

## Consolidated Summary Report of Operating Results for the First Quarter of Fiscal 2013 (Year ending December 2013) [Japan GAAP]

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 Shares listed on: First Section of Tokyo Stock Exchange  
 Security code number: 4722  
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 Scheduled submit date of quarterly report: May 14, 2013  
 Scheduled date for distribution of dividend payments: –  
 Creation of supplemental material on quarterly financial results: No  
 Holding of quarterly results briefing: No

(Amount rounded off to million yen)

## 1. Consolidated Results for the first Quarter of Fiscal 2013 (January 1, 2013 to March 31, 2013)

## (1) Consolidated operating results (accumulated total)

(Percentages are year-on-year changes)

	Net sales		Operating income		Ordinary income		Quarterly net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1Q, Fiscal 2013	6,337	20.1	581	151.9	683	137.5	467	134.5
1Q, Fiscal 2012	5,274	(10.9)	230	(74.2)	287	(68.7)	199	(66.3)

(Reference) Comprehensive income 1Q, Fiscal 2013: 516 million yen (148.5%)

1Q Fiscal 2012: 207million yen (-59.8%)

	Quarterly net income per share	Quarterly net income per share (fully diluted)
	Yen	Yen
1Q, Fiscal 2013	1,042.52	—
1Q, Fiscal 2012	438.77	—

## (2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
1Q, Fiscal 2013	15,199	11,797	76.7	26,138.95
Fiscal 2012	14,830	11,766	78.5	25,865.24

(Reference) Shareholders' equity 1Q, Fiscal 2013: 11,664 million yen Fiscal 2012: 11,645 million yen

## 2. Dividends

	Dividends per share (yen)				
	End of the first quarter dividend	End of the second quarter dividend	End of the third quarter dividend	Year-end dividend	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal 2012:	—	750.00	—	750.00	1,500.00
Fiscal 2013	—				
Fiscal 2013 (Forecast)		750.00	—	750.00	1,500.00

Note: Modification of the projected dividends announced most recently: No

## 3. Projected Consolidated Results for Fiscal 2013 (January 1, 2013 to December 31, 2013)

(% represents change from the previous fiscal year for a "Full year" and changes from the corresponding quarter of the previous fiscal year for "Quarter")

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2Q (accumulated)	12,250	10.1	1,340	84.9	1,365	69.7	750	61.7	1,680.74
Full year	25,700	10.0	3,200	65.4	3,250	57.9	1,800	54.1	4,033.78

Note: Modification of the projected consolidated results announced most recently: No

\* Notes

(1) Changes in significant subsidiaries in the consolidated first quarter under review (Changes in specified subsidiaries that involved changes in the scope of consolidation): No

(2) Application of special accounting for the preparation of quarterly consolidated financial statements: Yes  
Income taxes and payables are calculated by appropriately estimating the legal effective tax rate after the adoption of tax effect accounting which is to be assessed upon net income before taxes of the consolidated fiscal year including the consolidated first quarter under review and multiplying such estimated legal effective tax rate to the net income before taxes of the previous consolidated quarter.

(3) Change in accounting policies or estimates and retrospective restatements

1) Change in accounting policies in accordance with revision of accounting standards : Yes

2) Change in accounting policies other than item 1) above : No

3) Change in accounting estimates : Yes

4) Retrospective restatements : No

Note: For details, please refer to “Change in accounting policies or estimates and retrospective restatements” on page 3 of the accompanying material of the quarterly earnings report.

(4) Number of outstanding shares (common stock)

1) Total outstanding shares as of the end of the period (including treasury stocks)

1Q, Fiscal 2013:	476,640 shares	Fiscal 2012:	476,640 shares
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2) Total treasury stocks as of the end of the period

1Q, Fiscal 2013:	30,408 shares	Fiscal 2012:	26,408 shares
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3) Average number of outstanding stocks during the quarter under review (accumulated period for quarter)

1Q, Fiscal 2013:	448,321 shares	1Q, Fiscal 2012:	454,158 shares
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\* Indication of quarterly review procedure implementation status

This quarterly earnings report is exempt from the quarterly review procedures based upon the Financial Instruments and Exchange Act. At the time of this document's release, review procedures for the quarterly financial statements under the Financial Instruments and Exchange Act had not been completed.

\* Points to note about the proper use of projections, and other noteworthy events

The above projection, representing our best estimate based on information currently available to us, incorporates uncertain factors. For details of the preconditions used in making the above-mentioned forecast and other relevant matters, refer to “Qualitative information about consolidated earnings forecast” on page 3 of the accompanying material of the quarterly earnings report.

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## 1. Qualitative information about financial results for the first quarter of the fiscal year under review

### (1) Qualitative information about consolidated operating results

Consolidated net sales of the Group for the first quarter were ¥6,337 million, up 20.1% from the corresponding period of the previous fiscal year, operating income was ¥581 million, up 151.9%, and ordinary income was ¥683 million, up 137.5%. Net income increased 134.5% year-on-year to ¥467 million.

During the first quarter of the fiscal year under review, sales increased at the Company and most of its Group companies against the backdrop of strong orders received that continued from the previous fiscal year, as well as an improvement in profit and loss. As a result, consolidated earnings including consolidated net sales and operating income grew significantly from a year earlier.

The details of performance of each business segment, which represent values before adjusting for internal sales or transfers among segments, are as follows.

In the IT Consulting Business, we steadily advanced large projects involving the renovation and integration of IT systems in accordance with operational reforms for which we received orders in the previous fiscal year, as well as medium-scale projects for clients in the financial and manufacturing sectors. In addition, the Company started providing cloud computing services for financial institutions (SKYBANK), and made steady progress in new strategic fields which it had been working on such as global ERP for major corporations. Meanwhile, the Company reviewed some of the projects for which quality improvement had become an issue and booked additional costs to address it.

As for its overseas business, the Company's subsidiary in Singapore led to a reduction in quarterly losses, and sales also increased at its subsidiary in Thailand as last year's sales promotional activity bore fruit. Consequently, net sales for the first quarter were ¥4,259 million, up 32.1% from a year earlier and operating income surged 92.0% year-on-year to ¥511 million.

In the Package & Service Business, operations of Ascendia Inc. remained robust although the ratio of outsourcing cost slightly increased from a year earlier. In addition, profitability of projects improved at Future One, Inc. as measures for stepping up project management, which it had been implementing since last year, worked successfully. As a result, net sales were ¥1,060 million, up 8.6% year-on-year, and operating income amounted to ¥44 million, compared to operating loss of ¥32 million a year ago.

In the Corporate Revitalization Business, the gross profit margin of Uoei Corporation, which operates grocery supermarkets, improved from a year earlier due to continued use of IT, including automatic order placement and EDI systems, and increased efficiency of logistics. Meanwhile, Uoei squeezed selling, general and administrative expenses through an efficient advertising strategy. As a result, net sales were ¥1,127 million, down 2.2% year-on-year, and operating income was ¥23 million, up 38.4% year-on-year.

### (2) Qualitative information about consolidated financial condition

(Assets, liabilities and net asset)

Total assets at the end of the first quarter under review increased by ¥369 million from the end of the previous consolidated fiscal year to ¥15,199 million. The main underlying factors were increases in cash and deposits (increase of ¥179 million from the end of the previous fiscal year) as a result mainly of growth in sales and collection of accounts receivable and increase in software (increase of ¥122 million from a year earlier) chiefly due to the development of software for cloud computing services.

Liabilities increased by ¥337 million from the end of the previous consolidated fiscal year to ¥3,401 million. Main factors included increases in accounts payable (increase of ¥180 million from the end of the previous consolidated fiscal year) as a result of increases in procuring of goods for sale and in other current liabilities (increase of ¥376 million from a year earlier).

Net assets increased by ¥31 million from the end of the previous consolidated fiscal year to ¥11,797 million. The main factors included increases in retained earnings (increase of ¥129 million from the end of the previous consolidated fiscal year) and in valuation difference on available-for-sale securities (increase of ¥55 million from a year earlier), despite purchases of treasury stock (decrease of ¥147 million from a year earlier).

(Analysis of cash flows)

Net cash provided by (used in) operating activities was an inflow of ¥793 million (compared to an inflow of ¥46 million in the previous fiscal year), mainly due to the posting of net income before taxes (quarterly period) of ¥718 million, a decrease in accounts receivable of ¥170 million and an increase in accounts payable of ¥179 million.

Net cash provided by (used in) investing activities totaled ¥156 million of outflow (compared to an outflow of ¥396 million for the corresponding quarter of the previous fiscal year), chiefly due to purchase of tangible fixed assets of ¥75 million and acquisition of intangible fixed assets of ¥138 million.

Net cash provided by (used in) financing activities was ¥455 million of outflow (compared to an outflow of ¥562 million for the corresponding quarter of the previous fiscal year), mainly due to purchase of treasury stock of ¥148 million and dividends paid of ¥306 million.

As a result of these operating, investment, and financial activities, the balance of cash and cash equivalents at the end of the first quarter under review was ¥4,366million.

- (3) Qualitative information about consolidated earnings forecast  
We have not changed our previous earnings forecast for the second quarter and the full term of the fiscal year ending December 2013, which was announced on February 7, 2013.

## 2. Matters related to summary information (Notes)

- (1) Changes in significant subsidiaries in the consolidated first quarter under review  
Not applicable
- (2) Application of special accounting for the preparation of quarterly consolidated financial statements  
Income taxes and payables are calculated by appropriately estimating the legal effective tax rate after the adoption of tax effect accounting which is to be assessed upon net income before taxes of the consolidated fiscal year including the consolidated first quarter under review and multiplying such estimated legal effective tax rate to the net income before taxes of the previous consolidated quarter.
- (3) Change in accounting policies or estimates and retrospective restatements  
Changes in accounting policies that are difficult to distinguish from changes in accounting estimates  
(Change in depreciation method)  
In accordance with the revision of the Corporation Tax Act of Japan, the depreciation method of the Company and its domestic consolidated subsidiaries for tangible fixed assets acquired on or after January 1, 2013 has been changed to the method under the revised act from the first quarter of the fiscal year under review.  
The impact of this change on profit and loss is immaterial.

### 3. Quarterly Period Consolidated Financial Statements

#### (1) Quarterly Period Consolidated Balance Sheets

(in thousands of yen)

	Previous consolidated fiscal year (December 31, 2012)	Consolidated first quarter under review (March 31, 2013)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,156,343	4,335,807
Notes and accounts receivable	3,523,351	3,365,813
Investment securities	30,129	30,624
Merchandise and finished goods	134,677	138,437
Work in process	33,597	41,181
Deferred tax assets	153,662	153,272
Accounts receivable-other	1,358,569	1,350,109
Other	387,026	472,489
Allowance for doubtful accounts	(6,034)	(5,342)
<b>Total current assets</b>	<b>9,771,322</b>	<b>9,882,392</b>
<b>Fixed assets</b>		
<b>Tangible fixed assets</b>		
Buildings and structures	3,110,805	3,196,255
Accumulated depreciation	(2,740,590)	(2,766,213)
Buildings and structures, net	370,214	430,042
Land	122,868	122,868
Other	1,840,525	1,872,640
Accumulated depreciation	(1,448,329)	(1,474,799)
Other, net	392,195	397,841
<b>Total tangible fixed assets</b>	<b>885,279</b>	<b>950,752</b>
<b>Intangible fixed assets</b>		
Goodwill	195,332	178,197
Software	836,883	959,366
Other	21,817	21,681
<b>Total intangible fixed assets</b>	<b>1,054,032</b>	<b>1,159,244</b>
<b>Investments and other assets</b>		
Investment securities	1,907,516	2,023,826
Lease and guarantee deposits	1,035,870	1,036,541
Deferred tax assets	172,157	141,573
Other	61,063	59,685
Allowance for doubtful accounts	(57,052)	(54,761)
<b>Total investments and other assets</b>	<b>3,119,554</b>	<b>3,206,865</b>
<b>Total fixed assets</b>	<b>5,058,866</b>	<b>5,316,862</b>
<b>Total assets</b>	<b>14,830,189</b>	<b>15,199,254</b>

(in thousands of yen)

	Previous consolidated fiscal year (December 31, 2012)	Consolidated first quarter under review (March 31, 2013)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable	739,873	920,397
Short-term borrowings	30,283	30,112
Accounts payable-other	516,697	433,689
Income tax payable, etc.	535,959	252,592
Reserve for bonuses	116,997	103,213
Reserve for quality assurance	11,275	11,032
Reserve for loss on projects	13,500	52,600
Reserve for office transfer expenses	35,342	21,313
Other	747,736	1,207,418
<b>Total current liabilities</b>	<b>2,747,663</b>	<b>3,032,369</b>
<b>Non-current liabilities</b>		
Asset retirement obligations	304,006	356,989
Other	12,269	12,220
<b>Total non-current liabilities</b>	<b>316,276</b>	<b>369,210</b>
<b>Total liabilities</b>	<b>3,063,940</b>	<b>3,401,579</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Common stock	1,421,815	1,421,815
Capital surplus	2,495,772	2,495,772
Retained earnings	9,151,020	9,280,731
Treasury stock	(1,393,328)	(1,540,983)
<b>Total shareholders' equity</b>	<b>11,675,279</b>	<b>11,657,336</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	612	56,094
Foreign currency translation adjustments	(30,532)	(49,396)
<b>Total valuation and translation adjustments</b>	<b>(29,920)</b>	<b>6,698</b>
<b>Minority interests</b>	<b>120,890</b>	<b>133,639</b>
<b>Total net assets</b>	<b>11,766,249</b>	<b>11,797,674</b>
<b>Total liabilities and net assets</b>	<b>14,830,189</b>	<b>15,199,254</b>

(2) Quarterly Period Consolidated Statements of Income and Comprehensive Income  
(First quarter of consolidated fiscal year under review)

(in thousands of yen)

	First quarter of previous consolidated fiscal year (from January 1, 2012 to March 31, 2012)	First quarter of consolidated fiscal year under review (from January 1, 2013 to March 31, 2013)
Net sales	5,274,742	6,337,203
Cost of sales	3,470,495	4,160,551
Gross profit	1,804,246	2,176,652
Selling, general and administrative expenses		
Officers' remuneration	64,719	74,265
Salaries and bonuses	869,898	779,676
Employee training expenses	6,451	9,579
Research & development expenditures	2,434	10,376
Depreciation	26,425	24,170
Recruitment expenses	42,910	63,166
Other	560,605	634,069
Total selling, general and administrative expenses	1,573,445	1,595,305
Operating income	230,801	581,347
Non-operating income		
Interest income	1,386	747
Dividends income	876	987
Equity in income of non-consolidated subsidiaries & affiliates	24,846	45,237
Foreign exchange gains	26,126	48,766
Other	5,668	7,210
Total non-operating income	58,904	102,950
Non-operating expenses		
Interest expenses	220	101
Commission for purchase of treasury stock	1,647	1,005
Other	152	12
Total non-operating expenses	2,021	1,119
Ordinary income	287,685	683,177
Extraordinary income		
Gains on sale of investment securities	—	35,573
Gain on negative goodwill	75,209	—
Total extraordinary income	75,209	35,573
Extraordinary loss		
Loss on retirement of noncurrent assets	—	490
Loss on devaluation of investment securities	1,275	—
Litigation expenses	44,000	—
Others	1,655	—
Total extraordinary losses	46,931	490

(in thousands of yen)

	First quarter of previous consolidated fiscal year (from January 1, 2012 to March 31, 2012)	First quarter of consolidated fiscal year under review (from January 1, 2013 to March 31, 2013)
Net income before taxes (quarterly period)	315,963	718,260
Income taxes	112,411	240,678
Income before minority interests	203,551	477,582
Minority interests in income	4,279	10,196
Quarterly net income	199,272	467,385
Minority interests in income	4,279	10,196
Income before minority interests	203,551	477,582
Other comprehensive income		
Valuation difference on available-for-sale securities	4,273	55,335
Foreign currency translation adjustment	18	(21,975)
Share of other comprehensive income of associates accounted for using equity method	99	5,810
Other comprehensive income	4,391	39,171
Quarterly comprehensive income	207,943	516,753
(Breakdown)		
Comprehensive income attributable to owners of the parent	202,922	504,003
Comprehensive income attributable to minority interests	5,020	12,749

## (3) Quarterly Period Consolidated Statements of Cash Flows

(in thousands of yen)

	First quarter of previous consolidated fiscal year (from January 1, 2012 to March 31, 2012)	First quarter of consolidated fiscal year under review (from January 1, 2013 to March 31, 2013)
Net cash provided by (used in) operating activities		
Net income before taxes (quarterly period)	315,963	718,260
Depreciation and amortization	52,557	81,047
Increase (decrease) in allowance for doubtful accounts	(2,062)	(2,983)
Increase (decrease) in reserve for bonuses	(12,268)	(15,592)
Increase (decrease) in reserve for quality assurance	(12,869)	(243)
Increase (decrease) in reserve for loss on projects	(4,200)	39,100
Increase (decrease) in reserve for office transfer expenses	—	(14,261)
Earned interest and dividends	(2,263)	(1,735)
Interest expenses	220	101
Equity in losses (income) of subsidiaries & affiliates	(24,846)	(45,237)
Gain on negative goodwill	(75,209)	—
Loss on retirement of noncurrent assets	—	490
Loss (gains) on sale of investment securities	—	(35,573)
Loss (gains) on valuation of investment securities	1,275	—
Litigation expenses	44,000	—
Decrease (increase) in accounts receivable	309,080	170,601
Decrease (increase) in inventories	(14,041)	(11,343)
Increase (decrease) in accounts payable	(3,813)	179,929
Others	43,944	238,267
Subtotal	615,468	1,300,826
Interest and dividends received	2,098	2,135
Interest paid	(303)	(101)
Income and other taxes	(570,439)	(509,231)
Net cash provided by (used in) operating activities	46,824	793,629

(in thousands of yen)

	First quarter of previous consolidated fiscal year (from January 1, 2012 to March 31, 2012)	First quarter of consolidated fiscal year under review (from January 1, 2013 to March 31, 2013)
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	(201,196)	—
Purchase of tangible fixed assets	(17,858)	(75,933)
Acquisition of intangible fixed assets	(139,516)	(138,805)
Proceeds from sale of investment securities	—	57,240
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(64,435)	—
Payments for deposits and guarantee	(4,408)	(211)
Proceeds from collection of deposits and guarantees	21,622	—
Proceeds from transfer of business	8,240	—
Others	750	1,200
Net cash provided by (used in) investing activities	(396,801)	(156,510)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	(2,441)	(182)
Repayment of long-term borrowings	(16,000)	—
Purchase of treasury stock	(223,307)	(148,660)
Dividends paid	(320,476)	(306,838)
Net cash provided by (used in) financing activities	(562,224)	(455,682)
Effect of exchange rate changes on cash and cash equivalents	7,720	322
Increase (decrease) in cash and cash equivalents	(904,480)	181,759
Cash and cash equivalents at beginning of the period	5,526,311	4,184,672
Cash and cash equivalents at end of the quarterly period	4,621,830	4,366,431

- (4) Notes regarding premise of surviving company  
Not applicable
- (5) Notes regarding significant change in shareholders' equity  
Not applicable

(6) Segment information

I. First quarter of the previous consolidated fiscal year (from January 1, 2012 to March 31, 2012)

1. Amounts of net sales and income or loss by business segment reported

(in thousands of yen)

	Business segment reported				Others (Note 1)	Total	Adjustment (Note 2)	Amount Stated in Quarterly Period Consolidated Financial Statements (Note 3)
	IT Consulting Business	Package & Service Business	Corporate Revitalization Business	Total				
Net sales								
(1) Net sales to outside clients	3,214,216	856,686	1,152,246	5,223,149	51,592	5,274,742	—	5,274,742
(2) Inter-segment sales or transfer	9,026	119,720	324	129,071	—	129,071	(129,071)	—
Total	3,223,243	976,407	1,152,570	5,352,221	51,592	5,403,814	(129,071)	5,274,742
Segment income or loss	266,266	(32,236)	16,697	250,726	(27,546)	223,180	7,621	230,801

- Notes: 1. "Others," a segment that is not included in the business segment reported, which includes Internet-related businesses, publishing business and securities investment, holding, and management activities.
2. "Adjustment" of segment income or loss of ¥7,621 thousand refers to elimination of inter-segment transactions.
3. Segment income or loss is adjusted with operating income in the Quarterly Period Consolidated Statements of Income.

II. First quarter of consolidated fiscal year under review (from January 1, 2013 to March 31, 2013)

1. Amounts of net sales and income or loss by business segment reported

(in thousands of yen)

	Business segment reported				Others (Note 1)	Total	Adjustment (Note 2)	Amount Stated in Quarterly Period Consolidated Financial Statements (Note 3)
	IT Consulting Business	Package & Service Business	Corporate Revitalization Business	Total				
Net sales								
(1) Net sales to outside clients	4,247,980	871,497	1,126,876	6,246,354	90,849	6,337,203	—	6,337,203
(2) Inter-segment sales or transfer	11,522	189,315	819	201,657	332	201,990	(201,990)	—
Total	4,259,502	1,060,812	1,127,696	6,448,012	91,182	6,539,194	(201,990)	6,337,203
Segment income or loss	511,295	44,025	23,107	578,428	(4,273)	574,154	7,192	581,347

- Notes: 1. "Others," a segment that is not included in the business segment reported, which includes Internet-related businesses, publishing business and securities investment, holding, and management activities.
2. "Adjustment" of segment income or loss of ¥7,192 thousand refers to elimination of inter-segment transactions.
3. Segment income or loss is adjusted with operating income in the Quarterly Period Consolidated Statements of Income.

#### 4. Supplemental information

##### (1) Orders received

(in thousands of yen)

Function	First quarter of previous consolidated fiscal year (from January 1, 2012 to March 31, 2012)		First quarter of consolidated fiscal year under review (from January 1, 2013 to March 31, 2013)	
	Orders Rcvd	Orders O/S	Orders Rcvd	Orders O/S
IT Consulting Business	2,611,241	2,956,177	3,731,572	6,059,985
Package & Service Business	551,272	879,899	698,459	798,809
Others	47,343	—	111,151	33,042
Total	3,209,857	3,836,077	4,541,183	6,891,836