

# Press Release

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## **Notice of Consolidated Earnings Results for the First Half of FY2008**

### **The Group Revises Projected Dividend Payments Upward in Response to Record-high Earnings.**

#### **1. Earnings Results for the First Half of FY2008**

For the first half of FY2008 (from January 1 through June 30, 2008), the Group posted consolidated net sales of ¥14,341 million, up 27.6% year-on-year, ordinary income of ¥1,733 million, up 39.6%, and net income of ¥972 million, up 199.1%, all figures significantly larger than those in the first half of the previous fiscal year.

Noteworthy events in the period under review are as follows:

In the IT Consulting Service Business, order intake continues to be strong and the consultant utilization rate remains high. Delivery is also favorably carried out. As a result, net sales of the IT Consulting Service Business soared 40.2% from a year earlier to ¥9,990 million. Operating income also grew 51.3% year-on-year to ¥1,656 million thanks to our company-wide reassessment of indirect expenses, which resulted in control of unnecessary expenditures and proactive investment in strategic projects.

In the Package & Service Business, while net sales decreased 3.3% year-on-year to ¥2,249 million due to readjustment of the software business of the former Woodland Corporation in the previous fiscal year, operating income increased significantly to ¥206 million, up 155.2%, mainly due to a decrease in depreciation expenses of software assets.

Performance in the individual sectors of the Package & Service Business is as follows. In the ERP business, which has been integrated into the head office of Future Architect, Inc. (hereinafter the “Company”), entry into the middle-range market is advancing due to sophistication of project management methods. In the consigned development business,

with collaborative projects with the head office accounting for over 20% of total projects, we are fixing our eyes on full-scale collaboration in the operations service sector. We maintained a steady order intake for customized sales of the sales management package software business for small and midsize companies.

The Corporate Revitalization Business/New Business Cultivation Business booked net sales of ¥2,325 million and an operating loss of ¥206 million. Though the capability to gather customers grew, purchasing prices skyrocketed as it was difficult to pass on the increases in cost to prices, as consumption expenditure slowed mainly due to sharp increases in petroleum and food prices.

## **2. Future Outlook**

In the IT Consulting Service Business, with uncertainty over Japan's economy mounting due to price hikes of raw materials and the aftereffect of the sub-prime mortgage crisis, we expect growing cost consciousness and an increase in demand for improvement in information system efficiency to further boost the need for Company services.

In the Package & Service Business, profitability is projected to fully improve starting in the first half of the fiscal year when adjustments after the merger will take a breather. We will also further enhance our entry into the midsize client market by supplementing the conventional package business with our project operation know-how.

In the Corporate Revitalization Business/New Business Cultivation Business, we will strive to raise profitability through review of trade terms with clients and improvement of efficiency by business reform, amid unfavorable conditions such as the economic stagnation and sluggish consumer spending due to high commodity prices.

As a result, for the full fiscal 2008 (from January 1 through December 31, 2008), we expect consolidated net sales to be ¥28,000 million, up 11.9% from the previous year, ordinary income to be ¥3,600 million, up 13.8% year-on-year, and net income to be ¥2,040 million, up 60.9%.

## **3. Upward Revision of Projected Dividend Payment**

Since we expect earnings to remain robust, we will revise our projected dividend payment for fiscal 2008 to ¥1,600 per share, up 45% from the previous year, from the initially announced ¥1,100

