

Briefing on Financial Results for FY2014



February 10, 2015
Future Architect, Inc.

1. Earnings Results for FY2014

(Yuji Higashi, Executive Senior Vice President)

2. FY2015 Forecast

(Yuji Higashi, Executive Senior Vice President)

3. Outlook for and Direction to Take in the Future Contents

(Yasufumi Kanemaru, Chairman and CEO)

1. Earnings Results for FY2014

(Yuji Higashi, Executive Senior Vice President)

Consolidated Earnings Highlights

Challenge Together

Future Architect, Inc. which designs management and IT.

- **Consolidated net sales (a record high for 2nd straight year)**
Net sales increased 14.6% year-on-year, as Future Architect posted record-high sales, and eSPORTS saw sales rise sharply.
- **Consolidated income (a record high for 2nd straight year)**
The income margin of Future Architect, eSPORTS and FutureOne (former Ascendia) improved, contributing to an increase in income.
- **Orders received**
Orders received remained robust, as orders were received continuously due to expansion of the client base and enhancement of the medium- and long-term relationship of mutual trust with clients.

FY2014 Consolidated Results

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

(Million yen)	FY2014 Results	Compared with projected results		Year-on-year comparison	
		FY2014 Plan	Change	FY2013 Results	Change
Net sales	34,424	33,400	+3.1%	30,049	+14.6%
Operating income Operating income margin	4,342 12.6%	4,000 12.0%	+8.6%	3,352 11.2%	+29.5%
Ordinary income Ordinary income margin	4,325 12.6%	4,040 12.1%	+7.1%	3,454 11.5%	+25.2%
Net income Net income margin	2,220 (Note) 6.4%	2,280 6.8%	-2.6%	2,027 6.7%	+9.5%

(Note) The tax rate for consolidated net income is high due to the differences between tax effect accounting related to consolidated tax payment and that related to non-consolidated tax payment.

FY2014 Non-consolidated Results

Challenge Together

Future Architect, Inc. which designs management and IT.

(Million yen)	FY2014 Results	Compared with projected results		Year-on-year comparison	
		FY2014 Plan	Change	FY2013 Results	Change
Net sales	19,727	19,000	+3.8%	18,014	+9.5%
Operating income Operating income margin	4,001 20.3%	3,650 19.2%	+9.6%	3,157 17.5%	+26.7%
Ordinary income Ordinary income margin	4,571 23.2%	Not disclosed	- %	3,367 18.7%	+35.8%
Net income Net income margin	2,264 11.5%	2,140 11.3%	+5.8%	1,718 9.5%	+31.8%

Consolidated Balance Sheets

Challenge Together

Future Architect, Inc. which designs management and IT.

(Million yen)	End of Dec. 2014	End of Dec. 2013	Change
Current assets	16,662	13,978	+2,684
Non-current assets	5,040	5,246	-206
Total assets	21,702	19,225	+2,477
Current liabilities	5,800	4,809	+990
Non-current liabilities	1,426	1,367	+58
Total liabilities	7,226	6,177	+1,049
Total net assets	14,475	13,047	+1,428
Shareholders' equity ratio	65.8%	67.1%	-1.3pts

Main changes

(Million yen)

		End of Dec. 2014	End of Dec. 2013	Change
Current assets:	Increase in cash and deposits	8,552	6,892	+1,660
	Decrease in accounts receivable-trade	5,006	4,330	+675
Current liabilities:	Increase in accounts payable - other	1,049	774	+275
	Increase in income taxes payable	1,361	1,024	+337
Net assets:	Increase in retained earnings	12,012	10,506	+1,506

Consolidated Cash Flows

(Million yen)	FY2014 Results	FY2013 Results	Change
Net cash provided by (used in) operating activities	3,114	3,427	-312
Net cash provided by (used in) investing activities	-676	-888	+211
Net cash provided by (used in) financing activities	-749	139	-888
Effect of exchange rate changes on cash and cash equivalents	33	30	+2
Increase (decrease) in cash and cash equivalents	1,721	2,708	
Cash and cash equivalents at beginning of the period	6,892	4,184	
Cash and cash equivalents at end of the period	8,614	6,892	

Main changes

(Million yen)		FY2014	FY2013	Change
Operating CF:	Decrease (increase) in notes and accounts receivable - trade	4,260	3,519	+741
	Increase (decrease) in notes and accounts payable - trade	-265	707	-972
	Income taxes paid	-1,777	-937	-839
Investing CF:	Purchase of shares of subsidiaries	-317	-999	+681
	Proceeds from collection of lease and guarantee deposits	63	451	-388
Financing CF:	Purchase of treasury shares	-	1,000	-1,000

Consolidated Results by Segment

Challenge Together

Future Architect, Inc. which designs management and IT.

(Million yen)	FY2014 Results	FY2013 Results	Year-on-year change
Net Sales	34,424	30,049	+14.6%
IT Consulting	21,315	19,707	+8.2%
Package & Service	5,011	4,577	+9.5%
New Media & Web Service	4,258	1,977	+115.3%
Corporate Revitalization	4,472	4,559	-1.9%
Other	-	-	-
Adjustments	-632	-773	-
Operating Income	4,342	3,352	+29.5%
IT Consulting	3,883	2,959	+31.2%
Package & Service	469	373	+25.8%
New Media & Web Service	-13	-51	-
Corporate Revitalization	-35	46	-
Other	-0	-1	-
Adjustments	39	26	-

Consolidated Orders Received and Backlog by Segment

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Future Architect, Inc. which designs management and IT.

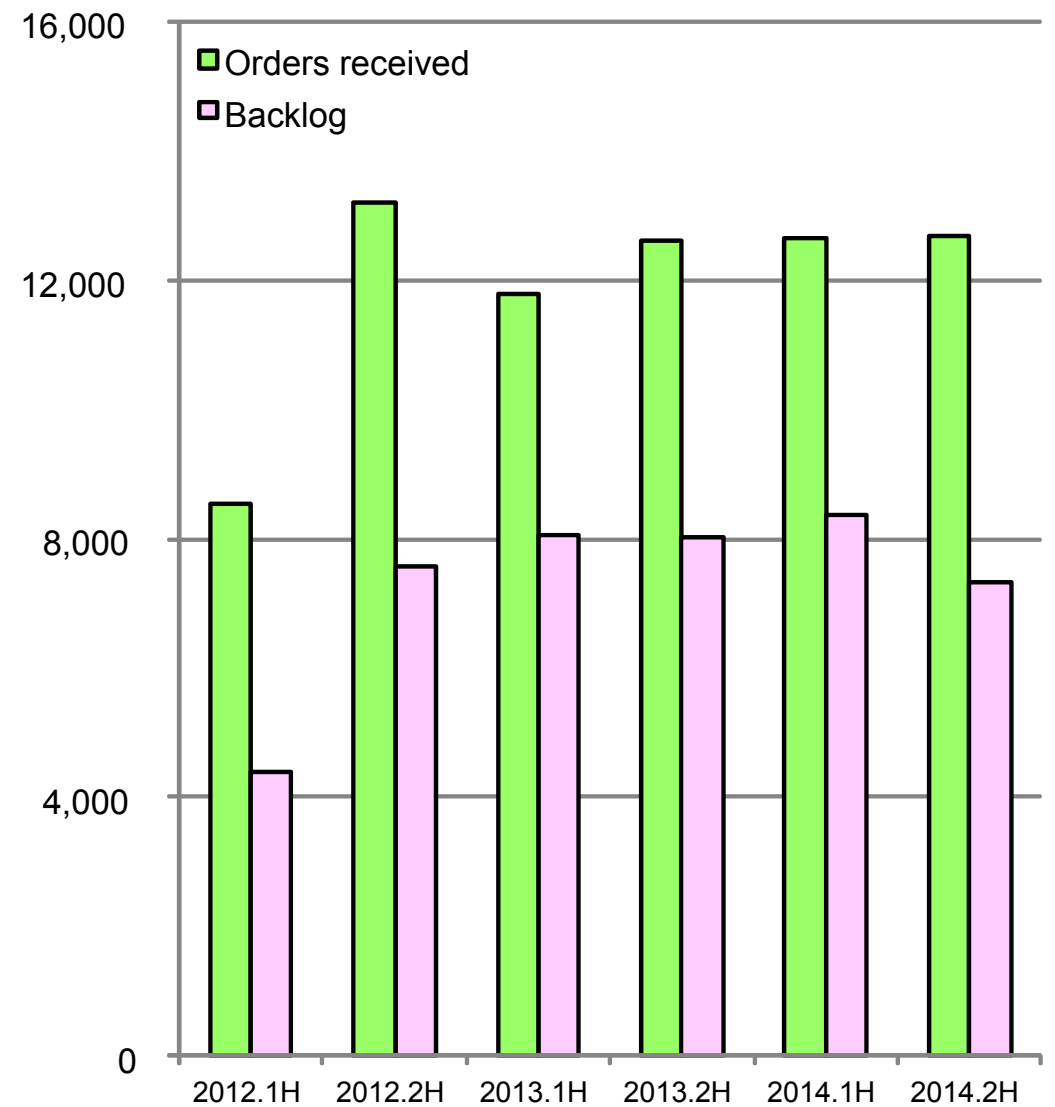
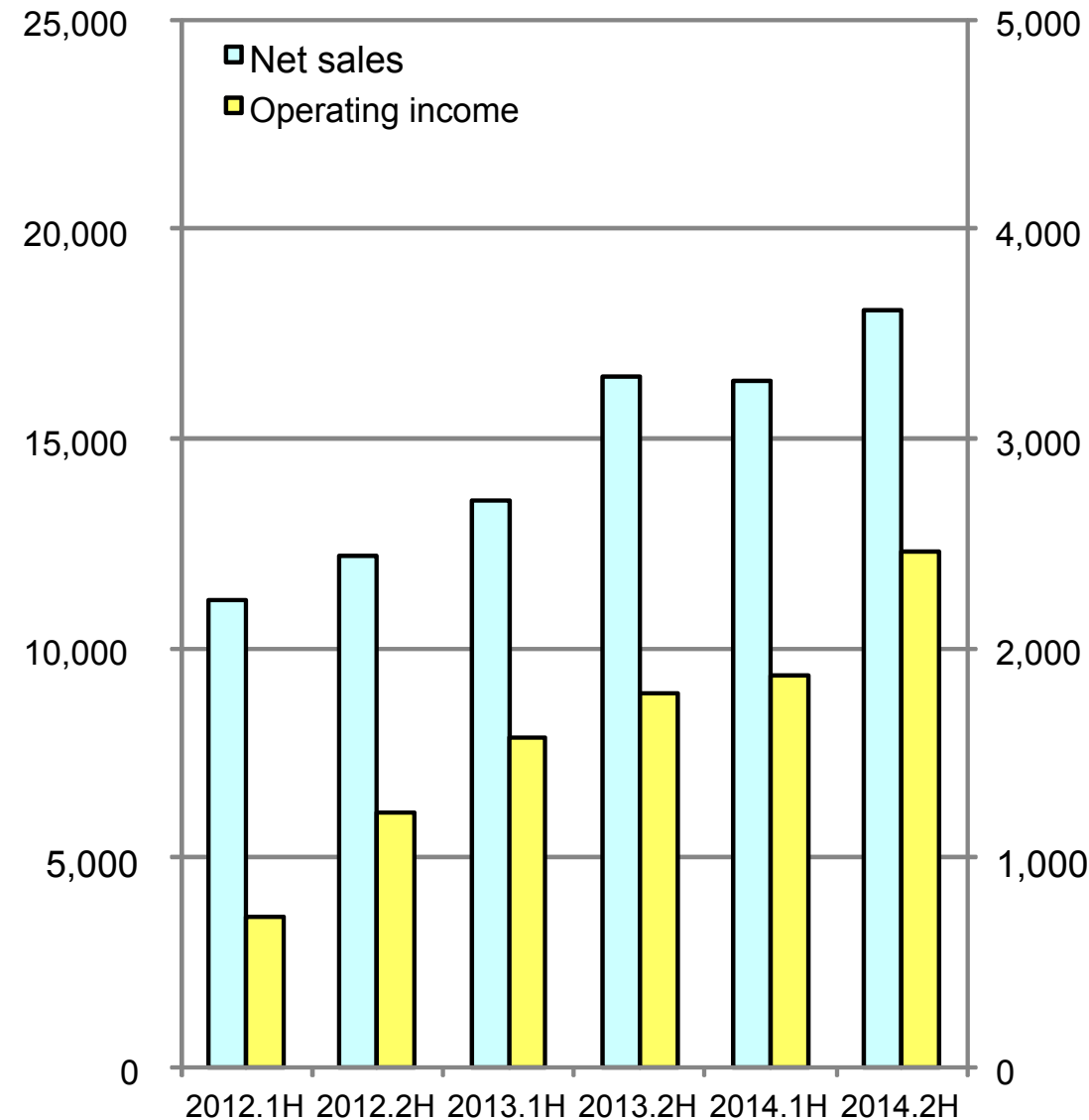
(Million yen)	Orders received			Backlog		
	FY2014	FY2013	Year-on-year change	FY2014	FY2013	Year-on-year change
IT Consulting Business	20,386	19,912	+2.4%	5,903	6,829	-13.6%
Package & Service Business	4,630	4,051	+14.3%	1,408	1,167	+20.6%
New Media & Web Service Business	305	439	-30.6%	12	13	-7.1%
Total	25,322	24,404	+3.8%	7,325	8,010	-8.6%

Note: eSPORTS and Uoei are not included in the above table, since they are not engaged in production on orders.

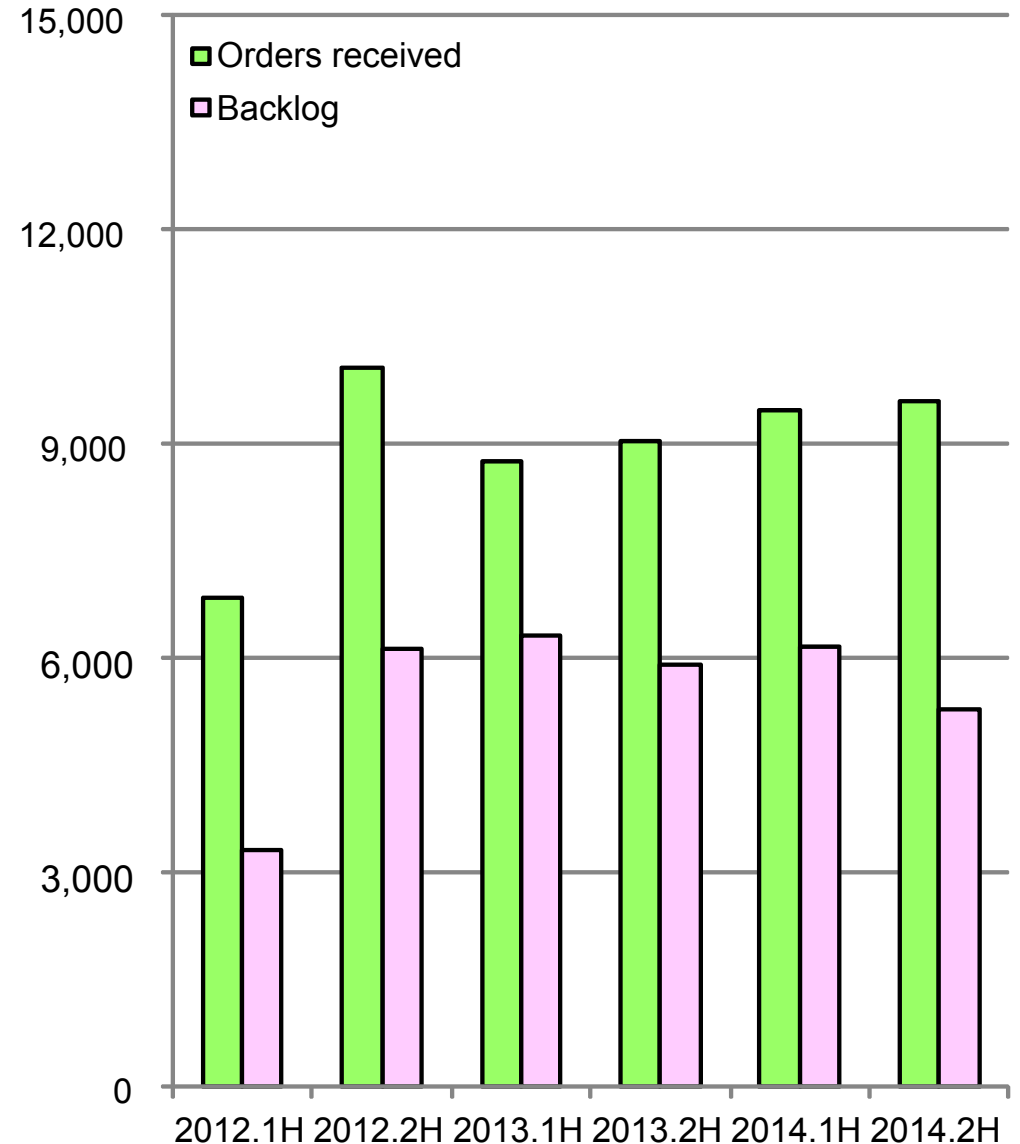
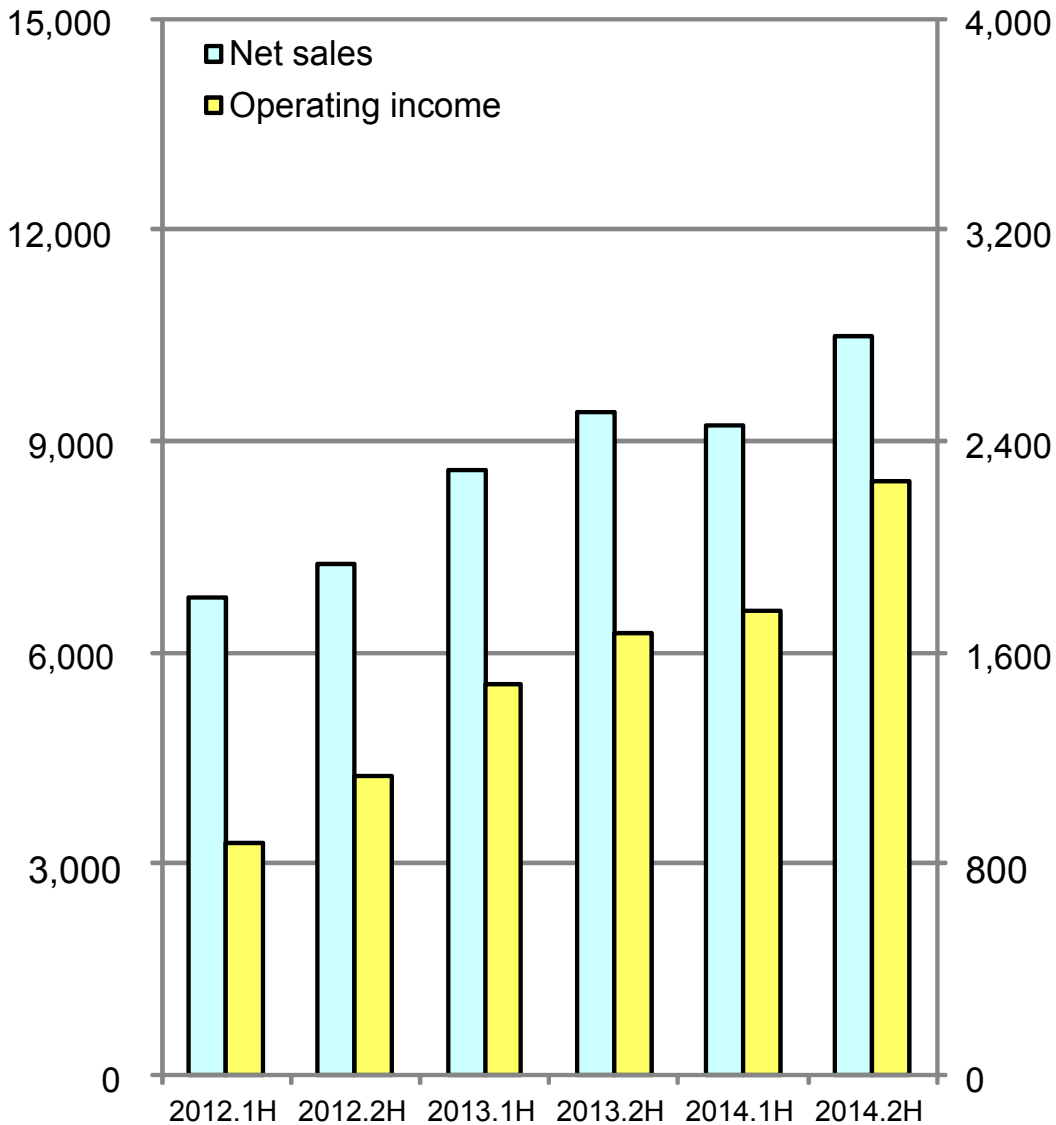
Trends of Half-Yearly Consolidated Results

Challenge Together

Future Architect, Inc. which designs management and IT.



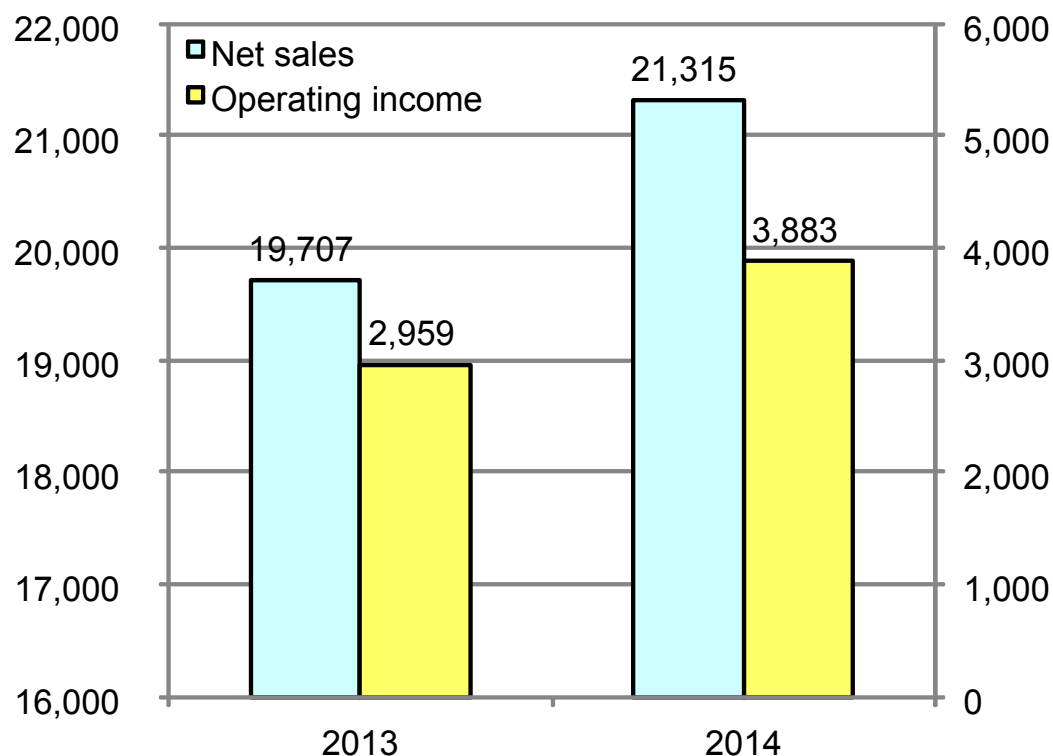
Trends of Half-Yearly Non-consolidated Results



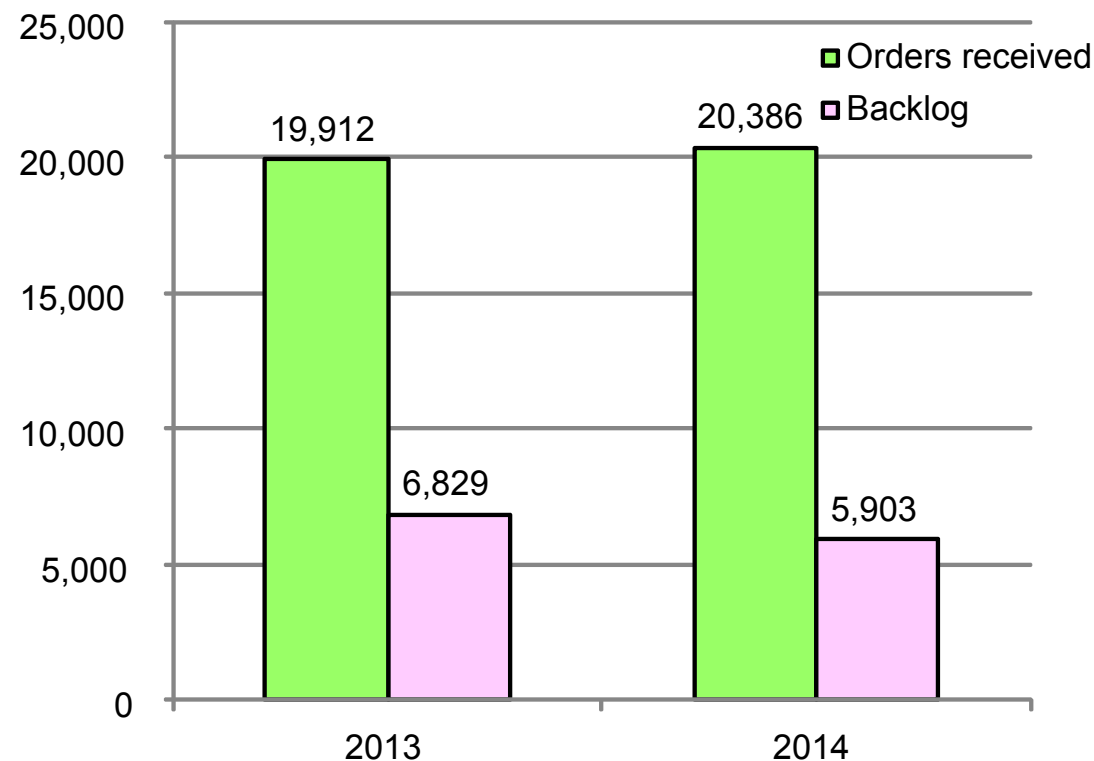
Results by Segment (IT Consulting Business)

- Net sales of Future Architect rose mainly due to an increased number of clients and expanded scale of projects. Operating income also increased owing to improvements in the income margin of projects and the capacity utilization rate.
- As for Southeast Asia, both sales and income increased in Malaysia.

Trends of net sales and operating income



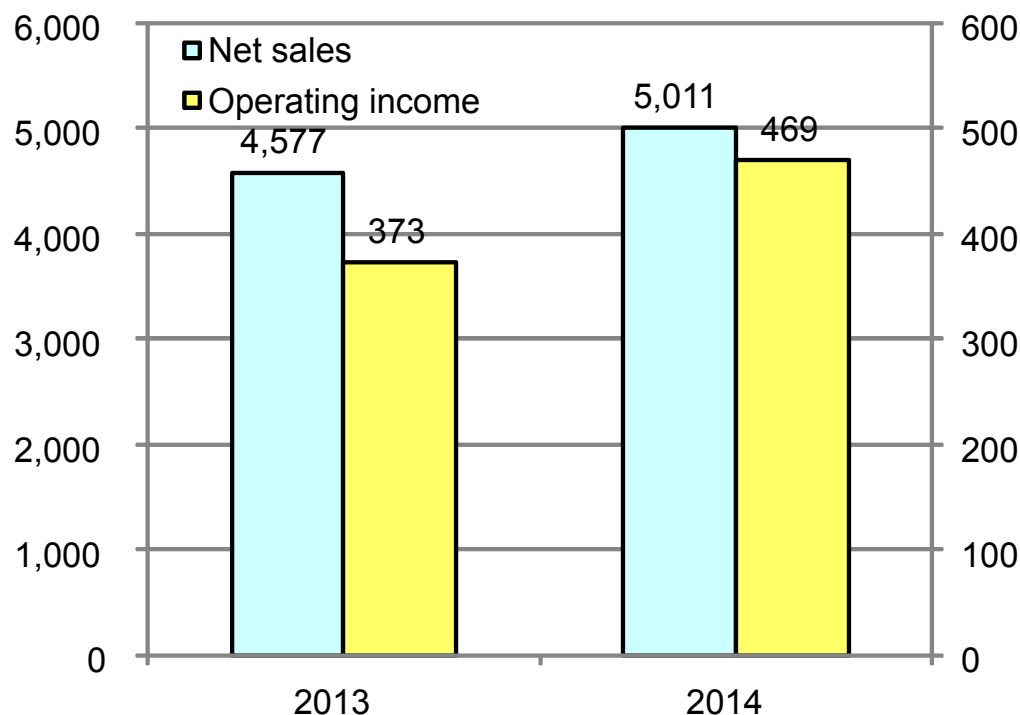
Trends of orders received and backlog



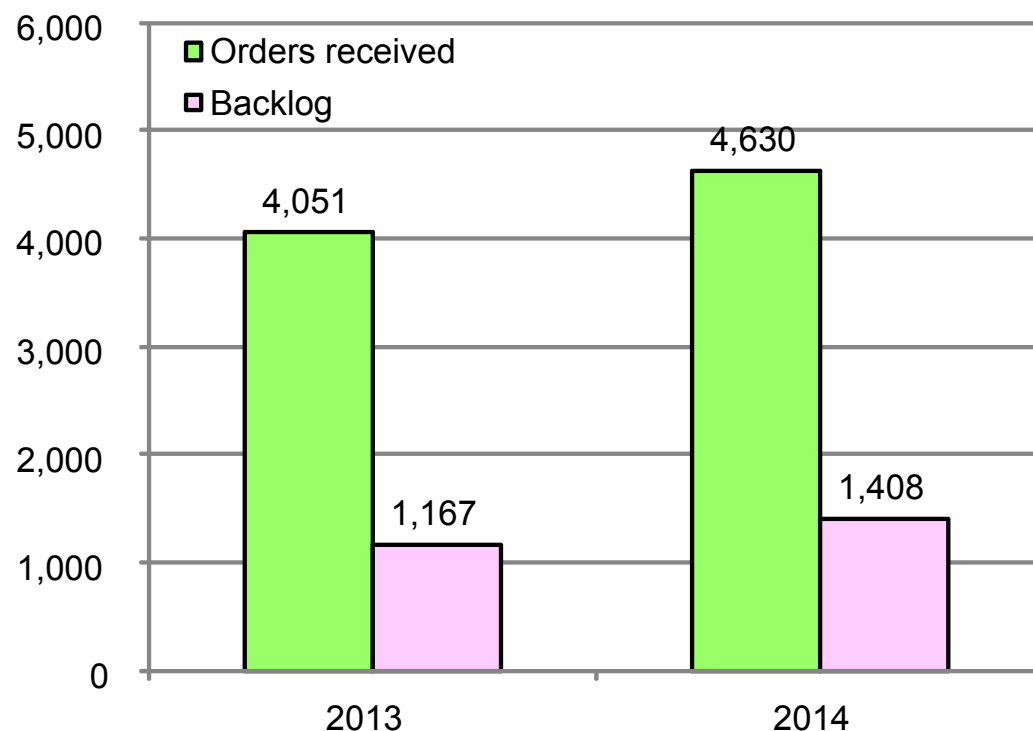
Results by Segment (Package & Service Business)

- FutureOne saw both sales and income increase year-on-year thanks to the start of operations of principal projects and an increase in system replacement projects.
- Future Inspace (the former Ascendia) saw income rise due to an increase in sales caused chiefly by orders from local public organizations and an improvement in operating income margin.

Trends of net sales and operating income



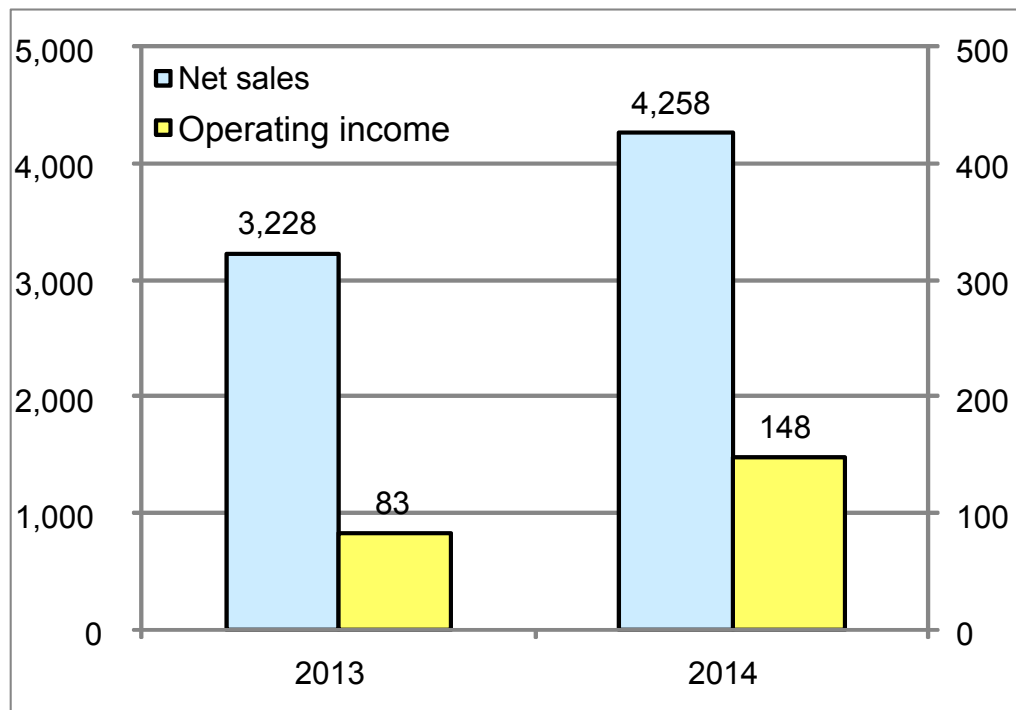
Trends of orders received and backlog



Results by Segment (New Media & Web Service Business)

- eSPORTS saw both sales and income remain strong because sales of fitness-related products increased further, as well as online sales of sports and outdoor gear continuing to be robust throughout the year, which was the result of eSPORTS overcoming impacts from the consumption tax hike.
- Tokyo Calendar saw its deficit increase temporarily due to the magazine's renewal and preparation for a new online service, which was launched in January 2015.

Trends of net sales and operating income

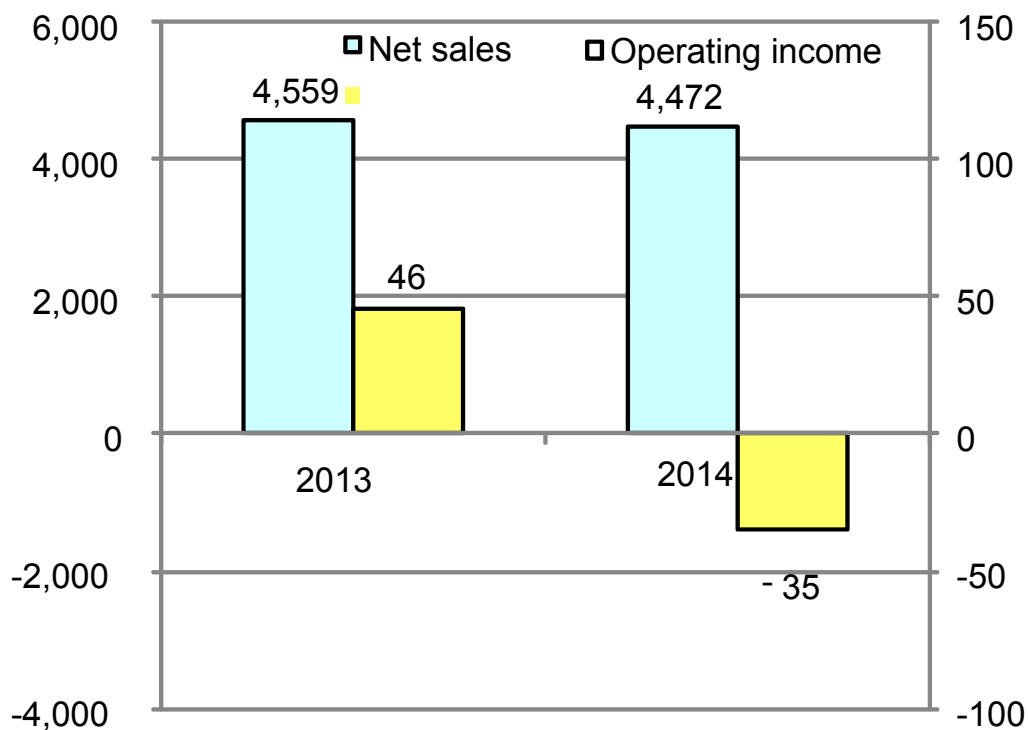


Note: Figures of eSPORTS for the first half of 2013 are those before it was made a subsidiary. Amortization of goodwill is not taken into consideration in order to make conditions the same.

Results by Segment (Corporate Revitalization Business)

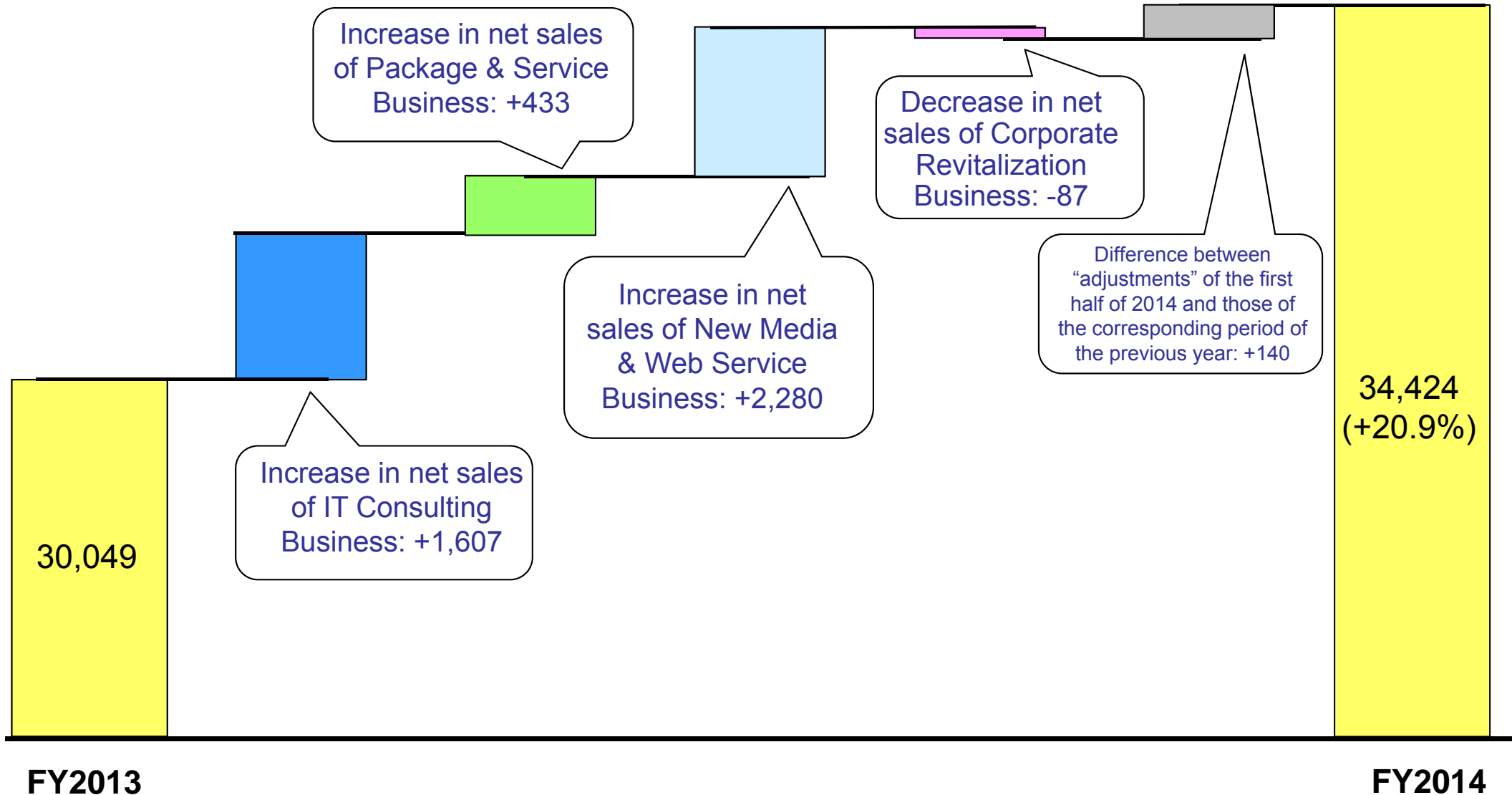
- Net sales decreased slightly, despite the renovation of stores to efficiently use space and the implementation of sales promotion measures such as changes in the point system, which failed to offset the impacts of the consumption tax hike.
- Operating income dropped due to an increase in personnel expenses, electricity rate hikes, and a rise in sales and administration expenses, which included temporary expenses related to the change of the point system.

Trends of net sales and operating income



Consolidated Analysis of Changes in Net Sales

(Million yen)

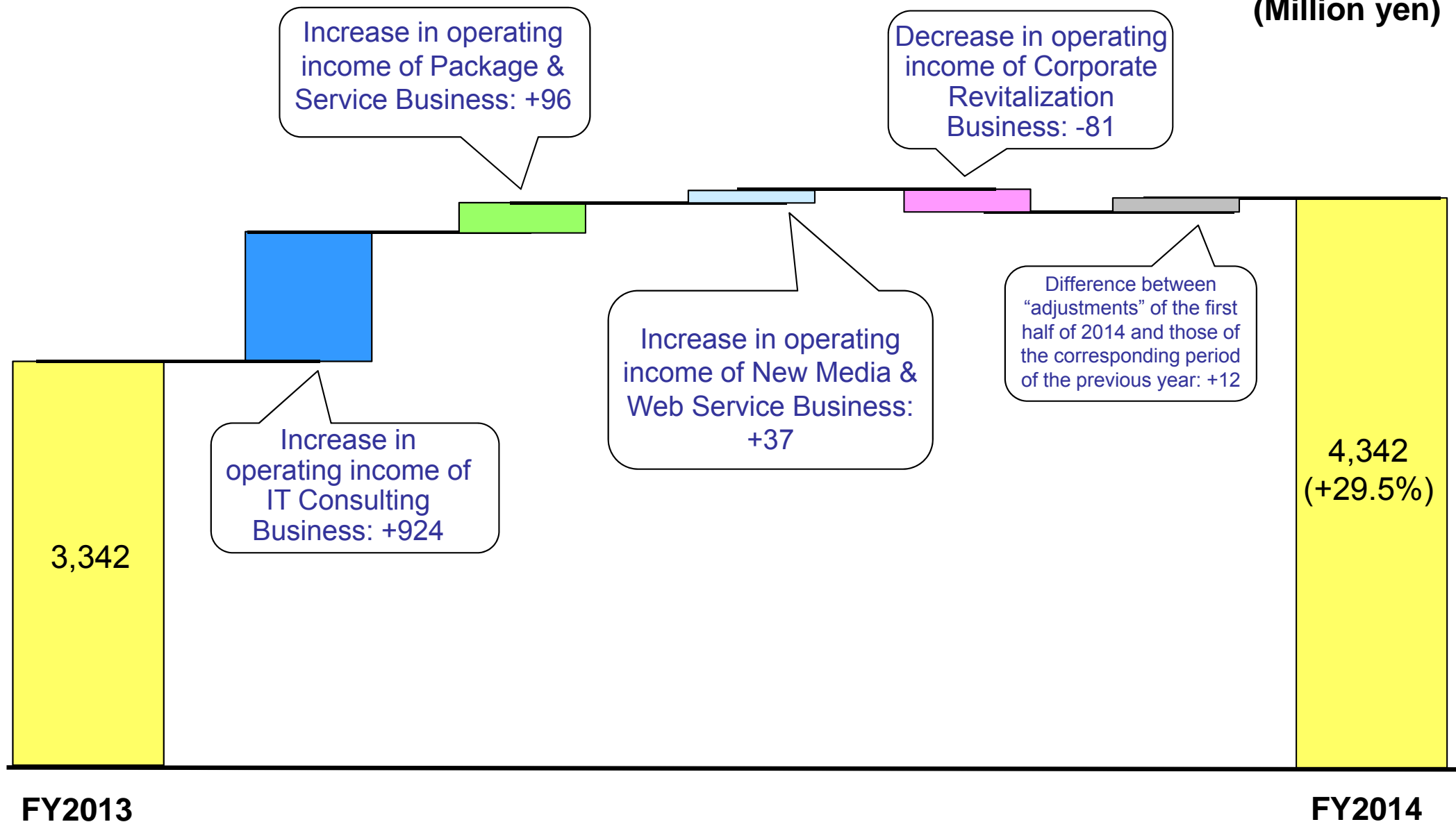


Consolidated Analysis of Changes in Operating Income

Challenge Together

Future Architect, Inc. which designs management and IT.

(Million yen)

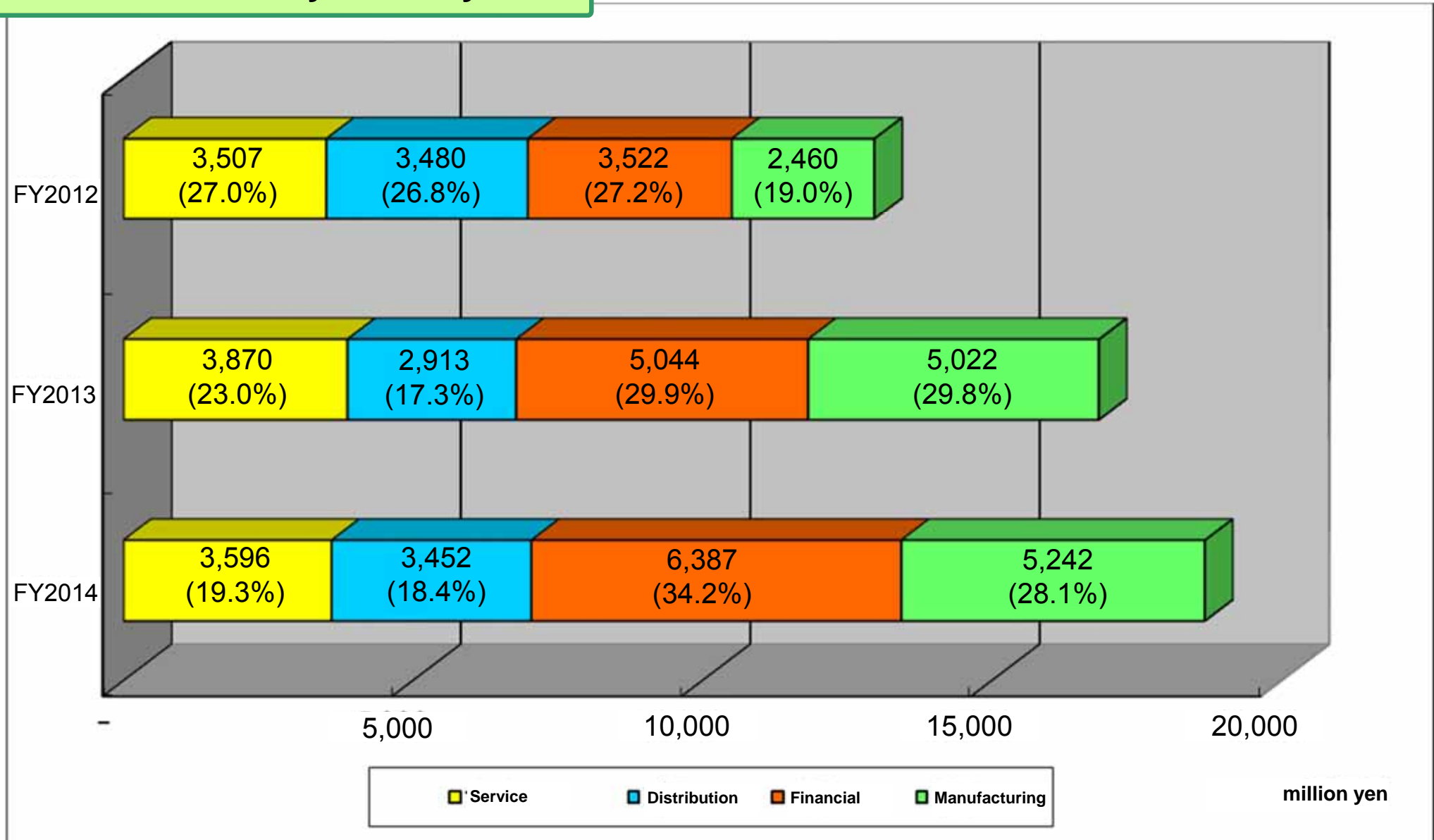


Sales Analysis of IT Consulting Business: non-consolidated (1/3)

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Future Architect, Inc. which designs management and IT.

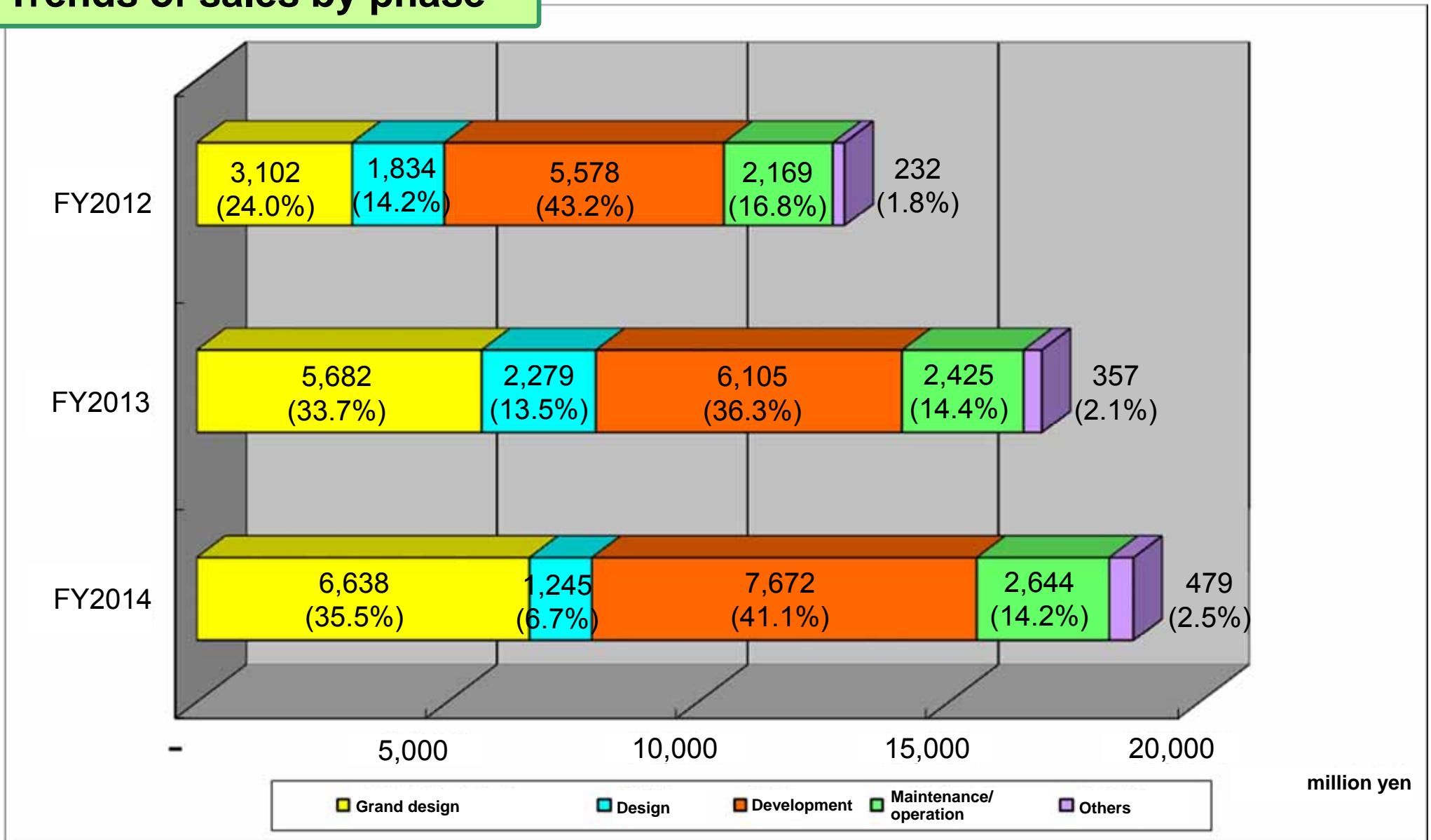
Trends of sales by industry



million yen

Sales Analysis of IT Consulting Business: non-consolidated (2/3)

Trends of sales by phase

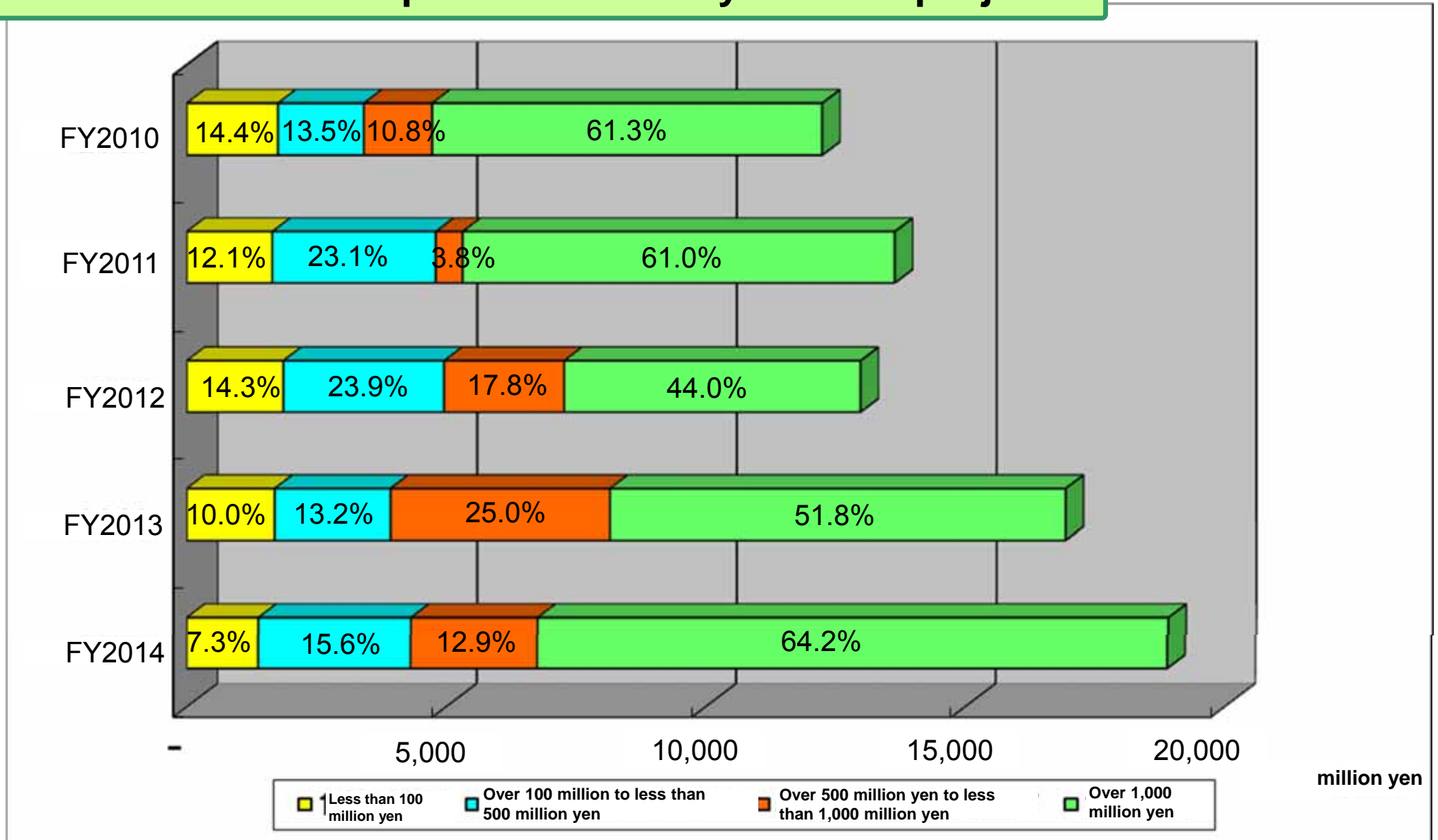


Sales Analysis of IT Consulting Business: non-consolidated (3/3)

Challenge Together

Future Architect, Inc. which designs management and IT.

Trends of sales composition ratios by scale of project



million yen

■ Less than 100 million yen ■ Over 100 million to less than 500 million yen ■ Over 500 million yen to less than 1,000 million yen ■ Over 1,000 million yen

Press Releases in the First Half of the Year (Extracts)

- From reference materials for briefing on financial results for the second quarter of FY2014 (Jul. 31, 2014)-

Challenge Together

Future Architect, Inc. which designs management and IT.

- Provision of “Xronos,” Cloud Computing for PACS (LSC)
- Provision of “ICT-Moral,” Cloud Computing-Based Learning Service for Corporations (Ascendia)
- Receipt of “Best CRM Strategic Partner Award 2013” of SAP (NCG Thailand)
- Construction of Sales and Financing Support System for the Joyo Bank, Ltd. (Future Architect)
- Innovation of Mission-Critical System for ORBIS Inc. (Future Architect)
- Construction of Big Data Analysis Infrastructure for Sagawa Express Co., Ltd. (Future Architect)

Press Releases in the Second Half of the Year (Extracts)

- Tokyo Calendar: Renewal of Magazine and Website
- eSPORTS: Receipt of Grand Prix for Sports & Outdoor Division of Ponparemall Award 2014
- Future Architect: Conversion of Micro CAD Co., Ltd. into a Subsidiary
- Future Architect: Full Transition of Mission-Critical System to Cloud Computing-Based System for ABC MART, INC.
- Future Architect: Construction of Showroom Visitor Management System for LIXIL Corporation
- Future Architect: Innovation of FX System for Gaitame.Com Co., Ltd.

Tokyo Calendar: Renewal of Magazine and Website

Challenge Together

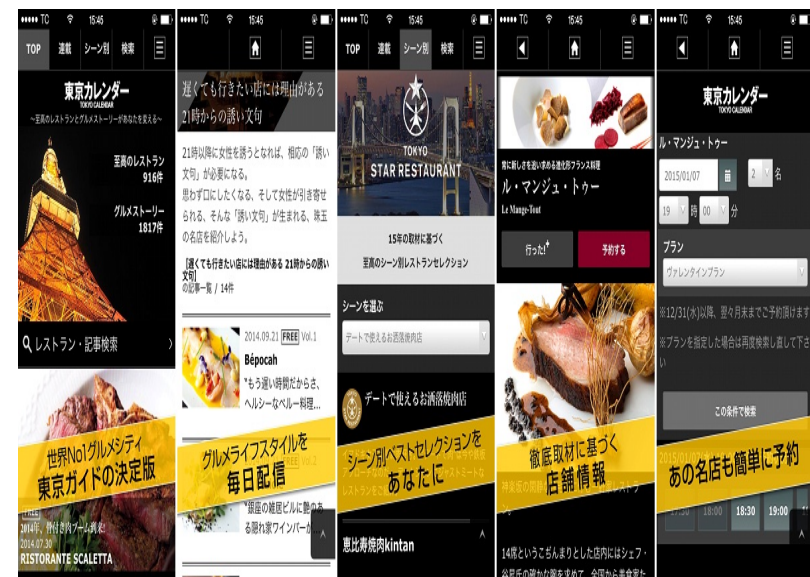
Future Architect, Inc. which designs management and IT.

■ Renewal of magazine

New proposals: Business, fashion, health, travel through food

■ Renewal of website

- Complete creation of database of restaurant information
- Start of restaurant reservation site
- Daily provision of fine food lovers' information
- Introduction of guest curators' favorite stores

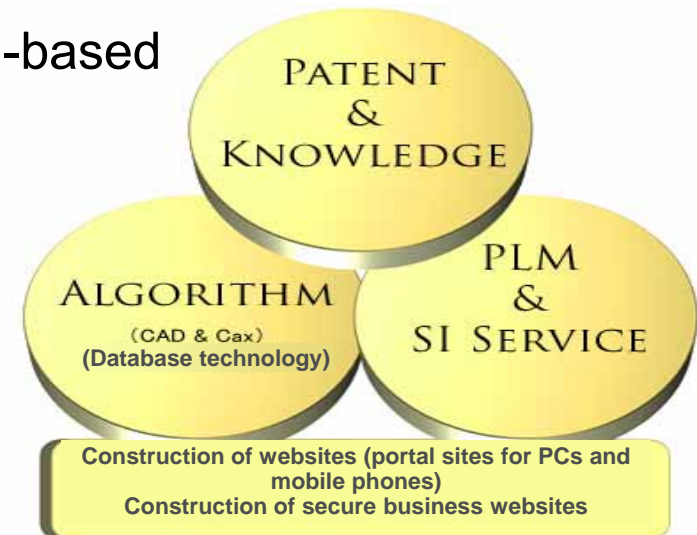


- Receipt of the Grand Prix for the Sports & Outdoor Division of the Ponparemall Best Shop Award for two consecutive years (2013-2014)
 - Customer satisfaction increased because of easy-to-find layout, optimum price setting based on thorough price survey, clear indication of delivery time, lowered stock-out rate and improved delivery speed, which was highly rated.
- Receipt of Rakuten Ichiba Shop of the Year Award: for 5th consecutive year
- Receipt of Grand Prix for DeNA Shopping Award: for 3rd consecutive year



Future Architect: Conversion of Micro CAD Co., Ltd. into a Subsidiary

- Expansion in solutions for manufacturers
 - PLM design and management system
 - Supplied to electronics manufacturers, aircraft components manufacturers and automakers.
 - Development and sales of patent-related packages (PATENTBOY and DBBOY)
 - Introduced to companies, totaling 400, and patent offices
 - Took measures against increasing needs for intellectual property management.
 - Considered providing cloud computing-based services.



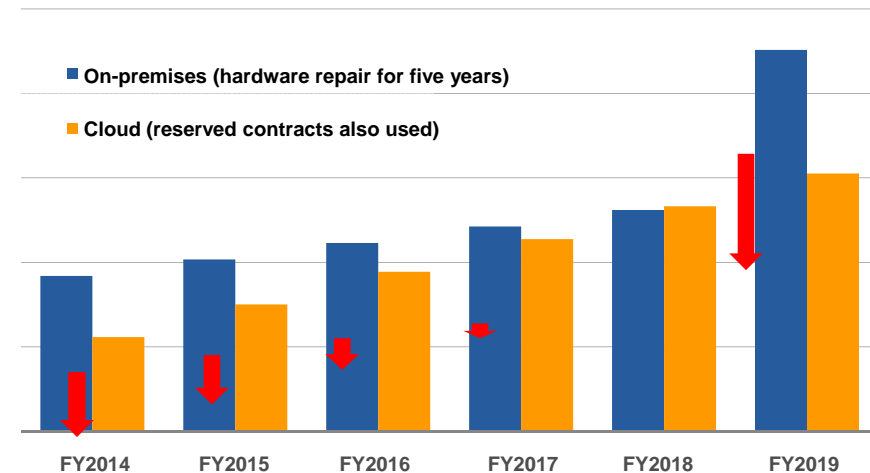
MCAD Micro CAD Co., Ltd.

Future Architect: Full Transition of Mission-Critical System to Cloud Computing-Based System for ABC-MART, Inc.

- Full transition of retail mission-critical systems to Amazon Web Services (AWS)
 - Did transition of the existing mission-critical system, which Future Architect built in 2010, to AWS
 - Developed the infrastructure system for the retail business, which is rapidly growing.
 - Transition was done for 782 domestic stores and 192 overseas stores (as of November 2014).
 - Processing performance: about 220 transactions/sec
 - Pursued flexible systems and cost merit

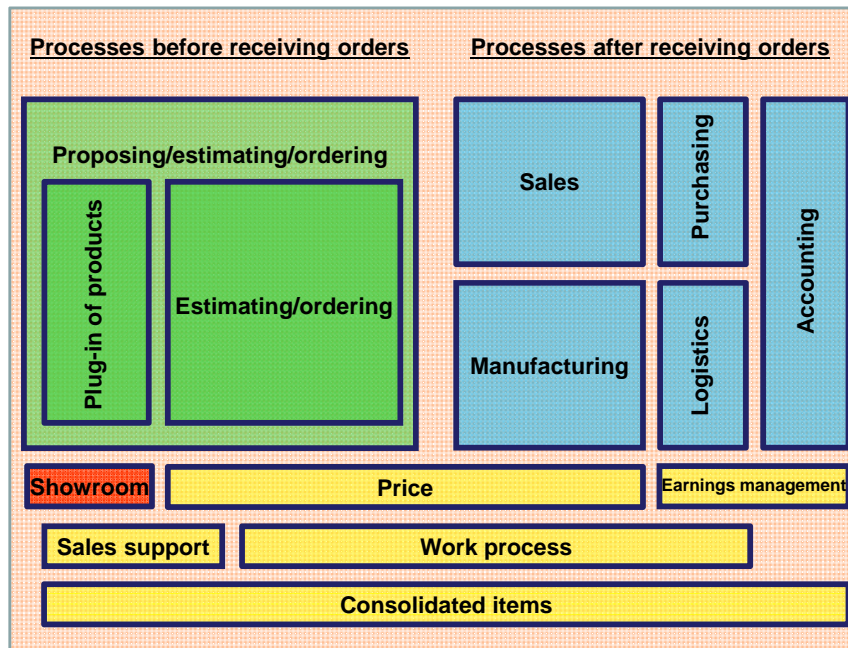


Trends in estimated hardware maintenance costs
(decreased by about 32% in five years; excluding operational costs)



Future Architect: Construction of Showroom Visitor Management System for LIXIL Corporation

- First release of LIXIL's company-wide IT renovation project
Proposing/estimating/ordering, sales, manufacturing, purchasing, logistics, accounting – company-wide project progressing
- Advanced release for the area of sales (for clients, contractors and stores)
 - Targets: 97 showrooms nationwide; 1 million groups of visitors per year
 - Centralized management of events, from reservations and customers visiting to attending to customers and after-sales follow-up
 - Leading improvement of efficiency of clerical work, the level of customer treatment skills and the contract completion rate

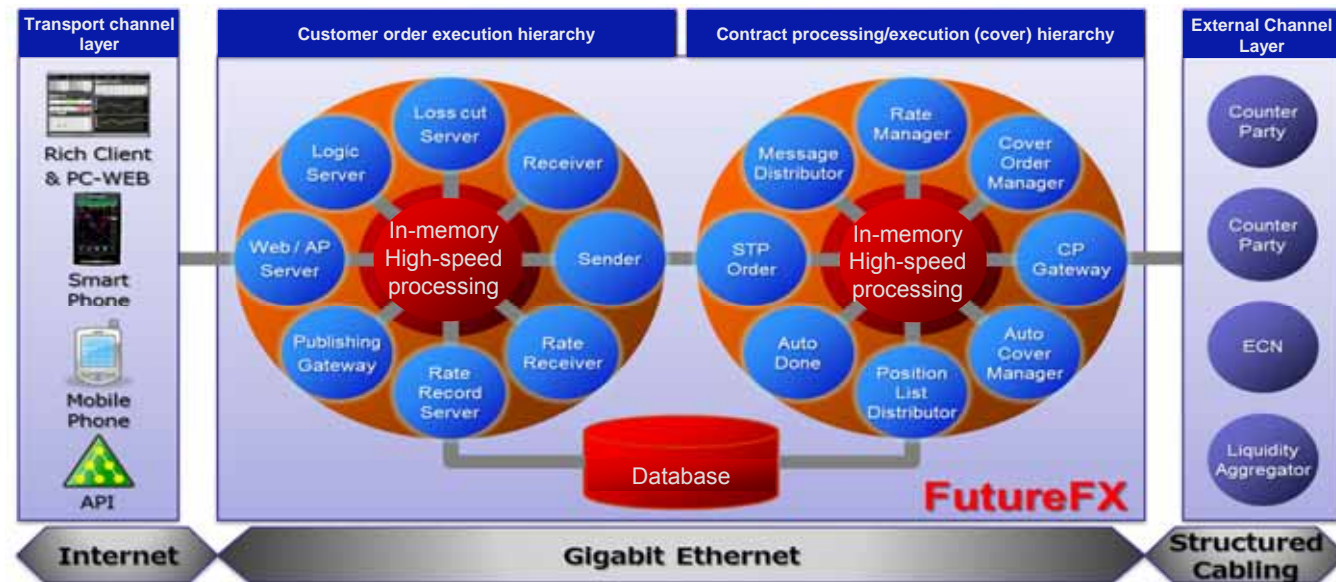


Future Architect: Innovation of FX System for Gaitame.Com Co., Ltd.

Challenge Together

Future Architect, Inc. which designs management and IT.

- Internet company which was ranked No. 1 in the FX industry for the largest assets in custody for 10 consecutive years
 - Full innovation of the FX system (backbone and information systems for over-the-counter retail foreign exchange trading)
 - December 2013: After transferring 370,000 accounts to the new system, there was no down time and the system operation was stable.
 - High-speed order processing: 2,000 transactions/sec
 - Dealing contract processing speed: 352 microseconds
 - High performance was maintained despite a sharp rise in the number of transactions (up 5.7 times year-on-year).



2. FY2015 Forecast

(Yuji Higashi, Executive Senior Vice President)

1. Promotion
2. Delivery
3. Group-wide Business Expansion

To maximize customer value and potential for Future Architect

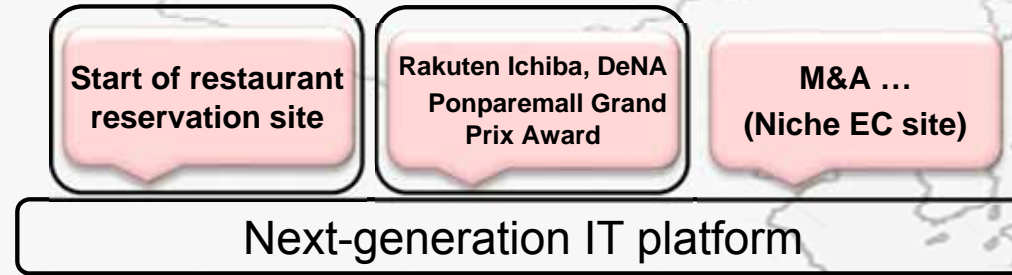
1. Promotion of real-time architecture
2. Reform of customer information system organization
3. Development of new businesses (New Media & Web Service)
4. Acceleration of Asian business

To maximize customer value and potential for Future Architect

1. Leading scientific way of work (quality)
Quality control/assurance, work-life balance
2. Expansion of Future Architect team (quantity)
Employment, training, M&A, partnering

Growth Strategy: Group-wide Business Expansion

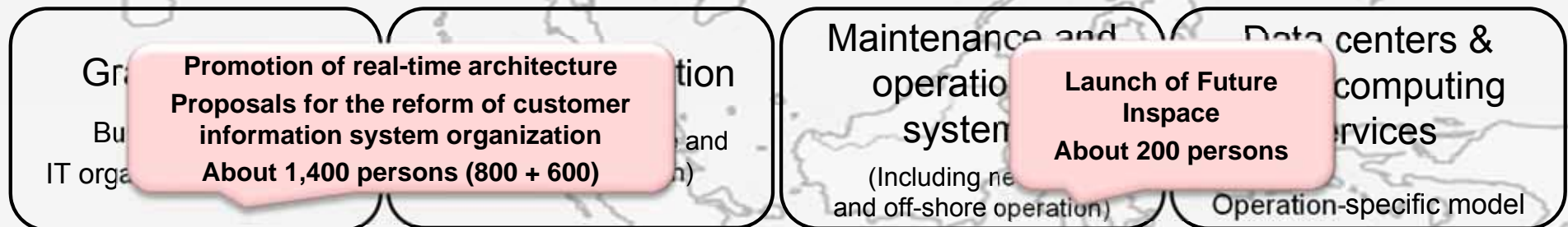
New Media & Web Service (next-generation EC business)



Package and Service



IT Consulting (Future Architect's core business)



Consolidated Full-year Forecasts for FY2015

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

(Million yen)	FY2014 Results for the first half	FY2015 Forecasts for the first half	Year-on- year change	FY2014 Full-year results	FY2015 Full-year forecasts	Year-on- year change
Net sales	16,372	17,200	+5.1%	34,424	35,250	+2.4%
Operating income Operating income margin	1,875 11.5%	1,990 11.6%	+6.1%	4,342 12.6%	4,800 13.6%	+10.5%
Ordinary income Ordinary income margin	1,882 11.5%	2,005 11.7%	+6.5%	4,325 12.6%	4,830 13.7%	+11.7%
Net income Net income margin	1,031 6.3%	1,160 6.7%	+12.5%	2,220 6.4%	2,770 7.9%	+24.8%

- Final dividend for FY2014 was set at 11 yen per share, up from 9 yen a year ago.

(Breakdown of final dividend: 9 yen in ordinary dividends; 2 yen in 25th anniversary commemorative dividends)

- For FY2015, an ordinary dividend of 19 yen per share is to be paid.

FY2013

(Actual amount paid)

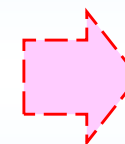
Per share: 15.5 yen
Consolidated
payout ratio: 34.1%
Non-consolidated
payout ratio: 40.3%



FY2014

(Planned)

Per share ordinary dividend:
17 yen
Per share commemorative
dividend: 2 yen
payout ratio: 38.2%
Non-consolidated
payout ratio: 37.4%



FY2015

(Planned)

Per share: 19 yen

Note: A 1:100 stock split of common shares was conducted with July 1, 2013 as the effective date. The figures for fiscal 2013 were calculated on the assumption that the said stock split was executed at the beginning of the fiscal year.

3. Outlook for and Direction to Take in the Future

(Yasufumi Kanemaru, Chairman and CEO)

- 2-way strategy
 - Provision of strategic IT to customers
 - Provision of strategic IT to own group firms

- Double-digit growth (net sales/income)
 - Approach to innovation of legacy systems
 - High-speed, high-quality financial settlement systems
 - Construction of a system to strategically combine real and Internet businesses

Improvement of the capability to win orders and value added

- Further development of new alliances and long-term strategic partnerships with customers
IT construction + Structural reform
- Establishment of a global alliance network
- Each subsidiary is expected to set a course to achieve an operating income margin of 10%.
- M&A strategy



The summary report of operating results, supplementary materials, briefing materials and other various IR materials are also available 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 material, the figures in the summary report of operating results, etc. described in units of thousand yen, are stated in units of million yen. Hence, a disparity may be found in some of the totals and differences. For detailed figures, please refer to the summary report of operating results.