Results of Operations of Fiscal 2008 and Business Strategies for Fiscal 2009

April 28, 2009

Yasuyuki Abe

President & CEO

Sumisho Computer Systems Corporation

SCS 住商情報システム株式会社
Sumisho Computer Systems Corporation

Overview of fiscal 2008 and basic policy for fiscal 2009

SCS

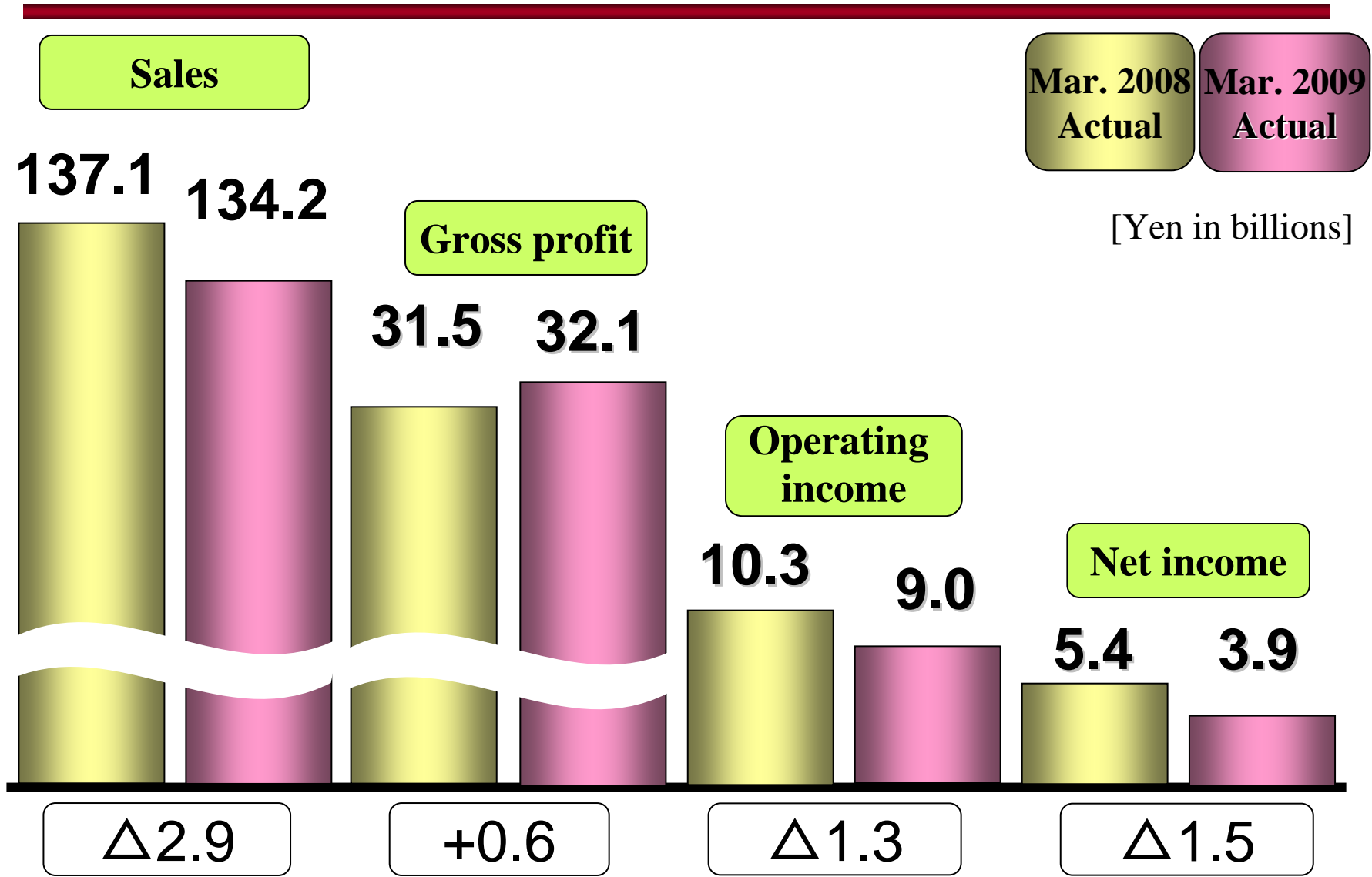| Fiscal 2007 | Fiscal 2008 | Fiscal 2009 |

Enhancement of revenue base

Expansion of growth base

Result

·**Turmoil in financial markets**
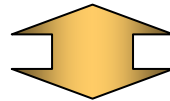·**Deterioration in domestic economy**

Securing of revenue base

Reconstruction of growth path

Overview of fiscal 2008

Securing of revenue base

Major business strategies

➢ Expansion of target businesses

➢ Promotion of global strategies

➢ Development of package software business

Sophistication of management infrastructure
(Enhancement of internal control/ compliance system/ information security)

Expansion of target businesses

➢ **Enhancement of industrial solution for manufacturers**

‧Expanded entrusted software development services business

‧Formed capital/business alliance with
ARGO GRAPHICS Inc. (June 2008)

⇒ Implemented a joint seminar (January 2009)

➢**Development of industrial solution for financial institutions**

‧Promoted solution business for insurance companies

‧Acquired business from NIWS Group (August 2008)

SCS Promotion of global strategies

➢**Global development of Japanese companies**

⇒　Expanded supports for constructing mission-critical and other systems

➢**Enhancement of system for promoting SAP business**

・Strengthened the system for cooperation with SAP Group

⇒　Concluded Joint Marketing Agreement

・Acquired B4 Consulting, Inc. (September 2008)

Development of package software business

> **Expansion of ProActive business**

- Expanded direct selling business

- Promoted a strategy using sales partners

- Extended modules for the next fiscal year

- Enhanced ability for promoting projects

⇒ Formed capital/business alliance with
DAIWA COMPUTER Co., Ltd. (September 2008)

> **Expansion of CRM business**

- Made eMplex Co., Ltd. a subsidiary
 (Additional acquisition: March 2008)

Business Strategies for Fiscal 2009

Forecast of market environment

As general business trends have not significantly changed since the second half of fiscal 2008, domestic private demand is expected to be stagnant reflecting dismal business sentiment, a fall in private consumption, and other factors in fiscal 2009.

Especially, the information service industry will continuously go through severe business environments including a slowdown in IT product sales due to restraint in IT investment of client companies.

➢ **Positive factors**
  ・IT investment related to R&D
  ・System integration projects due to industry reorganization
  ・Overseas investment by Japanese companies

➢ **Negative factors**
  ・More companies and business categories restraining IT investment
  ・Quite a few client companies demanding reduction in unit prices for development

Business strategies for fiscal 2009

Reconstruction of growth path

Continuous measures

- ➢ **Promotion of target businesses**
- ➢ **Enhancement of global services**
- ➢ **Development of package software business**

Measures for fiscal 2009

- ➢ **Enhancement and expansion of customer base**
- ➢ **Exercising group's comprehensive ability**
- ➢ **Improvement in productivity of software development**
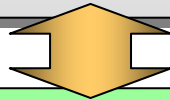
Enhancement of personnel ability
Improvement in working environments
Sophistication of management infrastructure

Enhancement and expansion of customer base

➢ Exploring deals with target customers

・Promoting marketing activities as selecting customers to be focused on from among existing important customers and companies related to domestic demand

・Using a corporate executive officer system

⇒ Developing sales activities across business divisions

➢ Strengthening local sales ability

・Reorganizing domestic branches and enhancing sales and technical personnel

⇒ Developing the company-wide sales supports targeting local leading companies

➢ Providing one-stop IT services

・Reinforcing activities for maintenance and operation businesses including that of data centers

⇒ To respond to SaaS, Cloud, etc.

Exercising group's comprehensive ability

> **Enhancement and expansion of existing group companies and businesses** ⇔ **Sharing of customer base**

VA LINUX SYSTEMS JAPAN
Open source/Technical consulting

Asahi IT
Consulting business for small- and mid-sized firms

eMplex
CRM, SFA packaged software

SCS

Industrial solutions

ERP solutions

Platform solutions

b4 consulting
we're all about your business
SAP consulting

株式会社 パイオニア・ソフト
Development of software

ALLIED
CAE consulting/sales

ARGO GRAPHICS
Technical Solution Provider
株式会社 アルゴグラフィックス
Industrial solutions for manufacturers

NDソフトウェア株式会社
Development of software

Strategic Partners

Sumisho Joho Datacraft Corporation
Construction of global IT infrastructures

e-wave
Development of software

Quest
Development of software

Cybozu
Groupware

DAIWA COMPUTER
Development of software

ATLED
Workflow

> **Joint development of complex solutions**

Improvement in productivity of software development

➢ **In-house software development**

・Making the best use of group companies including an offshore one (Dalian)

・Actively making contractors strategic partners

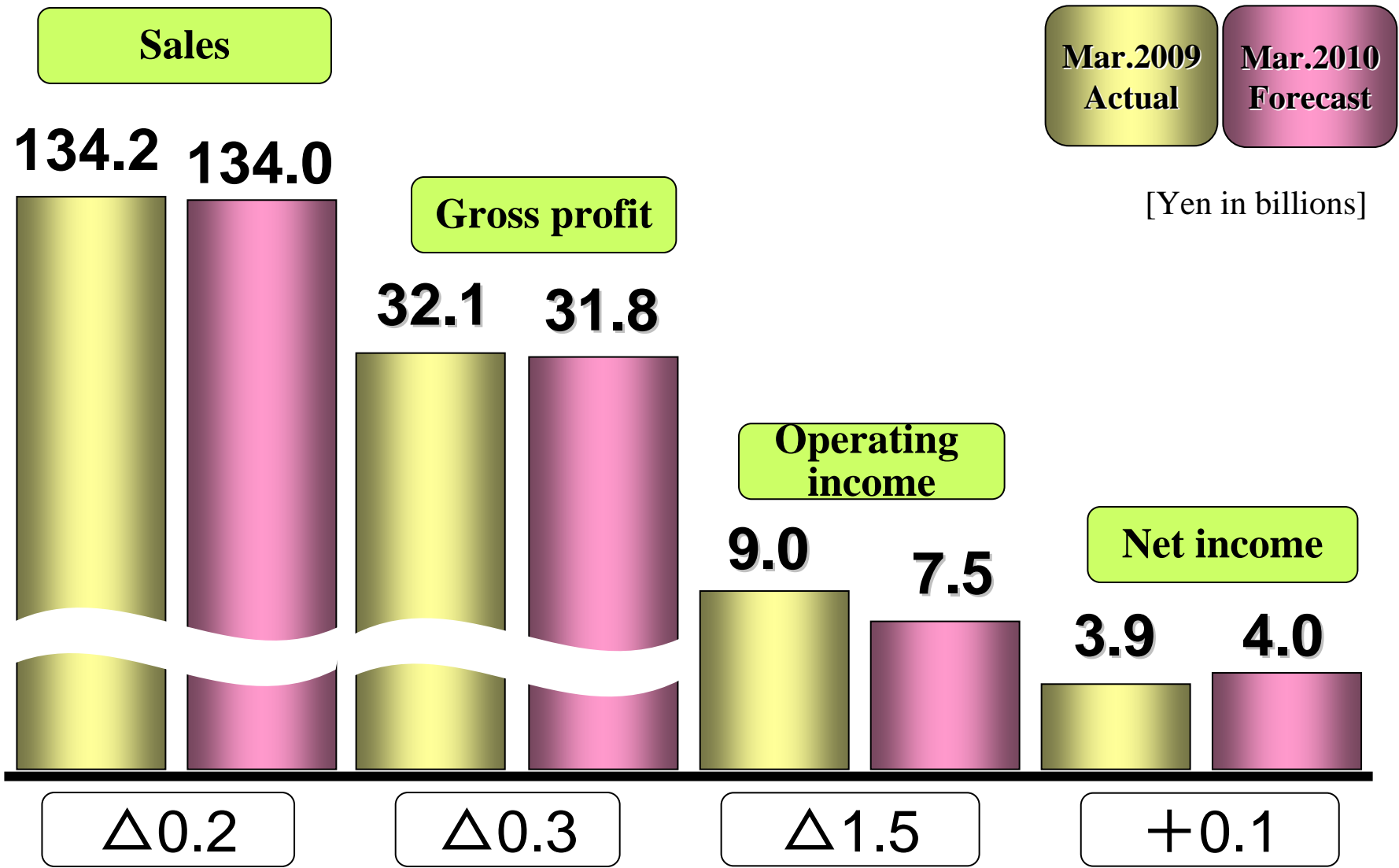・Enhancing cooperative relationship with domestic and overseas strategic partners

➢ **Promoting standardization of various IT services**

Improvement in management infrastructure
with talents of people and advantages of the state-of-the art technologies

➢ **Enhancement of personnel ability**

・Enhancing cultivation of personnel for overseas assignments
 (improvement of overseas trainee system and overseas training)

・Strengthening organizational management capability
 (Enhancement of managerial training/Use of personnel rotation)

・Strengthening sales and technical abilities
 (Improvement of various training and supporting systems)

➢ **Improvement in working environments**

・Promoting work-life balance

・Improving office environments

➢ **Sophistication of management infrastructure**

・Reconstructing a mission-critical system for internal use

・Enhancing internal control systems of subsidiaries

・Enhancing various risk management systems
 (for example, establishment of BCP, etc.)

Results forecast for fiscal 2009

Mar.2009 Actual | **Mar.2010 Forecast**

[Yen in billions]

Sales

134.2　134.0

Gross profit

32.1　31.8

Operating income

9.0　7.5

Net income

3.9　4.0

| △0.2 | △0.3 | △1.5 | ＋0.1 |

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Corporate vision

Global IT company
utilizing talents of people and
advantages of the state-of-the art technologies
to promote business value

Results of Operations (Consolidated) of Fiscal Year Ended March 2009

April 28, 2009

Tetsuya Fukunaga

Director and Executive Vice President

Sumisho Computer Systems Corporation

SCS 住商情報システム株式会社
Sumisho Computer Systems Corporation

Results of operations of fiscal year ended March 2009

[Consolidated]

(Yen in Millions)

	Apr.2007-Mar.2008	Apr.2008-Mar.2009	Increase/ Decrease	Rate of Change (%)
Sales	137,199	134,263	△2,935	△2.1%
Gross Profit	31,593	32,155	561	1.8%
S.G. & A. Expenses	21,283	23,126	1,843	8.7%
Operating Income	10,309	9,028	△1,281	△12.4%
Ordinary Income	10,548	9,523	△1,025	△9.7%
Net Income	5,415	3,961	△1,453	△26.8%

Sales comparison by solution

[Consolidated]

(Yen in Millions)

	Apr.2007-Mar.2008 (Percentage of Total: %)	Apr.2008-Mar.2009 (Percentage of Total: %)	Increase/ Decrease	Rate of Change (%)
Industrial Solutions	70,625 (51.5%)	66,968 (49.9%)	△3,657	△5.2%
ERP Solutions	15,341 (11.2%)	16,440 (12.2%)	1,099	7.2%
Platform Solutions	51,232 (37.3%)	50,854 (37.9%)	△377	△0.7%
Total	137,199 (100.0%)	134,263 (100.0%)	△2,935	△2.1%

Sales comparison by segment

[Consolidated]   (Yen in Millions)

	Apr.2007-Mar.2008 (Percentage of Total: %)	Apr.2008-Mar.2009 (Percentage of Total: %)	Increase/ Decrease	Rate of Change (%)
Software Development	48,525 (35.4%)	**49,182 (36.6%)**	**656**	**1.4%**
Information Processing	36,010 (26.2%)	**35,702 (26.6%)**	**△308**	**△0.9%**
Package Software and Hardware Sales	52,662 (38.4%)	**49,379 (36.8%)**	**△3,283**	**△6.2%**
Total	137,199 (100.0%)	**134,263 (100.0%)**	**△2,935**	**△2.1%**

[Orders Accepted] Software Development	**47,460**	**50,248**	**2,787**	**5.9%**
[Backlog] Software Development	**5,964**	**7,030**	**1,065**	**17.9%**

Sales comparison by solution/segment

[Consolidated] (Yen in Millions)

Apr.2008-Mar.2009	Software Development	Information Processing	Package Software and Hardware Sales	Total
Industrial Solutions	34,782	17,643	14,541	66,968
ERP Solutions	11,775	918	3,746	16,440
Platform Solutions	2,623	17,139	31,091	50,854
Total	49,182	35,702	49,379	134,263

Apr.2007-Mar.2008	Software Development	Information Processing	Package Software and Hardware Sales	Total
Industrial Solutions	34,681	18,275	17,668	70,625
ERP Solutions	11,419	643	3,279	15,341
Platform Solutions	2,424	17,092	31,715	51,232
Total	48,525	36,010	52,662	137,199

Balance	Software Development	Information Processing	Package Software and Hardware Sales	Total
Industrial Solutions	101	△631	△3,126	△3,657
ERP Solutions	356	275	467	1,099
Platform Solutions	198	47	△624	△377
Total	656	△308	△3,283	△2,935

Sales comparison by sector

[Consolidated] (Yen in Millions)

	Apr.2007-Mar.2008		Apr.2008-Mar.2009		Increase/Decrease	
	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Rate of Change(%)
Manufacturing	**38,930**	28.4%	**39,391**	29.3%	**460**	1.2%
Distribution	**27,572**	20.1%	**28,782**	21.4%	**1,210**	4.4%
Finance	**17,521**	12.8%	**18,011**	13.4%	**489**	2.8%
Bank	**6,219**	4.5%	**6,718**	5.0%	**499**	8.0%
Securities	**5,261**	3.8%	**3,393**	2.5%	**△1,867**	△35.5%
Credit/Leasing	**2,777**	2.0%	**3,210**	2.4%	**433**	15.6%
Insurance	**3,263**	2.4%	**4,688**	3.5%	**1,424**	43.7%
Communications/ Transportation	**21,421**	15.6%	**20,160**	15.0%	**△1,261**	△5.9%
Electric Power/Gas	**2,450**	1.8%	**2,417**	1.8%	**△33**	△1.4%
Service/Others	**29,300**	21.4%	**25,500**	19.0%	**△3,800**	△13.0%
Total	**137,199**	100.0%	**134,263**	100.0%	**△2,935**	△2.1%

*Sales amounts by sector are partially amended in FY 2007.

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

(Yen in Millions)	1H (Apr.-Sep.)	2H (Oct.-Mar.)	Full Year (Apr.-Mar.)
Total	**＋1,900**	**△4,800**	**△2,900**
Factors for increase	**＋5,950**	**＋3,750**	**＋9,700**
Related to global business	＋300	＋350	＋650
Related to ERP solutions package software			
ProActive	＋200	＋1,450	＋1,650
eMplex	＋500	＋850	＋1,350
Platform solutions			
Large-scale projects for HPC	＋1,500		＋1,500
Related to product distribution	＋1,500	＋1,100	＋2,600
Others (related to reorganization of business in subsidiaries, etc.)	＋1,950		＋1,950
Factors for decrease	**△4,050**	**△8,550**	**△12,600**
Industrial solutions for			
Package software and hardware sales (related to large scale project for server integration, etc.)	△2,100		△2,100
Manufacturing	△700	△1,800	△2,500
Securities	△800	△1,050	△1,850
Platform solutions			
Package Software and Hardware Sales (related to fundamental engineering, etc.)	△350	△3,550	△3,900
Others (related to business transfer, etc.)	△100	△2,150	△2,250

* Disclosed items in the 1st half were amended in accordance with the ones for full year.

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

(Yen in Millions)	1H (Apr.-Sep.)	2H (Oct.-Mar.)	Full Year (Apr.-Mar.)
Total	**+1,050**	**△490**	**+560**
Factors for increase	**+1,530**	**+1,060**	**+2,590**
Related to global business	+200	+160	+360
Related to ERP solutions package software			
ProActive	+300	+160	+460
eMplex	+150	+300	+450
Platform solutions			
Related to product distribution	+210	+240	+450
Unprofitable businesses	+80	+170	+250
Others (related to reorganization of business in subsidiaries, etc.)	+590	+30	+620
Factors for decrease	**△480**	**△1,550**	**△2,030**
Industrial solutions for			
Package software and hardware sales (related to large scale project for server integration, etc.)	△110		△110
Manufacturing	△200	△730	△930
Securities	△230	△230	△460
Platform solutions			
Package Software and Hardware Sales (related to fundamental engineering, etc.)	+70	△80	△10
Others (related to business transfer, etc.)	△10	△510	△520

* Disclosed items in the 1st half were amended in accordance with the ones for full year.

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

(Yen in Millions)	1H (Apr.-Sep.)	2H (Oct.-Mar.)	Full Year (Apr.-Mar.)
Total	**+970**	**+870**	**+1,840**
Factors for increase	**+1,050**	**+1,210**	**+2,260**
Related to global business	+200	+360	+560
Related to ERP solutions package software			
ProActive	+150	+260	+410
eMplex	+420	+430	+850
Platform solutions			
Related to product distribution	+80	+110	+190
Enhancement of management infrastructure	+40	+20	+60
Others (increase due to consolidation with reorganization of business in subsidiaries, etc.)	+160	+30	+190
Factors for decrease	**△80**	**△340**	**△420**
Others (related to business transfer, cost cutting, etc.)	△80	△340	△420

Results forecast for fiscal 2009

[Consolidated]   (Yen in Millions)

	Actual results in year ended March 2009	Results forecast for year ending March 2010	Increase/ Decrease	Rate of Change (%)
Sales	134,263	134,000	△263	△0.2%
Gross Profit	32,155	31,800	△355	△1.1%
S.G. & A. Expenses	23,126	24,300	1,174	5.1%
Operating Income	9,028	7,500	△1,528	△16.9%
Ordinary Income	9,523	7,800	△1,723	△18.1%
Net Income	3,961	4,000	39	1.0%

Results forecast for fiscal 2009

(Yen in Billions)

	Year ended March 2009	Year ending March 2010	Increase/ Decrease
Sales	134.2	134.0	△0.2
Gross profit	32.1	31.8	△0.3
S. G. & A. Expenses	23.1	24.3	+1.2
Operating income	9.0	7.5	△1.5

- ・Cost related to next systems   ＋0.45
- ・Cost related to offices   ＋0.30
- ・Cost related to pensions   ＋0.25
- ・Others (costs related to enhancement of business and personnel ability)   ＋0.20

Your continued support and encouragement will be greatly appreciated

SCS [Reference] Press Release ① Jan.2009 – Apr. 2009

Distribution	**Apr.01,'09**	Launch "WinWin-EDI," the distribution BMS-compliant EDI supporting package, and an appliance with built-in "WinWin-EDI"
Finance	**Feb.24,'09**	Start handling package software for mission-critical tasks of non-life insurances intended for overseas subsidiaries of Japanese non-life insurance companies
ProActive	**Jan.13,'09**	Start provision of an upgraded version of "sales management subsystem" at the end of 2009
	Jan.20,'09	Correspond to "Oracle VM", a virtualization software
	Apr.08,'09	Conclude a business partner agreement on ProctiveE^2 with INTEC, Inc.
ERP	**Apr.06,'09**	Start diagnosis service for introduction of mission-critical systems intended for trading and distribution companies
Security	**Feb.05,'09**	Start provision of "Training service for diagnosis of vulnerability of Web application"
Network	**Jan.08,'09**	Start services for companies that have been advancing overseas, such as design, construction, and operation and maintenance of IT infrastructures
	Jan.14,'09	Introduce a core switch router of ALAXALA Networks Corporation to Keio University
	Feb.09,'09	Start business in the content distribution service field in cooperation with Accelia, Inc.

[Reference] Press Release ② Jan.2009 – Apr. 2009

OSS	**Apr.07,'09**	Start business of "SCS Mail Solutions" using open source software in cooperation with Red Hat K.K.
Server Storage	**Jan.07,'09**	Start business of IT platform solutions in cooperation with Hewlett-Packard Japan, Ltd. and Microsoft Co., Ltd.
	Mar.18,'09	"everRun(tm) HA" produced by Marathon Technologies of U.S. designated as "software recommended for IBM HA Cluster"
	Mar.26,'09	Start sales of Isilon's clustered storage
	Apr.07,'09	Start sales of "SANmelody/SANsymphony," software for virtualization of storage produced by DataCore Software
Curl	**Jan.15,'09**	CDK-DS, an open source library, provided by Curl of U.S.
Group Strategy	**Jan.29,'09**	Resolve company split of SCS Solutions Inc.
Others	**Feb.17,'09**	Introduce "Subsidy system for moving expenses for child raising"