

Press Release

Corporate name: Future Architect Inc.
Code: 4722, Tokyo Stock Exchange, Section 1
Representatives: Shin Yasunobe, President and COO
Contact: Naoto Konishi, Managing Director
(Tel: +81 3 5740 5721)

April 25, 2008

Announcement of Consolidated Operating Results for FY2008 1st Quarter

1. Consolidated operating results for the first quarter of FY2008

In the first quarter of fiscal 2008 (from January 1, 2008 to March 31, 2008), the Group posted consolidated net sales of ¥6,808 million (up 18.4% from the corresponding period of the previous year), marking a record high for any first quarter. Meanwhile, ordinary income decreased 10.1% year-on-year to ¥749 million, and net income declined 22.1% to ¥400 million.

Noteworthy events in the first quarter are as follows.

In the IT Consulting Business, order intake continued to be strong as it did in the previous term, because customers highly valued our know-how about open systems and downsizing, in which the Company has specialized since its foundation. In addition, some large projects entered the development phase, and our utilization rate remained high. Net sales from this business were ¥4,647 million, up 31.2% from the same quarter of the previous year. Meanwhile, to cope with an increase in orders received and a sharp rise in orders for development, we deployed sufficient resources at the early stage of projects, which temporarily and substantially raised our partner-related expenses. As a result, ordinary income increased 4.1% to ¥686 million.

With respect to the Package & Service Business, our subsidiary Ascendia Inc., a developer of systems based on Java and Web technologies, began to participate in the Company's projects on a full-scale basis, which indicates a clear synergy effect of our merger. Meanwhile, Elm Corporation saw its utilization rate decrease affected by organizational streamlining and personnel reassignments resulting from reorganization at the end of the previous year. Net sales from this business declined 15.5% year-on-year to ¥1,123 million. Ordinary income also plummeted 51.0% to ¥67 million because of an increase in expenses caused by relocating the head office and the reorganization.

In the Corporate Revitalization/New Operations Development Business, net sales rose sharply from the previous year and stood at ¥1,167 million, up 33.0% year-on-year,

reflecting the effects of store renovation. However, because of sales promotion expenses in relation to the renovation of the second store after our investment, we posted an ordinary loss of ¥56 million, compared with an ordinary loss of ¥18 million for the same quarter of the preceding year.

In the quarter under review, the Group added in-house venture company Zakura Inc. (<http://zakura.co.jp/>), whose scale is still small, to this business.

2. Earnings outlook

In the IT Consulting Business, we will deliver the backlog of projects on a full-scale basis, which is expected to steadily increase both sales and profits. Given that we have properly deployed personnel resources for each project, such factors as a temporary increase in outsourcing costs, which occurred during the first quarter, are likely to be corrected.

We expect earnings capabilities of the Package & Service Business to fully improve after the first half, as Elm Corporation's reorganization following the merger will have settled down. We forecast that the performance of other consolidated subsidiaries, Ascendia Inc. and Xebec Land Inc., will remain steady.

In the Corporate Revitalization/New Operations Development Business, Uoei Shoten Corporation will strive to attract more customers and increase sales through a continued reform of selling spaces, centering on renovated outlets, and to reduce costs and improve profitability by reforming the procurement process by studying the best purchasing method, selecting excellent suppliers, and enhancing price negotiation capabilities.

●Please direct inquiries about this press release to:

Investor Relations

Corporate Strategy Division,

Future Architect, Inc.

Direct line (IR Section): +81-3-5740-5724

E-mail: ir@future.co.jp

