

Results of Operations and Business Strategies of 1st Half of Fiscal Year Ending March 2008

October 26, 2007

Yasuyuki Abe

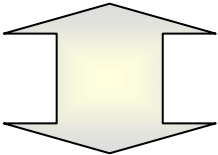
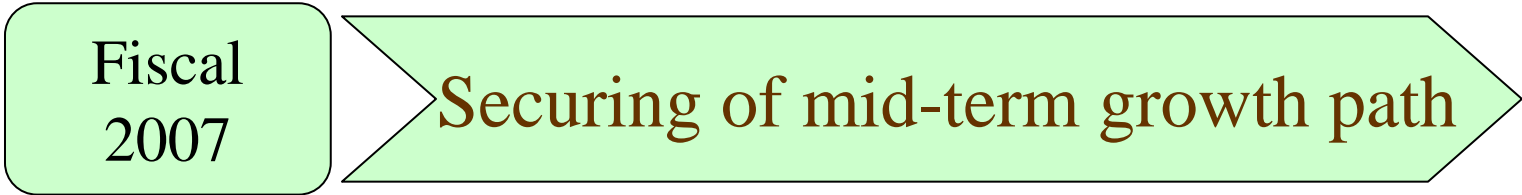
President & CEO

Sumisho Computer Systems Corporation



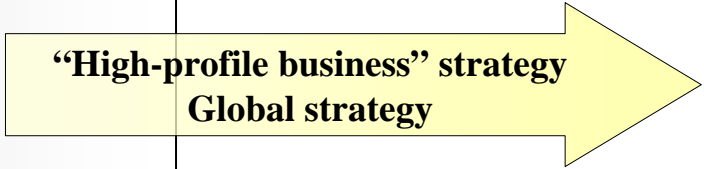
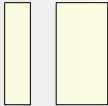
Sumisho Computer Systems Corporation

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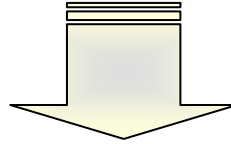
Business challenges toward mid-term growth

- Further expansion of revenue base
- Enhancement of human resources
- Realization of ideal working environment

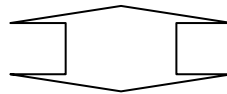


Business challenges toward mid-term growth

Fiscal 2007
management measures



- Expansion of target businesses/Pursuit of business synergies
- Promotion of global strategies/differentiation strategies
- Enhancement of new business/product development capabilities
- Sophistication of technical bases/software development capabilities
- Enhancement of human resources



Sophistication of management infrastructure
(Promotion of business process reengineering/Enhancement of internal control /Implementation of next mission-critical system)



Progress of management measures of 1st half of fiscal 2007 (1)

Expansion of target businesses/Pursuit of business synergies

➤ Sophistication of software development business

Expansion of software development focused on strategic customers and strategic applications

➤ Development of manufacturing solutions business

- Focus on production line simulation (DELMIA)
- Making Allied Engineering Corporation, a CAE vendor, into a subsidiary (equity ownership: 90%)

➤ Development of combined solutions business

- Alliance with Fuji Xerox in next-generation patent information search system business
- Combined solutions of storage products (Copan) and system operation management software (Tivoli)

➤ Promotion of ProActive business

Release of new version (new screen, enhanced operability, improved performance)

➤ Promotion of Curl business

- Marketing and start of full-scale business development in North America
- Utilization of China and India as bases of development/operation/verification

➤ Expansion of netXDC

Completion of expansion in 2nd Center/Promotion of expansion of IDC in 1st Center

Promotion of global strategies

➤ Enhancement of global support system

- Establishment of Sumisho Joho Datacraft Corporation

New joint venture with Datacraft Asia Ltd. (equity ownership: 50%)

Providing high-value added network operations and outsourcing services

- Full-scale start of offshore software development in China at Sumisho Computer Systems (Dalian) Co., Ltd.

- Full-scale start of IT services for Japanese customers in China at Sumisho Computer Systems (Shanghai) Ltd.

➤ Expansion of overseas subsidiaries

Preparation of establishment of subsidiaries in Southeast Asian region



Progress of management measures of 1st half of fiscal 2007 (3)

Enhancement of new business development capabilities

➤ Enhancement of peripheral businesses in ERP

- eMplex Co., Ltd. accounted for under equity method (equity ownership: 36.2%)

Enhancement of CRM (Customer Information Control System) and SFA (Sales Force Automation) solution businesses - joint development of new SFA, etc.

- Co-foundation of ATLED Co., Ltd. with Softcreate Co., Ltd. (equity ownership: 20%)

Enhancement of workflow package software business

Sophistication of technical bases/software development capabilities

➤ Professional training for technical staff

- Implementation of skill diagnosis in compliance with ITSS
- Systematic development of technical training according to rank to improve technical skills

➤ Establishment of research/study team of advanced technologies relating to application architecture

Enhancement of human resources

➤ Reform of training system

- Systematization and full-scale implementation of technical training according to line of work
- Reform of senior management training system to train managers for the next generation

➤ Enhancement of global human resources

- New employee training in China to acquire an international way of thinking
- Reform international trainee system

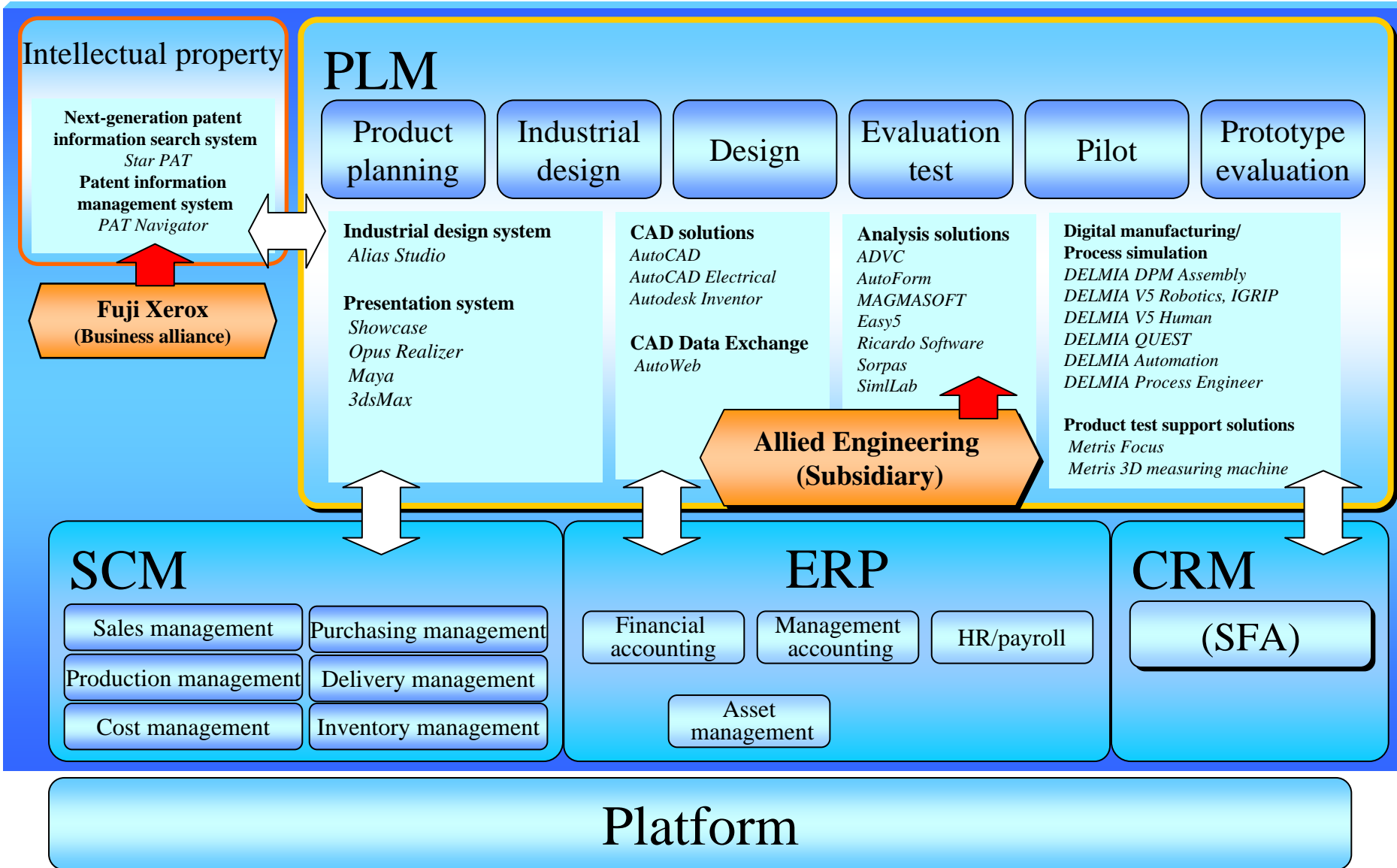
➤ Realization of ideal working environment

- Implementation of flextime system and homeworking system
- Implementation of child care and family support system

➤ Implementation of Knowledge Management System

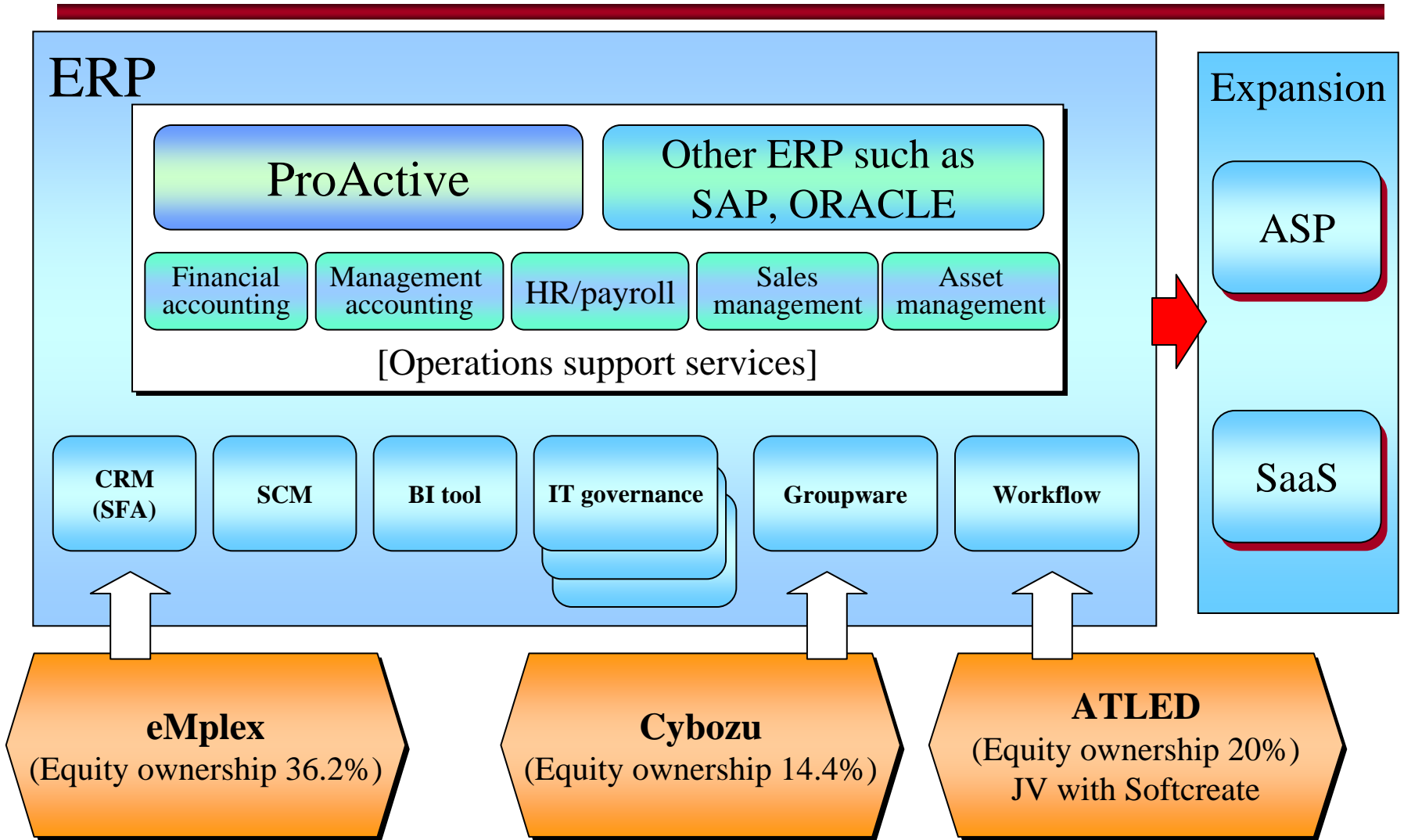
Sophistication of management infrastructure

- Promotion of business process reengineering
 - Establishment of Business Process Reengineering Division
 - Pursuit of operational excellence (Promotion of “Visualization”/Further enhancement of information security)
- Enhancement of internal control
 - Establishment of Internal Control Committee/Internal Control Office
 - Sophistication of internal control in light of J-SOX Law (Completion of documentation by the end of December)
- Implementation of next mission-critical system
 - Implementation of new system in fiscal 2009





ERP and ERP peripheral solutions business



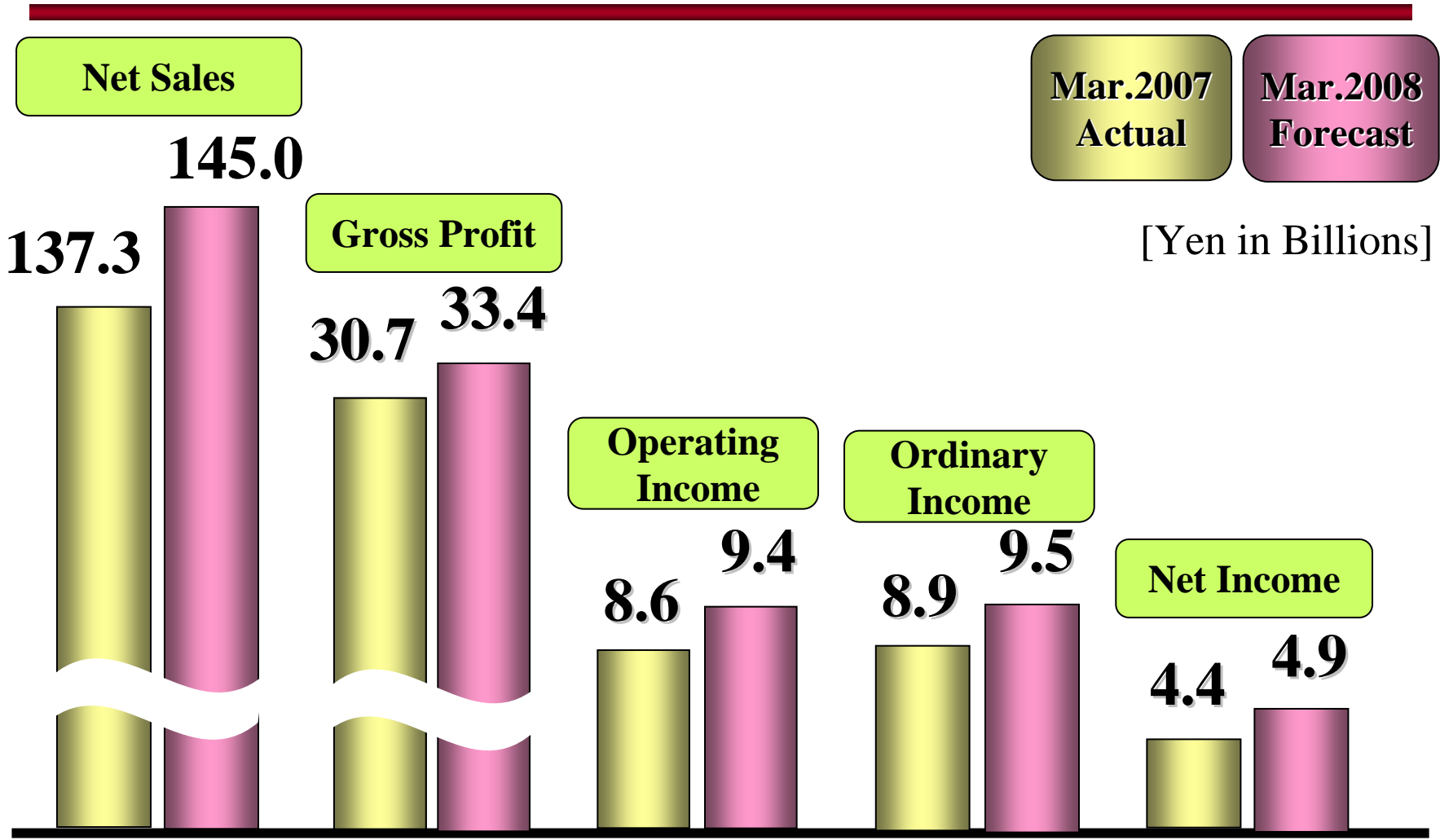


Outline of results of operations (1H)

[Consolidated]

(Yen in Millions)

	Apr. 2006 - Sep. 2006	Apr. 2007 - Sep. 2007	Increase/Decrease	Rate of Change (%)
Net Sales	64,188	61,594	△2,593	△4.0%
Gross Profit	13,693	13,648	△44	△0.3%
Operating Income	2,579	2,907	327	12.7%
Ordinary Income	2,709	3,078	369	13.6%
Net Income	1,337	1,724	387	28.9%



Your continued support and encouragement will be greatly appreciated.

Results of Operations (Consolidated) of 1st Half of Fiscal Year Ending March 2008

October 26, 2007

Nobuhiko Ishizaka

Director of Corporate Administration Section

Sumisho Computer Systems Corporation



Sumisho Computer Systems Corporation



Outline of results of operations (1H)

[Consolidated]

(Yen in Millions)

	Apr. 2006 - Sep. 2006	Apr. 2007 - Sep. 2007	Increase/Decrease	Rate of Change (%)
Net Sales	64,188	61,594	△2,593	△4.0%
Gross Profit	13,693	13,648	△44	△0.3%
SG & A Expenses	11,114	10,741	△372	△3.3%
Operating Income	2,579	2,907	327	12.7%
Ordinary Income	2,709	3,078	369	13.6%
Net Income	1,337	1,724	387	28.9%



Sales comparison by solution (1H)

[Consolidated]

(Yen in Millions)

	Apr. 2006 – Sep. 2006 (Percentage of Total: %)	Apr. 2007 – Sep. 2007 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Industrial Solutions	32,689 (50.9%)	33,176 (53.9%)	486	1.5%
ERP Solutions	7,205 (11.2%)	6,533 (10.6%)	△671	△9.3%
Platform Solutions	24,292 (37.9%)	21,883 (35.5%)	△2,408	△9.9%
Total	64,188 (100.0%)	61,594 (100.0%)	△2,593	△4.0%



Sales comparison by segment (1H)

[Consolidated]

(Yen in Millions)

	Apr. 2006 – Sep. 2006 (Percentage of Total: %)	Apr. 2007 – Sep. 2007 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Software Development	21,907 (34.1%)	21,153 (34.3%)	△754	△3.4%
Information Processing	16,564 (25.8%)	17,044 (27.7%)	479	2.9%
Package Software and Hardware Sales	25,715 (40.1%)	23,396 (38.0%)	△2,318	△9.0%
Total	64,188 (100.0%)	61,594 (100.0%)	△2,593	△4.0%

[Orders Accepted] Software Development	26,001	25,210	△790	△3.0%
[Backlog] Software Development	9,711	11,085	1,374	14.2%



Sales by solution (1H)

[Consolidated]

(Yen in Millions)

	Software Development	Information Processing	Package Software and Hardware Sales	Total (Percentage of Total: %)
Industrial Solutions	15,600	8,908	8,667	33,176 (53.9%)
ERP Solutions	4,569	327	1,637	6,533 (10.6%)
Platform Solutions	984	7,808	13,091	21,883 (35.5%)
Total (Percentage of Total: %)	21,153 (34.3%)	17,044 (27.7%)	23,396 (38.0%)	61,594 (100.0%)



Sales comparison by sector (1H)

[Consolidated]

(Yen in Millions)

	Apr.2006-Sep.2006		Apr.2007-Sep.2007		Increase/Decrease	
	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Rate of Change(%)
Manufacturing	15,947	24.8%	18,116	29.4%	2,169	13.6%
Distribution	13,382	20.8%	12,462	20.2%	△919	△6.9%
Finance	7,392	11.5%	7,492	12.2%	100	1.4%
Bank	2,068	3.2%	2,347	3.8%	279	13.5%
Securities	2,232	3.5%	2,532	4.1%	299	13.4%
Credit/Leasing	1,680	2.6%	1,184	1.9%	△496	△29.5%
Insurance	1,411	2.2%	1,428	2.3%	17	1.2%
Communications/ Transportation	12,848	20.0%	10,121	16.4%	△2,726	△21.2%
Electric Power/ Gas	1,098	1.7%	805	1.3%	△292	△26.6%
Service/Others	13,519	21.1%	12,595	20.4%	△924	△6.8%
Total	64,188	100.0%	61,594	100.0%	△2,593	△4.0%



Sales analysis (year-on-year, main factors for increase and decrease)

(Yen in Millions)

◆ Net sales △2,600

◆ Factors for increase 1,400

➤ Industrial solutions for manufacturing 1,100

➤ Industrial solutions for finance 300

◆ Factors for decrease △4,000

➤ Related to transfer of business △600

➤ Related to network equipment △2,200

➤ Year-end variables △200

➤ Platform solutions for distribution △1,000



Gross profit analysis (year-on-year, main factors for increase and decrease)

(Yen in Millions)

◆ Gross Profit	△40
◆ Factors for increase	360
➤ Improvement of profitability	270
➤ Unprofitable businesses $\Delta 240 \rightarrow \Delta 150$	90
◆ Factors for decrease	△400
➤ Related to transfer of business	△240
➤ Related to network equipment	△160



SG & A expenses analysis (year-on-year, main factors for increase and decrease)

(Yen in Millions)

◆ SG & A expenses	△370
◆ Factors for increase	210
➤ Increase in training expenses	80
➤ Enhancement of internal control	50
➤ Global business strategy	80
◆ Factors for decrease	△580
➤ Related to transfer of business	△230
➤ Streamlining of back-office division	△100
➤ New stage support program	△250



Comparison with initial forecast (1H)

[Consolidated]

(Yen in Millions)

	Apr.2007-Sep.2007 Initial forecast	Apr.2007-Sep.2007 Actual	Increase/Decrease	Rate of Change (%)
Net Sales	64,500	61,594	△2,905	△4.5%
Gross Profit	14,200	13,648	△551	△3.9%
SG & A Expenses	11,600	10,741	△858	△7.4%
Operating Income	2,600	2,907	307	11.8%
Ordinary Income	2,700	3,078	378	14.0%
Net Income	1,300	1,724	424	32.6%



Results forecast for full year

[Consolidated]

(Yen in Millions)

	Results forecast for fiscal 2007	Year-on-year increase/ decrease	Financial results for fiscal 2006
Net Sales	145,000	7,655	137,344
Gross Profit	33,350	2,653	30,696
Operating Income	9,350	789	8,560
Ordinary Income	9,500	607	8,892
Net Income	4,900	522	4,377