equivalents”?

(“Cash and cash equivalents” rose to ¥4,561 million as of the end of December 2005, from ¥3,721 million at the end of December 2004) Net increase: ¥840 million

**A6.** The increase is due to a rise in net income and sales of investment securities.

**Q7.** What is the reason for the decrease in “Software”?

(“Software” fell to ¥408 million as of the end of December 2005, from ¥969 million at the end of December 2004) Net decrease: ¥561 million

**A7.** The decrease is due to the depreciation of software for sale (¥357 million) as a result of the conservative review of plans to sell software.

**Q8.** How about the reasons for the decline “short-term borrowings and long-term borrowings”?

(“Short-term borrowings and long-term borrowings” fell to ¥468 million as of the end of FY2005, from ¥1,684 million at the end of FY2004) Net decrease: ¥1,216 million

**A8.** The decline is due to the complete repayment of short-borrowings (650 million) and the repayment of long-term borrowings (¥566 million) in accordance with relevant agreements.

## III. Employees (Non-consolidated)

**Q9.** What is the average number of consultants?

**A9.** (persons)

|                               | FY2004 | FY2005 |
|-------------------------------|--------|--------|
| Average number of consultants | 489    | 452    |

**Q10.** What are the average age of employees and their average number of years of service?

**A10.**

|                                    | FY2004 | FY2005 |
|------------------------------------|--------|--------|
| Average age                        | 32.3   | 32.7   |
| Average number of years of service | 3.4    | 4.0    |

**Q11.** What are the average sales and average value-added per consultant?

**A11.** (Unit: millions of yen)

|                                    | FY2004 | FY2005 |
|------------------------------------|--------|--------|
| Sales                              | 9,267  | 10,846 |
| Purchase amount                    | 768    | 577    |
| Subcontract expenses               | 1,202  | 1,348  |
| Balance: value-added*              | 7,297  | 8,921  |
| Average number of consultants      | 489    | 452    |
| Average sales per consultant       | 19.0   | 24.9   |
| Average value-added per consultant | 14.9   | 19.7   |

\*Value-added = Sales - Purchase amount - Subcontract expenses

## IV. Consolidated Earnings

Q12. Why did consolidated earnings improve more than non-consolidated earnings?

A12. Because consolidated subsidiaries moved into the black and the Company sold underperforming equity-method affiliates.

## V. Policy for Returning Profits to Shareholders

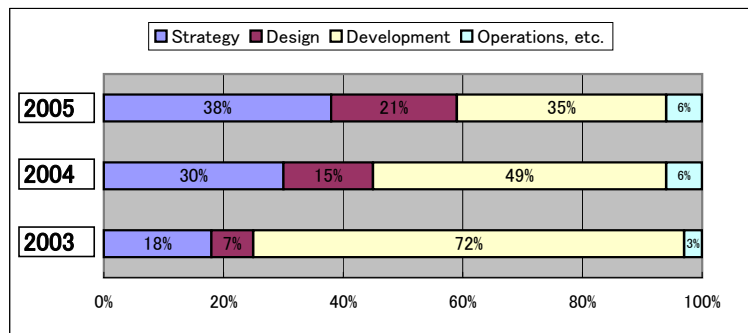
Q13. What is the policy for returning profits to shareholders?

A13. Dividends are paid at the end of every fiscal year, taking into account earnings results for the term. For the fiscal year under review, earnings results for the entire year exceeded the forecast, and hence we plan to propose an agenda at the general meeting of shareholders to raise the payment of dividends per share to ¥2,700 (payout ratio: about 31%), ¥400 more than the dividend payment forecast announced. We executed a stock split (4-for-1) with January 31, 2006 as the record date. The split has no effects on total dividend payouts for fiscal 2005. Accordingly, the dividend payment resulting from the split will be ¥675, one fourth of ¥2,700.

## VI. Others

Q14. What is the sales composition by project phase?

A14. The sales composition is as shown below.



Q15. What is the classification of shareholders?

A15. The breakdown is as shown on the right.

