

August 29, 2009

Corporate name: Future Architect Inc.
Code: 4722, Tokyo Stock Exchange, Section 1
Representative: Shin Yasunobe, President and COO
Contact: Shinji Yamamoto, Director, Executive Officer and
Manager of Corporate Strategy Division
(Tel: +81 3 5740 5721)

Notice on Signing of Contract for Business and Capital Alliances with SG HOLDINGS CO., LTD. and Disposition of Treasury Stock

The Company hereby announces that with regard to the “Notice on Business and Capital Alliances with SG HOLDINGS CO., LTD. (“SGH”),” released on May 28, 2009, the Board of Directors resolved at a meeting held on August 29, 2009, to sign a contract for the business and capital alliances under the letter of understanding concluded between the Company and SGH and to dispose of treasury stock through a third-party allocation to SGH as follows:

I. Business and capital alliances

1. Details of the business and capital alliances

(1) Business alliance

- 1) The business alliances is designed to create new businesses opportunities, enhance the competitiveness of both groups, and accelerate growth strategies by combining the SGH Group’s infrastructures and competitiveness in logistics sector and the Group’s digital network- and IT-related technologies and knowledge.
 - The know-how of both companies will put to the best possible use in the business domains of both companies to provide more efficient and effective services, reinforce competitiveness, ensure markets, and expand the business scale.
 - In logistics and other related fields in particular, both groups will plan and provide new services with higher added value together and further reinforce the overall customer infrastructure while enhancing competitiveness by making the SGH Group more IT-oriented.
 - The services and technologies of both corporate groups will be linked organically to unearth new customers and create new businesses to expand business domains.
- 2) The Company will proactively assist in the establishment and development of new SGH Group IT strategy infrastructure.
 - While pushing forward with the strategic utilization of a new core system being built currently, the Group will assist in the optimization of IT investments and reduction of IT costs in the SGH Group as a whole. The SGH Group plans to use the funds raised through these measures in strategic investments, including IT, to reinforce competitiveness and develop new fields.
- 3) We will strive to certainly and effectively attain the synergistic effects of this alliance by ensuring a strong link through support provided by the Company to the SGH Group’s IT subsidiaries in both human resources and technology.

- Shin Yasunobe, President and COO of the Company, will assume the position of President of SAGAWA COMPUTERSYSTEM CO., LTD. (“SCS”) (position held concurrently), and the Company will dispatch and second mid-standing/young leaders to SCS.

As for our efforts going forward, an IT Strategy Committee of core personnel of both groups will discuss and bring about the aforementioned items 1) and 2).

(2) Details of the capital alliance

- 1) The Company shall take over 1,000,000 outstanding shares of common stock of SGH (accounting for 0.78% of the total number of outstanding shares) from shareholders of the company through negotiated transaction.
- 2) SGH shall underwrite 20,000 shares of common stock held by the Company (accounting for 4.20% of the total number of outstanding shares) through disposition of treasury stock through a third-party allocation.

For further information, see II. Disposition of treasury stock

2. Schedule

Board Meeting	August 29, 2009
Signing contract for the business and capital alliances	August 29, 2009
Signing contract for the share transfer and contract for underwriting	August 29, 2009
Payment date, allocation of shares of the Company	September 14, 2009 (planned)
Purchase of shares of SGH	September 15, 2009 (planned)

3. Future outlook

Although effects of this strategic alliance on consolidated and non-consolidated business results are uncertain at this moment, they will be disclosed in an appropriate manner as the details become clearer.

II. Disposition of treasury stock

1. Outline of disposition

(1) Disposition date	September 14, 2009
(2) Number of shares to be disposed of	20,000 shares
(3) Disposition value	¥39,050 per share
(4) Amount of funds to be procured	¥781,000,000
(5) Disposition method	Third-party allocation
(6) Allottee	SG Holdings Co., Ltd.

2. Purpose of and reason for disposition

The disposition is aimed at mutual shareholding to build a relationship of mutual trust under the letter of understanding on business and capital alliances with SGH, signed recently, and further enhance this strategic alliance. To that end, the Company decided to allocate treasury shares it holds to SGH.

3. Amount and use of funds to be procured and scheduled time for expenditure

(1) Amount of funds to be procured (Estimated net proceeds)

¥781,000,000

(2) Specific use of funds to be procured

All the funds to be procured through the disposition of treasury stock are planned to be used as funds to purchase shares of SGH.

(3) Scheduled time for expenditure of funds to be procured

September 15, 2009 (planned)

4. Views on rationality of use of funds

The company believes that establishing and enhancing the relationship of mutual trust between the two companies through mutual shareholding will further ensure the promotion of this strategic alliance. Promoting this alliance will not only reinforce the business infrastructures of the Company but also bring about further development and improvement of corporate value of both parties through the creation of new services and businesses. Against this backdrop, we judge that the use of funds to be procured is rational.

5. Views on rationality of disposition terms

(1) Basis for calculation of disposition value and specific details

The company determined the disposition value to be ¥39,050, the closing price of the stock of the Company on the Tokyo Stock Exchange on the business day immediately before the day when the Board of Directors made a resolution on this disposition (August 28, 2009). The Company judges that a disposition value based on the latest market price is rational. The disposition value was decided after consultation between the Company and the allottee by comprehensively taking into consideration the financial situations and earnings forecasts of the Company as well as the business environment, stock markets, and other factors.

The Company believes that the basis for calculation of disposition value, mentioned above, conforms to the “Guidelines for the Handling of Capital Increases through Third-Party Allotments” issued by the Japan Securities Dealers Association. With regard to the decision on the disposition value in accordance with the aforementioned basis for calculation, all Corporate Auditors, including Outside Corporate Auditors, who took part in the meeting of the Board of Directors concerning the disposition of the said treasury stock, expressed their views to the effect that the decision is lawful.

(2) Basis for judging disposition quantity and scale of dilution of shares as rational

Since the number of shares to be disposed of accounts for 4.20% of the number of outstanding shares, the disposition will result in some dilution of shares. However, the Company judges that the quantity of shares to be disposed of and the scale of dilution are rational, since the shares to be disposed of will be held over the medium to long terms and this strategic alliance will contribute to improving the corporate value of the Company.

6. Reason for selection of the allottee

(1) Profile of the allottee (as of March 20, 2009)

(1) Name	SG Holdings Co., Ltd.
(2) Location	68 Tsunoda-cho, Kamitoba, Minami-ku, Kyoto
(3) Title/name of president	Eiichi Kuriwada, Chairman and President
(4) Business	Development and management of group business strategies
(5) Capital	¥11,383 million
(6) Established	March 21, 2006
(7) Number of outstanding	128,732,400 shares

shares	(Common stock: 106,732,400 shares; preferred stock: 22,000,000 shares)		
(8) Fiscal year end	March 20		
(9) Number of employees	44,624 (consolidated basis)		
(10) Major customers	Companies, government and public agencies, and individuals nationwide (consolidated basis)		
(11) Major banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd., Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.		
(12) Large shareholders and their ownership ratio	(Common stock) SG Holdings Group Employees' Shareholders Association: 30.5% Shinsei Kosan: 11.8% SG Holdings Group Directors' Shareholders Association: 9.0% (Preferred stock) SG Holdings Group Employees' Shareholders Association: 100%		
(13) Relationships between parties concerned	Capital relationships	Not applicable	
	Personnel relationships	The Company has dispatched one employee as a director to an affiliate of the relevant company. (Note)	
	Business relationships	The Company is commissioned to establish systems by two affiliates of the relevant company.	
	Relationships with related parties	Not applicable	
(14) Consolidated operating results and financial situations for the last three years			
Fiscal year end	March 20, 2007	March 20, 2008	March 20, 2009
Net assets (million yen)	179,839	117,040	117,983
Total assets (million yen)	620,390	552,399	530,426
Net assets per share(yen)	3,281.85	1,073.26	1,091.40
Operating revenue (million yen)	869,268	889,395	887,277
Operating income (million yen)	39,634	36,444	21,986
Ordinary income (million yen)	36,243	31,572	18,248
Net income (million yen)	18,537	(59,013)	4,188
Net income per share (yen)	345.69	(554.31)	37.68
Dividend per share (yen)	(Common stock)	(Common stock)	(Common stock)
	10.00	5.00	7.50
	(Preferred stock)	(Preferred stock)	(Preferred stock)
	11.00	5.50	8.00

Note: Two directors are dispatched as of August 29, 2009.

We confirmed that the allottee and directors and major shareholders of the said allottee have nothing to do with gangster organizations, and submitted a letter of confirmation to that effect to the Tokyo Stock Exchange.

(2) Reason for selecting the allottee

The Company has been trading with SAGAWA EXPRESS CO., LTD., a core company of the SGH Group, for several years. The Company judged that the two companies would be able to create new services and businesses together and build stable and continuous business infrastructures for the Company while continuing to trade and further their mutual relationship by integrating the distribution infrastructures and competitiveness of the SGH Group with the Company's technologies and knowledge of digital networks and IT. This strategic alliance has been formulated based on this judgment.

The aforementioned judgment is the reason why we selected SGH as the allottee.

(3) Shareholding policy of the allottee

With regard to the policy on holding shares to be disposed of, the allottee has told the Company that it intends to own the shares over the medium to long term.

The Company obtained the informal consent of SGH, the allottee, to signing of a letter of definite promise to the effect that if all or part of the said shares are transferred within two years from the share transfer date, the details, including the name, address of the party that took over the shares and the number of shares transferred, will be immediately reported to the Company, that the Company will report the details of the said report and other matters to the Tokyo Stock Exchange and that the details of the said report will be made open to public inspection.

(4) Details of confirmation of the existence of property of the allottee necessary for payment

We judge that the allottee will not lose its rights as shareholder, since the allottee has sufficient cash and deposits to pay the total disposition amount (¥781,000,000) based on the scale of net sales, total assets, net assets, and other items of the allottee.

7. Large shareholders and ownership after disposition

Before disposition (as of June 30, 2009)		After disposition	
Yasufumi Kanemaru	42.00%	Yasufumi Kanemaru	42.00%
The Company	8.39%	Key West Network	5.14%
Key West Network	5.14%	The Company	4.20%
Trust & Custody Services Bank, Ltd. (pension trust account)	2.82%	SG Holdings Co., Ltd.	4.20%
Japan Trustee Service Bank, Ltd. (trust account)	2.42%	Trust & Custody Services Bank, Ltd. (pension trust account)	2.82%
Japan Trustee Service Bank, Ltd. (trust account 4G)	2.38%	Japan Trustee Service Bank, Ltd. (trust account)	2.42%
Cross City	2.01%	Japan Trustee Service Bank, Ltd. (trust account 4G)	2.38%
Bunyan Blue	1.30%	Cross City	2.01%
Kunito Ishibashi	1.26%	Banyan Blue	1.30%
Hiroshi Moriyama	1.22%	Kunito Ishibashi	1.26%

8. Future outlook

The effects of this disposition of treasury stock on the consolidated and non-consolidated business results are not significant.

(Procedures concerning the Corporate Code of Conduct)

- Matters related to procedures concerning the Corporate Code of Conduct

This third-party allocation does not require the acquisition of views from an independent third party or procedures for confirming the will of the shareholders, which are provided for in Article 432 of the Securities Listing Regulations of the Tokyo Stock Exchange, since 1) its dilution ratio is less than 25% and 2) it does not involve changes in controlling shareholders.

9. Operating results and equity finance for the last three years

(1) Operating results for the last three years (consolidated basis)

Fiscal year end	December 31, 2006	December 31, 2007	December 31, 2008
Net sales	¥15,261 million	¥25,018 million	¥28,174 million
Operating income	¥2,754 million	¥3,046 million	¥2,598 million
Ordinary income	¥2,741 million	¥3,162 million	¥2,678 million
Net income	¥1,525 million	¥1,268 million	¥701 million
Net income per share	¥3,331.45 million	¥2,729.31	¥1,569.29
Dividend per share	¥950.00	¥950.00	¥1,600.00
Net assets per share	¥14,664.38	¥19,540.06	¥19,815.58

(2) Number of outstanding shares and number of latent shares as of this point in time (as of August 29, 2009)

	Number of shares	Ratio to the number of outstanding shares
Number of outstanding shares	476,640	100.0%
Number of latent shares at the conversion value (exercise value) as of this point in time	—	—%
Number of latent shares at the lower limit of the conversion value (exercise value)	—	—%
Number of latent shares at the lower limit of the conversion value (exercise value)	—	—%

(3) Recent stock prices

1) Stock prices for the last three years

	Year ended December 31, 2006	Year ended December 31, 2007	Year ended December 31, 2008
Opening price	¥492,000	¥100,000	¥56,000
High	¥626,000 □¥136,000	¥107,000	¥65,700
Low	¥422,000 □¥80,000	¥47,500	¥30,100
Closing price	101,000	¥59,500	¥35,000

Note: The Company executed a 4-for-1 stock split, with January 31, 2006 as the base date. The ex-rights stock prices after the stock splits are indicated with □.

2) Stock prices for the last six months

	February	March	April	May	June	July
Opening price	¥32,800	¥31,700	¥34,400	¥32,300	¥43,900	¥42,400
High	¥35,100	¥35,750	¥36,000	¥39,900	¥44,000	¥43,000
Low	¥29,100	¥29,800	¥31,000	¥31,500	¥39,900	¥38,000
Closing price	¥32,700	¥34,650	¥32,300	¥39,900	¥42,550	¥40,450

3) Stock price on the day before the day when the disposition was resolved

	August 28, 2009
Opening price	¥39,250
High	¥39,250
Low	¥39,000
Closing price	¥39,050

(4) Equity finance in the last three years

Not applicable

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

Investor Relations, Corporate Planning Division

Future Architect, Inc.

Phone: +81-3-5740-5724

E-mail: ir@future.co.jp