

October 23, 2007

Future Architect, Inc.
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Notice of Merger with Subsidiaries and Merger Among Subsidiaries

The Future Architect Group will review and reorganize the ERP business for small and midsize companies provided by the former Woodland Group, and integrate SWaN Corporation and Wiseware Co., Ltd. into Future Architect in order to effectively share personnel and other management resources between the ERP business and the IT Consulting Business. Meanwhile, Elm Corporation, Future Architect's consolidated subsidiary, resolved to absorb Fit Corporation; Mthink Co., Ltd.; Maple Inc.; and Triple-W Corporation, which are all consolidated subsidiaries of Future Architect, on December 31, 2007, as described below.

I. Future Architect's merger with SWaN and Wiseware

1. Purpose of merger

The Future Architect Group will review and reorganize the ERP business for small and midsize companies provided by the former Woodland Corporation group, and integrate SWaN Corporation and Wiseware Co., Ltd. into Future Architect in order to effectively share personnel and other management resources between the ERP business and the IT Consulting Business.

2. Outline of merger

(1) Schedule of merger

Board of directors meeting for merger resolution	October 23, 2007
Conclusion of merger contract	October 23, 2007
Date of the merger (effective date)	December 31, 2007 (planned)

Note: Future Architect will not hold a general meeting of shareholders to approve the merger, as the merger falls under a simplified merger provided in Article 796, Paragraph 3 of the Corporation Law of Japan; and SWaN and Wiseware will not hold a general meeting of shareholders to approve the merger as it falls under an informal merger provided in Article 784, Paragraph 1 of the Corporation Law.

(2) Method of merger

The merger will be an absorption-type merger, in which Future Architect will be the surviving company and SWaN and Wiseware will be absorbed.

(3) Ratio of merger

Future Architect owns 100% of the shares issued by the merged companies SWaN and Wiseware, and no new shares will be issued in connection with this merger, nor will capital be increased.

(4) Handling of stock acquisition rights and bonds with stock acquisition right of the absorbed companies
Stock acquisition rights of SWaN will be cancelled on the effective date of the merger. There are no applicable items to Wiseware.

3. Outline of parties involved in merger (as of October 23, 2007)

Trade name	Future Architect, Inc. (surviving company)	SWaN Corporation (absorbed company)	Wiseware Co., Ltd. (absorbed company)
Business	IT consulting services which provide clients with optimal solutions by establishing future value-added systems that freely use advanced IT and feature high quality, flexibility and expandability	Development and sales of enterprise resource planning (ERP) packages "NewRRR" for midsize companies, and provision of education services	Provision of total solutions services, mainly "NewRRR", an ERP package for midsize companies
Establishment	November 28, 1989	April 5, 2001	April 17, 2001
Head office	1-2-2 Osaki, Shinagawa-ku, Tokyo	1-2-2 Osaki, Shinagawa-ku, Tokyo	1-2-2 Osaki, Shinagawa-ku, Tokyo
Representative	Yasufumi Kanemaru, Chairman & CEO Shin Yanunobe, President & COO	Shin Yasunobe, President	Shin Yasunobe, President
Capital	1,421,815 thousand yen	336,060 thousand yen	137,200 thousand yen
Total number of issued shares	476,640 shares	6,542 shares	2,744 shares
Net assets (as of June 30, 2007)	8,779,375 thousand yen	132,619 thousand yen	106,822 thousand yen
Total assets (as of June 30, 2007)	11,767,664 thousand yen	394,052 thousand yen	248,973 thousand yen
Book closing date	December 31	December 31	December 31
Number of employees (as of June 30, 2007)	594	7	31
Major customers	Sagawa Express Co., Ltd.; Shizuoka Bank, Ltd.; and Zennishoku Chain	Future Architect, Inc.; Wiseware Co., Ltd.; and NTT Communications Corporation	Sato Metal Trading Co., Ltd.; Nihon Garter Co., Ltd.; and Fujitsu Limited
Major shareholders and shareholding ratios (as of June 30, 2007 for the surviving company only)	Yasufumi Kanemaru: 41.9% Key West Network: 5.4% Japan Trustee Service Bank, Ltd.: 2.6%	Future Architect, Inc.: 100.0%	Future Architect, Inc.: 100.0%
Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd.; Mizuho Bank, Ltd.; and Sumitomo Mitsui Banking Corporation	Development Bank of Japan; The Bank of Tokyo-Mitsubishi UFJ, Ltd.; and Sumitomo Mitsui Banking Corporation	Mizuho Bank, Ltd.
Relationship between the parties	Capital	The surviving company owns 100.0% of the absorbed company's shares	The surviving company owns 100.0% of the absorbed company's shares
	Personnel	One director of the surviving company also serves as director of the absorbed company	One director of the surviving company also serves as director of the absorbed company
	Transactions	The surviving company licenses development tools to the absorbed company	Not applicable
	Applicable relations with related parties	Not applicable	Not applicable

Operating results for the past three years

Future Architect, Inc. (surviving company) (consolidated)			
Fiscal year	Year ended December 2004	Year ended December 2005	Year ended December 2006
Net sales (thousand yen)	9,364,232	10,957,381	15,261,499
Operating income (thousand yen)	888,645	1,863,031	2,754,217
Ordinary income (thousand yen)	844,772	1,809,921	2,741,047
Net income (thousand yen)	458,423	1,171,239	1,525,062
Net income per share (yen)	3,926.00	10,131.31	3,331.45
Dividends per share (yen)	2,700.00	2,700.00	950.00
Net assets per share (yen)	57,138.06	65,820.54	14,664.38

SWaN Corporation (absorbed company) (non-consolidated)			
Fiscal year	Year ended March 2005	Year ended March 2006	Year ended December 2006
Net sales (thousand yen)	161,897	185,420	135,514
Operating income (thousand yen)	937	5,542	(28,997)
Ordinary income (thousand yen)	3,622	5,845	(31,637)
Net income (thousand yen)	1,441	2,570	(109,407)
Net income per share (yen)	303.51	467.74	(16,723.89)
Dividends per share (yen)	—	—	—
Net assets per share (yen)	69,181.85	80,755.81	64,031.91
Wiseware Co., Ltd. (absorbed company) (non-consolidated)			
Fiscal year	Year ended March 2005	Year ended March 2006	Year ended December 2006
Net sales (thousand yen)	130,491	77,391	125,945
Operating income (thousand yen)	10,995	12,437	(58,750)
Ordinary income (thousand yen)	(15,666)	13,127	(58,729)
Net income (thousand yen)	(17,782)	13,190	(38,565)
Net income per share (yen)	(88,912.52)	65,952.07	(26,199.63)
Dividends per share (yen)	—	—	—
Net assets per share (yen)	16,020.18	71,578.26	59,277.66

Notes:

1. Future Architect conducted a 4-for-1 stock split on February 1, 2006.
2. SWaN increased capital through a third-party allocation on October 27, 2005, issuing 1,792 new shares.
3. Wiseware took over the ERP Division of Woodland Corporation on October 1, 2006 through a corporate spin-off. In relation to this, Wiseware issued 2,544 new shares on the same day.
4. With respect to the fiscal year ended December 2006, SWaN and Wiseware posted operating results for only nine months because of the change in their fiscal year-end to December from March.

4. Status following merger

(1) Trade name	Future Architect, Inc.
(2) Business	IT consulting services which provide clients with optimal solutions by establishing future value-added systems that freely use advanced IT and feature high quality, flexibility and expandability
(3) Head office	1-2-2 Osaki, Shinagawa-ku, Tokyo
(4) Representative	Yasufumi Kanemaru, Chairman & CEO Shin Yanunobe, President & COO
(5) Capital	1,421,815 thousand yen
(6) Net assets	8,750,000 thousand yen (estimate)
(7) Total assets	12,000,000 thousand yen (estimate)
(8) Book closing date	December 31
(9) Summary of accounting treatment	In terms of corporate accounting, this merger is classified as a transaction under common control. Goodwill is unlikely to arise
(10) Effect of the merger on operating results	In connection with the merger, there will be no revision to our earnings forecast

II. Elm's merger with Fit, Mthink, Maple and Triple-W

1. Purpose of merger

With respect to the operations solutions business provided by the former Woodland Corporation group, centering on sales management systems and ASP accounting systems for small and midsize companies, we will integrate group firms, which are independently running each operation of the business, into Elm Corporation, our core subsidiary, to concentrate and strengthen our market appeal and sales capabilities.

Fit Corporation and Mthink Co., Ltd. will be also integrated into Elm, in order to make management resources more efficient and effectively use such resources. Solution East Corporation will be removed from the merger list, in view of its business scale and the merger's benefits, although it was included in the companies to be merged in the "Notice of Reorganization of Future Architect Group" announced on July 31, 2007.

2. Outline of merger

(1) Schedule of merger

Board of directors meeting for merger resolution	October 23, 2007
Conclusion of merger contract	October 23, 2007
Record date for general shareholders meeting (four companies)	November 15, 2007 (planned) (Note)
General shareholders meeting for merger approval (four companies)	November 26, 2007 (planned) (Note)
Date of the merger (effective date)	December 31, 2007 (planned)

Note: Maple Inc. will not hold a general meeting of shareholders to approve the merger as the merger falls under an informal merger provided in Article 784, Paragraph 1 of the Corporation Law.

(2) Method of merger

An absorption-type merger in which Elm will be the surviving company and Fit, Mthink, Maple and Triple-W will be absorbed.

(3) Ratio of merger

Company	Elm Corporation (surviving company)	Fit Corporation (absorbed company)
Merger ratio	1	0.348

Notes:

1. Share allocation ratio

For each Fit Corporation share, 0.348 shares in Elm Corporation will be allocated. No shares will be allocated for each share of Maple Inc. and Triple-W Corporation. Shares will not be allocated to Mthink Co., Ltd. because Elm will absorb Mthink and make it a wholly owned subsidiary after buying, by the day before the effective date of the merger, Mthink's shares that are held by minority shareholders. If Elm fails to make such purchase by the said day the merger will not be implemented.

2. New shares to be issued in merger

Elm will issue 1,026 shares of common stock to the shareholders of Fit, but issuance of additional shares in relation to the merger has yet to be determined.

(4) Basis of calculation of items such as merger ratio

The surviving company (Elm) consulted with each of the absorbed companies (Fit, Mthink, Maple and Triple-W) on the method for calculating the merger ratio. As a result, we agreed to use the book value of net assets and determined the merger ratio shown above.

(5) Handling stock acquisition rights and bonds with stock acquisition rights of the absorbed companies
Not applicable.

3. Outline of parties involved in merger (as of October 23, 2007)

Trade name	Elm Corporation (surviving company)	Fit Corporation (absorbed company)	Mthink Co., Ltd. (absorbed company)
Business	Development and sales of operations support systems by industry for small and midsize companies, such as Type-p/REX, the backbone system SOLViT and the EOS system, and provision of related support services	Establishment of open systems that are based on RRR and FMMAx, and EC websites, as well as sales of group's products on an OEM basis	Development of software, centering on RRR series
Establishment	October 1, 2002	July 7, 2000	August 1, 1994
Head office	3-28-13 Shibuya, Shibuya-ku, Tokyo	2-2-8 Hirano-machi, Chuo-ku, Osaka	1-3-14 Kitahama, Chuo-ku, Osaka
Representative	Satoru Tahara, President	Toyokazu Kawata, President	Naoyuki Mori, President
Capital	200,000 thousand yen	147,500 thousand yen	13,000 thousand yen
Total number of issued shares	4,000 shares	2,950 shares	240 shares
Net assets (as of June 30, 2007)	540,454 thousand yen	138,760 thousand yen	38,555 thousand yen
Total assets (as of June 30, 2007)	875,501 thousand yen	209,474 thousand yen	70,736 thousand yen
Book closing date	December 31	December 31	December 31
Number of employees (as of June 30, 2007)	81	19	11
Major customers	Fujitsu Limited, TKC Corporation and UFJ Central Leasing Co., Ltd.	Future Architect, Inc.; Fujitsu Limited; and Century Leasing System, Inc.	Elm Corporation; Fit Corporation; and Elmos Co., Ltd.
Major shareholders and shareholding ratios	Future Architect, Inc.: 100.0%	Future Architect, Inc.: 63.1% Softcreate Co., Ltd.: 33.9% Toyokazu Kawata: 1.7%	Elm Corporation: 50.0% Naoyuki Mori: 50.0%
Main banks	Sumitomo Mitsui Banking Corporation	Mizuho Bank, Ltd.	Sumitomo Mitsui Banking Corporation
Relationship between the parties	Capital	Not applicable	The surviving company owns 50% of the absorbed company's shares
	Personnel	Not applicable	Not applicable
	Transactions	Not applicable	The surviving company consigns development of systems to the absorbed company
	Applicable relations with related parties	Not applicable	Not applicable

Operating results for the latest three years

Elm Corporation (surviving company)			
Fiscal year	Year ended March 2005	Year ended March 2006	Year ended December 2006
Net sales (thousand yen)	1,363,779	1,481,076	905,805
Operating income (thousand yen)	174,574	190,504	13,859
Ordinary income thousand yen)	175,593	192,392	15,587
Net income (thousand yen)	104,363	106,585	(22,263)
Net income per share (yen)	26,090.92	26,646.49	(5,565.86)
Dividends per share (yen)	5,000.00	5,000.00	9,000.00
Net assets per share (yen)	113,082.91	134,729.39	120,163.52

Fit Corporation (absorbed company)			
Fiscal year	Year ended March 2005	Year ended March 2006	Year ended December 2006
Net sales (thousand yen)	567,416	620,762	448,012
Operating income (thousand yen)	1,358	3,618	741
Ordinary income (thousand yen)	1,011	3,416	665
Net income (thousand yen)	14,445	1,755	6,430
Net income per share (yen)	7,407.70	741.74	2,479.77
Dividends per share (yen)	—	—	—
Net assets per share (yen)	40,436.60	44,273.50	46,453.27
Mthink Co., Ltd. (absorbed company)			
Fiscal year	Year ended December 2004	Year ended December 2005	Year ended December 2006
Net sales (thousand yen)	131,110	112,682	113,642
Operating income (thousand yen)	4,348	4,138	3,641
Ordinary income (thousand yen)	4,499	4,589	2,829
Net income (thousand yen)	3,165	3,144	1,884
Net income per share (yen)	13,190.62	13,100.59	7,852.58
Dividends per share (yen)	10,000.00	—	10,000.00
Net assets per share (yen)	161,738.48	164,839.07	167,691.64

Trade name	Maple Inc. (absorbed company)	Triple-W Corporation (absorbed company)
Business	Sales of Type-p/REX to corporations and provision of related support services, mainly in the Chugoku region	Development of Web applications and operations of ASP services
Establishment	April 1, 1994	July 28, 2000
Head office	2-9-14 Hikari-machi, Higashi-ku, Hiroshima	3-28-13 Shibuya, Shibuya-ku, Tokyo
Representative	Atsuhiko Eikawa, President	Satoru Tahara, President
Capital	3,000 thousand yen	200,000 thousand yen
Total number of issued shares	600 shares	4,000 shares
Net assets (as of June 30, 2007)	-7,733 thousand yen	-44,686 thousand yen
Total assets (as of June 30, 2007)	24,318 thousand yen	93,636 thousand yen
Book closing date	December 31	December 31
Number of employees (as of June 30, 2007)	6	4
Major customers	Mitsubishi UFJ Lease & Finance Company Limited; Hirogin Lease Co., Ltd.; and Fuso Dentsu Co., Ltd.	Solution East Corporation; Broadleaf Co., Ltd.; and Cyber Solution, Inc.
Major shareholders and shareholding ratios	Elm Corporation: 96.7% Hiroshi Yuhara: 3.3%	Future Architect, Inc.: 100.0%
Main banks	Momiji Bank, Ltd.; The Chugoku Bank; and Sumitomo Mitsui Banking Corporation	Mizuho Bank, Ltd.
Relationship between the parties		
Capital	The surviving company owns 96.7% of the absorbed company's shares	Not applicable
Personnel	Two directors of the surviving company also serve as director of the absorbed company	One director of the surviving company also serves as director of the absorbed company
Transactions	The surviving company licenses software to the absorbed company	The surviving company consigns development of software to the absorbed company
Applicable relations with related parties	Not applicable	Not applicable

Operating results for the latest three years

Maple Inc. (absorbed company)			
Fiscal year	Year ended March 2005	Year ended March 2006	Year ended December 2006
Net sales (thousand yen)	67,012	62,197	68,159
Operating income (thousand yen)	9,020	2,952	6,036
Ordinary income (thousand yen)	8,095	2,029	5,399
Net income (thousand yen)	7,733	1,632	5,127
Net income per share (yen)	12,888.57	2,720.51	8,546.63
Dividends per share (yen)	—	—	—
Net assets per share (yen)	(22,163.73)	(19,443.22)	(10,896.58)
Triple-W Corporation (absorbed company)			
Fiscal year	Year ended March 2005	Year ended March 2006	Year ended December 2006
Net sales (thousand yen)	40,263	150,873	252,045
Operating income (thousand yen)	11,230	27,278	57,973
Ordinary income (thousand yen)	8,788	25,938	56,606
Net income (thousand yen)	36,718	11,192	(43,252)
Net income per share (yen)	9,179.39	2,798.09	(10,813.05)
Dividends per share (yen)	—	—	—
Net assets per share (yen)	39,205.97	42,004.06	31,191.01

Notes:

1. Fit increased capital through a third-party allocation on November 1, 2005, issuing 1,000 new shares.
2. Elm, Fit, Maple and Triple-W posted operating results for only nine months for the year ended December 2006, because of the change in their fiscal year-end to December from March.

4. Status following merger

(1) Trade name	Elm Corporation
(2) Business	Development and sales of operations support systems by industry for small and midsize companies, such as Type-P/REX, the backbone system SOLViT and the EOS system, and provision of related support services
(3) Head office	3-28-13 Shibuya, Shibuya-ku, Tokyo
(4) Representative	Satoru Tahara, President
(5) Capital	200,000 thousand yen
(6) Net assets	730,000 thousand yen (estimate)
(7) Total assets	1,250,000 thousand yen (estimate)
(8) Book closing date	December 31
(9) Summary of accounting treatment	In terms of corporate accounting, this merger is classified as a transaction under common control. Goodwill is unlikely to arise
(10) Effect of the merger on operating results	In connection with the merger, there will be no revision to our earnings forecast

- For inquiries about this notice from organizations such as news media, please contact:
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