

Briefing Meeting on Financial Results for FY2011

February 9, 2012
Future Architect, Inc.

1. Earnings Results for FY2011

(Yuji Higashi, Executive Senior Vice President)

2. FY2012 Plan

(Yutaka Anma, Executive Senior Vice President)

3. Future Outlook and Targeting Future Growth

(Yasufumi Kanemaru, Chairman and CEO)

1. Earnings Results for FY2011

(Yuji Higashi, Executive Senior Vice President)

Earnings Highlights

1. Net sales: Increased despite negative growth ^(*1) of domestic IT market.
2. Operating income: Decreased due to booking of strategic costs for ensuring quality of large projects, developing new technologies, and expanding operations overseas as well as BCP costs ^(*2).
3. IT Consulting Business: Projects, in general, continued to progress steadily despite many being in the development phase.
4. Package & Service Business: Net sales and orders received rose as the effects of enhancing the sales structure following the launch of FutureOne became apparent in the latter half. Ascendia saw profits increase significantly due to steady orders.
5. Corporate Revitalization Business: Uoei Shoten posted the first operating income for any full fiscal year since it became a group company.
6. Net income marked a record high, partly because of improvements to extraordinary income and losses.

(*1) Growth for 2011 is forecast to be -2.1% according to research by IDC Japan.

(*2) As part of BCP, Roppongi Office was established, and data centers were geographically dispersed.

FY2010/FY2011 Consolidated Results

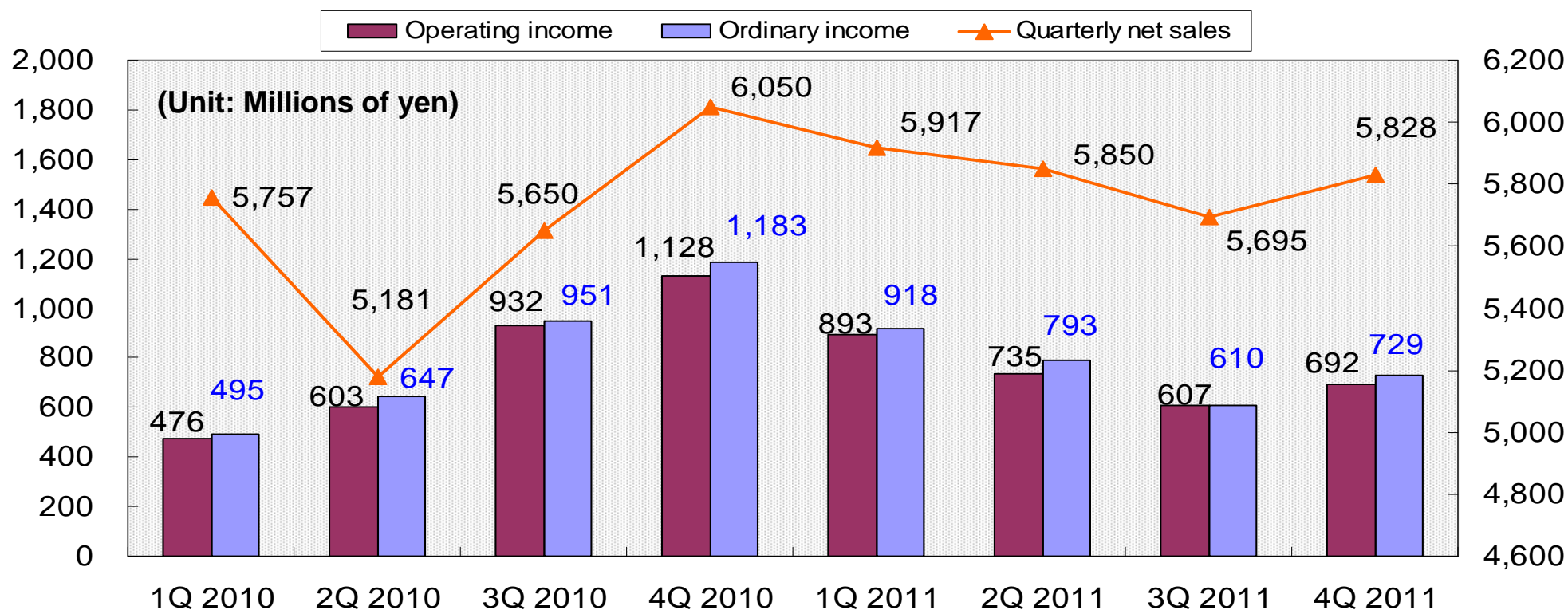
Challenge Together Future Architect, Inc. which designs management and IT.

(Millions of yen)	FY2010 Results	FY2011 Results	Year-on-year change
Net sales	22,639	23,292	+2.9%
Operating income Operating income margin	3,141 13.9%	2,929 12.6%	-6.7%
Ordinary income Ordinary income margin	3,281 14.5%	3,051 13.1%	-7.0%
Net income Net income margin	1,591 7.0%	1,715 7.4%	+7.8%

Quarterly Trends of Net Sales and Profits

Challenge Together Future Architect, Inc. which designs management and IT.

- ✓ Net sales continued to be stable.
- ✓ Quarterly profits increased after bottoming out in the third quarter.



Balance Sheets

Challenge Together Future Architect, Inc. which designs management and IT.

(Millions of yen)	End of Dec. 2010	End of Dec. 2011	Change
Current assets	10,274	10,529	+255
Fixed assets	3,657	3,924	+266
Total assets	13,931	14,453	+521
Current liabilities	3,171	2,716	-454
Non-current liabilities	98	326	+227
Total liabilities	3,269	3,042	-227
Total Net Assets	10,662	11,410	+748
Shareholders' equity ratio	76.5%	78.9%	+2.4pt

Main changes

(Millions of yen)		End of Dec. 2010	End of Dec. 2011	Change
Current assets:	Increase in securities	-	701	+701
	Increase in goodwill	-	145	+145
Fixed assets:	Increase in software	179	386	+207
	Decrease in investment securities	1,778	1,523	-254
Current liabilities:	Decrease in income tax payable, etc.	880	590	-290
Non-current liabilities:	Increase in asset retirement obligations	-	309	+309
Net assets:	Increase in retained earnings	7,836	8,861	+825

Cash Flows

(Millions of yen)	FY2010 Results	FY2011 Results	Change
Cash flows from operating activities	2,163	1,919	-244
Cash flows from investing activities	170	-617	-787
Cash flows from financing activities	-762	-919	-156
Effect of exchange rate changes on cash and cash equivalents	-3	-8	-5
Changes in cash and cash equivalents	1,567	373	
Cash and cash equivalents at the beginning of the period	3,585	5,153	
Cash and cash equivalents at the end of the period	5,153	5,526	

Main changes

(Millions of yen)

		FY2010 Results	FY2011 Results	Change
Operating CF:	Income taxes, etc. paid	-756	-1,420	-664
	Increase (decrease) in accounts receivable	-646	203	+850
Investing CF:	Acquisition of intangible fixed assets	-39	-243	-203
Financing CF:	Dividends paid	-730	-887	-157

Results by Segment

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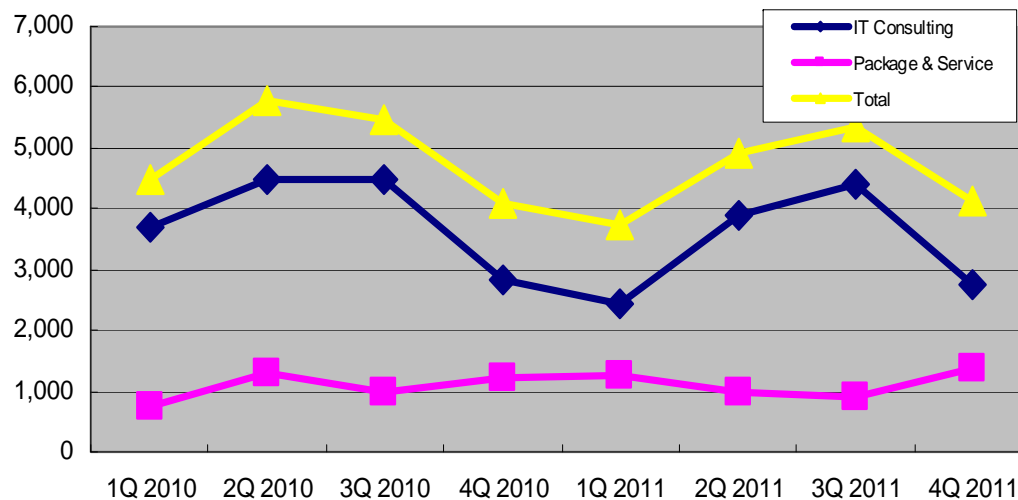
(Millions of yen)	FY2010	FY2011	Year-on-year change
Net Sales	22,639	23,292	+2.9%
IT Consulting	13,930	14,619	+4.9%
Package & Service	4,415	4,497	+1.8%
Corporate Revitalization	4,485	4,553	+1.5%
Other	124	84	-32.0%
Adjustments	-318	-463	—
Operating Income	3,141	2,929	-6.7%
IT Consulting	3,015	2,570	-14.7%
Package & Service	170	333	+95.7%
Corporate Revitalization	-15	31	Turned positive
Other	-57	-29	—
Adjustments	27	23	—

Orders Received and Backlog by Segment

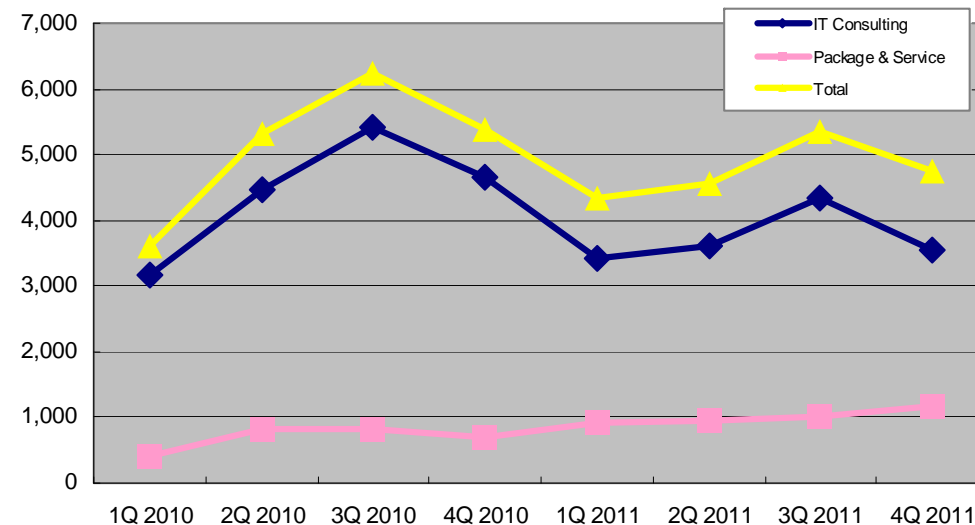
Challenge Together Future Architect, Inc. which designs management and IT.

(Millions of yen)	Orders received			Backlog		
	2010	2011	Year-on year change	2010	2011	Year-on year change
IT Consulting Business	15,481	13,498	-12.8%	4,670	3,559	-23.8%
Package & Service Business	4,256	4,555	+7.0%	697	1,185	+70.0%
Other	59	59	+1.4%	6	4	-35.6%
Total	19,797	18,114	-8.5%	5,374	4,748	-11.6%

Trends of orders received (excluding those in Other)



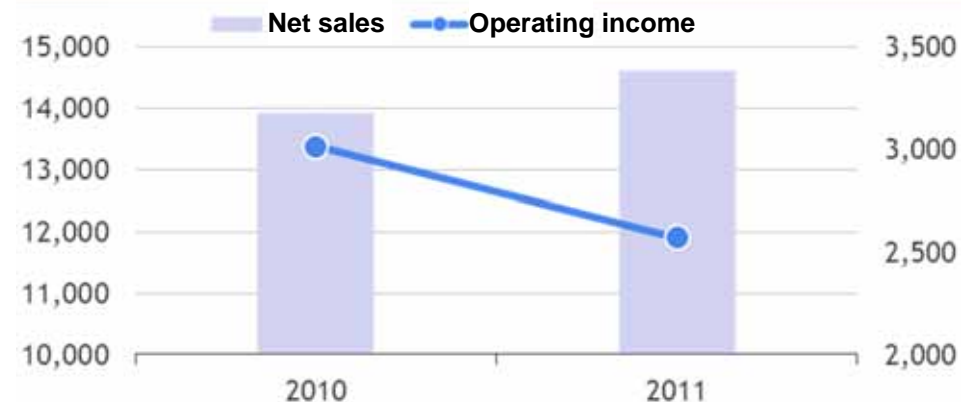
Trends of backlog (excluding that in Other)



Results by Segment (IT Consulting Business)

Challenge Together Future Architect, Inc. which designs management and IT.

(Millions of yen)	2010	2011
Net Sales	13,930	14,619
Operating Income	3,015	2,570



Established medium- to long-term partnerships with existing clients

- ✓ Achieved stable operations while enhancing quality control, despite many projects in the development phase.
- ✓ Maintained stable earnings structure due to additional follow-ups after launch of services and continuing flow of orders.

Promoted cultivation of new clients and proposals for new services

- ✓ Broadened client base, as seen when new clients began to implement projects of a certain scale.
- ✓ Promoted new services, such as VAO and financial cloud.

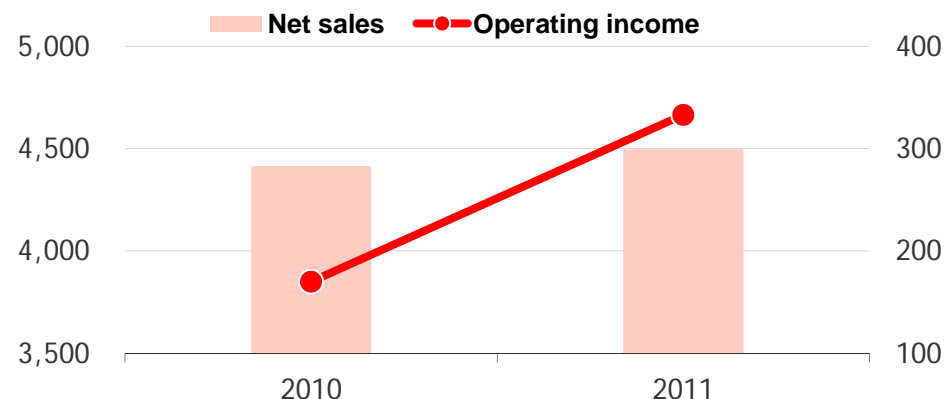
Established base for overseas expansion of operations

- ✓ Started to make inroads to Malaysia, Thailand, etc., too, from base in Singapore.
- ✓ Launched support for major clients expanding operations overseas.

Results by Segment (Package & Service Business)

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(Millions of yen)	2010	2011
Net Sales	4,415	4,497
Operating Income	170	333



ERP packages for mid-size companies and SMEs (FutureOne)

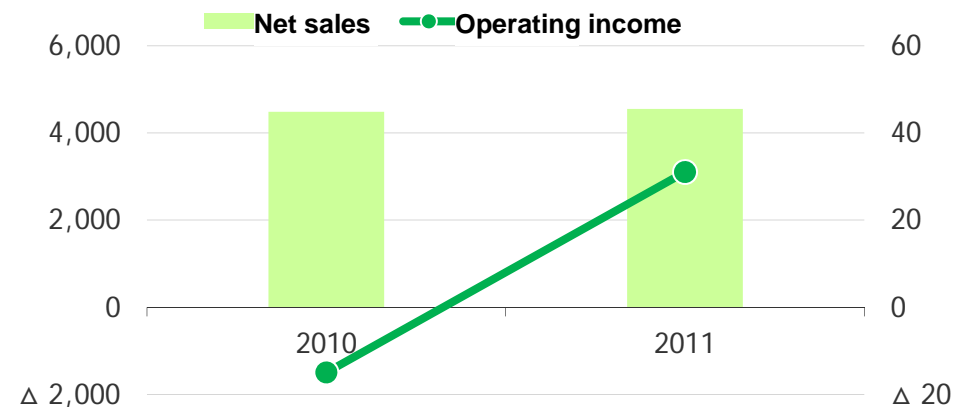
- ✓ Strengthened foundations for growth during and after fiscal 2012 through operational integration under new corporate structure, receipt of large orders, and a sharp increase of backlogs.
- ✓ Achieved record high net sales in the fourth quarter due to reinforced sales structure.
- ✓ Started developing new products in cooperation with the Company.

Outsourced development and regional business (Ascendia)

- ✓ Secured stable orders throughout the year, and won more orders from the public sector.
- ✓ Enhanced and expanded operation services in collaboration with the Company.
- ✓ Achieved a sharp increase of profits from the previous year, due in part to reduced selling, general, and administrative expenses.

Results by Segment (Corporate Revitalization Business)

(Millions of yen)	2010	2011
Net Sales	4,485	4,553
Operating Income	-15	31



Operating income results (turned positive)

- ✓ Recorded higher net sales, gross profits, and operating income than in the previous year.
- ✓ Posted the first operating income for any fiscal year since joining the Group.
- ✓ Improved operating efficiency by implementing IT measures, such as adoption of automatic ordering system and new EDI system.
- ✓ Achieved a gross profit margin of 23.4%, up from 22.5% in the previous year.

2. FY2012 Plan

(Yutaka Anma, Executive Senior Vice President)

Market Changes and Growth Strategy - 1

Challenge Together Future Architect, Inc. which designs management and IT.

External environment

- ✓ Great East Japan Earthquake
- ✓ Euro economic crisis
- ✓ Floods in Thailand
- ✓ Historically strong yen
- ✓ Saturation of domestic market
- ✓ Borderless globalization

Strategies companies should implement

- ✓ IT-based management strategy (real-time business)
- ✓ Reducing IT costs and making them variable expenses
- ✓ Implementing measures in response to the diversification of clients
- ✓ Globalization



Application to Company's growth strategy

Application to Company's growth strategy

1. Increasing services provided
2. Broadening client base
3. Expanding operating areas through globalization

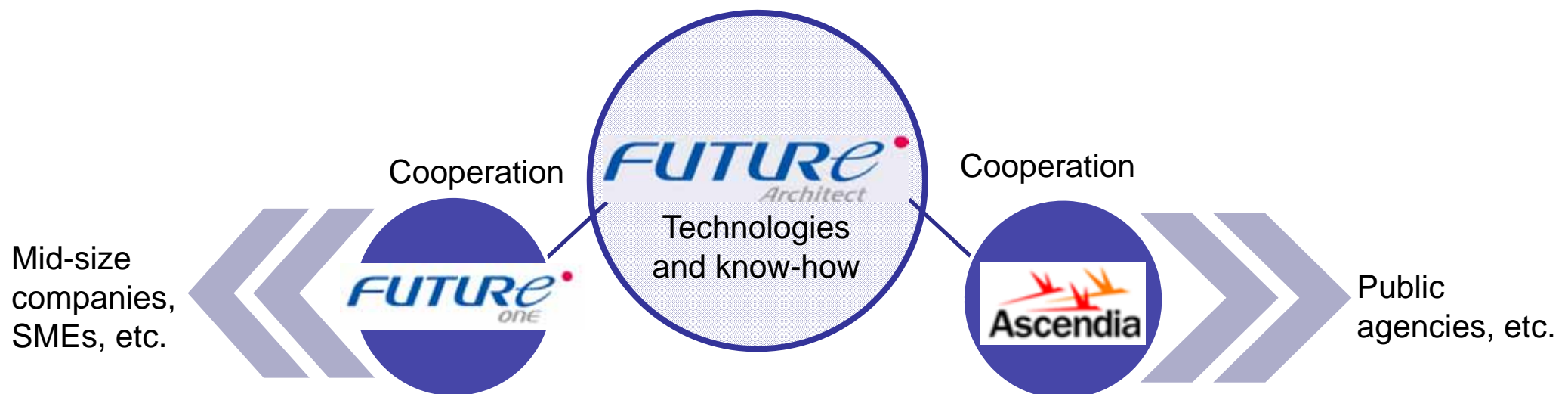
1. Increasing Services Provided

Expand sales, secure long-term backlog and stabilize earnings structure by reducing IT costs through the use of VAO and cloud services and converting them into variable costs, and by responding to globalization through the use of lisnar+ and gERP.

VAO (Value Added Outsourcing) (Refer to p. 33 and 34 of the Reference.)	Increase business opportunities from switching services (adoption of operation and maintenance of systems built by other companies)	Launch service for distribution and securities sectors
	Continue to make proposals for IT strategies and win new orders by strengthening ongoing relationships with clients	
Cloud (Refer to p. 35 and 36 of the Reference.)	Expand into and secure/retain regional financial institutions through financial cloud	Plan additional release for regional banks during and after April
	Provide compatibility of cost reductions and versatility through cloud support for software packages	
lisnar+ (Refer to p. 37 of the Reference.)	Expand client base and operating areas by providing cloud support and multi-language support, and use of Web crawler	Diffuse applications in a wide range of industries, such as education, service, transportation and finance, and start use at clients' overseas bases
ERP package (Refer to p. 38 and 39 of the Reference.)	SAP and Oracle for large companies	
	FUTUREONE for mid-size companies and SMEs	

2. Broadening Client Base

- (1) Integrate businesses for midsize companies and SMEs (fiscal 2011)
⇒ Provide FutureOne-based one-stop service
- (2) Model high-level solutions using Company's expertise and technologies
⇒ Model financial cloud (described earlier) and solutions for retailers
- (3) Optimally allocate resources and share/use technologies under strengthened cooperation between the Company and group companies
⇒ Extend reach to commodity area (public agencies, etc.) in cooperation with Ascendia

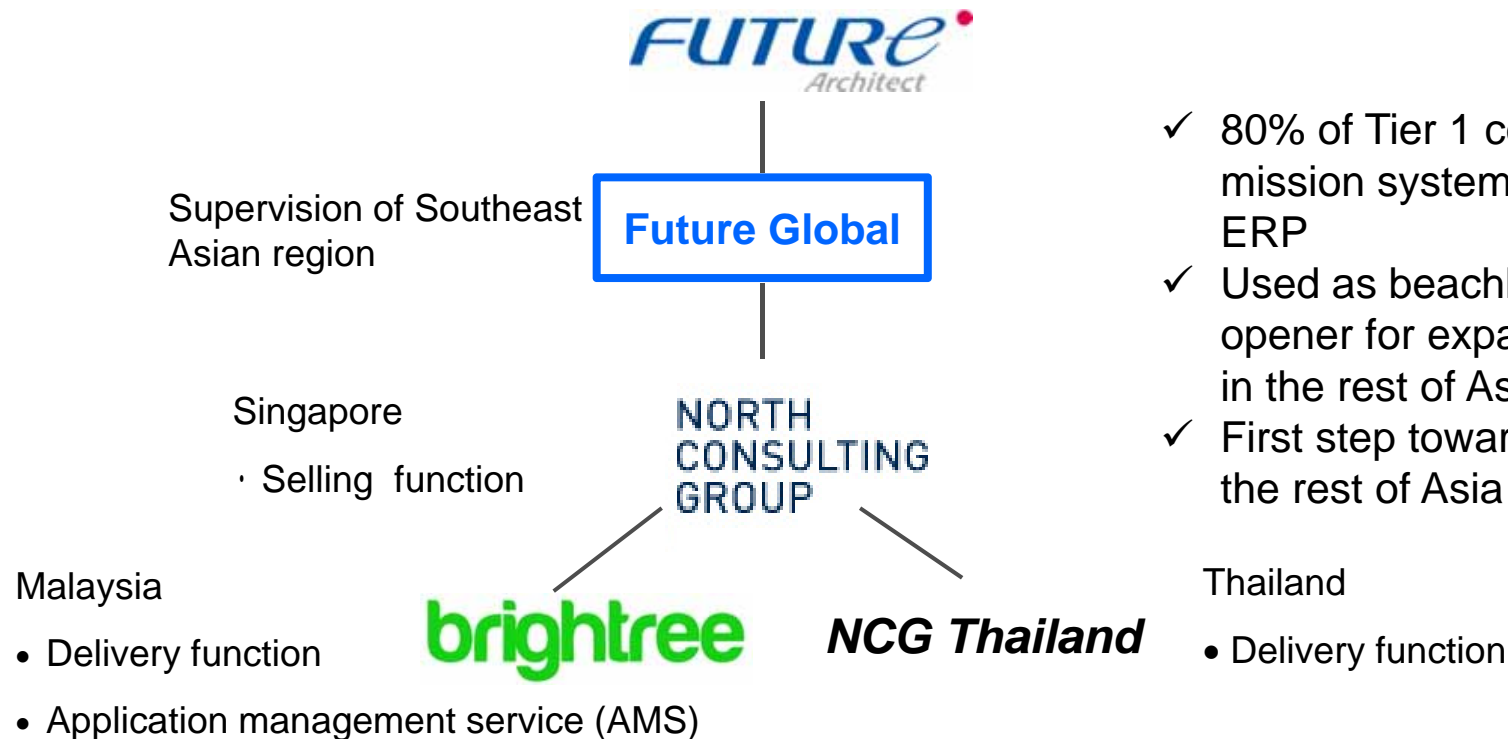


3. Expanding Operating Areas through Globalization

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(1) Establish and acquire affiliates overseas (global ERP from overseas)

⇒ Singapore, Malaysia, and Thailand



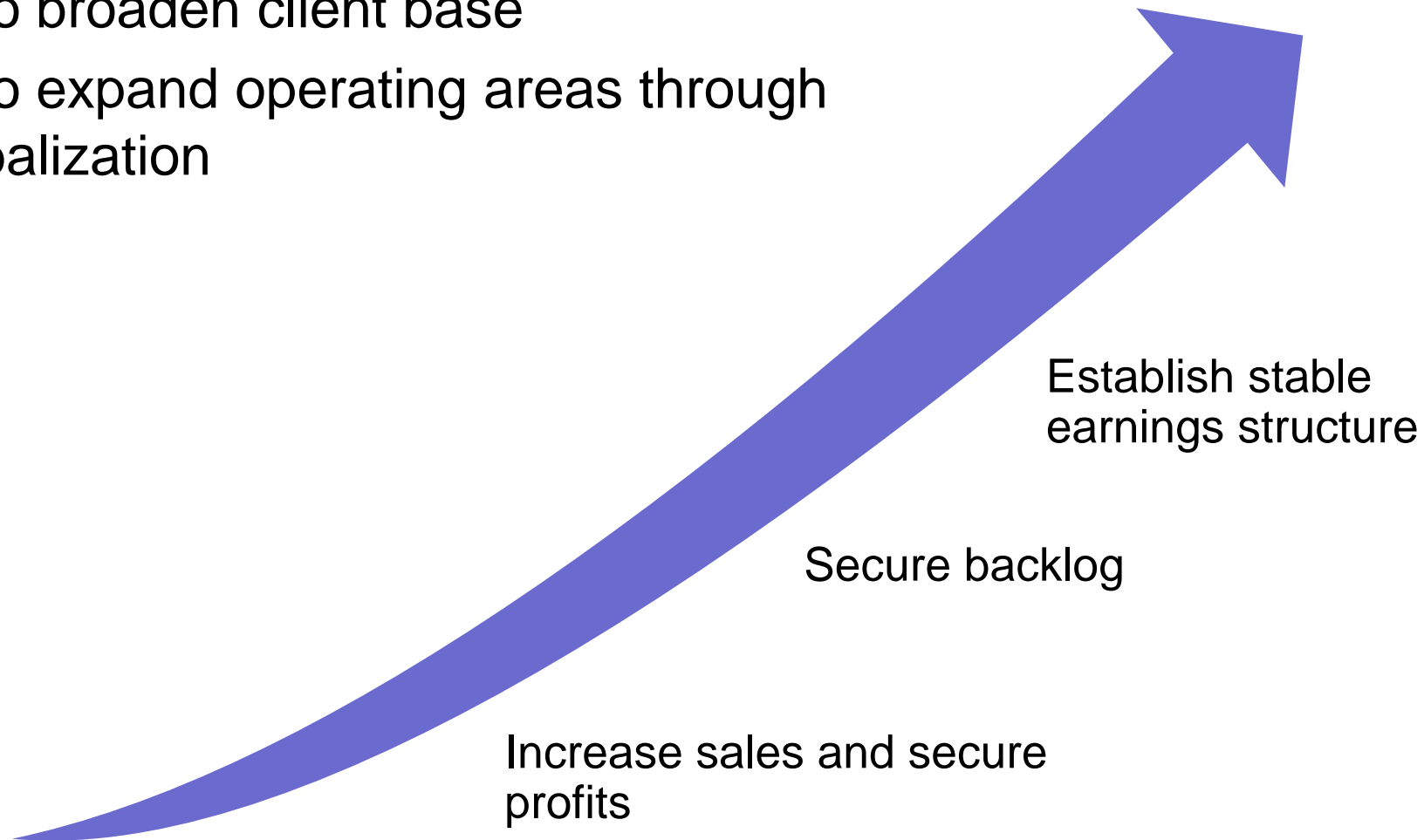
- ✓ 80% of Tier 1 companies' critical-mission systems is based on ERP
- ✓ Used as beachhead or door-opener for expanding businesses in the rest of Asia
- ✓ First step toward expanding into the rest of Asia

(2) Support for overseas expansion of existing Japanese corporate clients

⇒ To support overseas expansion of Company's clients, such as distributors and logistics companies, from an IT perspective.

Objectives for FY2012

1. To increase services provided
2. To broaden client base
3. To expand operating areas through globalization


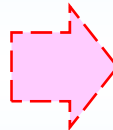


FY2012 Plan

Challenge Together Future Architect, Inc. which designs management and IT.

(Millions of yen)	FY2011		FY2012		
	Results for the first half	Results for the full fiscal year	Plan for the first half	Plan for the full fiscal year	Year-on-year change
Net sales	11,768	23,292	11,480	24,800	+6.5%
Operating income Operating income margin	1,629 13.8%	2,929 12.6%	1,280 11.2%	3,300 13.3%	+12.6%
Ordinary income Ordinary income margin	1,711 14.5%	3,051 13.1%	1,300 11.3%	3,330 13.4%	+9.1%
Net income Net income margin	1,073 9.1%	1,715 7.4%	780 6.8%	1,930 7.8%	+12.5%

Dividends

<u>FY2010</u> <u>(Actual amount paid)</u>		<u>FY2011</u> <u>(Planned)</u>		<u>FY2012</u> <u>(Planned)</u>
Per share: 1,200 yen Consolidated payout ratio: 34.4% Non-consolidated payout ratio: 37.0%		Per share: 1,500 yen Consolidated payout ratio: 39.9% Non-consolidated payout ratio: 44.2%		Per share: 1,500 yen Consolidated payout ratio: 35.5% Non-consolidated payout ratio: 39.4%

Repurchase of Treasury Stock

Announcement of repurchase of treasury stock to implement flexible capital policy

Maximum number of shares to be repurchased: 6,400 shares (1.34% of total number of outstanding shares)

Maximum repurchase amount: 250.0 million yen

Repurchase period: February 8 – March 19, 2012

Reference: Previous treasury stock repurchases (during and after 2006)

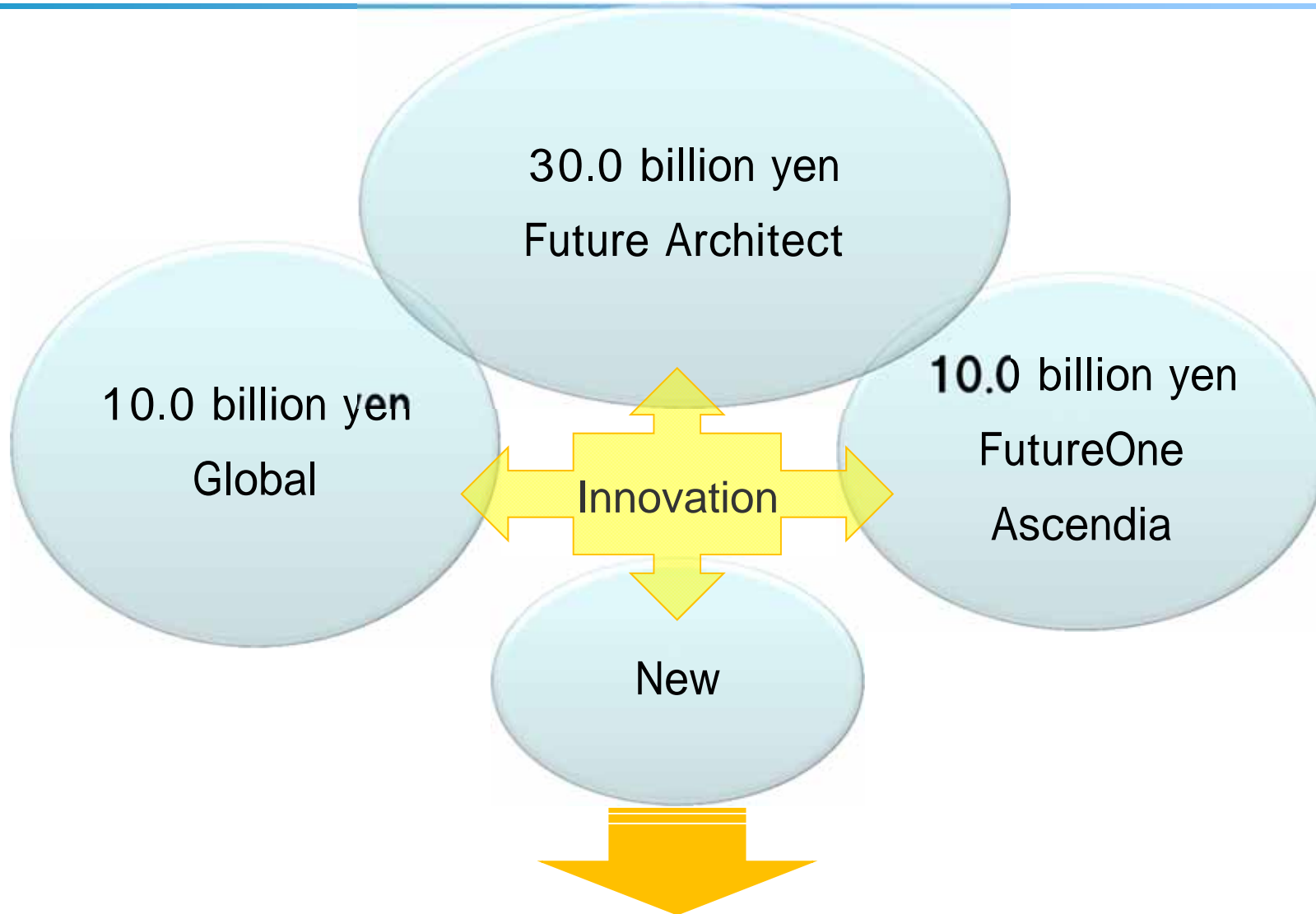
Announcement date	Repurchase quota			Repurchase results		
	Maximum number of shares to be repurchased	Ratio to number of outstanding shares	Amount (thousand yen)	Number of shares repurchased	Ratio to number of outstanding shares	Amount (thousand yen)
2008/11/13	5,000	1.05%	300,000	4,741	0.99%	162,515
2008/10/7	7,000	1.47%	500,000	7,000	1.47%	309,411
2007/11/13	10,000	2.09%	750,000	5,429	1.13%	323,867
2007/8/7	20,000	4.19%	1,500,000	14,321	3.00%	788,702
2007/2/23	10,000	2.09%	1,100,000	8,490	1.78%	755,979
2006/10/27	10,000	2.09%	1,200,000	9,596	2.01%	1,045,856
2006/10/2	10,000	2.09%	1,000,000	10,000	2.09%	991,724

* Number of treasury shares as of the end of Dec. 2011: 20,008 shares (4.20%)

3. Future Outlook and Targeting Future Growth

(Yasufumi Kanemaru, Chairman and CEO)

Next Stage



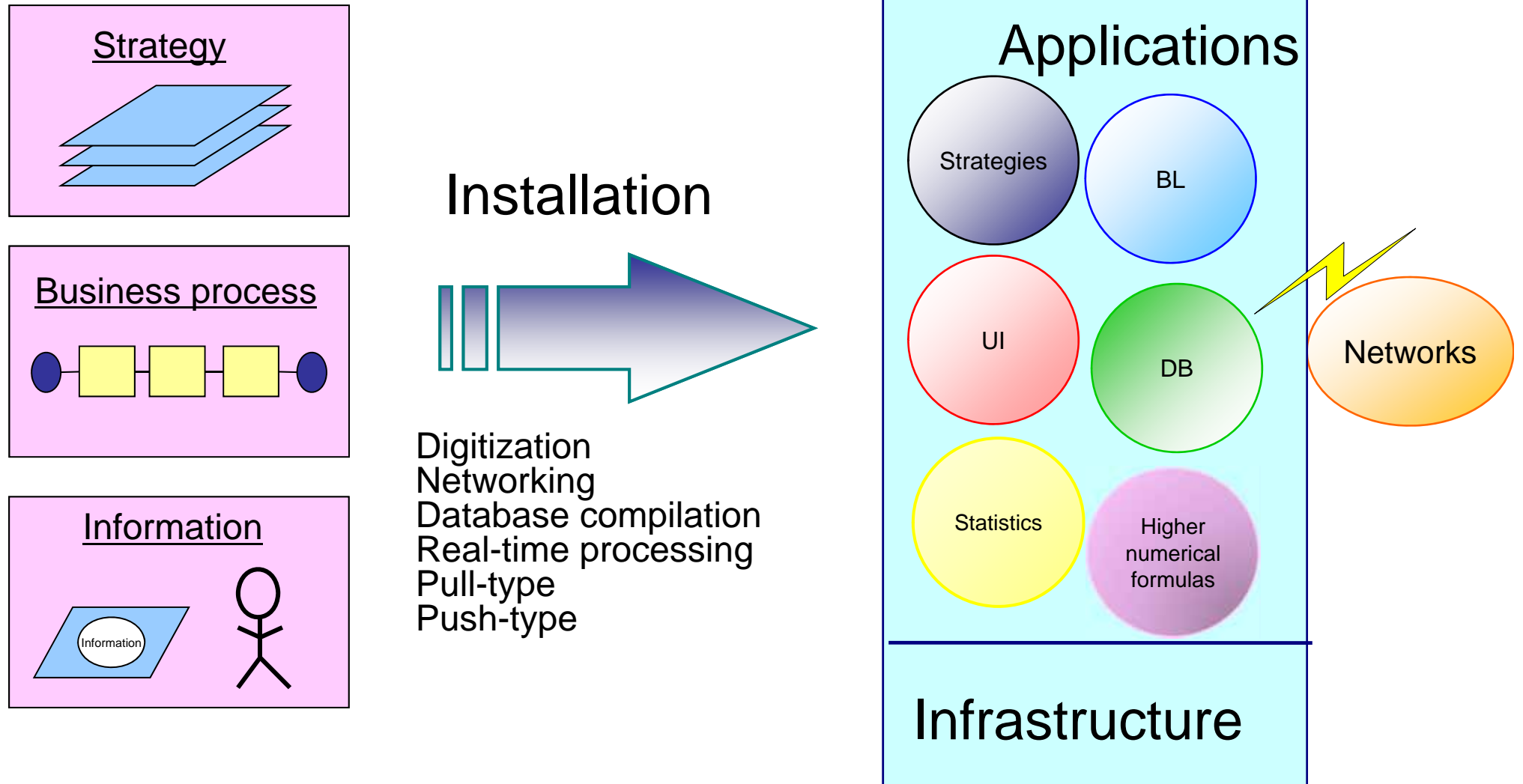
Achievement of quality, growth, and profit objectives

Future Direction

Core businesses

- Coming up with programs and results for downsizing large systems
- Differentiation and technological direction
 - Real-time → Ultra real-time (from msec to μ sec)
 - Aiming to become a leading design company of the I/O revolution (CPUs, networks, storage, memory, and ECO)
 - Installation of statistics and higher numerical formulas, in addition to strategies and operation processes
- Implementation of active employment strategies
- Pursuit of M&A that accelerate growth and provide synergies

Future Architect's Definition of IT



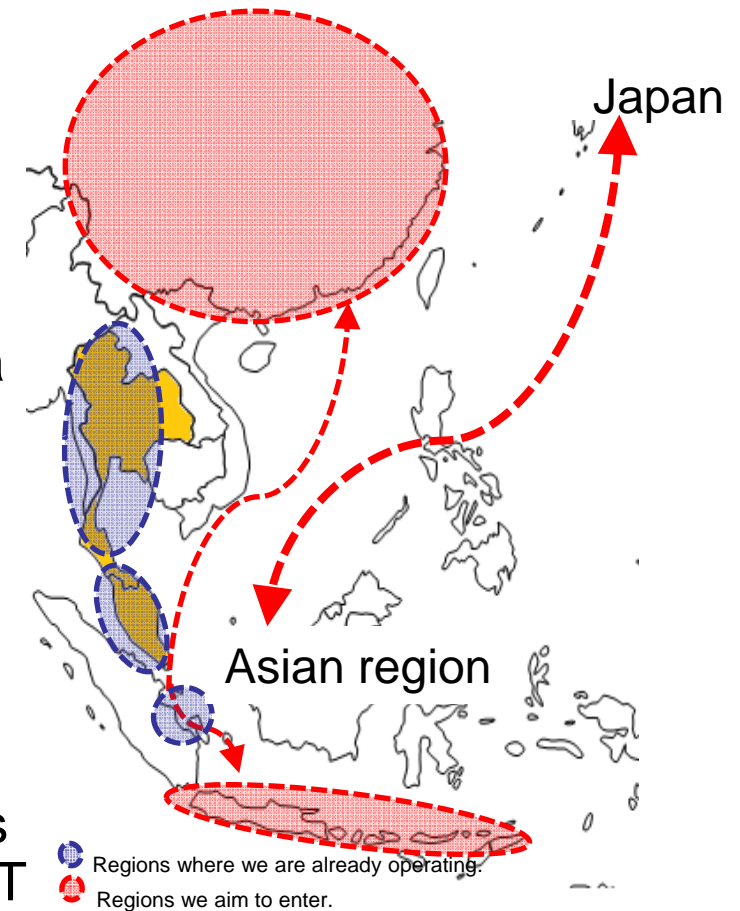
Globalization

■ East Asia

- Singapore and Thailand
Enhancing sales and delivery capabilities of operating bases
- Accelerating growth of Malaysian office
- Exploring possibilities of entering Indonesia and Vietnam

■ China

- M&A deals with IT companies that are expected to create synergies for growth
- Forming alliances with operating companies that are expected to grow rapidly, to which IT will be offered

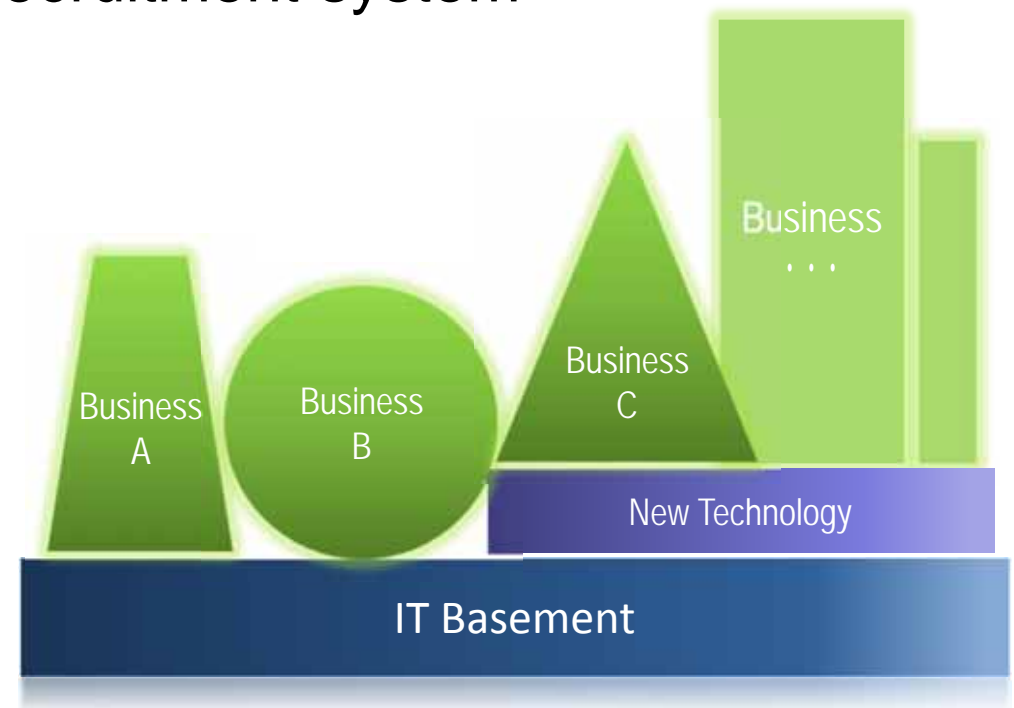
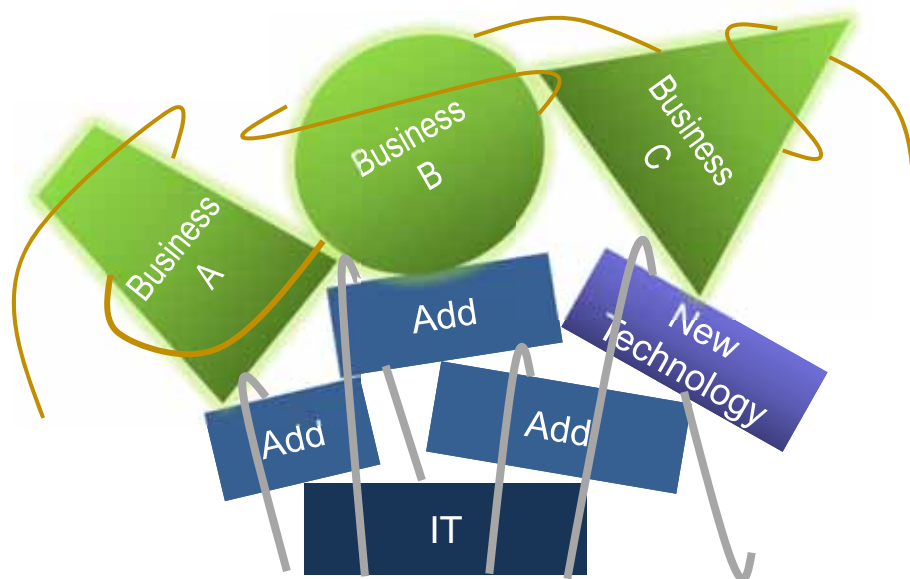


Creation of New Services

- Creation of original services through ideas and IT (through effective use of Tokyo Calendar brand)

Establishment of businesses on real-time, scalable, and flexible IT base

- Introduction of in-house staff recruitment system



Keywords

- Social Media • EC • Payment • Reservation • Entertainment • Edutainment
- Total lifestyle support
- HTML5
- Data analysis
- Real-time

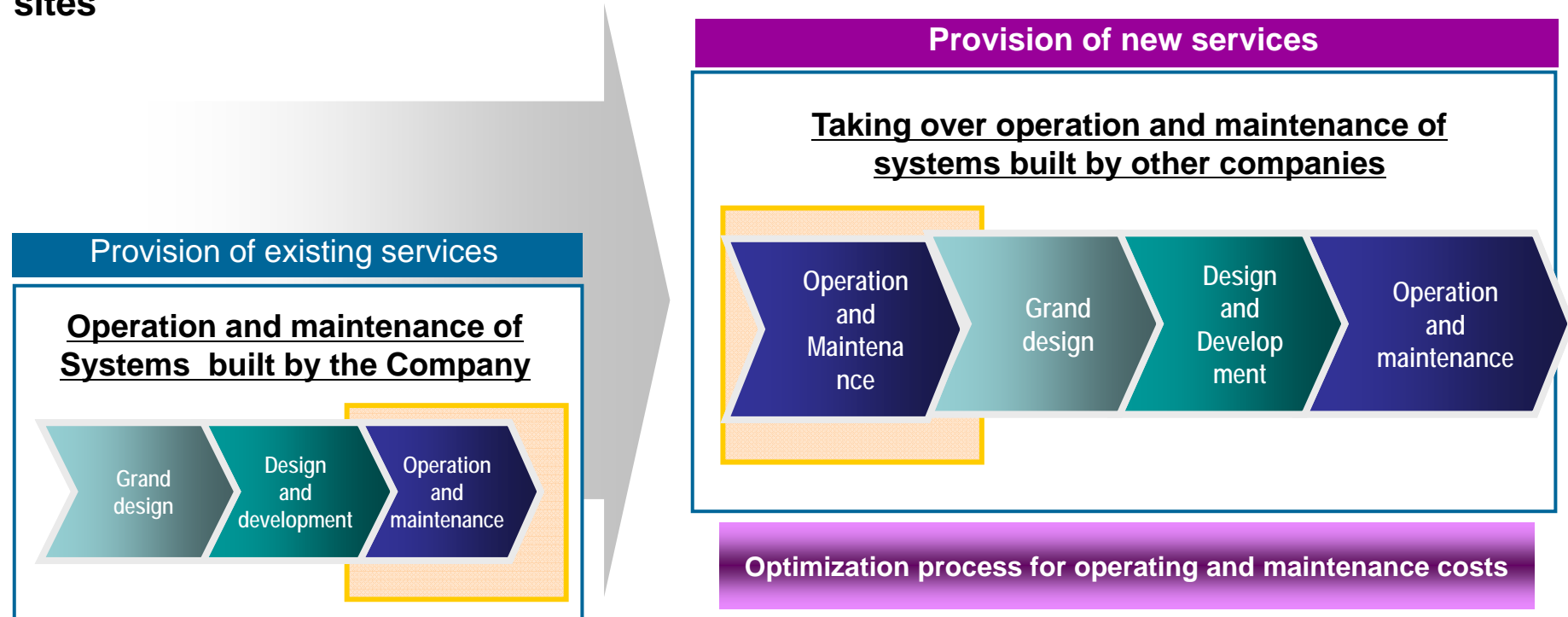
Future Architect's Principles

- Business should be fun.
- We provide success for our clients so that they can be better off.
- We continue to be more reliable than the employees of our partners and competitors.
- We continue to increase our ability to deal with change.
- We are a group of entrepreneurs and inventors.
- Teamwork > Individuality > Mediocrity

Reference

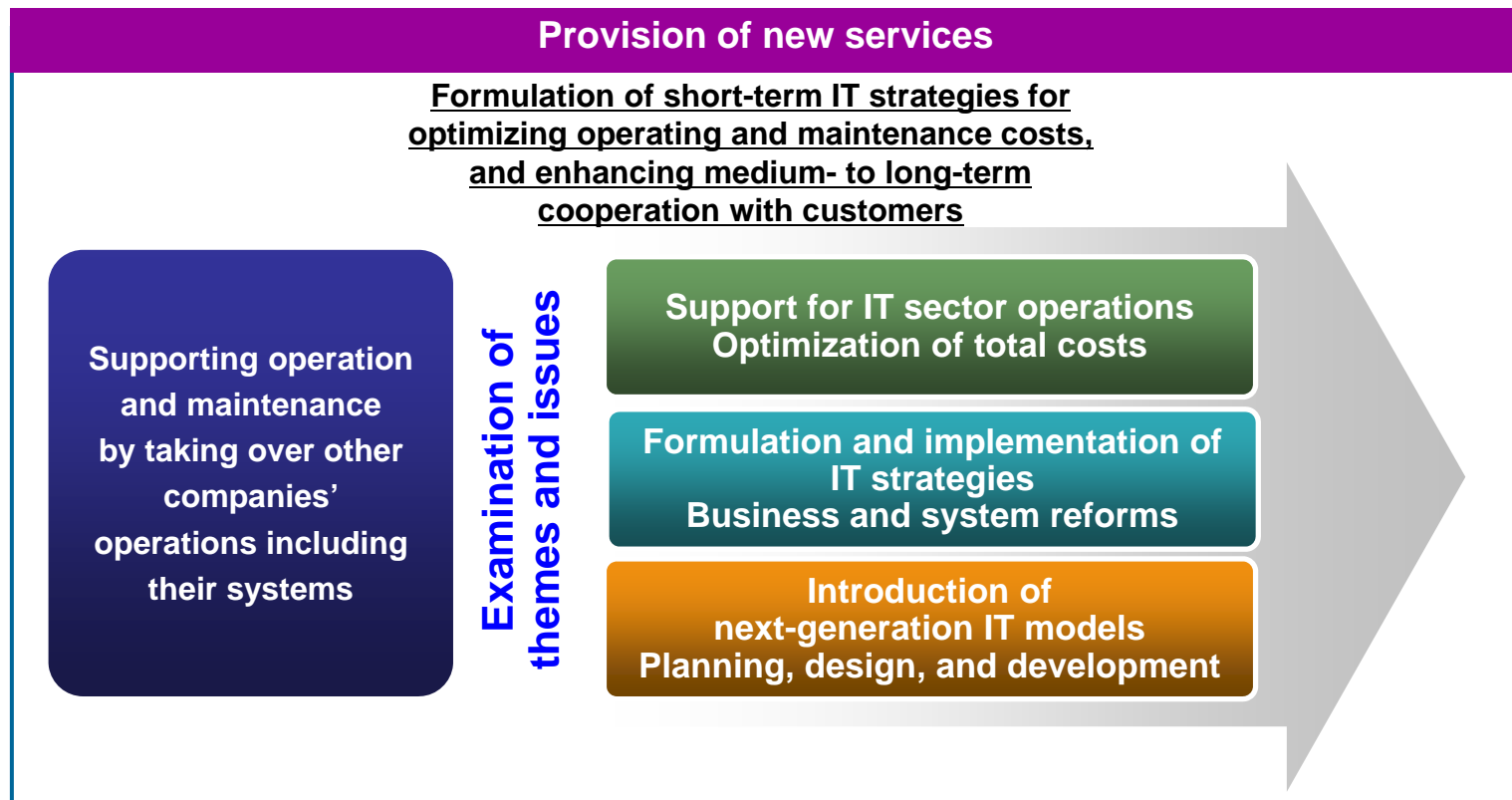
Value Added Outsourcing (VAO)

- Operating and maintenance costs account for 70% of IT costs
- Optimization of operating and maintenance costs is a priority issue
- Optimizing operating and maintenance costs by adopting systems established by other companies
- Proposing further optimization of costs to customers by recognizing IT issues at their sites



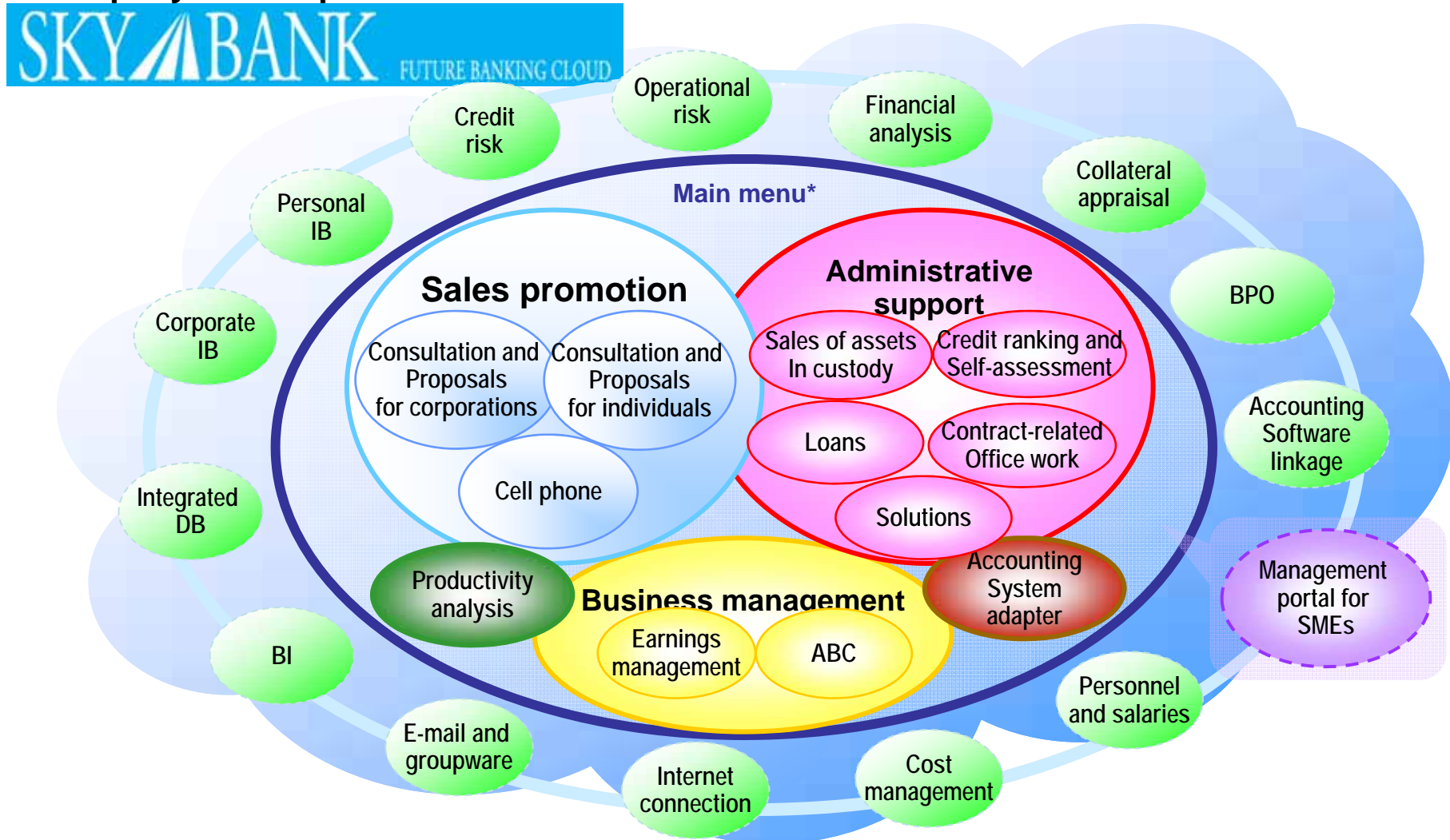
Value Added Outsourcing (VAO)

- Adoption of operation and maintenance of systems built by other companies: achieved by dynamic switching service
- Optimization of customers' IT costs by supporting IT operations together with them
- Formulation and implementation of IT strategies for the next fiscal year while taking into account current issues (short-term measures)
- Proposal and introduction of next-generation IT model to further optimize costs (medium- to long-term measures)



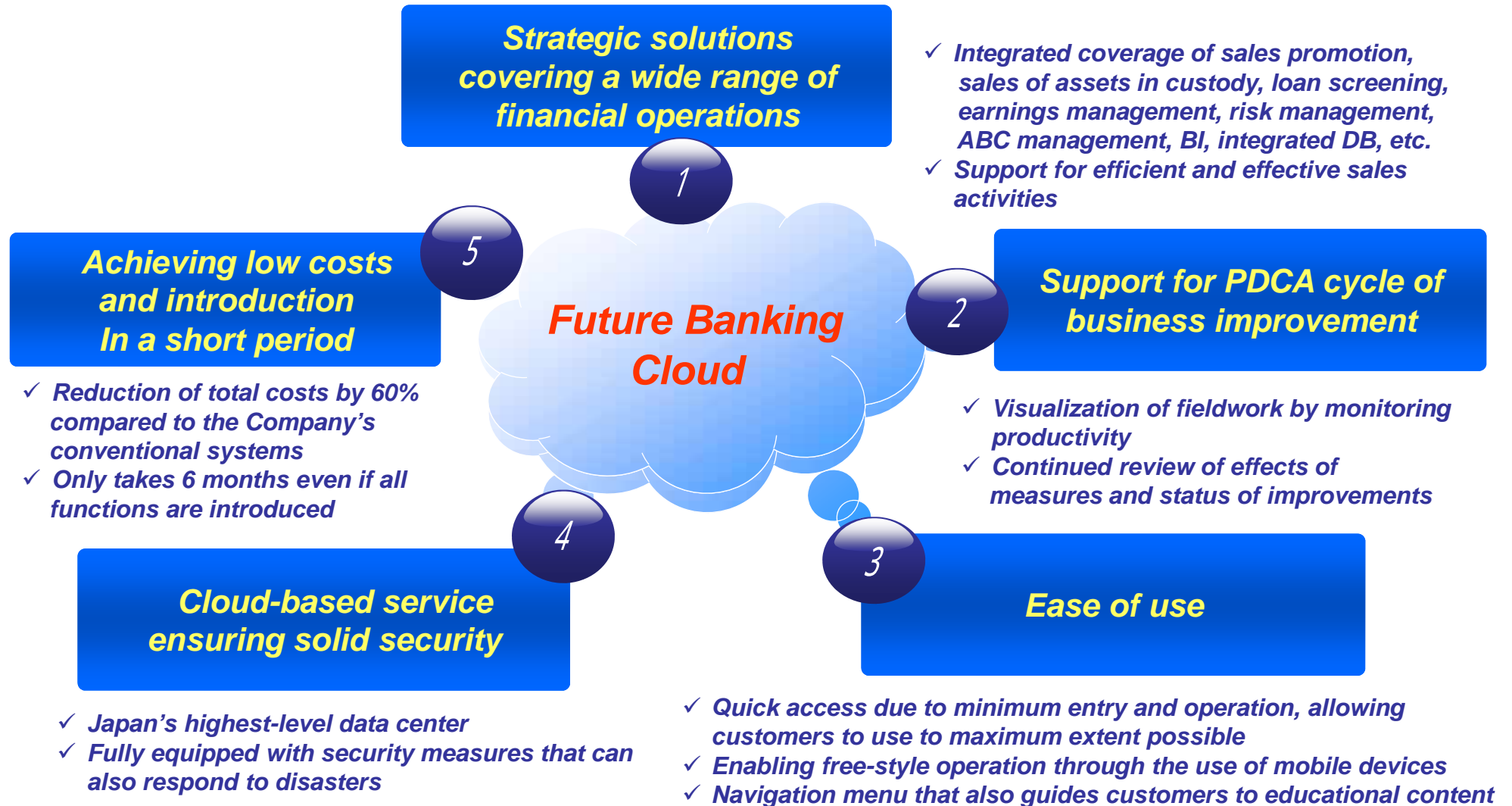
Financial cloud

- Wide-ranging cloud support for strategic (informational) solutions for banking operations
- The main menu is provided by the Company, and the option menu is provided jointly by the Company and its partners



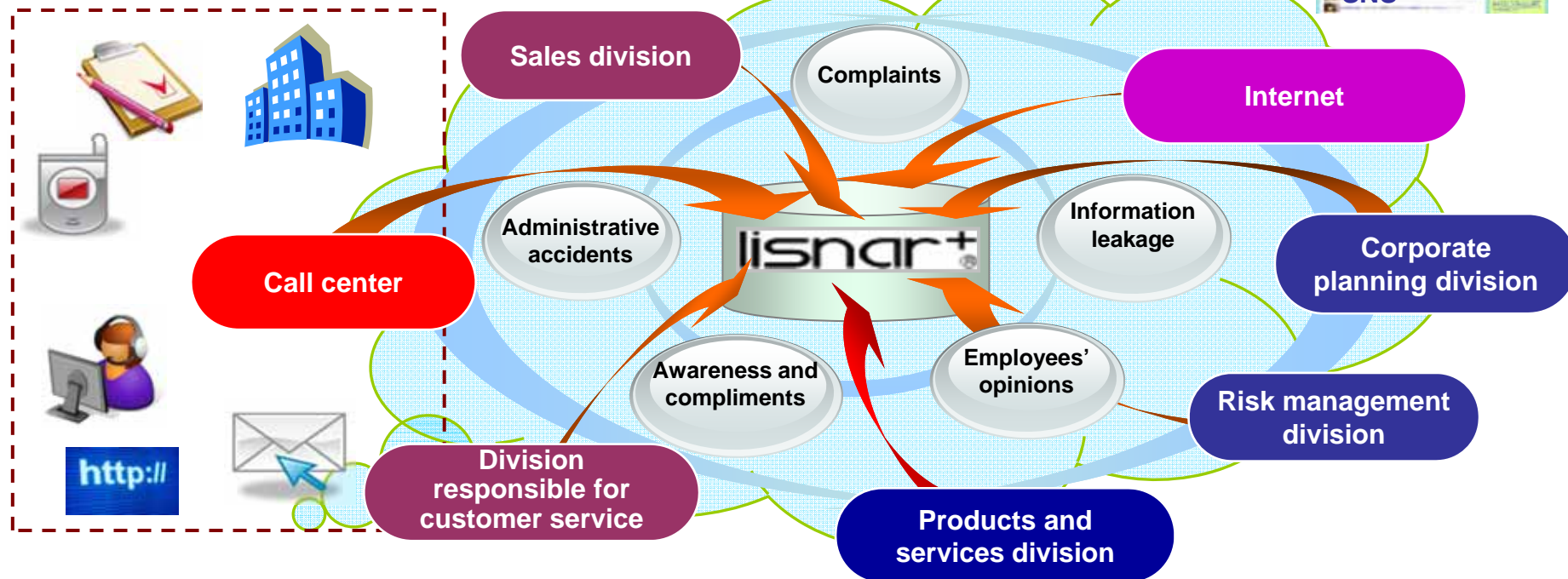
Financial cloud

- Support for maximizing lifetime value of (individual and corporate) customers



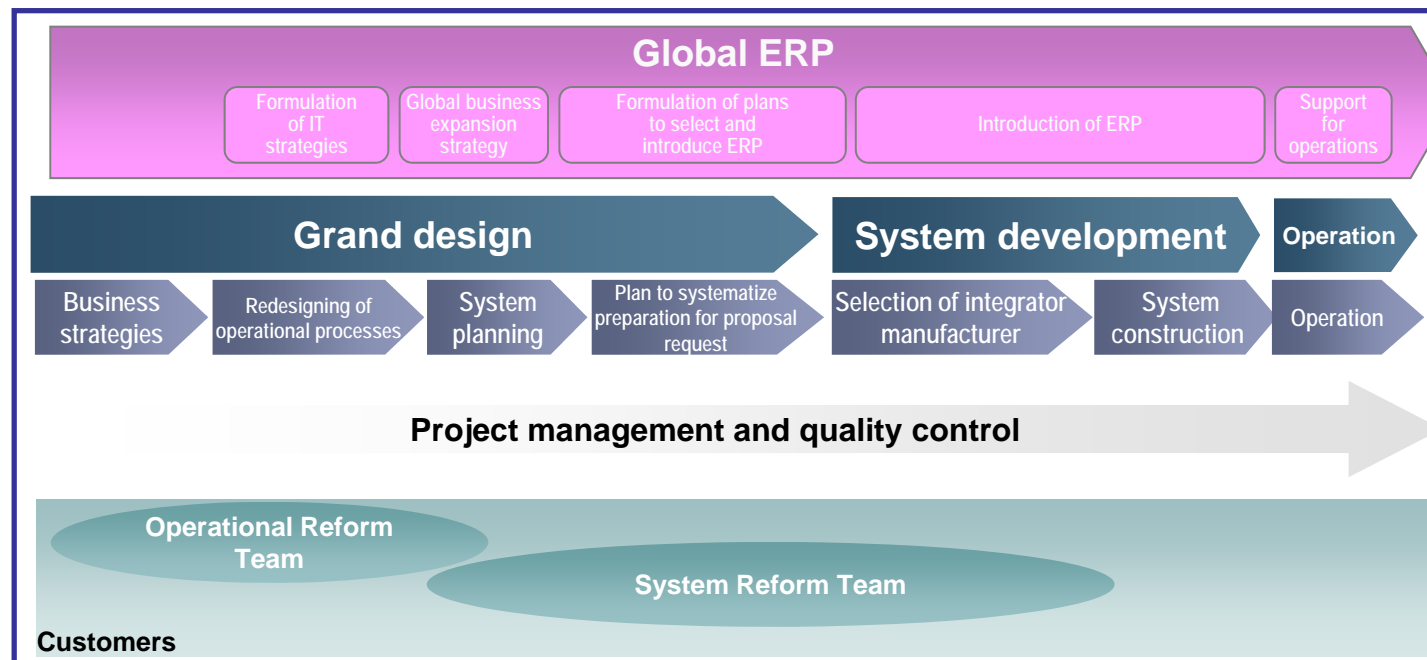
Application Cloud lisnar+

- lisnar+ (a system for collecting and using customers' opinions): Multifaceted collection, analysis, and reporting customers' opinions from **call center**, **sales division**, **services division**, **operation division**, and via **the Internet**
 - Adopted in many industries, including financial institutions, department stores, and Ministry of Health, Labor and Welfare.
 - Features multilingual support for overseas users (English, Korean, and Chinese).
 - Added function to automatically collect information scattered over the Internet.



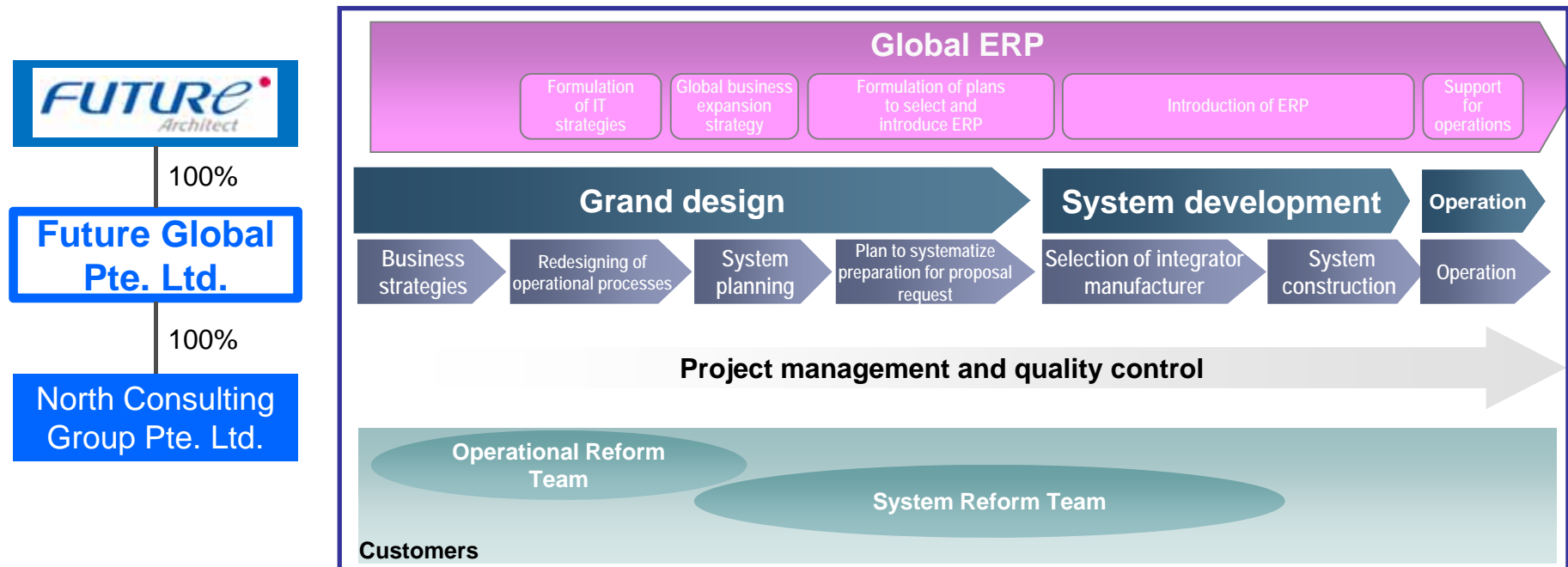
Global ERP from Japan

- Full-scale launch of ERP introduction service in addition to conventional component-type development
- Launch of teams specializing in SAP and Oracle
- Provision of planning, design, development, introduction, and operation services with overseas business expansion in mind from the start
- Realization of global rollout from Japan



Global ERP from Asia

- Establishment of North Consulting Group (NCG)
- Service: ERP introduction consulting, and application management
- Customers: Large and mid-size companies and SMEs in Southeast Asia, government-run corporations, Japanese companies expanding into the rest of Asia
- Operating in: Singapore, Malaysia, Thailand, Vietnam, and Hong Kong



(1) Future Global Pte. Ltd.

Country: Singapore

Representative: Yasufumi Kanemaru

Main business: Regional supervisory company in Southeast Asia

Shareholder: Future Architect: 100%

(2) North Consulting Group Pte. Ltd.

Country: Singapore

Representative: Francis Lee

Main business: Introduction of ERP and consulting

Shareholder: Future Global: 100%

FY2010/FY2011 Non-consolidated Results

Challenge Together Future Architect, Inc. which designs management and IT.

(Millions of yen)	2010 Results	2011 Results	Year-on-year change
Net sales	14,290	14,630	+2.4%
IT Consulting	12,986	14,085	+8.5%
HW procurement	776	350	-54.9%
Package & Service	526	194	-63.1%
Operating income	3,039	2,745	-9.7%
Operating income margin	21.3%	18.8%	-2.5pt
Ordinary income	3,108	2,803	-9.8%
Ordinary income margin	21.7%	19.2%	-2.5pt
Net income	1,480	1,547	+4.5%
Net income margin	10.4%	10.6%	+0.2pt

FY2012 Plan (Non-consolidated)

Challenge Together Future Architect, Inc. which designs management and IT.

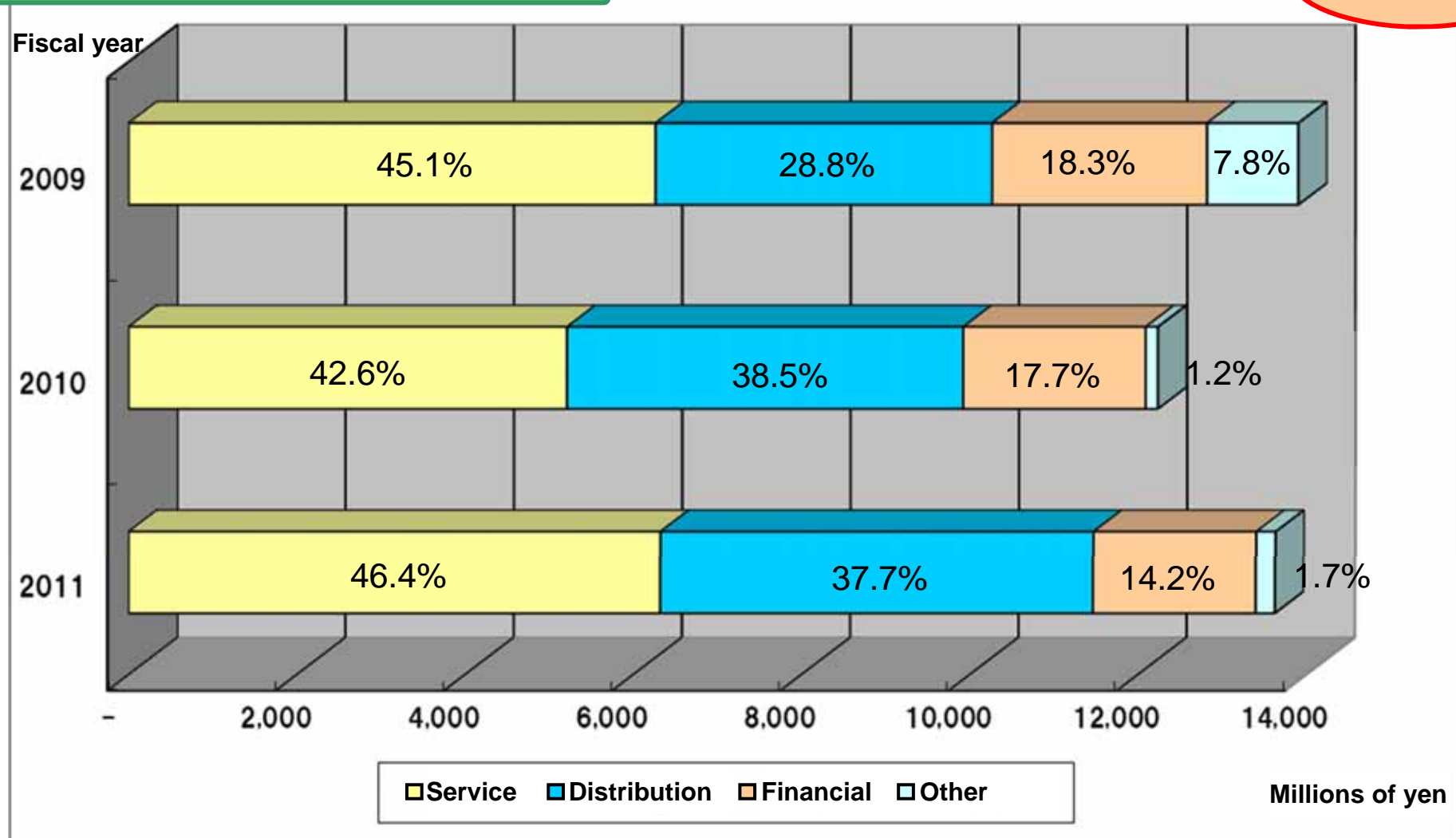
(Millions of yen)	2011 Results	2012 Plan	Year-on-year change
Net sales	14,630	15,300	+4.6%
Operating income Operating income margin	2,745 18.8%	3,000 19.6%	+9.3%
Ordinary income Ordinary income margin	2,803 19.2%	3,060 20.0%	+9.2%
Net income Net income margin	1,547 10.6%	1,740 11.4%	+12.4%

Non-consolidated Analysis of Sales from IT Consulting Business (1/2)

Challenge Together Future Architect, Inc. which designs management and IT.

Trends of sales by Industry

Non-consolidated

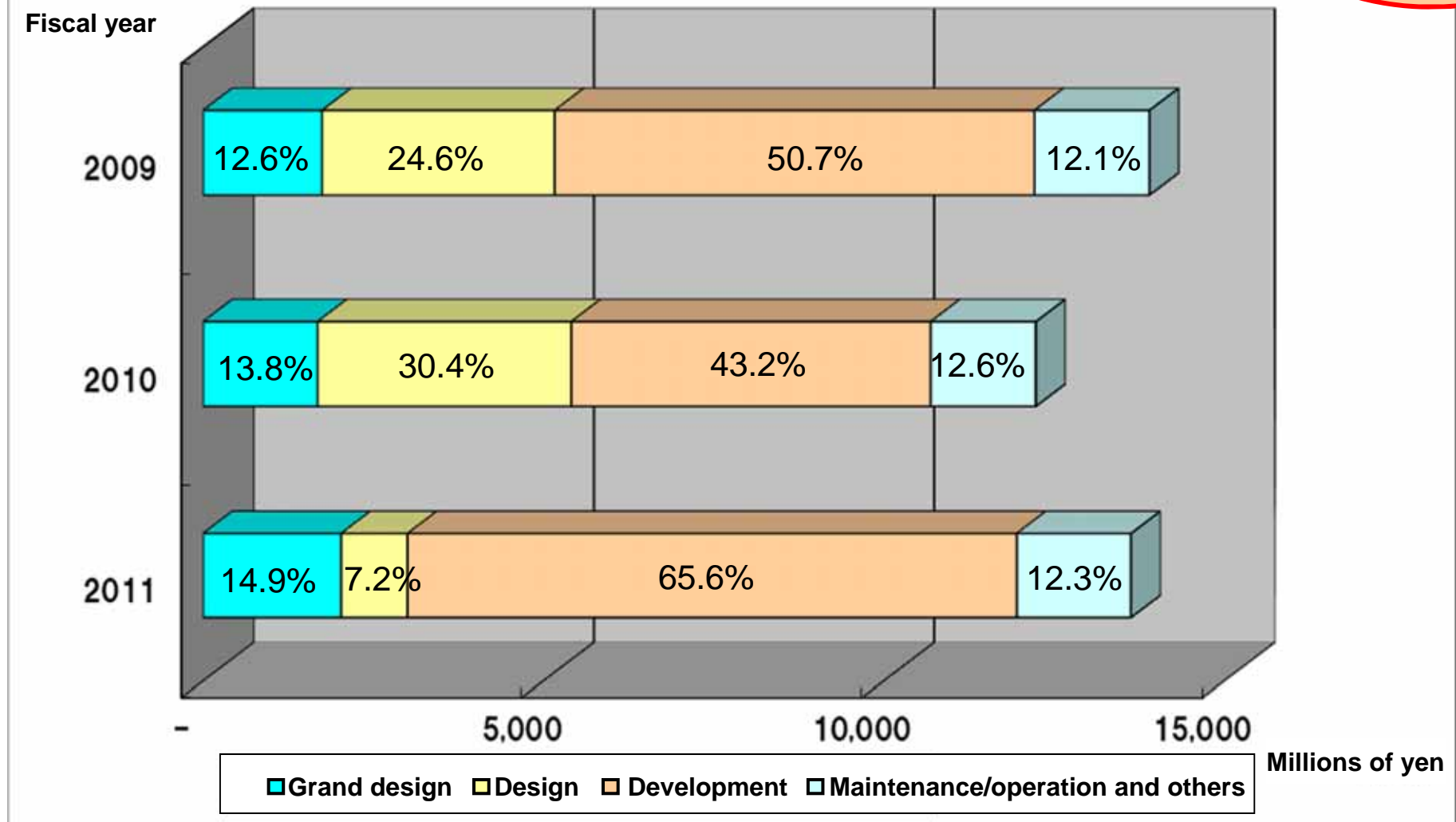


Non-consolidated Analysis of Sales from IT Consulting Business (2/2)

Challenge Together Future Architect, Inc. which designs management and IT.

Trends of sales by phase

Non-consolidated



Non-consolidated Financial Topics

Challenge Together Future Architect, Inc. which designs management and IT.

(Millions of yen)	4Q 2010	4Q 2011	Year-on-year change
Total net sales	14,288	14,629	2.4%
IT Consulting	12,986	14,085	8.5%
HW procurement	776	350	-54.9%
Package & Service	526	194	-63.1%

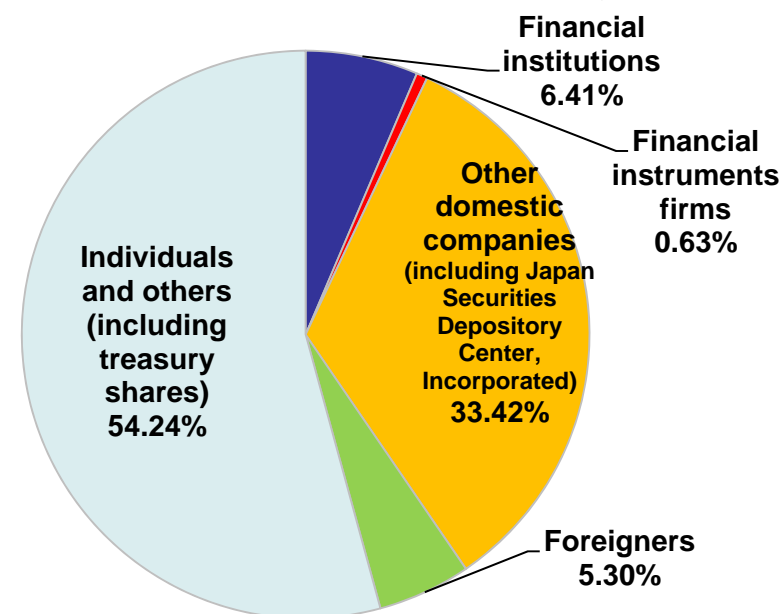
(Millions of yen)	4Q 2010	4Q 2011	Year-on-year change
Total cost of sales	7,851	8,394	6.9%
IT Consulting	6,935	8,012	15.5%
Labor expenses	4,125	3,902	-5.4%
Subcontracting expenses	1,725	2,963	71.8%
Others	1,085	1,146	5.6%
Cost of sales of HW procurement	636	299	-53.0%
Cost of sales of Package & Service	280	83	-70.4%

(Millions of yen)	4Q 2010	4Q 2011	Year-on-year change
Selling, general, and administrative expenses	3,398	3,490	2.7%
Personnel expenses	1,798	1,800	0.1%
Strategic expenses	284	332	16.9%
R&D expenditures	49	24	-51.0%
Depreciation expenses	45	68	51.1%
Employee training expenses	107	59	-44.9%
Recruiting expenses	82	179	118.3%

(Millions of yen)	4Q 2010	4Q 2011	Year-on-year change
Net sales (IT Consulting)	12,986	14,085	8.5%
Subcontracting expenses	1,725	2,963	71.8%
Balance: value added (*)	11,261	11,122	-1.2%
Average number of consultants (persons)	646	606	-6.2%
Average sales per consultant	20	23	15.6%
Average value added per consultant	17	18	5.3%

* Value added = Net sales – Subcontracting expenses

- Shareholder composition (ratio of shares held by shareholders to the number of outstanding shares)



Corporate Profile

Challenge Together Future Architect, Inc. which designs management and IT.

Company name:	Future Architect, Inc.	
Established:	November 28, 1989	
Head office:	Art Village Osaki Central Tower, 1-2-2 Osaki, Shinagawa-ku, Tokyo 141-0032	
Capital:	1,421,000,000 yen	
Board of directors:	Yasufumi Kanemaru, Chairman and CEO	Kunihito Ishibashi, Executive Senior Vice President, CTO and CSO
	Yuji Higashi, Executive Senior Vice President, Manager of Advanced Business Division	Yutaka Anma, Executive Senior Vice President, Manager of Strategic Business Division
	Shin Yasunobe, Director in charge of business alliance	Naoto Konishi, Director
	Katsuichi Nakamura, Full-time Corporate Auditor (outside)	Noriaki Mitamura, Corporate Auditor (outside)
	Kosei Watanabe, Corporate Auditor (outside)	
Number of employees:	1,157 (Consolidated), 683 (Non-consolidated) (As of the end of September 2011)	
Number of outstanding shares:	476,640 shares (Total number of shares authorized to be issued: 1,893,760 shares)	
Major subsidiaries: (As of the end of December 2011)	FutureOne, Inc.	Development and sales of ERP and backbone systems
	Ascendia Inc.	Consulting, development, operation, maintenance and education for IT as a whole
	Uoei Shoten Corporation	Operation of the grocery supermarket "Uoei"
	North Consulting Group Pte. Ltd. (Singapore)	Introduction of ERP and provision of consulting services in Southeast Asia
	Brightree Solutions Sdn Bhd. (Malaysia)	



You can also check the summary report of operating results, supplementary materials, briefing materials and other various IR materials on the Company's website.

<http://www.future.co.jp/ir/>

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The forecasts in this material are based on currently available information; actual results may differ from such forecasts depending on the future direction of the Japanese economy and the IT service industry. It should be noted that the Company does not guarantee or promise the accuracy of these forecasts.

In this materials, the figures in the summary report of operating results, etc., described in units of thousand yen, are stated in units of million yen. Hence, disparity may be found in some of totals and differences. For detailed figures, please refer to the summary report of operating results.