

Press Release

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Company name: Future Architect, Inc.

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Announcement of consolidated earnings results for fiscal 2007

- Sales and ordinary income reach historical highs; dividends increased -

1. Consolidated earnings results for fiscal 2007

In fiscal 2007 (the period from Jan 1, 2007 – Dec 31, 2007), Future Architect registered consolidated sales of ¥25,018 million, an increase of 63.9% year on year. Ordinary income increased by 15.4%, to ¥3,162 million, while net income fell 16.8% year on year, to ¥1,268 million. The figures for both sales and ordinary income were new record highs for the company.

Based on these results, the company will submit the proposal to increase dividends per share from ¥850 per share, as announced at the time of its interim results statement, to ¥950 per share, upon its general shareholders' meeting for approval. The specific details of operations in fiscal 2007 are outlined below.

In the IT Consulting Business, orders remained brisk throughout the period. The company was able to expand its personnel resources through the hiring of high quality employees, including both new graduates and mid-career hires. Meanwhile, progress in employee training allowed Future Architect to keep operating ratios at a high level. The company is once again taking a look at its strategy for working with outside business partners. The talented personnel who were provided from core partners, as a result of this strategy, helped Future Architect improve delivery capabilities. In addition, the company has been accumulating useful experience in the management of large-scale projects. Together with efforts to standardize project flow methods, this has allowed the company to manage nearly all of its projects smoothly. As a result, sales in the IT Consulting Business increased 11.5% year on year, in fiscal 2007, to ¥17,013 million, while ordinary income rose 10.2%, to ¥3,021 million.

In the Package & Service Business, operation solutions and consigned development

work for small and medium-sized companies generated steady earnings, but the profitability of enterprise resource planning (ERP) and application service provider (ASP) operations weakened unexpectedly, forcing the company to reorganize several subsidiaries and restructure assets in these businesses. Total sales in this business totaled ¥4,675 million and ordinary income amounted to ¥99 million.

In the Corporate Revitalization Business, the company introduced a new management structure in the second half, and began taking steps to dramatically reorganize product management and store management activities. A large portion of the costs related to this restructuring program were booked in fiscal 2007, and as a result the business registered a ¥113 million ordinary loss, on sales of ¥3,476 million.

(January 2007 – November 2007)

2. Earnings forecasts for fiscal 2008

In the IT Consulting Business, we expect ongoing project to continue to proceed smoothly while work on new projects, which commenced in 2007, are expected to move into the development phase and begin making large-scale contributions to earnings. Therefore, we expect earnings in this division to remain healthy.

In other business segments, although it took quite a bit of time for the company to complete its consolidation, and for the restructuring efforts to begin to have an impact in the previous year, we think that, in this year, the earnings structure of the Package & Service Business is likely to improve, while the Corporate Revitalization Business begins to attract new clients, which should contribute to rising sales and profit levels.

On this basis, we expect sales to increase by 6.4% year on year, to ¥26,630 million. We expect a 12.9% increase in ordinary income, to ¥3,570 million, and 38.8% net income growth, to ¥1,760 million. Based on these earnings forecasts, the company expects to increase dividends per share to ¥1,100 in fiscal 2008.

	FY 2008 forecast	Year -on-year change	FY 2007 actual
Sales	¥26,630 mn	+6%	¥25,018 mn
Ordinary income	¥3,570 mn	+13%	¥3,162 mn
Net income	¥1,760 mn	+39%	¥1,268 mn

- Any questions relating to the above press release should be directed to:
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