

Press Release

Company name: Future Architect, Inc.
Code: 4722, Tokyo Stock Exchange, Section 1
Representative: Shin Yasunobe, President & COO
Contact: Yoshihiko Nakajima, Executive Officer
(Tel.: +81-3-5740-5724)

Notice of Consolidated Earnings Results for Third Quarter of FY2010

1. Consolidated earnings results for the third quarter of fiscal 2010

Consolidated net sales of the Future Architect, Inc. Group for the first three quarters of fiscal 2010 (from January 1, 2010 to September 30, 2010) were ¥16,588 million, down 9.7% from the corresponding period of the previous fiscal year. Operating income decreased 3.1% to ¥2,012 million, ordinary income dropped 1.3% to ¥2,098 million and net income declined 4.7% to ¥1,103 million.

As stated above, both sales and profits for the period under review decreased from a year earlier. Earnings were robust in the first half of the previous fiscal year, and we expect earnings to recover in the second half of the current fiscal year. Actually, business conditions for the third quarter under review (July through September 2010) improved substantially, with net sales increasing 4.8% from the same quarter of the previous year, and operating income soaring 122.5%. Furthermore, compared with the immediately preceding quarter (April through June 2010), net sales for the third quarter under review rose 9.1% and operating income jumped 54.5%. This trend is almost the same as we projected initially and is forecast to continue in the fourth quarter.

Points to note about each business segment for the third quarter are as follows.

In the IT Consulting Business, our order acceptance recovered evidently in the second quarter thanks to our successful acquisition of new customers and other positive factors. In the third quarter, such recovery surely led to net sales increasing and our operating rate improved due to an increase in projects, resulting in operating income advancing. As a result, net sales in the third quarter were ¥3,531 million, up 4.7% from a year earlier, and operating income was ¥851 million, up 49.4%. Meanwhile, net sales in the first nine-month period decreased 12.2% to ¥10,397 million, and operating income dropped 8.2% to ¥1,995 million.

In the Packaging & Service Business, the custom software development business of Ascendia Inc.

continued to be steady, and earnings of ELM Corporation picked up gradually due to a strengthened sales strategy. This, however, failed to offset a decline of earnings in the first half. As a result, net sales were ¥3,140 million, down 5.1% from a year ago, and operating income was ¥28 million, down 36.7%.

In the Corporate Revitalization/New Operations Development Business, the grocery supermarket (Uoei Shoten Corporation), which constitutes a major part of the business, continuously benefited from enhanced competitiveness achieved by renovating old outlets, a streamlined sales strategy achieved by introducing IT, and reduced costs achieved by structuring. However, business performance was adversely affected by customers' refraining from going out shopping due to extremely hot weather and higher prices of some fresh produce. As a result, net sales decreased slightly by 0.8% year-on-year to ¥3,439 million, and operating loss was ¥30 million, compared with a ¥76 million loss a year ago.

2. Earnings outlook

The Japanese economy is not steady yet, affected by the yen's continued appreciation and other negative factors, and the future trend of IT investment remains uncertain. Under such circumstances, the Group's sales and profits for the first three quarters of the fiscal year under review decreased from the previous corresponding period. In the third quarter (July through September 2010), however, earnings began to rise markedly and continued to be almost as planned, because projects for new customers increased and a resultant rise in orders received steadily pushed up sales. Consequently, we will leave our earnings forecast for the full fiscal year ending December 2010 unchanged from our previous earnings forecast announced on July 29, 2010.

With regard to future issues, in the IT Consulting Business, we need to appropriately conduct and deliver projects in order to strengthen our trusting relationships with customers and further expand the business. At the same time, we need to control outsourcing costs that are increasing due to a rise in orders received. In the Package & Service Business, we consider it is important to develop potential customers by adopting every possible measure while taking advantage of our earnings hitting the bottom, and expand the market by releasing new products and services at an early date. In the Corporate Revitalization/New Operations Development Business (Uoei Shoten Corporation), we need to further improve operating efficiency and customer analysis capabilities through the use of information technologies, such as logistics BMS (the new EDI system) that was introduced in September, aiming to establish a more stable earnings structure.

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

Investor Relations,

Corporate Management Division,

Future Architect, Inc.

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

E-mail: ir@future.co.jp

