SCS Sumisho Computer Systems Corporation

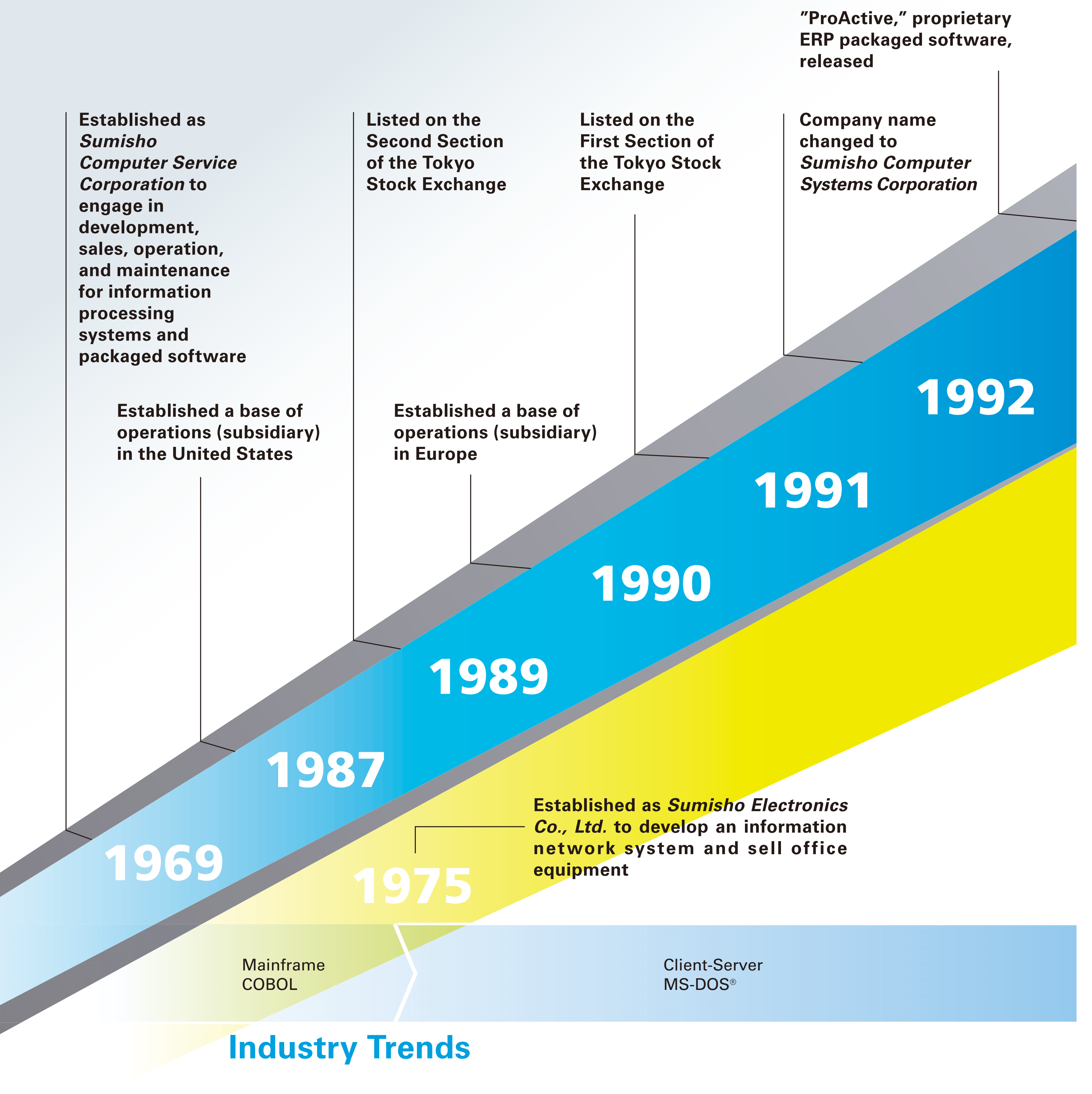
SCS—Leading the IT Evolution

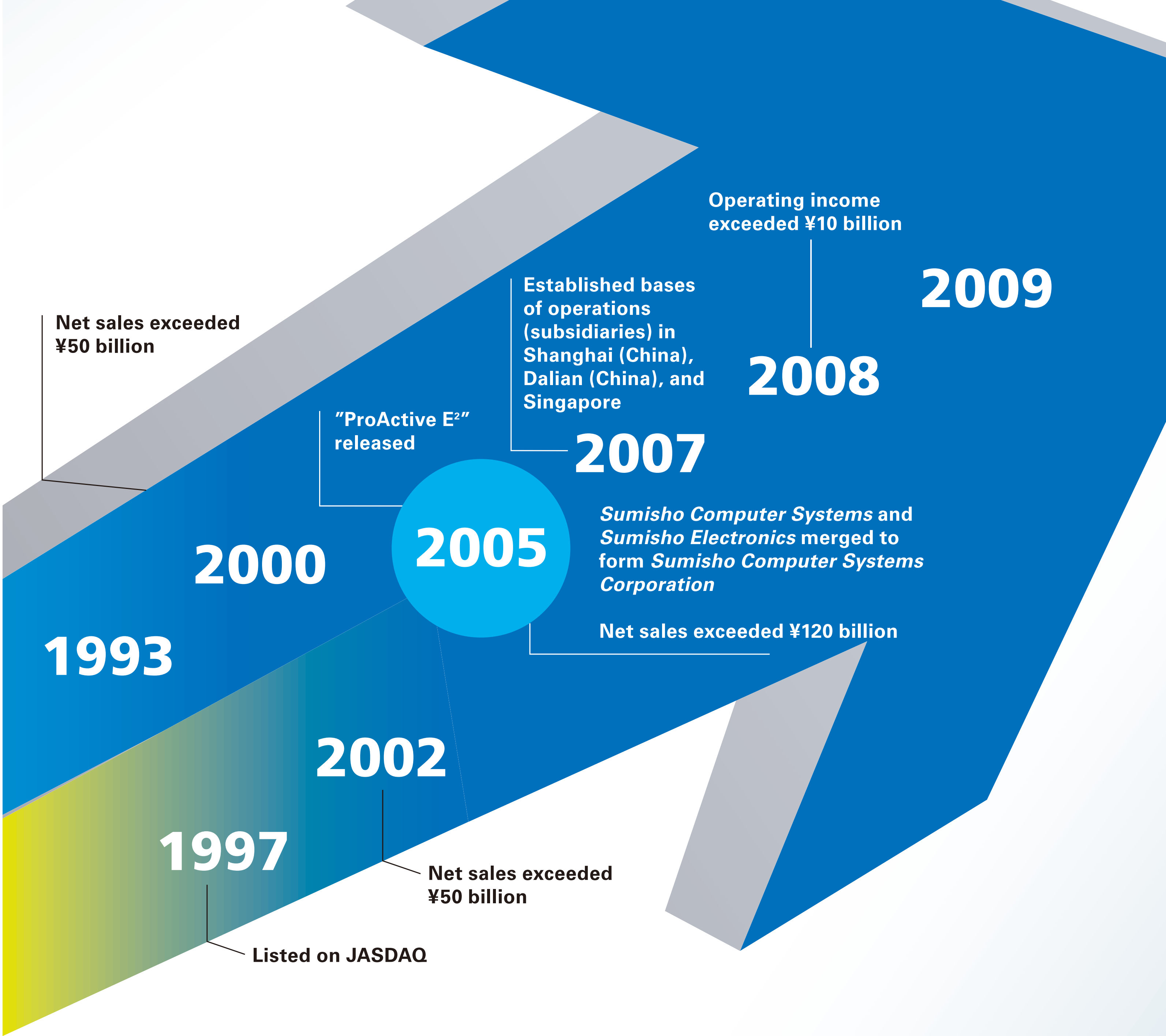
Annual Report 2009

Year ended March 31, 2009

40 Years of *SCS* History

Since its foundation in 1969,* Sumisho Computer Systems Corporation (SCS) *has grown its business through applying leading-edge technologies and responding earnestly to the business needs of its client companies.* SCS *will keep striving to realize its corporate vision, that is, to be a global IT company, utilizing the talents of people and the advantages of state-of-the-art technologies to promote business value.

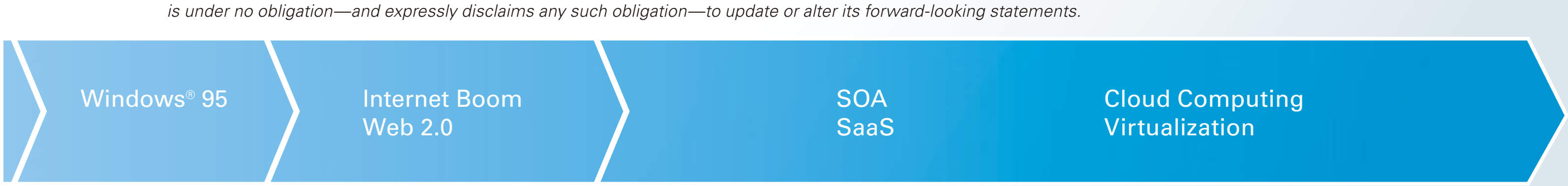




Contents

Notice Concerning Forward-Looking Statements:

This annual report includes forward-looking statements relating to our future plans, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements. The Company is under no obligation—and expressly disclaims any such obligation—to update or alter its forward-looking statements.



Inaugural Address of Newly Appointed Chairman & CEO

I assumed the position of chairman & CEO of Sumisho Computer Systems Corporation (SCS) following the resolution at the Annual General Meeting of Shareholders and a meeting of the Board of Directors held on June 25, 2009. I would like to take this opportunity to say a few words to all our stakeholders upon assuming office.

The credit crunch precipitated by the global financial turmoil has plunged the real economy into a steep decline since 2008. Such a harsh environment has driven intense competition in the IT industry, challenging each company's capability to provide comprehensive service that transcends barriers in consulting, hardware and software. The SCS Group has achieved growth over the years by responding effectively to changes in the business environment. This includes the merger between Sumisho Computer Systems Corporation, with a competitive advantage in software development, and Sumisho Electronics Co., Ltd., with strengths in IT products distribution. Going forward, we will work hard to minimize the impact of the recent deterioration in the economic environment on our business performance and push vigorously forward to achieve sustainable growth.

In light of the drastically changing business environment we currently face, we will sort out businesses that we should focus on and allocate our resources into those businesses. As an example, we will make greater efforts on the ProActive business, a core component of the packaged software business, to accelerate its growth. We will also focus on the maintenance and operations businesses for existing client companies, as a strategic move aimed at developing full-fledged service-oriented businesses.

At the same time, it is vital that we promote the development of our human resources, the most critical resources for us. Accordingly, we will seek to enhance the skills and competencies of all staff of the SCS Group, while creating a suitable work environment in which personnel can exert their full potential. Moreover, we will strive even harder to meet and exceed the expectations of all business partners.

We strongly believe that thorough compliance is also indispensable in ensuring sustainable growth. While we will implement measures necessary for the robust compliance system, it is of utmost importance that all executives and employees of the SCS Group are firmly committed to ensure there are no violations of compliance policies. In this respect as well, the entire SCS Group will remain dedicated to sweeping compliance in accordance with high ethical and moral standards.

The Basic Principle of the SCS Group is to "contribute to the realization of a more affluent society through the creation of new value based on high-level information technology." Even with such dramatic changes in the economic environment, we will remain true to this philosophy and do our utmost to ensure sustainable growth along with our client companies, business partners and all stakeholders.

We sincerely ask for your continued support and encouragement in our endeavors.

August 2009

Nobuhide Nakaido
Chairman & CEO

Overview of Fiscal 2008

The Japanese economy deteriorated significantly in the fiscal year ended March 31, 2009 (fiscal 2008), marked by a considerable decrease in corporate earnings, due to a sharp decline in the European and U.S. economies triggered by global financial and capital market crises, continued appreciation of the yen in foreign currency markets, and significant fluctuations in commodity markets.

In the IT industry, continued investment for ERP systems was aimed at enhancing internal controls, particularly in order to strengthen the management of group companies. Reflecting the aforementioned economic trends as well as serious concerns over further economic deterioration, IT investment was tightened at export-dependent companies, notably in the manufacturing industry, and at certain companies in the financial sector. Some companies even froze investment expenditures altogether.

We implemented the following measures in fiscal 2008 for securing a revenue base.

(1) Expansion of target businesses
  Enhancement of industrial solutions for manufacturers
  Development of industrial solutions for financial institutions

(2) Promotion of global strategies
  Global development of Japanese companies
  Enhancement of system for promoting SAP business

(3) Development of the packaged software business
  Expansion of ProActive business

(4) Sophistication of management infrastructure
  Enhancement of internal controls, compliance system and information security

As a result, consolidated net sales for fiscal 2008 amounted to ¥134,264 million, dipping 2.1% from the previous fiscal year. Operating income decreased 12.4% to ¥9,028 million, and net income was down 26.8% to ¥3,962 million.

Consolidated Financial Highlights

Sumisho Computer Systems Corporation and its Subsidiaries

	Millions of yen			Thousands of U.S. dollars*
For the years ended March 31	2009	2008	2007	2009
Net sales	¥134,264	¥137,199	¥137,345	$1,366,832
Net income	3,962	5,415	4,378	40,329
Total net assets	89,946	90,323	91,254	915,670
Total assets	114,211	117,099	116,218	1,162,688
Equity ratio	78.5%	76.6%	78.2%	
Return on equity	4.4%	6.0%	4.7%	
	Yen			U.S. dollars*
Per share data				
Net income per share	¥78.10	¥102.52	¥80.91	$0.80

* The dollar amounts represent the arithmetical results of translating yen to U.S. dollars using the exchange rate prevailing on March 31, 2009, which was ¥98.23 to US$1.00. Such dollar amounts are solely for the convenience of readers outside Japan and are not intended to imply that the yen amounts have been, or could be, readily converted, realized or settled in dollars at that rate or any other rate of exchange.

Review of Operations

Industrial Solutions

We provide IT solutions to solve business needs particular to each industry.

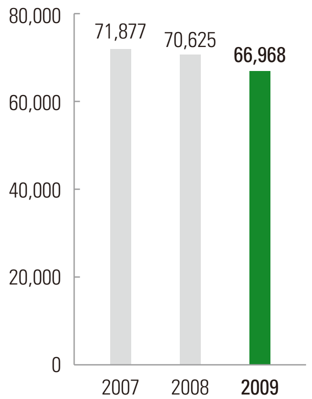
Industrial solutions, which form a sizable portion of SCS's business, are high-quality services primarily spotlighting three areas: 1) business application development utilizing business expertise and experience in a wide range of industries, including distribution and service industries; 2) solutions for the manufacturing sector based on what is called "digital engineering," including sales of tools such as PLM with related support services; and, 3) solutions aimed at the financial industry.

SCS draws on considerable stores of industry knowledge and many years of proven results for client companies in all industries to offer professional solutions tailored to the business pursuits of each client company. In addition, the Company tightly connects industrial solutions to ERP solutions and platform solutions to create flexibly geared total solutions that ensure all user requirements are effectively addressed.

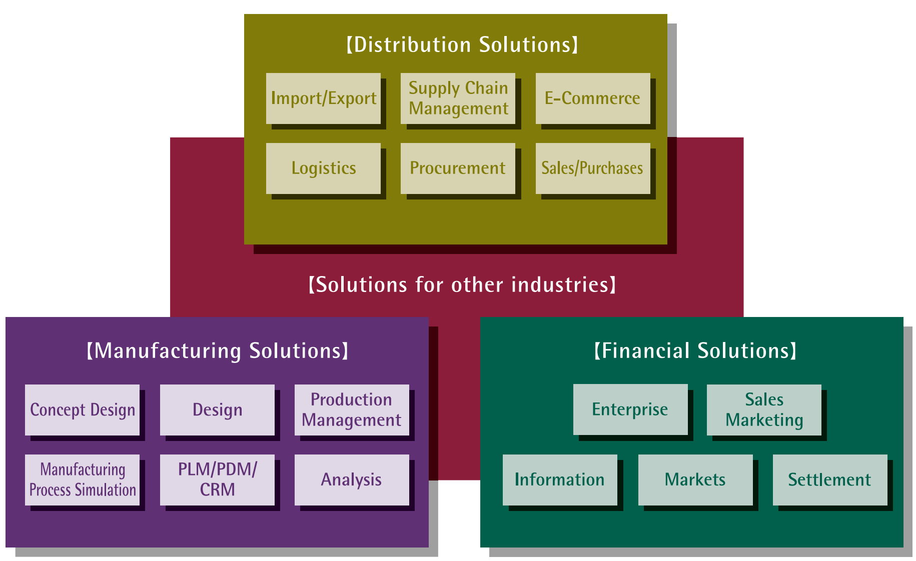
Furthermore, SCS utilizes expertise and experience accumulated through the development of total IT solutions implemented on a global scale for the Sumitomo Corporation Group, as well as service locations spread all over the world, to respond to client companies' needs with one-stop availability. We have the proven capabilities as a reliable IT partner to Japanese companies pursuing business deployment abroad.

Net sales of the industrial solutions business declined 5.2% to ¥66,968 million, due mainly to a decrease in business for the securities industry and lower sales of hardware and other systems for the manufacturing industry.

Net Sales of Industrial Solutions
(Millions of yen)



(For the years ended March 31)



PDM: Product Data Management
PLM: Product Lifecycle Management
CRM: Customer Relationship Management

⚓ ERP Solutions

We provide IT consulting and leading-edge ERP solutions optimized to the needs of client companies, whether they are large corporations or small and medium-sized companies.

In the ERP solutions business, SCS puts its focus on ProActive, the Company's proprietary ERP package, as well as on leading overseas ERP solutions such as SAP and Oracle.

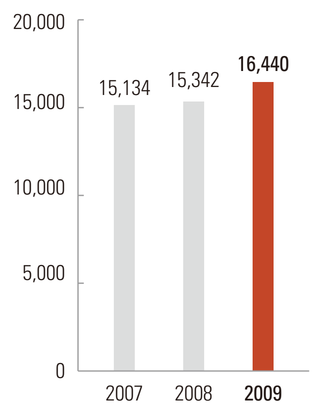
ProActive is an ERP package with modules for business processes critical to an enterprise's operation. The package has won high acclaim from many client companies for its flexibility, which allows the choice of whether to install all the modules at once or phase them in by selecting modules specific to certain operations, such as accounting and payroll. Furthermore, our client company-oriented approach begins with IT consulting, which is designed and proposed from the client company's perspective and where each client company can choose the installation method best suited to their business characteristics.

In addition to ERP solutions designed for client companies of all sizes, from small and medium-sized companies to large corporations, we provide comprehensive IT services for management support from the perspective of each client company's views by incorporating other related solutions such as CRM, IT governance and BI tools.

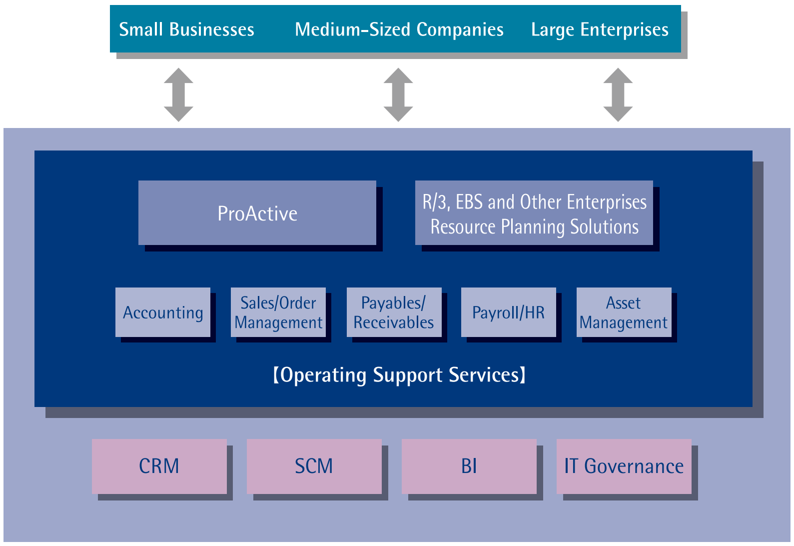
We have also established a structure that facilitates quick responses to client companies' latest needs, including support for upgrading internal controls, as well as the introduction of International Financial Reporting Standards (IFRS).

Net sales of the ERP solutions business amounted to ¥16,440 million, an increase of 7.2%, attributable primarily to expansion of software development business for the manufacturing industry.

Net Sales of ERP Solutions
(Millions of yen)



(For the years ended March 31)



E R P: Enterprise Resource Planning
CRM: Customer Relationship Management
SCM: Supply Chain Management
BI: Business Intelligence

Platform Solutions

Based on specialty products and high-level technological capabilities, SCS can support an enterprise's entire IT platform with emphasis on "dependability and innovation," from design and configuration to operation and maintenance services.

SCS provides a one-stop comprehensive system integration (SI) service from design to configuration, maintenance, and operation of high-level IT platforms based on our wide-ranging products and services.

The broad range of offerings we provide includes servers and storage, hardware and software for HPC requirements, networking devices such as switches and routers, VoIP-related products, cable TV products and communications equipment for cable TV operators, and in addition, security-related and data exchange tools, and operations management tools.

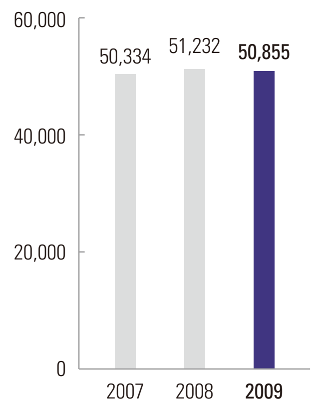
Furthermore, in connection with products, we also provide HPC verification services and analysis, diagnoses, and measures against security-related issues. In the area of open source software, we offer distinctive services for IT platform architecture and support for client companies that include professional services based on virtualization software and Linux.

Meanwhile, we individually deploy netXDC, our own value-added data center, which provides services vital to any enterprise in an information-driven society. This facility is staffed by specialists in data center operations and system operations who undertake on-demand execution of high-quality, ITIL-based operations and system engineering (SE) support services around the clock throughout the year. These efforts have earned netXDC high acclaim from client companies.

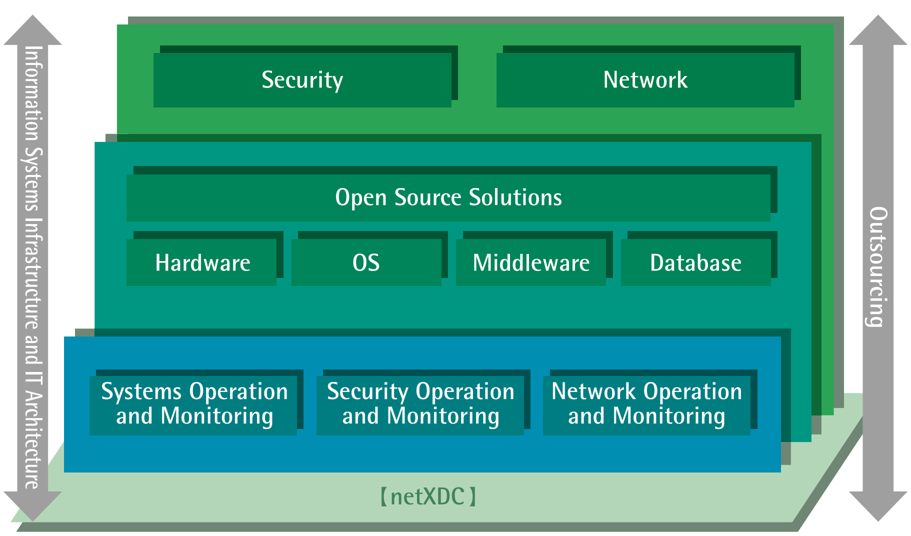
Furthermore, we set up a laboratory for the discovery, development and verification of new product services to offer leading-edge product services to client companies.

Net sales of the platform solutions business totaled ¥50,855 million, a decrease of 0.7%. Although sales of certain network equipment and other systems increased, net sales declined as a result of the absence of orders we had in the previous year for large-scale hardware systems to government and public institutions.

Net Sales of Platform Solutions
(Millions of yen)



(For the years ended March 31)



HPC: High Performance Computing
VoIP: Voice over Internet Protocol
ITIL: Information Technology Infrastructure Library

Capital and Business Alliance with ARGO GRAPHICS

In June 2008, SCS and ARGO GRAPHICS Inc. formed a business alliance aimed at creating new value and jointly providing more sophisticated services throughout all processes of IT solutions for the manufacturing sector.

Previously, SCS and ARGO GRAPHICS respectively engaged in providing computer-aided-design (CAD) solutions in the development and design field, as well as pre-production and analysis businesses. Through this alliance, however, it is now possible to mutually complement each other's technologies and marketing capabilities and provide one-stop access to services for CAD solutions. The alliance also enables the provision of a wider range of products and services by promoting collaboration in configuration of ERP systems closely linked to solutions for supporting digital engineering as well as solutions for configuration of the IT infrastructure.

Going forward, both companies will leverage their accumulated technological capabilities and global networks to expand products and services in order to meet diverse user requirements.

In addition, the two companies will jointly develop new solutions, and through a global support structure for Japanese companies abroad, we will offer comprehensive IT services in striving to become the "No. 1 IT service provider" for users in the manufacturing and other industries.

Overview of ARGO GRAPHICS Inc.

ARGO GRAPHICS is one of Japan's largest providers of CATIA 3D CAD, with a strong customer base nationwide. The software is widely used throughout the manufacturing industry, and regarded as a global standard solution for the automobile industry in particular. The company also proactively engages in providing support for the building of servers and PC clusters of computer manufacturers.

Implementation of Joint Seminar

On January 27, 2009, SCS and ARGO GRAPHICS jointly held the "PLM* Solutions New Year Forum." There was a keen level of interest in the seminar, with attendance of around 300 users. Two distinguished guests gave keynote speeches on the importance of IT strategy from a management perspective. Products and services now available through the alliance were also on display, providing a perfect opportunity to increase understanding among users.

* Short for product lifecycle management, PLM is an information system to comprehensively manage the entire lifecycle of a product from planning, design, development and production to sale and after-sales support.

Strategic Cooperation in Overseas Business with SAP Japan

SCS proactively expands business by leveraging its global network, one of our key areas of strength. In addition to a solid network connecting the five axes of Japan, the Americas, China, Europe, and ASEAN region, we have accumulated the experience and know-how to develop comprehensive IT services on a global scale in fulfilling our role as the IT partner for the Sumitomo Corporation Group. As part of efforts toward global expansion, we reinforced our relationship with SAP Japan Co., Ltd.—a subsidiary of SAP AG, which is the largest ERP player in the market—as a means to provide various support including ERP installation service globally. To this end, we formulated a worldwide strategic joint business plan covering Japan, the United States, China, the Asia-Pacific region, and Europe and concluded a Joint Marketing Agreement in June 2008. The agreement calls for the promotion of overseas business expansion for the client companies of SCS and SAP by identifying priority areas of cooperation on a global scale and strengthening the system for promoting our SAP business overseas. The agreement also sets forth the enhancement of comprehensive cooperation related to installation support for SAP's ERP system (SAP System) for overseas subsidiaries of Japanese companies, and specifically includes the provision of long-term, continuous support services encompassing marketing, pre-sales, joint project promotion, and post-installation upgrade support.

We will strengthen our IT service structures, including the SAP System installation support for Japanese companies abroad, while utilizing our own global network to boost overseas business expansion for client companies.

SCS Global Network

Corporate Governance

With corporate social responsibility (CSR) in mind, the SCS Group adheres to a management perspective that emphasizes the interests of stakeholders, including but not limited to shareholders. From this perspective, the Group's approach to corporate governance highlights three goals: to improve management efficiency, to sustain management soundness, and to ensure a level of management transparency that underpins sound and transparent management processes. Corporate governance is one of the most vital important management priorities at SCS and thus throughout the Group, and efforts are directed toward building and maintaining the most appropriate management structure for this purpose.

Corporate Governance Structure

Board of Directors

Directors of the Company are appointed for a term of one year by shareholders at the Annual General Meeting of Shareholders in accordance with a clause in the Company's Articles of Incorporation stating that approval of a candidate for the Board of Directors requires a majority vote by shareholders in attendance and whose combined shareholdings represent more than one-third of total voting rights held by shareholders with the ability to exercise such rights. In fiscal 2008, the Board of Directors comprised 11 members, including one outside director.

The chairman of the Board presides over the Board of Directors. The Company also maintains a structure wherein full-time directors, excluding the chairman of the Board, serve concurrently as executive officers to accelerate decision-making processes based on actual business conditions and to preserve and further reinforce the level of effectiveness required for executing and overseeing day-to-day operations.

The Executive Committee, comprising directors, executive officers and corporate auditors, meets to discuss and resolve management issues regarding business and the execution of operations and to quickly and accurately confirm the status of activities undertaken by the Company's business units.

To facilitate the swift implementation of a timely management policy that reflects changes in the economic environment, the Company provides in its Articles of Incorporation a clause allowing the Board of Directors to approve the purchase of treasury stock from the market in accordance with Article 165, Paragraph 2 of the Corporate Law.

To ensure a flexible dividend policy, the Company provides in its Articles of Incorporation a clause regarding dividends from surplus, as set forth in Article 459, Paragraph 1 of the Corporate Law, which enables the Board of Directors to approve such allocation of funds without resolution of the matter at the Annual General Meeting of Shareholders.

Executive Officers

On January 1, 2005, the Company adopted an executive officer system under which the Company's executive officers assume responsibility for the execution of operations based on instructions and directives issued by the president in accordance with management policy established by the Board of Directors.

The implementation of this system has clarified the role of the Board of Directors as a unifying body for making decisions on vital management issues and having the power to supervise the execution of operations. In addition, the system underpins efforts to accelerate decisions by the Board of Directors on management policy and reinforces a supervisory structure that oversees day-to-day operations, thereby contributing to enhanced corporate governance.

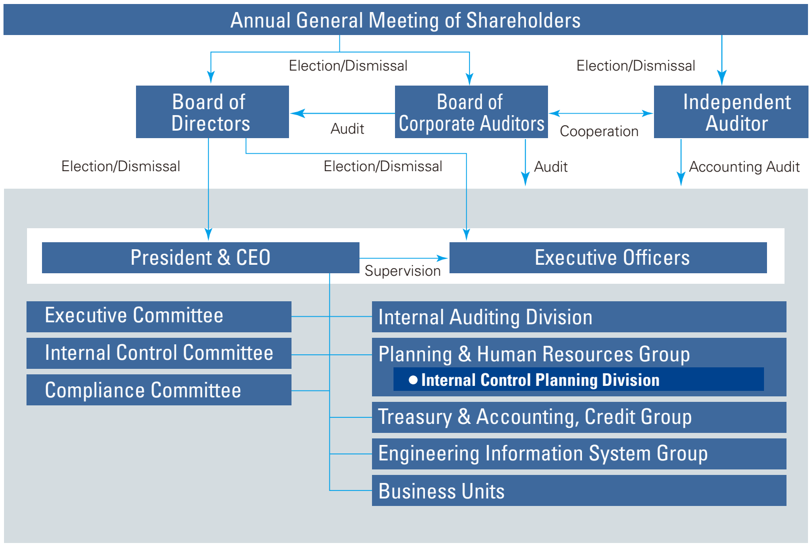
Board of Corporate Auditors

The Company subscribes to a corporate auditor system and maintains a structure to monitor the execution of business activities by the Board of Directors and audits by the Board of Corporate Auditors.

The Board of Corporate Auditors, which comprises four members, including three outside auditors, obtains reports on important business matters relating to audits, discusses the content of these reports, and makes resolutions to deal with issues requiring responses. Corporate auditors attend meetings of the Board of Directors and the Executive Committee, as well as other important meetings, in line with auditing policy established by the Board of Corporate Auditors. They request business reports from directors and executive officers, which complement reports from the Internal Auditing Division, and review essential approved documents. They also examine the status of operations and finances based on on-site audits of principal offices, including subsidiaries and affiliates of the Company.

In addition, corporate auditors meet regularly with representatives of the Company's independent auditing firm to ascertain the content of the firm's auditing activities and to exchange information. Corporate auditors also attend comment sessions and inventory audits conducted by independent auditors, and thereby strive to enhance the efficiency and quality of corporate auditing activities.

Corporate Governance Structure



Status of the Internal Control System

The basic policy and structure of the Company's internal control system, which is needed to ensure that operations at SCS are conducted appropriately, are determined by the Board of Directors. Under this system, complete compliance by directors of the Company to laws and regulations as well as to the Company's Articles of Incorporation in the execution of respective duties is demanded. The status of the internal control system maintained by the Company is described below.

The Internal Control System

The Board of Directors sets the guidelines for maintaining the Company's internal control system, and the Internal Control Committee and the Internal Control Planning Division support application and reinforcement of the system in line with these guidelines. The Internal Auditing Division, under the direct control of the president, confirms that the internal control system is being used as intended and functioning effectively.

Compliance System

In addition to determining internal rules for legal compliance and clarifying the Company's code of conduct to executives and employees, the Board of Directors was responsible for the establishment of the Compliance Committee and distributed copies of the *SCS Compliance Manual* to executives and employees. The current task is to ensure widespread awareness of compliance among all levels of the Company. As part of efforts to reinforce legal compliance, the Company maintains the "Speak-up System," an internal reporting system that guarantees total protection for whistleblowers. With the system, the Company provides secured channels that enable all employees to report compliance-related information directly and discretely to the Compliance Committee, corporate auditors and legal counsel.

Risk Management System

The Board of Directors defined and formed a framework to recognize and evaluate plausible risks in the Company's business pursuits, and the Company currently applies a structure that addresses individual risks by formulating, maintaining, and implementing appropriate rules and guidelines to prevent risks in divisions where such risks could arise. In addition, the Company maintains a system to monitor to what extent executives and employees adhere to risk-related rules and guidelines. The Company formulated crisis management rules and erected a framework to facilitate accurate and expeditious response in the event of an emergency as a means of preparing for unexpected developments that could have a significantly adverse impact on the Company.

Internal Control System for the Group

Close lines of communication between our parent company, Sumitomo Corporation, and members of the Group have enabled the Board of Directors to set down a Corporate Philosophy and Code of Conduct, as well as to share business principles with all companies within the Group and reinforce efforts to underpin legal compliance and risk management. Basic management policy and administrative guidelines for subsidiaries were established from a perspective that respects the independence of these companies while seeking to augment legal compliance and risk management of the Group. Internal rules stipulate reporting protocols for handling important issues relating to the business activities of Group companies. Directors and corporate auditors are sent to respective Group companies to monitor the status of internal control measures. The Company also recommends Group companies undertake their own measures to enhance compliance structure, including the establishment of Compliance Committees and Speak-up Systems, both of which have also been implemented by the Company.

Management

As of June 25, 2009

Photo (from left to right):
(front) Nobuhide Nakaido, Akira Tsuyuguchi
(back) Tetsuro Takeoka, Tatsuaki Shinkai, Kazuhiro Ogawa, Hiroaki Kamata, Izumi Yutani, Tetsuya Fukunaga, Osamu Kojima, Shigeo Kurimoto, Tatsujiro Naito

● Board of Directors

Chairman & CEO	Nobuhide Nakaido
Board Members	Akira Tsuyuguchi Izumi Yutani Tetsuya Fukunaga Hiroaki Kamata Osamu Kojima Kazuhiro Ogawa Shigeo Kurimoto Tatsuaki Shinkai Tatsujiro Naito* Tetsuro Takeoka*

● Auditors

Corporate Auditors	Motoki Kondo Tomoharu Asaka Hiroshi Funazaki** Makoto Nakamura**

* *Outside directors in compliance with the requirements of Item 15, Article 2 of Corporate Law*

** *Outside corporate auditors in compliance with the requirements of Item 16, Article 2 of Corporate Law*

● Executive Officers

President & CEO	Nobuhide Nakaido
COO	Akira Tsuyuguchi
Senior Executive Vice President	Izumi Yutani
Executive Vice Presidents	Hiroaki Kamata Kazuhiro Ogawa Shigeo Kurimoto Tetsuya Fukunaga Osamu Kojima Tatsuaki Shinkai
Senior Vice Presidents	Shoichi Takayama Takeshi Sugihashi Koichiro Nakaya Yoshiaki Ikeda Yutaka Hagio Tetsuo Ohyoshi Atsushi Innami Haruo Doi Hirofumi Maeda Satoru Toriyama Yasuaki Matsuda Takahiro Ichino Yoshimi Joo Noboru Itoh Katsuya Imoto Yoshinori Imai Hisanao Takei

SCS and Group Companies

As of July 13, 2009

Subsidiaries

<Overseas>

Sumisho Computer Systems (USA), Inc.

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SUMISHO COMPUTER SYSTEMS (EUROPE) LTD.

Vintners' Place, 68 Upper Thames Street, London EC4V3BJ, U.K.
Tel: +44-(0)20-7246-3660

Curl, Incorporated

201 Broadway 2nd Floor, Cambridge, Massachusetts 02139, U.S.A.
Tel: +1-617-761-1200

Sumisho Computer Systems (Shanghai) Limited

Shanghai World Financial Center, 100 Century Avenue, Pudong New Area, Shanghai, People's Republic of China
Tel: +86-21-6146-1898

Sumisho Computer Systems (Dalian) Co., Ltd.

17F Senmao Building No.147 Zhongshan Road,
Xigang District, Dalian 116011, People's Republic of China
Tel: +86-411-8370-6116

Sumisho Computer Systems (Asia Pacific) Pte. Ltd.

20 Cecil Street #22-04/05 Equity Plaza, Singapore 049705
Tel: +65-6530-5687

B4 Consulting, Inc.

1400 Main Street, Waltham, Massachusetts 02451, U.S.A.
Tel: +1-781-810-4350

<Domestic>

Curl International Corporation

Harumi Island Triton Square Office Tower Z, 1-8-12, Harumi, Chuo-ku,
Tokyo 104-6210, Japan
Tel: +81-3-5547-3866

VA Linux Systems Japan K.K.

Harumi Island Triton Square Office Tower W, 1-8-8, Harumi, Chuo-ku
Tokyo 104-0053, Japan
Tel: +81-3-6204-4071

SCS Solutions Inc.

Miyazaki Nomura Shouken Bldg., 4-1-2, Tachibana-dori-Higashi,
Miyazaki-city, Miyazaki 880-0805, Japan
Tel: +81-985-26-9700

SCS Business Support Inc.

1-2-39, Ariake, Koto-ku, Tokyo 135-0063, Japan
Tel: +81-3-3527-6810

Asahi IT Solution Limited

Harumi Island Triton Square Office Tower Z, 1-8-12, Harumi, Chuo-ku,
Tokyo 104-6241, Japan
Tel: +81-3-5859-3960

Allied Engineering Corporation

1-14-4, Shiba, Minato-ku, Tokyo 105-0014, Japan
Tel: +81-3-3769-5111

eMplex, Co., Ltd.

DaVinci Ginza, 6-2-1, Ginza, Chuo-ku, Tokyo 104-0061, Japan
Tel: +81-3-5568-7331

Affiliates

Pioneer soft Co., Ltd.

PS Bldg., 4-22-16, Shimizu, Minami-ku, Fukuoka-city, Fukuoka 815-0031, Japan
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Component Square, Inc.

Agora-Ooimachi Building 4F, 1-6-3, Ooimachi, Shinagawa-ku, Tokyo 140-0014, Japan
Tel: +81-3-5743-6140

eBANK Systems Corporation

Tokuei Building 6F, 5-33-7, Shiba, Minato-ku, Tokyo 108-0014, Japan
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ATLED Co., Ltd.

Shibuya Higashiguchi Bldg., 2-22-3, Shibuya, Shibuya-ku,
Tokyo 105-0002, Japan
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Sumisho Joho Datacraft Corporation

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ARGO GRAPHICS Inc.

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Tel: +81-3-5641-2020

Financial Section

Consolidated Five-Year Summary

Sumisho Computer Systems Corporation and its Subsidiaries for the years ended March 31

	Millions of yen				
	2009	2008	2007	2006	2005
Net sales	¥ 134,264	¥137,199	¥137,345	¥120,290	¥70,586
Software development	49,182	48,526	47,913	46,266	43,866
Information processing	35,702	36,011	34,485	29,944	15,986
Software package & hardware sales	49,379	52,663	54,947	44,081	10,734
Cost of sales	102,109	105,606	106,648	99,057	59,283
Operating income	9,028	10,309	8,560	6,532	4,978
Net income	3,962	5,415	4,378	2,722	3,101
At Year-End					
Total assets	¥ 114,211	¥117,099	¥116,218	¥125,064	¥80,497
Total net assets*	89,946	90,323	91,254	94,763	68,966
Per Share Data (Yen)					
Net income per share	¥ 78.10	¥102.52	¥80.91	¥53.29	¥70.93
Net assets per share	1,794.31	1,747.05	1,712.27	1,746.78	1,582.54
Cash dividends declared for the year	32.00	31.00	28.00	26.00	26.00
Other Information					
Return on equity	4.4%	6.0%	4.7%	3.3%	4.6%
Equity ratio	78.5%	76.6%	78.2%	75.8%	85.7%

* By adoption of a new accounting standard for the presentation of net assets in the balance sheet, minority interests and net unrealized gains (losses) on hedging derivatives are included in total net assets for the years ended March 31, 2009, 2008, and 2007.

Basic Policy

Sumisho Computer Systems Corporation (the Company) and its group companies (together with the Company, the Group) are guided in its business pursuits by a fundamental philosophy that highlights efforts to contribute to the realization of a more affluent society through the creation of new value based on high-level information technology (IT). The Group upholds a corporate mission to provide global IT services of the highest quality and to support growth in all industry sectors in Japan through the application of leading-edge technological capabilities and abundant business experience, extensive access to hardware and software procurement sources, as well as the dedication and determination of all employees to succeed in their respective tasks. The Group adheres to a basic management policy aimed at earning the support of all stakeholders, including client companies and shareholders, with the objectives of generating business value for client companies that concomitantly benefits the Group, maximizing the corporate value of the Group for shareholders and continually broadening the scope of operations of the Group.

Summary of Fiscal 2008 Performance

The Japanese economy deteriorated significantly in the consolidated fiscal year ended March 31, 2009 (fiscal 2008), marked by a considerable decrease in corporate earnings, due to a sharp decline in the European and U.S. economies triggered by global financial and capital market crises, continued appreciation of the yen in foreign currency markets, and significant fluctuations in commodity markets.

In the IT industry, continued investment for enterprise resource planning (ERP) systems was aimed at enhancing internal controls, particularly in order to strengthen the management control of group companies. Reflecting the aforementioned economic trends as well as serious concerns over further economic deterioration, IT investment was tightened at export-dependent companies, notably in the manufacturing industry, and at certain companies in the financial sector. Some companies even froze investment expenditures altogether.

Under such circumstances, the Group posted the following results for fiscal 2008.

Net Sales

Consolidated net sales for fiscal 2008 decreased 2.1% from the previous fiscal year to ¥134,264 million. This was attributable mainly to a decrease in business for the securities industry, a decrease in sales of hardware and other systems for the manufacturing industry, and the absence of orders for large-scale hardware systems to government and public institutions, even though demand for ERP solutions as well as IT systems for certain network equipment was rising.

Operating Income

Operating income for fiscal 2008 was down 12.4% from the previous consolidated fiscal year to ¥9,028 million. Although profitability in the ERP packaged software business improved, operating income decreased due to lower net sales and losses at certain subsidiaries.

Net Income

Net income stood at ¥3,962 million, down 26.8% from the previous consolidated fiscal year, mainly because of a loss on valuation of investment securities and the absence of a gain on transfer of business recorded in the previous consolidated fiscal year.

Net income per share decreased ¥24.42 to ¥78.10 for fiscal 2008 compared with ¥102.52 for the previous consolidated fiscal year.

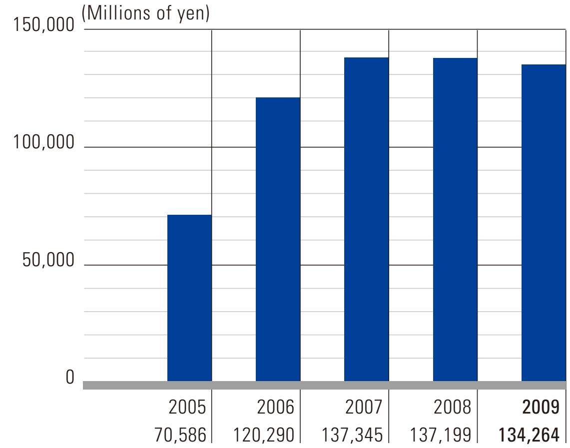
Medium-term Strategies and Matters to Address

With regard to the operating environment that the Group is likely to face in the future, the sharp decline in the European and U.S. economies triggered by the global financial and capital market crises, as well as significant fluctuations in foreign currency and commodity markets, are expected to have a major impact on economic trends in the foreseeable future. These factors are also projected to lead to industrial and structural changes in the global economy. As a result, client companies facing these major changes in economic structure may be required to rebuild their business models. At the same time, IT investment is expected to be positioned as one of the most important business activities in this restructuring. On the other hand, a heightened awareness of the benefits brought by IT investments will lead client companies to become increasingly selective in their investments, scrutinizing IT expenditures in terms of the potential to enhance their corporate values.

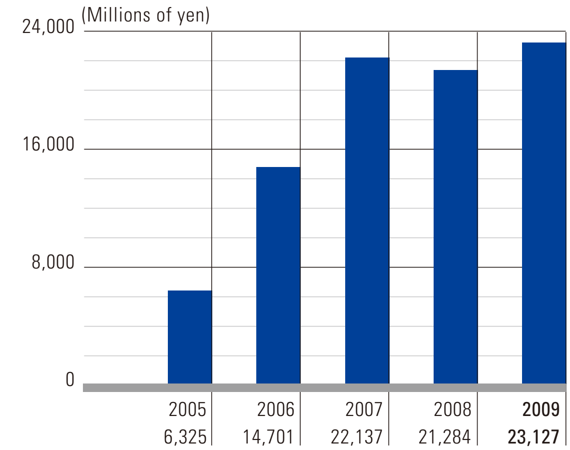
Given these conditions, the Group's management priority is to provide high-quality IT services that will contribute to raising the value of businesses for client companies and work closely with client companies to create new business value. It is also imperative to solidify a position as a key business partner to Japan's industries through robust business relationships with these client companies. Toward these ends, the Group will implement various measures to realize growth in the medium term.

Specifically, the Group will pursue a host of initiatives to resolve respective challenges that have been identified: (1) expand and enhance business and earning capabilities over the medium term to enable the creation of new business value in

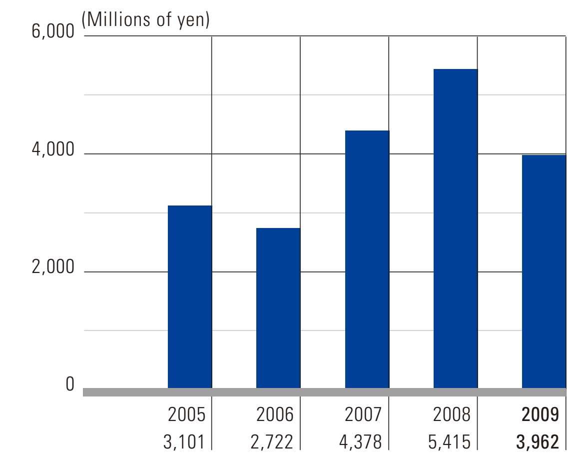
Net Sales



SG&A Expenses



Net Income



(For the years ended March 31)

cooperation with client companies; (2) develop human resources underpinning these business and revenue foundations; and (3) foster a dynamic work environment that motivates such human resources.

To expand and enhance business and earning capabilities, the Company will strengthen respective businesses by strategically allocating management resources in core target businesses, while raising the value-added qualities of its IT services and developing new IT services. The Company will also reinforce global IT service expertise utilizing its global network and develop the solutions business that positions the Group's proprietary packaged software as a key component in order to enhance its value-added IT services and to aggressively expand business and profit-building opportunities. The Group will also make efforts to deepen business relationships with client companies and expand the customer base by providing comprehensive IT services. The Company will also pursue mutually beneficial operating synergies and cooperation among respective target businesses, including Group companies, to maximize the Group's overall capabilities. In addition, the Company will promote the improvement of technological expertise on a Group-wide basis that includes partner companies so as to raise software development productivity that underpins these IT services. These initiatives are aimed at strengthening the Group's profit-building capabilities.

While implementing the business initiatives mentioned above, the Company will further enhance the Group's management infrastructure such as internal controls, risk management, compliance practices, and security management.

Human resources are the real key to expand business and earning capabilities. With this in mind, the Company will systematically provide training and education programs aimed at developing technological capabilities and marketing skills, and continually review organizational and personnel systems to make this initiative more effective. To nurture employees capable of playing active roles on a global stage, the Company will provide various types of training programs not only to help improve foreign language proficiency but also to deepen the understanding of foreign cultures and develop the adaptability to facilitate overseas assignments.

Based on the understanding that fostering a work environment suitable for each employee is critical to maximizing the potential of human resources, the Group will constantly review employment systems and promote a healthy work-life balance. Other measures will be also implemented to ensure effective utilization of office space and the general work environment.

While accelerating the delivery of these strategies, the Group will pursue strategic business alliances and investment in these tie-ups, placing it firmly on track for medium-term growth of the Group.

Liquidity and Financial Position

Cash Flow Status

Cash and cash equivalents at the end of fiscal 2008 amounted to ¥29,267 million, down ¥6,325 million from the end of the previous consolidated fiscal year. The increase or decrease of respective cash flows and reasons thereof are as follows.

Cash Flows from Operating Activities

Net cash provided by operating activities amounted to ¥7,667 million. Positive impacts were comprised mainly of ¥7,368 million in income before income taxes and minority interests and ¥2,617 million in depreciation and amortization, as well as a ¥1,598 million loss on valuation of investment securities. Negative impacts were comprised mainly of a ¥2,002 million decrease in notes and accounts payable and ¥4,591 million in income taxes paid.

Cash Flows from Investing Activities

Net cash used in investing activities amounted to ¥9,348 million. Major outflows of cash were ¥2,353 million in payments for purchases of property and equipment, ¥2,070 million in payments for purchases of intangibles, including software, and ¥4,997 million in payments for purchases of investment securities including affiliate companies. Major inflows of cash were proceeds from sales and redemption of short-term securities.

Cash Flows from Financing Activities

Net cash used in financing activities amounted to ¥4,348 million, primarily reflecting the application of ¥1,696 million in payments for acquisition of treasury stock; ¥821 million to pay fiscal 2007 year-end dividends, at ¥16 per share; and another ¥821 million to pay fiscal 2008 interim dividends, also at ¥16 per share.

Assets, Liabilities and Net Assets

Assets

Total assets stood at ¥114,211 million at the end of fiscal 2008, down ¥2,888 million from the end of the previous consolidated fiscal year.

(a) Current Assets

Total current assets settled at ¥64,444 million at the end of fiscal 2008, down ¥6,170 million from the end of the previous consolidated fiscal year, due mainly to a decrease in cash and time deposits for purchases of investment securities.

(b) Fixed Assets

Net fixed assets reached ¥49,767 million at the end of fiscal 2008, up ¥3,281 million from the end of the previous consolidated fiscal year. The change is largely the result of the purchase of investment securities, which offset a decrease in investment securities due to declining market values.

Liabilities

Total liabilities stood at ¥24,265 million at the end of fiscal 2008, down ¥2,511 million from the end of the previous consolidated fiscal year.

(a) Current Liabilities

Total current liabilities stood at ¥23,134 million at the end of fiscal 2008, down ¥2,283 million from the end of the previous consolidated fiscal year, due to a decrease in accrued income taxes and a reduction in notes and accounts payable in line with a decrease in net sales, which offset an increase in advances received for payments related to large maintenance contracts.

(b) Long-term Liabilities

Long-term liabilities amounted to ¥1,131 million at the end of fiscal 2008, down ¥228 million from the end of the previous consolidated fiscal year. This was attributable primarily to a decrease arising from a transfer of the current portion of bonds payable despite an increase in lease obligations that accompanied the introduction of lease accounting.

Net Assets

Total net assets declined to ¥89,946 million at the end of fiscal 2008, down ¥377 million from the end of the previous consolidated fiscal year. This was due mainly to the market repurchase of treasury stock and a decrease in foreign currency translation adjustments resulting from foreign currency fluctuations, despite an increase in retained earnings.

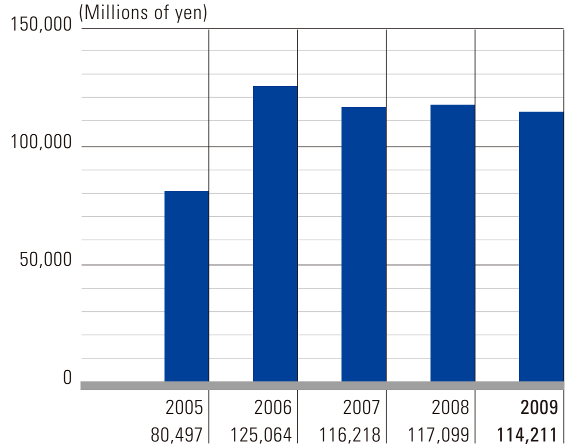
The equity ratio to total assets was 78.5% at the end of fiscal 2008, up from 76.6% recorded at the end of the previous consolidated fiscal year, and net assets per share settled at ¥1,794.31 at the end of fiscal 2008, up ¥47.26 from the end of the previous consolidated fiscal year.

Fiscal 2009 Outlook

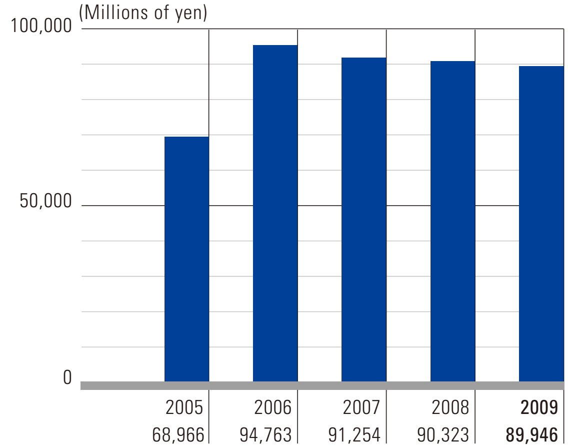
The Japanese economy is not expected to recover significantly from the sharp economic deterioration seen in 2008. Domestic private-sector demand is projected to be weak, reflecting flagging business sentiment and a slump in consumer spending amid worsening employment and earnings conditions. Although the degree of decline of downward trends in exports and production will vary depending on inventory adjustments in Japan and overseas, such downward trends are forecasted to continue.

With regard to IT investment demand, corporate IT investment demand in various industries is expected to be generally low

Total Assets
(Millions of yen)

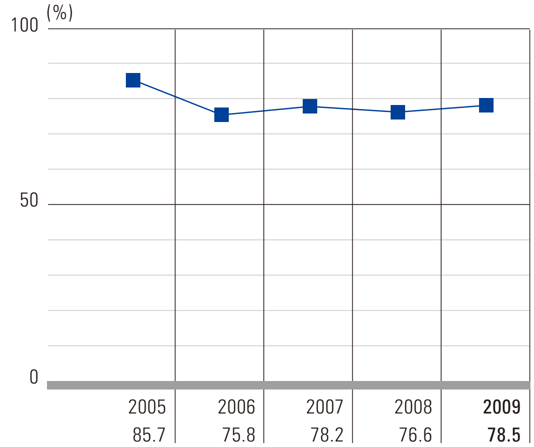


Total Net Assets
(Millions of yen)



* By adoption of a new accounting standard for the presentation of net assets in the balance sheet, minority interests and net unrealized gains (losses) on hedging derivatives are included in total net assets for the years ended March 31, 2009, 2008, and 2007.

Equity Ratio
(%)



(For the years ended March 31)

throughout fiscal 2009 on account of continued containment of IT spending by a considerable number of companies since the latter half of 2008, reflecting the aforementioned economic trends.

Amid such an environment, the Group will endeavor to pave a new path toward growth, and execute the following measures aimed at becoming not only a top-class IT service provider but also a truly valuable business partner to client companies.

(1) Promoting target businesses

The Company seeks to distinguish itself as a distinctive IT service provider that leads in certain businesses, designated as priority fields, and is among the upper echelon of the IT service industry overall. To achieve this objective, the Company will reformulate medium-term growth strategies to accelerate growth in profits and reallocate management resources to respective target businesses such as Industrial Solutions, ERP Solutions, and Platform Solutions.

(2) Enhancing global services

Essential to the aim of distinguishing its global IT service capabilities from the competition, the Company will position the Group as an IT partner to globalized Japanese client companies. That is, the Company will strengthen, both in qualitative and quantitative terms, IT service structures in the United States, Europe, and the Asia-Pacific region by fostering global human resource capabilities throughout the Group and effectively utilizing capabilities of the Group's overseas bases and strategic partners. The Company will also aggressively promote IT service support overseas to client companies, including group companies of Sumitomo Corporation.

The Group will actively pursue the use of resources at offshore software developers in China and other overseas bases.

To identify leading-edge IT businesses and technologies, the Company will maintain a vigilant watch for advanced technologies in use overseas. Discoveries with high business potential will then be vigorously incorporated into the Company's existing target businesses or applied to the development of new businesses.

(3) Developing the packaged software business

The Company will actively promote the packaged software business that embodies the uniqueness of the Group. In the field of ERP system, in particular, the Company will develop business, positioning ProActive, a proprietary software developed by the Company, as a key component and will promote business of unique packaged software in the CRM, workflow, and other ERP-related fields in its pursuit to become the leading software provider in the field of ERP for medium-sized companies.

(4) Reinforcing and expanding the customer base

In view of current economic conditions, the Company will endeavor to further deepen relationships with existing client companies and other key companies related to domestic consumption through the provision of one-stop access to the Company's IT services. By assigning executives to look after major clients, the Company seeks to strengthen lines of close communication and provide various IT services that meet the various IT needs of client companies quickly and effectively.

The Company will also make efforts at regional branches in Kansai, Chubu, and Kyushu to strengthen ties with client companies by reinforcing Company-wide support.

(5) Exerting Group capabilities

In pursuit of business synergies, the Company will make efforts to strengthen cooperation among Group companies, including the Company's business divisions, Group subsidiaries, and strategic partners. This includes sharing the customer base, practicing joint marketing, and developing integrated solutions.

In particular, the Company will focus on reinforcing the business within existing Group companies and making maximum use of the collective capabilities of the Group.

(6) Improving productivity

The Company will promote in-house development within the Group, including offshore developers, particularly with regard to outsourced projects for software development, and strive to increase cost efficiency by promoting outsourced entities to become the Group's strategic partners.

(7) Enhancing human resources

The Company will expand employee training programs throughout the Group to upgrade technological capabilities, marketing skills, and global service competencies. In particular, the Company will introduce various overseas training such as overseas traineeship program that utilizes overseas bases to strengthen the ability of employees to respond to growing global needs.

(8) Improving the work environment

The Company will provide education programs related to work-life balance, adopt various employee support systems, and work to foster a dynamic work environment in order to promote a healthy work-life balance for executives and employees.

(9) Reinforcing business infrastructure

The Company will conduct ongoing reviews of its business operations aimed at strengthening internal controls, enhancing information security, and improving business efficiency. In particular, the Company will pursue greater efficiency in all business processes through the comprehensive restructuring of its ERP system.

Business Risks

Risks with the potential to significantly impact the business, that is, the operating results and financial standing of the Group, are presented below. The forward-looking statements contained in the descriptions below are forecasts based on our decisions, targets, certain premises, or assumptions as of the last day (March 31, 2009) of the consolidated fiscal year.

Business Environment Risk

In recent years, the information services industry in which the Group is engaged has been characterized by heightened competition and a persistent trend toward reduced prices for projects, including a decline in hardware prices. If, in this business environment, such developments as a change in economic conditions were to prompt sudden and sizable adjustments in the IT investment plans of client companies, or price competition in the industry were to continue at a drastically intensified level over the current level, the Group's operating results and financial standing could be adversely affected.

Risks Inherent in Information System Development

The Group undertakes the development and customization of various information systems of client companies. If the desired level of quality cannot be achieved because the lead time is too short for the complexity of the system to be developed, or if costs increase because a project cannot be completed within the promised time frame, such circumstances could exert an effect on the Group's operating results. The Group utilizes the products and services of many outside contractors, including software development companies based outside of Japan, to boost production capacity, improve cost efficiency, and access technological strengths and expertise complementary to its own. However, this entails a possibility that prevents the Group from sustaining expected levels of productivity and quality.

To minimize such risks, dedicated teams check each project at the estimate stage, monitor progress in the development process, and verify outside contractors for the quality of service delivered. In addition, they methodically work to prevent unforeseen malfunctions in any aspect of a system to be delivered, and toward this end, investigate outside contractors thoroughly, carefully track the progress of outsourced operations and meticulously ensure adherence to high quality control standards.

Risks Inherent in Technological Innovation

Technological innovation unfolds at a fast pace in the information services industry, the business domain of the Group. Consequently, new breakthroughs could obsolete the technologies, competence, expertise, and other intangible resources that the Group currently possesses. In addition, rapidly changing industry standards for technologies applied to software, hardware, and other components used in system integration for client companies— the Group's core area of profitability—could erode the Group's technological superiority or price advantage. Therefore, if the Group is unable to sufficiently predict technological trends within the industry, this could adversely affect its operating results.

To respond in a timely and accurate manner to technological innovation, the Group seeks to nurture the development of skills among employees and emphasizes careful investigation and acquisition of the latest in breakthrough developments. In addition, rather than relying on a single technology, skill set, or product that generates unduly high profit, the Group seeks to expand its business reach by diversifying system integration-related technologies and product procurement capabilities.

Information Security Risk

In the course of businesses of the Group, from system development through to the operation of a system, members of the Group may gain access to various types of confidential information, such as system technology data belonging to client companies or personal information stored by client companies. If such confidential information were to leak out or be tampered with due to a computer virus, illegal access, human error, malfunction of a client's system, or any other reason, such an event could invite claims for damages from client companies or other parties and could result and undermine the Group's credibility.

Therefore, members of the Group adhere to strict rules of compliance, reinforce the physical security measures, and implement information security measures such as education and training programs for employees and outside contractors. The Group demands that outside contractors comply with the same standards for information security and meticulous information management to which the Group itself adheres. The Group uses several approaches, including educational seminars and onsite reviews, when necessary, to enforce information security of outside contractors.

Risks Inherent in Investment Activities

To reinforce its ability to provide solutions in target businesses, maintain production capabilities, secure technological expertise in leading-edge fields, and ensure access to products such as the latest software and hardware, the Group pursues the following two types of investment.

1) Strategic investment, including equity participation in, and provision of loans and other credit to, domestic and foreign corporations and ventures, the purchase of prototype products and the acquisition of such corporations and ventures
2) Investment geared to the development of packaged software and new services in target business areas

When considering an investment, the Group looks carefully into the business plans of the target company and the project in which the Group invests, as well as the risk-return factor and other matters that underpin sound investments. A risk management system is in place to track plan status and monitor progress on the project once an investment position has been taken.

Nevertheless, such investments may not yield the anticipated returns, or worse, incur a loss, especially if the company in which the Group has invested turns in a poor fiscal performance or fails to achieve its stated goals. This could exert a negative impact on the Group's operating results.

Possibility of Lawsuits

The Group sells and distributes to many client companies software, hardware, and other components developed and manufactured by companies outside the Group. These business activities could precipitate lawsuits filed by third parties over such issues as infringement of intellectual property rights. The content and results of such lawsuits could adversely affect the Group's operating results.

Risk of Fixed Asset Impairment

As of the end of the current consolidated fiscal year, the Group owned land and buildings used for offices, data centers, and company housing, including dormitories, with a total book value of ¥26,747 million. These assets are classified as the Group's shared assets. As a result, the operating results of the Group could be affected depending on trends in the market value of land and the status of revenues of the Group.

With regards to goodwill and other intangible assets generated by acquisition of businesses, the Group's operating results and financial standing could be affected owing to the status of its revenues.

However, these fixed assets have been allocated into reasonable units for generating cash flows for evaluation of collectability. As a result of such evaluation, there were no fixed assets subject to recognition of impairment losses in the current consolidated fiscal year.

Product Procurement Risk

The Group offers its client companies a wide assortment of optimal products, including software and hardware, from domestic and foreign vendors. Members of the Group locate and purchase products in overseas markets and pinpoint technology trends through representatives in the United States and its overseas network. Business strategies common to both the Group and its business partners at home and abroad help to identify trends and stabilize procurement.

However, a sudden shift in the business strategies of vendors could alter product specifications and bring supply to a halt, and rapidly evolving technological innovation could prompt a decrease in product prices. The impact of such changes could adversely affect the Group's operating results.

Risk for Doubtful Accounts

The Group undertakes product sales, consigned system development, and provision of various services to numerous client companies. Since the fees for such transactions are usually collected in arrears, a deteriorating financial standing of client companies could delay, or render it difficult to execute, the collection of the Company's receivables, adversely affecting the Group's operating results.

Therefore, the Group has established divisions in charge of the credit exposure management and the receivables management section, independent from business units. These divisions scrutinize client companies' credit standing and set up appropriate credit limits, while regularly monitoring the postponement or collection status of receivables. The Group also posts an allowance for doubtful accounts and implements other accounting measures as deemed necessary.

Consolidated Balance Sheets

As of March 31, 2009 and 2008

	Millions of yen		Thousands of U.S. dollars*
ASSETS	**2009**	2008	**2009**
Current assets:			
Cash and time deposits	**¥2,789**	¥4,742	**$28,391**
Notes and accounts receivable	**23,442**	24,215	**238,646**
Short-term investment securities	**1,520**	1,011	**15,476**
Inventories	**4,720**	4,283	**48,047**
Deferred income taxes	**1,576**	1,897	**16,046**
Deposits paid	**26,478**	30,850	**269,554**
Lease receivables and lease investment assets	**56**	—	**574**
Other current assets	**3,882**	3,655	**39,514**
Allowance for doubtful accounts	**(19)**	(39)	**(193)**
Total current assets	**64,444**	70,614	**656,055**
Property and equipment:			
Buildings and structures	**21,639**	22,079	**220,288**
Tools, furniture and fixtures	**6,165**	6,354	**62,760**
Land	**14,783**	14,783	**150,493**
Lease assets	**588**	—	**5,986**
Construction in progress	**531**	—	**5,401**
Less: accumulated depreciation	**(13,445)**	(13,242)	**(136,879)**
Net property and equipment	**30,261**	29,974	**308,049**
Investments and other assets:			
Investments in affiliated companies	**3,650**	776	**37,158**
Investment securities	**4,214**	5,382	**42,899**
Long-term prepaid expenses	**2,477**	2,169	**25,221**
Lease and guarantee deposits	**1,989**	1,819	**20,246**
Other intangible fixed assets	**4,628**	3,650	**47,116**
Goodwill	**1,695**	1,660	**17,260**
Deferred income taxes	**504**	847	**5,132**
Other assets	**524**	375	**5,338**
Allowance for doubtful accounts	**(175)**	(167)	**(1,786)**
Total investments and other assets	**19,506**	16,511	**198,584**
Total assets	**¥114,211**	¥117,099	**$1,162,688**

*The dollar amounts represent the arithmetical results of translating yen to U.S. dollars using the exchange rate prevailing on March 31, 2009, which was ¥98.23 to US$1.00. Such dollar amounts are solely for the convenience of readers outside Japan and are not intended to imply that the yen amounts have been, or could be, readily converted, realized or settled in dollars at that rate or any other rate of exchange.

LIABILITIES AND NET ASSETS	Millions of yen 2009	Millions of yen 2008	Thousands of U.S. dollars* 2009
Current liabilities:			
Notes and accounts payable	¥9,612	¥11,542	$97,852
Short-term loans payable	53	415	535
Lease obligations	112	—	1,137
Accrued income taxes	1,817	3,198	18,502
Allowance for bonuses to employees	1,603	1,765	16,316
Allowance for bonuses to directors	57	87	582
Other current liabilities	9,880	8,410	100,575
Total current liabilities	23,134	25,417	235,499
Long-term liabilities:			
Bonds payable	330	750	3,359
Long-term loans payable	39	92	401
Lease obligations	336	—	3,424
Deferred income taxes	—	9	—
Liability for severance and retirement benefits	214	223	2,180
Retirement benefits for directors and corporate auditors	92	128	932
Long-term lease and guarantee deposited	99	99	1,012
Other long-term liabilities	21	58	211
Total long-term liabilities	1,131	1,359	11,519
Net assets:			
Shareholders' equity:			
Capital stock			
Authorized—200,000,000 shares			
Issued—54,291,447 shares in 2009 and 2008, respectively	21,153	21,153	215,340
Capital surplus	31,300	31,300	318,638
Retained earnings	46,541	44,219	473,793
Treasury stock, at cost	(8,729)	(6,575)	(88,858)
Valuation and translation adjustments:			
Valuation difference on available-for-sale securities	(34)	(405)	(348)
Deferred gains or losses on hedges	20	(9)	200
Foreign currency translation adjustments	(617)	(42)	(6,277)
Subscription rights to shares	89	33	905
Minority interests	223	649	2,277
Total net assets	89,946	90,323	915,670
Total liabilities and net assets	¥114,211	¥117,099	$1,162,688

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Consolidated Statements of Income

For the years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars*
	2009	2008	2007	**2009**
Net sales	**¥134,264**	¥137,199	¥137,345	**$1,366,832**
Cost and expenses:				
Cost of sales	**102,109**	105,606	106,648	**1,039,488**
Selling, general and administrative expenses	**23,127**	21,284	22,137	**235,435**
	125,236	126,890	128,785	**1,274,923**
Operating income	**9,028**	10,309	8,560	**91,909**
Other income (expenses):				
Interest and dividend income	**373**	340	184	**3,794**
Interest expense	**(24)**	(7)	(2)	**(247)**
Equity in earnings (losses) of affiliates	**78**	(147)	32	**799**
Gains (losses) on sales of investment securities, net	**(2)**	76	32	**(20)**
Loss on valuation of investment securities	**(1,598)**	(598)	(101)	**(16,267)**
Losses on sales/disposal of property and equipment	**(145)**	(195)	(753)	**(1,472)**
Amortization of goodwill	**(260)**	—	—	**(2,644)**
One-time amortization of software	**(216)**	(215)	—	**(2,194)**
Proceeds from settlement of legal proceedings	**—**	—	30	**—**
Loss on settlement of a maintenance contract	**—**	—	(122)	**—**
Compensation for damage	**—**	(89)	—	**—**
Gain on transfer of business	**76**	430	—	**776**
Other, net	**58**	149	87	**573**
	(1,660)	(256)	(613)	**(16,902)**
Income before income taxes and minority interests	**7,368**	10,053	7,948	**75,007**
Income taxes:				
Current	**3,177**	4,205	3,118	**32,343**
Deferred	**492**	342	360	**5,004**
	3,669	4,547	3,478	**37,347**
Minority interests	**(263)**	91	92	**(2,669)**
Net income	**¥3,962**	¥5,415	¥4,378	**$40,329**

	Yen			U.S. dollars*
	2009	2008	2007	**2009**
Per share information:				
Basic net income per share	**¥78.10**	¥102.52	¥80.91	**$0.80**
Cash dividends declared for the year	**32.00**	31.00	28.00	**0.33**

*The dollar amounts represent the arithmetical results of translating yen to U.S. dollars using the exchange rate prevailing on March 31, 2009, which was ¥98.23 to US$1.00. Such dollar amounts are solely for the convenience of readers outside Japan and are not intended to imply that the yen amounts have been, or could be, readily converted, realized or settled in dollars at that rate or any other rate of exchange.

Consolidated Statements of Changes in Net Assets

For the years ended March 31, 2009, 2008 and 2007

		Millions of yen									
		Shareholders' equity				Valuation and translation adjustments					
	Numbers of shares of common stock (thousands)	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Subscription rights to shares	Minority interests	Total net assets
Balance as of March 31, 2006	54,291	¥21,153	¥31,300	¥37,451	¥(196)	¥5,142	¥―	¥(87)	¥―	¥515	¥95,278
Net income	―	―	―	4,378	―	―	―	―	―	―	4,378
Adjustments from translation of foreign currency financial statements	―	―	―	―	―	―	―	45	―	―	45
Net unrealized holding gains on securities	―	―	―	―	―	(3,858)	―	―	―	―	(3,858)
Cash dividends	―	―	―	(1,410)	―	―	―	―	―	―	(1,410)
Bonuses to directors	―	―	―	(22)	―	―	―	―	―	―	(22)
Disposal of treasury stock	―	―	―	(1)	1	―	―	―	―	―	(1)
Acquisition of treasury stock	―	―	―	―	(2,988)	―	―	―	―	―	(2,988)
Other, net	―	―	―	―	―	―	2	―	―	(170)	(168)
Balance as of March 31, 2007	54,291	21,153	31,300	40,396	(3,183)	1,284	2	(42)	―	345	91,254
Net income	―	―	―	5,415	―	―	―	―	―	―	5,415
Adjustments from translation of foreign currency financial statements	―	―	―	―	―	―	―	(0)	―	―	(0)
Net unrealized holding gains on securities	―	―	―	―	―	(1,688)	―	―	―	―	(1,688)
Cash dividends	―	―	―	(1,593)	―	―	―	―	―	―	(1,593)
Bonuses to directors	―	―	―	―	―	―	―	―	―	―	―
Disposal of treasury stock	―	―	―	(0)	0	―	―	―	―	―	0
Acquisition of treasury stock	―	―	―	―	(3,392)	―	―	―	―	―	(3,392)
Other, net	―	―	―	―	―	―	(11)	―	33	304	326
Balance as of March 31, 2008	54,291	21,153	31,300	44,219	(6,575)	(405)	(9)	(42)	33	649	90,323
Net income	―	―	―	3,962	―	―	―	―	―	―	3,962
Adjustments from translation of foreign currency financial statements	―	―	―	―	―	―	―	(575)	―	―	(575)
Net unrealized holding gains on securities	―	―	―	―	―	371	―	―	―	―	371
Cash dividends	―	―	―	(1,642)	―	―	―	―	―	―	(1,642)
Bonuses to directors	―	―	―	―	―	―	―	―	―	―	―
Disposal of treasury stock	―	―	―	(1)	1	―	―	―	―	―	0
Acquisition of treasury stock	―	―	―	―	(2,155)	―	―	―	―	―	(2,155)
Other, net	―	―	―	3	―	―	29	―	56	(426)	(338)
Balance as of March 31, 2009	**54,291**	**¥21,153**	**¥31,300**	**¥46,541**	**¥(8,729)**	**¥(34)**	**¥20**	**¥(617)**	**¥89**	**¥223**	**¥89,946**

		Thousands of U.S. dollars*									
		Shareholders' equity				Valuation and translation adjustments					
	Numbers of shares of common stock (thousands)	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Subscription rights to shares	Minority interests	Total net assets
Balance as of March 31, 2008	54,291	$215,340	$318,638	$450,154	$(66,936)	$(4,116)	$(90)	$(432)	$340	$6,608	$919,506
Net income	―	―	―	40,329	―	―	―	―	―	―	40,329
Adjustments from translation of foreign currency financial statements	―	―	―	―	―	―	―	(5,845)	―	―	(5,845)
Net unrealized holding gains on securities	―	―	―	―	―	3,768	―	―	―	―	3,768
Cash dividends	―	―	―	(16,715)	―	―	―	―	―	―	(16,715)
Bonuses to directors	―	―	―	―	―	―	―	―	―	―	―
Disposal of treasury stock	―	―	―	(3)	13	―	―	―	―	―	10
Acquisition of treasury stock	―	―	―	―	(21,935)	―	―	―	―	―	(21,935)
Other, net	―	―	―	28	―	―	290	―	565	(4,331)	(3,448)
Balance as of March 31, 2009	**54,291**	**$215,340**	**$318,638**	**$473,793**	**$(88,858)**	**$(348)**	**$200**	**$(6,277)**	**$905**	**$2,277**	**$915,670**

*The dollar amounts represent the arithmetical results of translating yen to U.S. dollars using the exchange rate prevailing on March 31, 2009, which was ￥98.23 to US$1.00. Such dollar amounts are solely for the convenience of readers outside Japan and are not intended to imply that yen amounts have been, or could be, readily converted, realized or settled in dollars at the rate or any rate of exchange.

Consolidated Statements of Cash Flows

For the years ended March 31, 2009, 2008 and 2007

	Millions of yen			Thousands of U.S. dollars*
	2009	2008	2007	2009
Cash flows from operating activities:				
Income before income taxes and minority interests	¥7,368	¥10,053	¥7,948	$75,007
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:				
Depreciation and amortization	2,617	2,416	2,307	26,640
Amortization of goodwill	552	157	116	5,616
Increase (decrease) in allowance for doubtful accounts	(11)	(0)	(139)	(114)
Losses on disposal property and equipment	146	195	750	1,482
Losses (gains) on sales of property and equipment	(1)	(17)	3	(10)
Losses (gains) on sales of investment securities, net	2	(76)	(32)	20
One-time amortization of software	216	215	—	2,194
Loss on valuation of investment securities	1,598	598	101	16,267
Gain on transfer of business	(76)	(430)	—	(776)
Equity in losses (gains) of affiliates	(78)	147	(32)	(799)
Share-based compensation expenses	56	33	—	565
Interest and dividend income	(373)	(340)	(184)	(3,794)
Compensation for damage	—	89	—	—
(Increase) decrease in notes and accounts receivable	632	5,300	702	6,432
(Increase) decrease in inventories	(463)	441	1,060	(4,713)
Increase (decrease) in accounts payable	(2,002)	(1,178)	(2,188)	(20,381)
Net change in liability for severance and retirement benefits	(9)	(7)	(244)	(95)
(Increase) decrease in prepaid pension costs	(114)	(406)	(531)	(1,156)
Payments for bonuses to directors	(87)	(93)	(22)	(884)
Other, net	1,939	(1,563)	(1,037)	19,766
Subtotal	11,912	15,534	8,578	121,267
Interest and dividend income received	403	350	191	4,101
Interest expense paid	(24)	(7)	(1)	(247)
Compensation for damage paid	(33)	(58)	—	(340)
Income taxes paid	(4,591)	(3,409)	(2,778)	(46,732)
Net cash provided by operating activities	7,667	12,410	5,990	78,049
Cash flows from investing activities:				
Proceeds from sales and redemption of short-term securities	1,010	700	1,900	10,282
Payments of short-term loans receivable	(185)	—	—	(1,887)
Payments for purchases of investment securities including affiliated companies	(4,997)	(1,588)	(698)	(50,872)
Proceeds from sales and redemption of investment securities including affiliated companies	208	197	78	2,113
Payments for purchases of property and equipment	(2,353)	(1,050)	(1,139)	(23,957)
Proceeds from sales of property and equipment	4	19	7	44
Payments for purchases of intangibles	(2,070)	(1,443)	(1,262)	(21,068)
Payments for purchases of investments in subsidiaries resulting in change in scope of consolidation	(75)	(605)	(156)	(759)
Proceeds from purchases of investments in subsidiaries resulting in change in scope of consolidation	—	197	—	—
Payments for sales of investments in subsidiaries resulting in change in scope of consolidation	(64)	—	—	(655)
Purchase of investments in subsidiaries	(221)	—	—	(2,252)
Proceeds from transfer of business	38	498	—	388
Payments for transfer of business	(400)	—	—	(4,072)
Other, net	(243)	43	(363)	(2,469)
Net cash used in investing activities	(9,348)	(3,032)	(1,633)	(95,164)
Cash flows from financing activities:				
Proceeds from sales of treasury stock	1	0	0	9
Payments for acquisition of treasury stock	(1,696)	(3,392)	(2,988)	(17,261)
Dividends paid	(1,642)	(1,593)	(1,410)	(16,715)
Distributions to minority interests	(108)	(4)	(101)	(1,104)
Net increase (decrease) in short-term loans payable	(255)	(195)	—	(2,596)
Repayment of long-term loans payable	(160)	—	(39)	(1,630)
Redemption of bonds	(60)	(45)	—	(611)
Repayments of lease obligations	(428)	—	—	(4,353)
Net cash used in financing activities	(4,348)	(5,229)	(4,538)	(44,261)
Effect of exchange rate changes on cash and cash equivalents	(296)	31	35	(3,017)
Net increase (decrease) in cash and cash equivalents	(6,325)	4,180	(146)	(64,393)
Cash and cash equivalents at beginning of the year	35,592	31,412	31,558	362,338
Cash and cash equivalents at end of the year	¥29,267	¥35,592	¥31,412	$297,945

*The dollar amounts represent the arithmetical results of translating yen to U.S. dollars using the exchange rate prevailing on March 31, 2009, which was ¥98.23 to US$1.00. Such dollar amounts are solely for the convenience of readers outside Japan and are not intended to imply that the yen amounts have been, or could be, readily converted, realized or settled in dollars at that rate or any other rate of exchange.

The following consolidated financial statements are translations of the consolidated financial statements in accordance with Article 444(4) of the Corporate Law, and are provided with an Independent Auditors' Report.

Sumisho Computer Systems Corporation and its Subsidiaries

Consolidated Balance Sheet (Audited)

(As of March 31, 2009)

(Millions of yen)

Account	Amount	Account	Amount
ASSETS		**LIABILITIES**	
Current assets	**¥ 64,444**	**Current liabilities**	**¥ 23,133**
Cash and time deposits	2,788	Notes and accounts payable	9,611
Notes and accounts receivable	23,442	Short-term loans payable	52
Lease receivables and investment assets	56	Lease obligations	111
Short-term investment securities	1,520	Accrued income taxes	1,817
Merchandise and finished goods	3,237	Allowance for bonuses to employees	1,602
Work in process	1,468	Allowance for bonuses to directors	57
Raw materials and supplies	13	Other current liabilities	9,879
Deferred income taxes	1,576		
Deposits paid	26,478	**Long-term liabilities**	**1,131**
Other current assets	3,881	Bonds payable	330
Allowance for doubtful accounts	(18)	Long-term loans payable	39
Fixed assets	**49,766**	Lease obligations	336
Property and equipment	**30,259**	Liability for severance and retirement benefits	214
Buildings and structures	11,964	Retirement benefits for directors and corporate auditors	91
Tools, furniture and fixtures	2,450	Long-term lease and guarantee deposited	99
Land	14,782	Other long-term liabilities	20
Lease assets	531	**Total liabilities**	**24,264**
Construction in progress	530		
Intangible fixed assets	**6,323**	**NET ASSETS**	
Goodwill	1,695	**Shareholders' equity**	**90,264**
Other intangible fixed assets	4,628	**Capital stock**	**21,152**
Investments and other assets	**13,183**	**Capital surplus**	**31,299**
Investment securities	7,863	**Retained earnings**	**46,540**
Long-term prepaid expenses	2,477	**Treasury stock, at cost**	**(8,728)**
Lease and guarantee deposits	1,988	**Valuation and translation adjustments**	**(631)**
Deferred income taxes	504	Valuation difference on available-for-sale securities	(34)
Other assets	524	Deferred gains or losses on hedges	19
Allowance for doubtful accounts	(175)	Foreign currency translation adjustments	(616)
		Subscription rights to shares	**88**
		Minority interests	**223**
		Total net assets	**89,946**
Total assets	**¥ 114,210**	**Total liabilities and net assets**	**¥ 114,210**

Sumisho Computer Systems Corporation and its Subsidiaries

Consolidated Statement of Income (Audited)

(For the year ended March 31, 2009)

(Millions of yen)

Account	Amount	Amount
Net sales		¥ 134,263
Cost of sales		102,108
Gross profit		**32,155**
Selling, general and administrative expenses		23,126
Operating income		**9,028**
Other income		
Interest income	287	
Dividends income	84	
Equity in earnings of affiliates	78	
Other	136	587
Other expenses		
Interest expense	24	
Loss on investment in fund	27	
Other	41	93
Ordinary income		**9,523**
Extraordinary income		
Gain on sales of fixed assets	1	
Gain on sales of subsidiaries and affiliates' stocks	5	
Gain on sales of investment securities	0	
Gain on transfer of business	76	82
Extraordinary loss		
Loss on disposal of fixed assets	145	
Loss on sales of fixed assets	0	
One-time amortization of software	215	
Loss on sales of investment securities	2	
Loss on valuation of investment securities	1,597	
Loss on valuation of membership	16	
Amortization of goodwill	259	2,237
Income before income taxes and minority interests		**7,367**
Income taxes—current	3,177	
Income taxes—deferred	491	3,668
Minority interests		(262)
Net income		**¥ 3,961**

Sumisho Computer Systems Corporation and its Subsidiaries

Consolidated Statement of Changes in Net Assets (Audited)

(For the year ended March 31, 2009)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock, at cost	Total shareholders' equity
Balance as of March 31, 2008	**¥ 21,152**	**¥ 31,299**	**¥ 44,218**	**¥ (6,575)**	**¥ 90,096**
Changes during the consolidated fiscal year:					
Dividends from retained earnings			(1,641)		(1,641)
Net income			3,961		3,961
Acquisition of treasury stock				(2,154)	(2,154)
Disposal of treasury stock			(0)	1	0
Increase in retained earnings resulting from decrease of consolidated subsidiaries			2		2
Changes in items other than shareholders' equity during the year, net					
Total changes during the consolidated fiscal year	**-**	**-**	**2,322**	**(2,153)**	**168**
Balance as of March 31, 2009	**¥ 21,152**	**¥ 31,299**	**¥ 46,540**	**¥ (8,728)**	**¥ 90,264**

	Valuation and translation adjustments				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2008	**¥ (404)**	**¥ (8)**	**¥ (42)**	**¥ (455)**	**¥ 33**	**¥ 649**	**¥ 90,323**
Changes during the consolidated fiscal year:							
Dividends from retained earnings							(1,641)
Net income							3,961
Acquisition of treasury stock							(2,154)
Disposal of treasury stock							0
Increase in retained earnings resulting from decrease of consolidated subsidiaries							2
Changes in items other than shareholders' equity during the year, net	370	28	(574)	(175)	55	(425)	(545)
Total changes during the consolidated fiscal year	**370**	**28**	**(574)**	**(175)**	**55**	**(425)**	**(376)**
Balance as of March 31, 2009	**¥ (34)**	**¥ 19**	**¥ (616)**	**¥ (631)**	**¥ 88**	**¥ 223**	**¥ 89,946**

Notes to Consolidated Financial Statements

I. Important Policies for Preparation of Consolidated Financial Statements

1. Scope of Consolidation

Number of consolidated subsidiaries and the names of principal consolidated subsidiaries:

All of the following 15 subsidiaries (including two subsidiaries owned indirectly) are consolidated:

Sumisho Computer Systems (USA), Inc.
SUMISHO COMPUTER SYSTEMS (EUROPE) LTD.
Curl, Incorporated
Curl International Corporation
VA Linux Systems Japan K.K.
SCS Solutions Inc.
SCS Business Support Inc.
Asahi IT Solution Limited
Sumisho Computer Systems (Shanghai) Limited
Sumisho Computer Systems (Dalian) Co., Ltd.
Allied Engineering Corporation
Sumisho Computer Systems (Asia Pacific) Pte. Ltd.
eMplex Co., Ltd.

Notes:1. e-Commerce Technology Corp. was excluded from the scope of consolidation due to the transfer of a part of its shares held by the Company to SOFTBANK TECHNOLOGY CORP., the joint venture partner, on June 30, 2008.

2. Billing Soft Japan Co., Ltd., was merged by the Company as of July 1, 2008.

3. As of September 12, 2008, Sumisho Computer Systems (USA), Inc., one of the Company's consolidated subsidiaries, obtained 80% of the voting rights in a SAP consulting firm, B4 Consulting, Inc., thereby making it a consolidated subsidiary.

2. Application of the Equity Method

Number of equity method affiliates and the names of principal affiliates:

All of the following six affiliates are accounted for by the equity method:

Pioneer Soft Co., Ltd.
Component Square, Inc.
eBANK Systems Corporation
ATLED Co., Ltd.
Sumisho Joho Datacraft Corporation
ARGO GRAPHICS Inc.(Notes:1)

Notes: 1.The Company acquired the shares of ARGO GRAPHICS Inc., as of June 11, 2008, and the equity method was therefore applied to the accounting of the company.

2. HULINKS Inc. was excluded from the application of the equity method through the sale of its shares which the Company held as of July 31, 2008.

3. Balance Sheet Date of Consolidated Subsidiaries

As the fiscal year end of Sumisho Computer Systems (USA), Inc. (including B4 Consulting, Inc.), SUMISHO COMPUTER SYSTEMS (EUROPE) LTD., Curl, Incorporated, Sumisho Computer Systems (Shanghai) Limited, Sumisho Computer Systems (Dalian) Co., Ltd., Sumisho Computer Systems (Asia Pacific) Pte. Ltd., and eMplex Co., Ltd. is December 31, preparation of the consolidated financial statements for the year ended March 31, 2009 is based on the financial statements for the period from January 1, 2008 through December 31, 2008, provided that necessary adjustments are made for consolidation purposes with regard to material transactions that took place in the period between the above period end and the fiscal year end of the Company.

(Additional information)

As Billing Soft Japan Co., Ltd., was merged by the Company as of July 1, 2008, the results of operations of Billing Soft Japan Co., Ltd. for the six-month period from January 1, 2008 to June 30, 2008 were included in the Company's consolidated statement of income for the quarter ended June 30, 2008.

As a result, net sales, operating income, ordinary income and net income increased ¥542 million, ¥195 million, ¥194 million and ¥111 million, respectively.

4. Summary of Significant Accounting Policies

(1) Valuation basis and method for important assets

1) Securities

Held-to-maturity securities: Carried at amortized cost (straight-line method).

Other securities designated as available-for-sale securities for which the fair value is readily determinable:

Carried at fair value as of the balance sheet date with changes in net unrealized holding gain or loss, net of related income taxes, included directly in net assets. The cost of securities sold is determined by the moving-average method.

Other securities designated as available-for-sale securities for which the fair value is not readily determinable: Carried at cost determined by the moving average method.

2) Inventories

Merchandise: Principally stated at cost determined by the specific identification method (write-down of book values due to the decline in profitability for the amount to be stated in the consolidated balance sheet).

Work in process: Stated at cost determined by the specific identification method (write-down of book values due to the decline in profitability for the amount to be stated in the consolidated balance sheet).

(Change in significant accounting policy)

Effective from the fiscal year ended March 31, 2009, the Company and its consolidated subsidiaries have applied the “Accounting Standard for Measurement of Inventories” (ASBJ Statement No. 9 released on July 5, 2006). This change had no impact on the consolidated statement of income for the fiscal year ended March 31, 2009.

3) Derivative financial instruments

Stated at fair value.

(2) Depreciation method of major depreciable assets

1) Property and equipment (excluding lease assets)

Depreciation of the property and equipment is computed principally by the straight-line method.

2) Intangible fixed assets

Packaged software for sale: The annual amortization of packaged software for sale is computed using the greater of (a) the ratio of current gross revenue to the total of current and anticipated future gross revenues or (b) the straight-line method over the software’s remaining estimated economic life (principally three years or less).

Software for internal use: Software for internal use is amortized using the straight-line method over the estimated useful life (principally five years or less).

Other intangible fixed assets: Amortized on the straight-line method.

3) Lease assets

Lease assets related to finance lease transactions other than those that are deemed to transfer the ownership of the lease assets to lessees: The relevant lease assets are amortized, assuming the lease period as the useful life and no residual value.

(Change in significant accounting policy)

Effective from the fiscal year ended March 31, 2009, the Company and its consolidated subsidiaries have applied the “Accounting Standard for Lease Transactions” (ASBJ Statement No. 13 revised on March 30, 2007) and the “Guidance on Accounting Standard for Lease Transactions” (ASBJ Guidance No. 16 revised on March 30, 2007). The impact of this change on the consolidated statement of income for the fiscal year ended March 31, 2009, was immaterial. The finance leases other than those that are deemed to transfer the ownership of the lease assets to lessees of which the commencement date of the lease transaction is prior to first year of its implementation, are continuously accounted for by a method similar to that used for ordinary operating leases.

4) Long-term prepaid expenses

Amortized on the straight-line method.

(3) Accounting policies for important reserves

1) Allowance for doubtful accounts

Allowance for doubtful accounts is provided based on the amount calculated using the actual percentage of the Company's collection losses, and an estimated amount of uncollectible account for certain identified doubtful receivables.

2) Allowance for bonuses to employees

Allowance for bonuses to employees is provided based on the estimated amounts to cover the bonuses to be paid to the employees.

3) Allowance for bonuses to directors

Allowance for bonuses to directors is provided based on the estimated amounts to cover the bonuses to be paid to the directors.

4) Liability for severance and retirement benefits

Liability for severance and retirement benefits for employees is provided based on the estimated amounts of the projected benefit obligation and the fair value of plan assets at the end of this consolidated fiscal year.

Unrecognized actuarial gain or loss is amortized using the straight-line method over a certain number of years (five years), which is shorter than the average remaining service years for employees at the time of their occurrence for each consolidated fiscal year, since the following fiscal year of recognition.

However, regarding the former retirement benefit plan of the former Sumisho Electronics Co., Ltd., unrecognized actuarial gain or loss is amortized over 13 years.

Unrecognized employees' prior service cost is amortized on the straight-line method over a certain number of years (five years) that do not exceed the average remaining service period at the time of occurrence.

5) Retirement benefits for directors and corporate auditors

To provide for payment of a retirement benefits for directors and corporate auditors, the Company recorded the estimated future amount to be paid within the amount which was resolved at the Annual General Meeting of Shareholders held on June 27, 2007, as the cost for abolishment of the retirement benefits for directors and corporate auditors.

Some of the Company's domestic consolidated subsidiaries have accrued retirement benefits for directors and corporate auditors at the amount that would be required in the event that all directors and corporate auditors retired at the balance sheet date using their retirement benefit rules.

(4) Accounting for hedging activities

1) Hedge accounting

Deferred hedge accounting is applied for hedging activities. Foreign currency receivables and payables hedged by forward foreign currency contacts are translated at their respective contract rates.

2) Hedging instruments and hedged items

Hedging instruments: forward foreign currency contracts

Hedged items: Foreign currency receivables and payables, etc.

3) Hedging policy

Derivative financial instruments are used according to the volume of planned import transactions, for the purpose of reducing foreign exchange risks only and not for the trading purposes.

4) Method of evaluation of hedging effectiveness

As forward foreign currency contracts with the same due dates and the same amounts denominated in the same foreign currency as the hedged items are appropriated in compliance with the risk management policy at the conclusion of the forward foreign currency contracts, high correlation between hedging instruments and hedged items is guaranteed regardless of the subsequent fluctuation in the exchange market. Therefore, an evaluation of the hedging effectiveness at the consolidated closing date is omitted.

5) Other

As all the derivatives transactions are conducted with Japanese financial institutions with high credit rating, the Company believes that credit risk due to the default of such business partner is low.

(5) Accounting for consumption taxes

Transactions subject to consumption tax and local consumption tax are recorded at amounts exclusive of the consumption taxes.

5. Valuation of Assets and Liabilities of Consolidated Subsidiaries

The full portion of the assets and liabilities of consolidated subsidiary is recorded at fair value as of the acquisition of control.

6. Amortization of goodwill (positive or negative)

The amount of goodwill is equally amortized over a period of five to ten years on a straight-line basis. If the amount is small and insignificant, it is amortized in a lump sum at its occurrence.

II. Change in Significant Accounting Policies

1. Application of the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements”

Effective from the fiscal year ended March 31, 2009, the Company has applied the “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements” (ASBJ PITF No. 18, May 17, 2006), and the amendments necessary for the consolidation have been made. The impact of this change on the consolidated statement of income for the fiscal year ended March 31, 2009, was immaterial.

III. Change in Presentation Method

1. Consolidated Balance Sheet

(1) The account “Inventories” for the previous year has been separately presented as “Merchandise and finished goods,” “Work in process” and “Raw materials and supplies” effective from the fiscal year ended March 31, 2009.

“Merchandise and finished goods”, “Work in process” and “Raw materials and supplies” included in “Inventories” for the previous fiscal year were ¥2,731 million, ¥1,525 million and ¥26 million, respectively.

(2) The account “Software” was separately presented at the end of the previous fiscal year but has been included in “Other intangible fixed assets” effective from the fiscal year ended March 31, 2009. “Software” of ¥4,562 million at the end of the current consolidated fiscal year is therefore included in “Other intangible fixed assets” under “Intangible fixed assets.”

IV. Note to Consolidated Balance Sheet

1. Accumulated depreciation of property and equipment

¥13,445 million

V. Note to Consolidated Statement of Income

1. Goodwill amortization

In addition to regular amortization, goodwill is amortized in accordance with Article 32 of the "Practical Guidelines on Accounting Standards for Capital Consolidation Procedures in Preparing Consolidated Financial Statements" (Accounting Practice Committee Report No. 7).

VI. Notes to Consolidated Statement of Changes in Net Assets

1. Type and the total number of issued shares as of the current consolidated balance sheet date

54,291,447 common shares

2. Matters concerning dividends from surplus

Matters concerning dividends from surplus distributed during the current consolidated fiscal year:

Resolved on	Type of shares	Total amount of dividends	Dividends per share	Date of record	Effective date
May 16, 2008 at the BoD meeting	Common shares	¥820 million	¥16.00	March 31, 2008	June 12, 2008
October 28, 2008 at the BoD meeting	Common shares	¥820 million	¥16.00	September 30, 2008	December 10, 2008

Matters concerning dividends from surplus to be distributed after the balance sheet date:

Resolved on	Type of shares	Source of dividends	Total amount of dividends	Dividends per share	Date of record	Effective date
May 15, 2009 at the BoD meeting	Common shares	Retained earnings	¥803 million	¥16.00	March 31, 2009	June 11, 2009

3. Number of shares subject to the subscription rights to shares at the end of the fiscal year ended March 31, 2009

(1) Second subscription rights to shares (pertaining to the resolutions of the Annual General Meeting of Shareholders and the Board of Directors' meeting held on June 27, 2007)

Common shares: 16,400 shares

(2) Fourth subscription rights to shares (pertaining to the resolutions of the Annual General Meeting of Shareholders and the Board of Directors' meeting held on June 26, 2008)

Common shares: 22,900 shares

Note: These numbers do not include subscription rights to shares whose exercise period has not commenced yet.

VII. Notes to Per-share Information

Net assets per share: ¥1,794.31

Net income per share: ¥78.10

[English Translation of the Auditors' Report Originally Issued in the Japanese Language]

Independent Auditors' Report

May 11, 2009

The Board of Directors
Sumisho Computer Systems Corporation

KPMG AZSA & Co.

Hiroshi Murao (Seal)
Designated and Engagement Partner
Certified Public Accountant

Hiroaki Sugiura (Seal)
Designated and Engagement Partner
Certified Public Accountant

Shouichi Yamamoto (Seal)
Designated and Engagement Partner
Certified Public Accountant

We have audited the consolidated statutory report, comprising the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the related notes of Sumisho Computer Systems Corporation as of March 31, 2009 and for the year from April 1, 2008 to March 31, 2009 in accordance with Article 444 (4) of the Corporate Law. The consolidated statutory report is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated statutory report based on our audit as independent auditors.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those auditing standards require us to obtain reasonable assurance about whether the consolidated statutory report is free of material misstatement. An audit is performed on a test basis, and includes assessing the accounting principles used, the method of their application and estimates made by management, as well as evaluating the overall presentation of the consolidated statutory report. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated statutory report referred to above presents fairly, in all material respects, the financial position and the results of operations of Sumisho Computer Systems Corporation and its consolidated subsidiaries for the period, for which the consolidated statutory report was prepared, in conformity with accounting principles generally accepted in Japan.

Our firm and engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Law of Japan.

Corporate Data

(As of March 31, 2009)

Date Established	October 25, 1969
Headquarters	Harumi Island Triton Square Office Tower Z ,1-8-12, Harumi, Chuo-ku, Tokyo 104-6241, Japan
Number of Employees	3,415

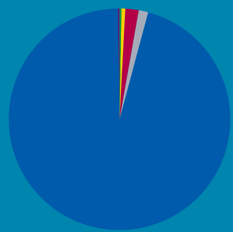
Investor Information

(As of March 31, 2009)

Number of Shares	Authorized:	200,000,000
	Issued and Outstanding	54,291,447
Common Stock (Yen)		21,152,847,708
Number of Shareholders		8,941
Stock Listing	Tokyo Stock Exchange (First Section)	
Transfer Agent of Common Stock	The Sumitomo Trust Banking Co., Ltd.	
Independent Certified Public Accountants	KPMG AZSA & Co.	

Distribution of Shareholders

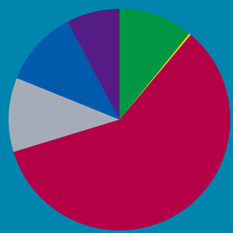
Shareholder composition



Japanese Financial Institutions	44	(0.49%)
Japanese Securities Companies	37	(0.41%)
Other Japanese Corporations	162	(1.81%)
Foreign Institutions, etc.	143	(1.60%)
Japanese Individuals and Others	8,554	(95.68%)
Treasury Stock	1	(0.01%)
Total	8,941	

Note: Including shareholders holding less than one unit

Distribution of shares



Japanese Financial Institutions	5,983,839	(11.03%)
Japanese Securities Companies	158,869	(0.29%)
Other Japanese Corporations	32,101,733	(59.13%)
Foreign Institutions, etc.	5,800,550	(10.68%)
Japanese Individuals and Others	6,152,249	(11.33%)
Treasury Stock	4,094,207	(7.54%)
Total	54,291,447	

Major Shareholders

Shareholder name	Number of shares held (stocks)	Holdings ratio (%)
Sumitomo Corporation	30,254,359	55.73
Treasury Stock	4,094,207	7.54
Japan Trustee Services Bank, Ltd. (trust account)	2,095,400	3.86
ARGO GRAPHICS Inc.	1,015,500	1.87
Japan Trustee Services Bank, Ltd. (trust account 4G)	976,500	1.80
The Master Trust Bank of Japan, Ltd. (trust account)	861,400	1.59
Shareholding Commission of Employees in Sumisho Computer Systems	829,674	1.53
HSBC Bank plc Clients UK Tax Treaty	815,000	1.50
State Street Bank and Trust Company	422,900	0.78
Northern Trust Company AVFC (sub-account British client)	383,100	0.71

Sumisho Computer Systems Corporation

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1-8-12, Harumi, Chuo-ku, Tokyo 104-6241, Japan

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