

Supplementary Information (Data Book)  
2007/4/1-2008/3/31

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## Notice Concerning Forward-Looking Statements

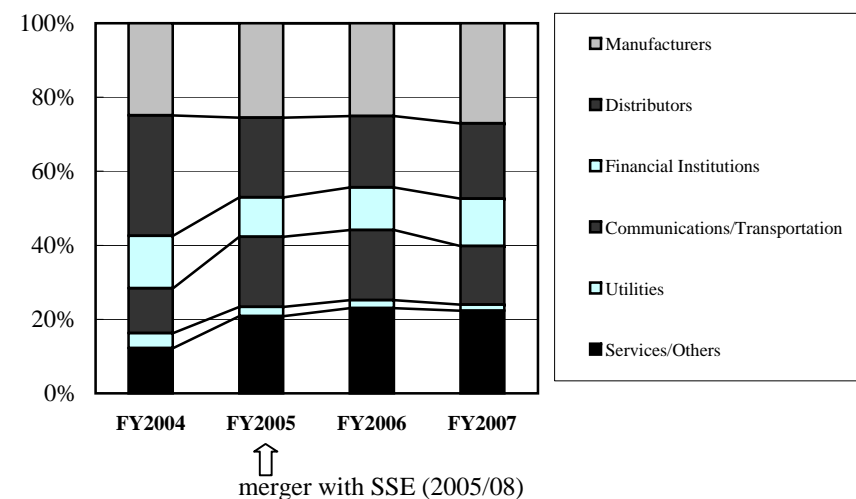
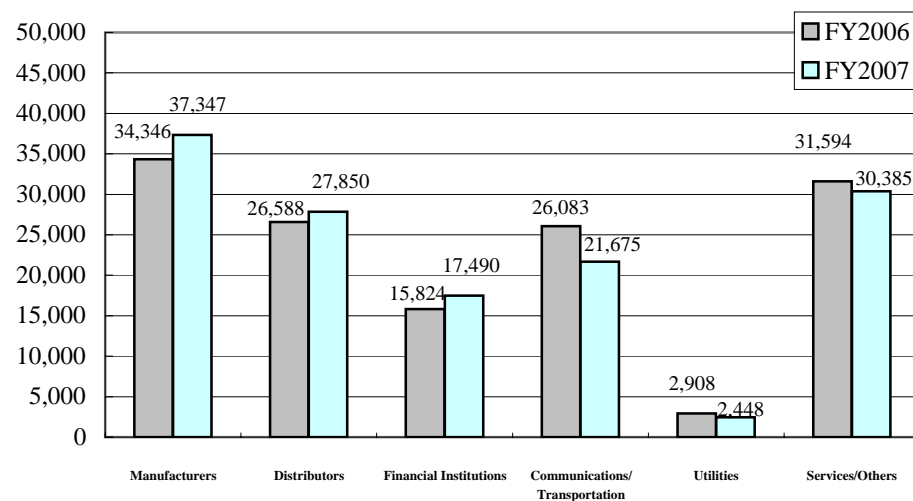
This report includes forward-looking statements relating to our future plans, objectives, expectations and intentions. The forward-looking statements reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes 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.

# I .Sales by customer industry

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY changes(%)
Manufacturers	34,346	25.0	37,347	27.2	3,001	8.7
Distributors	26,588	19.4	27,850	20.3	1,261	4.7
Financial Institutions	15,824	11.5	17,490	12.7	1,666	10.5
Banks	5,189	3.8	6,186	4.5	997	19.2
Securities Firms	4,550	3.3	5,260	3.8	709	15.6
Leasing Companies	3,159	2.3	2,781	2.0	△ 378	△ 12.0
Insurance Companies	2,923	2.1	3,262	2.4	338	11.6
Communications/Transportation	26,083	19.0	21,675	15.8	△ 4,408	△ 16.9
Utilities	2,908	2.1	2,448	1.8	△ 459	△ 15.8
Services/Others	31,594	23.0	30,385	22.1	△ 1,208	△ 3.8
Total	137,344	100.0	137,199	100.0	△ 145	△ 0.1

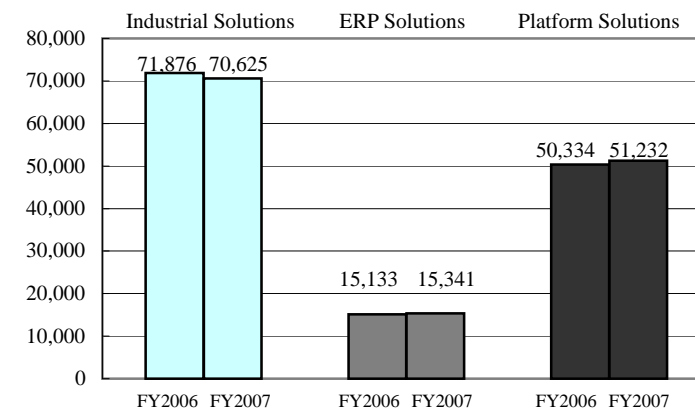
※We made a partial amendment in previously disclosed data: the sales figures to banks of previous fiscal year  
JPY in Millions



## .Sales by solution

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY changes(%)
Industrial Solutions	71,876	52.4	70,625	51.5	1,251	1.7
ERP Solutions	15,133	11.0	15,341	11.2	207	1.4
Platform Solutions	50,334	36.6	51,232	37.3	898	1.8
Total	137,344	100.0	137,199	100.0	145	0.1



### 【Industrial Solutions】

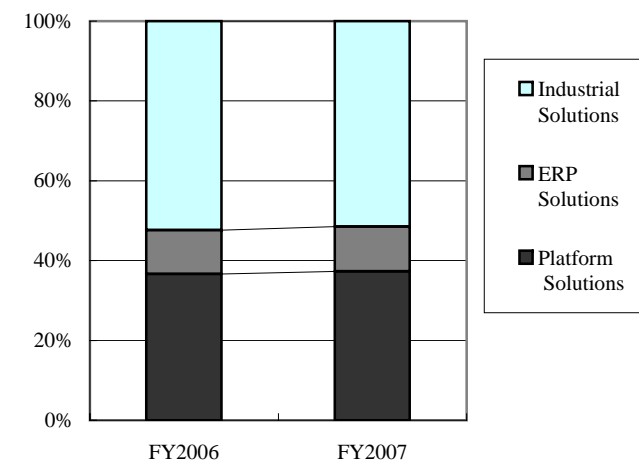
In Industrial Solutions, despite increase in sales to manufacturing industry and financial industry, the sales decreased by 1.7% from the same period last year to JPY 70,625 million, mainly due to drop in sales to service industry.

### 【ERP Solutions】

In ERP Solutions, despite decrease in sales to communications, the sales increased by 1.4% from the same period last year to JPY 15,341 million, mainly due to increase in the number of business transactions with manufacturing industry and distribution industry.

### 【Platform Solutions】

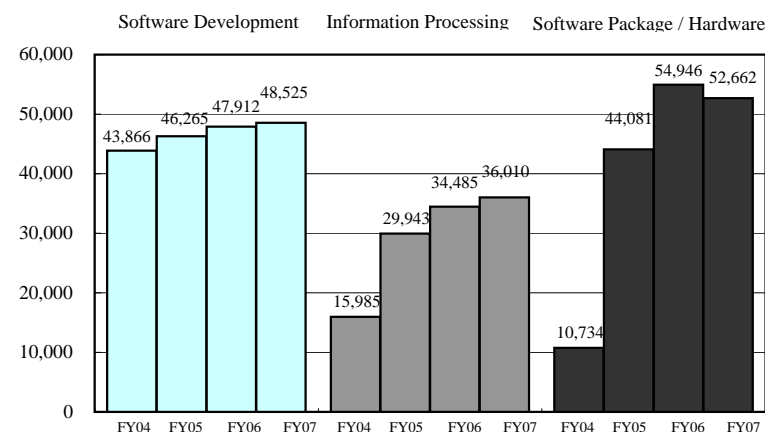
In Platform Solutions, despite decrease in hardware sales to communications industry, the sales increased by 1.8% from the same period last year to JPY 51,232 million, mainly due to increase in sales to manufacturing industry and service industry.



### III.Sales by segment

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY changes(%)
Software Development	47,912	34.9	48,525	35.4	612	1.3
Information Processing	34,485	25.1	36,010	26.2	1,525	4.4
Software Package / Hardware	54,946	40.0	52,662	38.4	△ 2,284	△ 4.2
Total	137,344	100.0	137,199	100.0	△ 145	△ 0.1



#### 【Software Development】

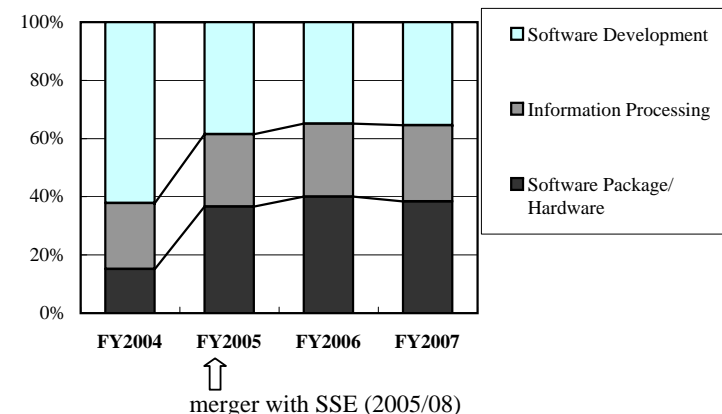
In Software Development segment, decrease in sales to communications industry and utilities were offset by increase in sales to manufacturers, distributors, securities and insurance companies. As a result, the sales increased by 1.3% from the same period last year to JPY 48,525 million.

#### 【Information Processing】

In Information Processing segment, sales increased by 4.4% from the same period last year to JPY 36,010 million, reflecting increase in sales of outsourcing services to communications industry.

#### 【Software Package/Hardware】

In Software Package/Hardware segment, increase in sales to manufacturing industry was offset by decrease in hardware sales to communications industry. As a result, the sales decreased by 4.2% from the same period last year to JPY 52,662 million.



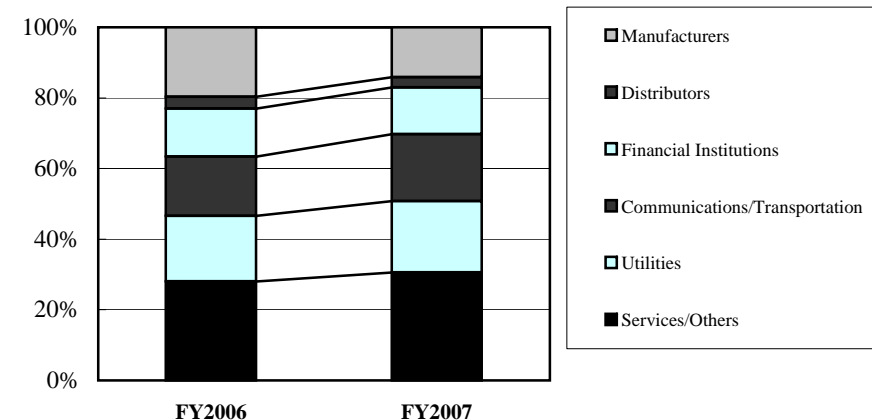
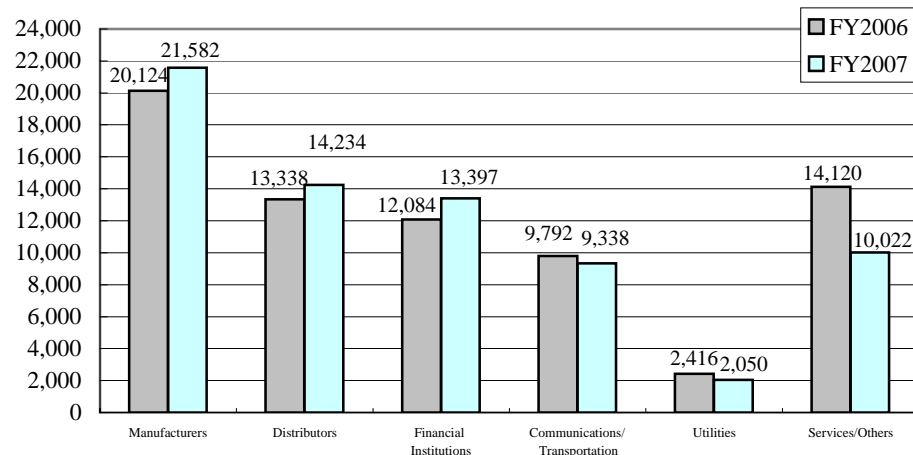
## .Sales by solution & customer industry (Industrial Solutions)

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY changes(%)
Manufacturers	20,124	28.0	21,582	30.6	1,458	7.2
Distributors	13,338	18.6	14,234	20.2	895	6.7
Financial Institutions	12,084	16.8	13,397	19.0	1,313	10.9
Banks	4,023	5.6	4,579	6.5	556	13.8
Securities Firms	3,586	5.0	4,281	6.1	695	19.4
Leasing Companies	1,743	2.4	1,454	2.1	288	16.6
Insurance Companies	2,730	3.8	3,080	4.4	349	12.8
Communications/Transportation	9,792	13.6	9,338	13.2	454	4.6
Utilities	2,416	3.4	2,050	2.9	365	15.1
Services/Others	14,120	19.6	10,022	14.2	4,098	29.0
Total	71,876	100.0	70,625	100.0	1,251	1.7

We made a partial amendment in previously disclosed data: the sales figures to banks of previous fiscal year.

JPY in Millions



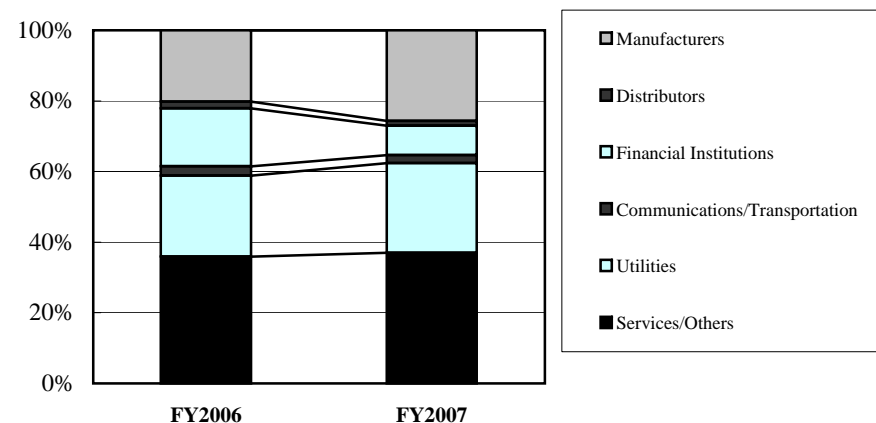
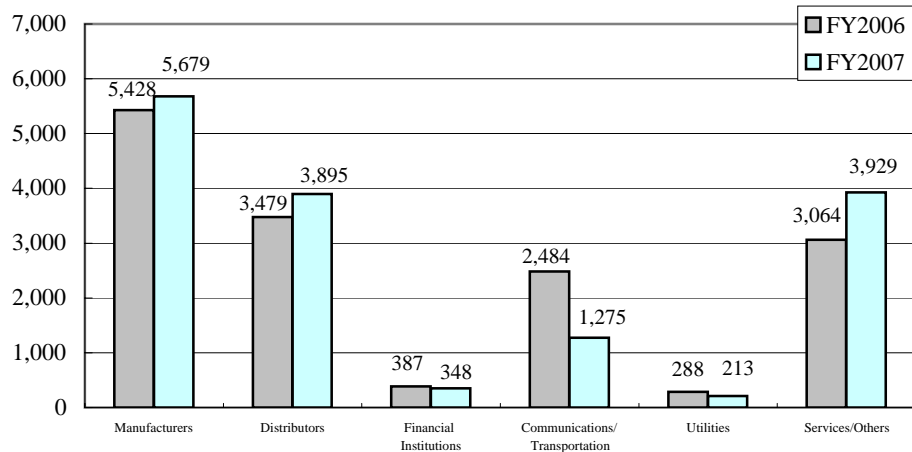
## .Sales by solution & customer industry (ERP Solutions)

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY changes(%)
Manufacturers	5,428	35.9	5,679	37.0	250	4.6
Distributors	3,479	23.0	3,895	25.4	415	11.9
Financial Institutions	387	2.6	348	2.3	38	9.9
Banks	85	0.6	184	1.2	99	116.5
Securities Firms	37	0.2	38	0.3	1	3.2
Leasing Companies	239	1.6	101	0.7	138	57.6
Insurance Companies	25	0.2	24	0.2	0	2.0
Communications/Transportation	2,484	16.4	1,275	8.3	1,209	48.7
Utilities	288	1.9	213	1.4	75	26.2
Services/Others	3,064	20.2	3,929	25.6	865	28.3
Total	15,133	100.0	15,341	100.0	207	1.4

We made a partial amendment in previously disclosed data: the sales figures to banks of previous fiscal year.

JPY in Millions





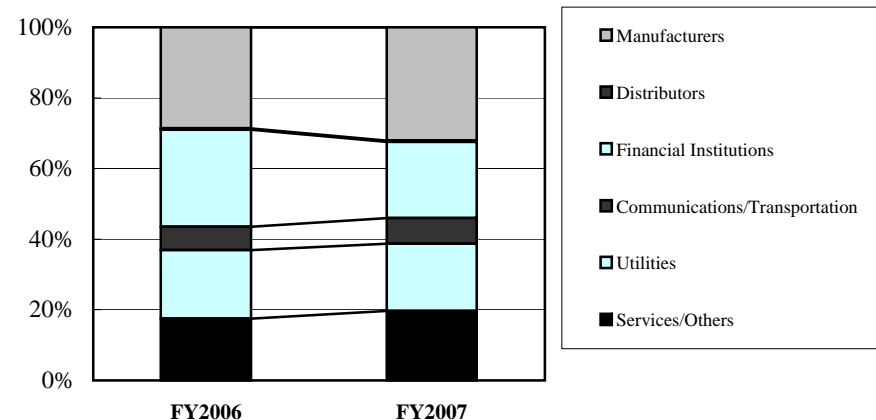
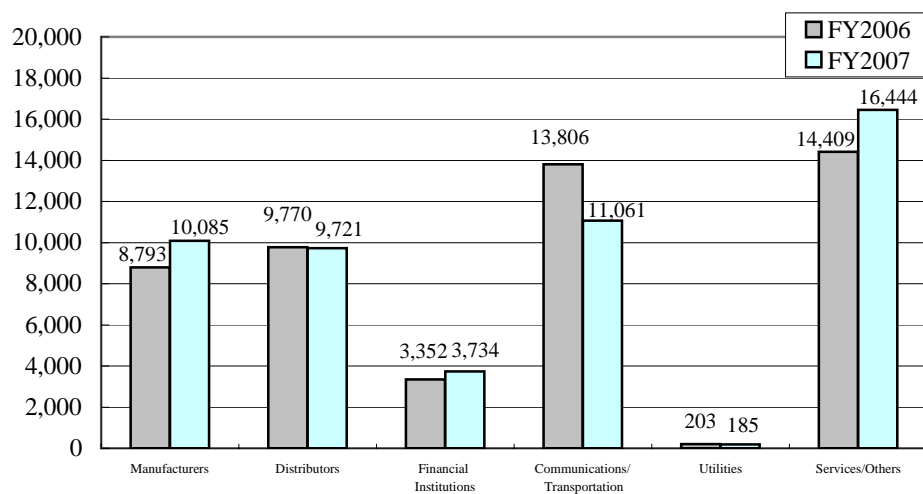
## VI.Sales by solution & customer industry (Platform Solutions)

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY changes(%)
Manufacturers	8,793	17.5	10,085	19.7	1,292	14.7
Distributors	9,770	19.4	9,721	19.0	△ 48	△ 0.5
Financial Institutions	3,352	6.7	3,734	7.3	381	11.4
Banks	1,081	2.1	1,422	2.8	341	31.6
Securities Firms	926	1.8	940	1.8	13	1.5
Leasing Companies	1,176	2.3	1,214	2.4	37	3.2
Insurance Companies	167	0.3	156	0.3	△ 11	△ 6.7
Communications/Transportation	13,806	27.4	11,061	21.6	△ 2,744	△ 19.9
Utilities	203	0.4	185	0.4	△ 17	△ 8.8
Services/Others	14,409	28.6	16,444	32.1	2,035	14.1
Total	50,334	100.0	51,232	100.0	898	1.8

※We made a partial amendment in previously disclosed data: the sales figures to banks of previous fiscal year.

JPY in Millions

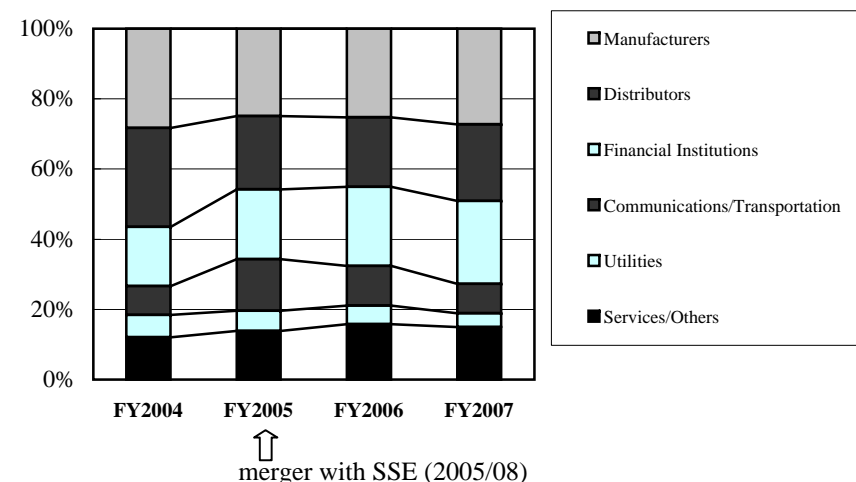
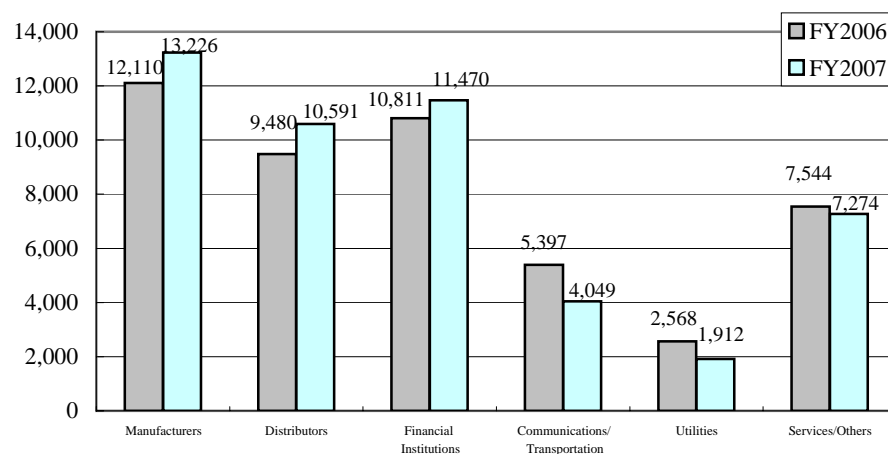


## VII.Sales by segment & customer industry (Software Development)

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY changes(%)
Manufacturers	12,110	25.3	13,226	27.3	1,115	9.2
Distributors	9,480	19.8	10,591	21.8	1,110	11.7
Financial Institutions	10,811	22.6	11,470	23.6	659	6.1
Banks	3,387	7.1	3,550	7.3	163	4.8
Securities Firms	3,546	7.4	4,197	8.6	650	18.3
Leasing Companies	1,187	2.5	690	1.4	△ 496	△ 41.8
Insurance Companies	2,689	5.6	3,031	6.2	342	12.7
Communications/Transportation	5,397	11.3	4,049	8.3	△ 1,347	△ 25.0
Utilities	2,568	5.4	1,912	3.9	△ 655	△ 25.5
Services/Others	7,544	15.7	7,274	15.0	△ 269	△ 3.6
Total	47,912	100.0	48,525	100.0	612	1.3

※We made a partial amendment in previously disclosed data: the sales figures to banks of previous fiscal year  
JPY in Millions

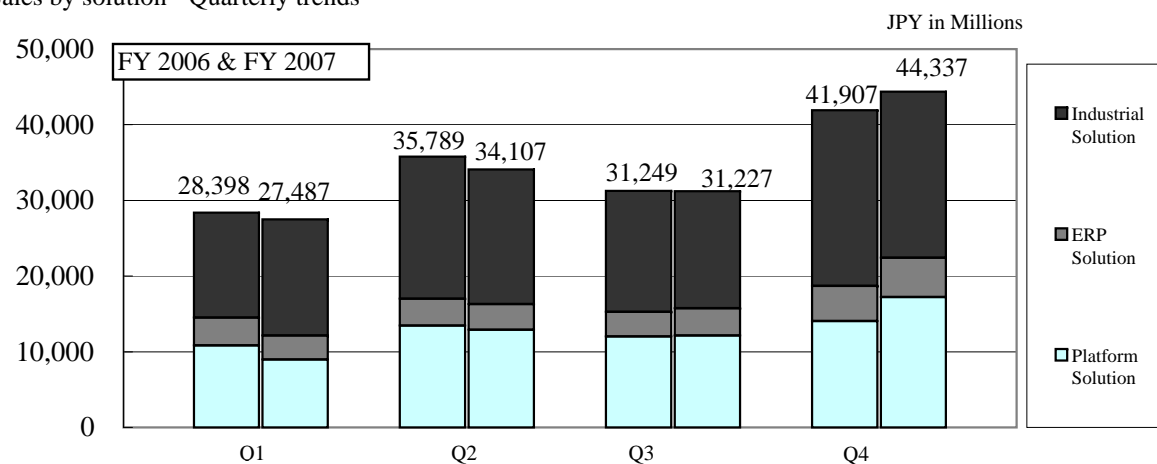


## Sales by solution - Quarterly trends

										JPY in Millions	
		Q1		Q2		Q3		Q4		Total	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
FY 2007	Sales		(20.0)		(24.9)		(22.8)		(32.3)		(100.0)
		27,487	3.2	34,107	4.7	31,227	0.1	44,377	5.9	137,199	0.1
		Industrial Solutions	(21.7)		(25.2)		(21.9)		(31.1)		(100.0)
		15,351	10.4	17,824	5.1	15,496	2.9	21,952	5.5	70,625	1.7
		ERP Solutions	(20.7)		(21.9)		(23.4)		(34.0)		(100.0)
	3,168	13.6	3,365	4.9	3,589	9.6	5,218	12.1	15,341	1.4	
	Platform Solutions	(17.5)		(25.2)		(23.7)		(33.6)		(100.0)	
		8,966	17.2	12,917	4.1	12,141	1.1	17,207	22.6	51,232	1.8
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
FY 2006	Sales		(20.7)		(26.1)		(22.8)		(30.5)		(100.0)
		28,398	79.8	35,789	14.9	31,249	7.5	41,907	5.3	137,344	14.2
		Industrial Solutions	(19.3)		(26.1)		(22.2)		(32.3)		(100.0)
		13,906	-	18,782	-	15,967	-	23,219	-	71,876	-
		ERP Solutions	(24.2)		(23.4)		(21.6)		(30.7)		(100.0)
	3,666	-	3,539	-	3,274	-	4,653	-	15,133	-	
	Platform Solutions	(21.5)		(26.8)		(23.9)		(27.9)		(100.0)	
		10,825	-	13,466	-	12,007	-	14,034	-	50,334	-

Percentage columns show year-on-year sales growth. Figures in bracket represent the percentage of sales out of annual sales.

### Sales by solution - Quarterly trends

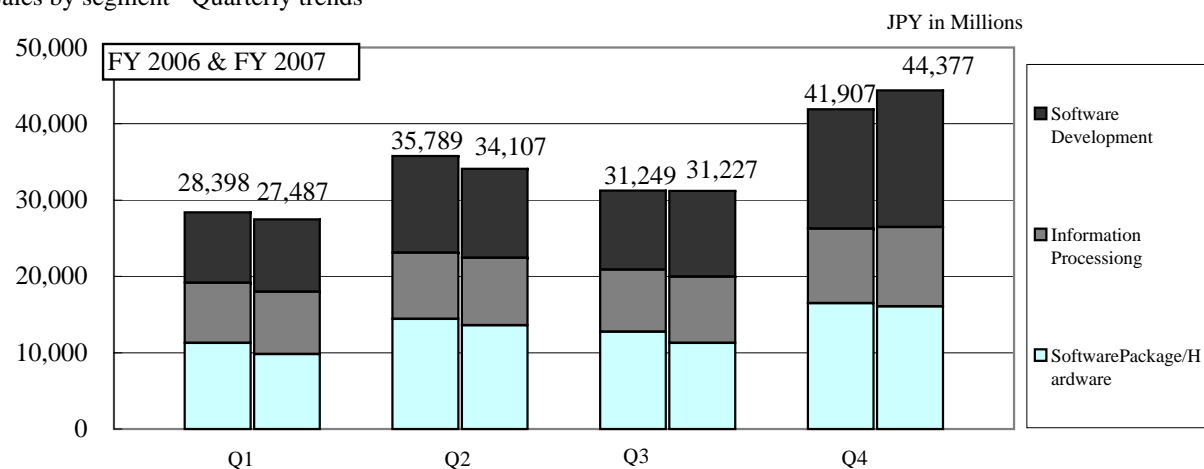


## .Sales by segment - Quarterly trends

		Q1		Q2		Q3		Q4		Total	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
FY 2007	Sales	27,487	(20.0) 3.2	34,107	(24.9) 4.7	31,227	(22.8) 0.1	44,377	(32.3) 5.9	137,199	(100.0) 0.1
	Software Development	9,493	(19.6) 2.7	11,660	(24.0) 7.9	11,286	(23.3) 8.9	16,085	(33.1) 2.8	48,525	(100.0) 1.3
	Information Processing	8,195	(22.8) 3.9	8,848	(24.6) 2.0	8,677	(24.1) 6.7	10,289	(28.6) 5.1	36,010	(100.0) 4.4
	Software Package / Hardware	9,798	(18.6) 13.0	13,597	(25.8) 5.9	11,263	(21.4) 11.7	18,002	(34.2) 9.3	52,662	(100.0) 4.2
FY 2006	Sales	28,398	(20.7) 79.8	35,789	(26.1) 14.9	31,249	(22.8) 7.5	41,907	(30.5) 5.3	137,344	(100.0) 14.2
	Software Development	9,241	(19.3) 10.6	12,666	(26.4) 1.1	10,363	(21.6) 0.6	15,641	(32.6) 6.5	47,912	(100.0) 3.6
	Information Processing	7,890	(22.9) 82.1	8,674	(25.2) 15.4	8,130	(23.6) 3.7	9,790	(28.4) 4.6	34,485	(100.0) 15.2
	Software Package / Hardware	11,266	(20.5) 262.1	14,449	(26.3) 33.6	12,755	(23.2) 17.9	16,475	(30.0) 14.8	54,946	(100.0) 24.6

Percentage columns show year-on-year sales growth. Figures in bracket represent the percentage of sales out of annual sales.

## Sales by segment - Quarterly trends



## X. Amount of orders accepted and backlog (Software Development)

JPY in Millions

		Q1	Q2	Q3	Q4
FY2007	Orders accepted	14,747	10,463	10,544	11,706
	Backlog	12,283	11,085	10,343	5,964
FY2006	Orders accepted	14,771	11,230	11,224	12,098
	Backlog	11,147	9,711	10,572	7,029

## XI. Sales of Software Package and Hardware

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	%	Amount	%	Amount	YoY changes(%)
Hardware sales	36,681	66.8	35,532	67.5	1,149	3.1
Software Package sales	18,265	33.2	17,130	32.5	1,134	6.2
Total	54,946	100.0	52,662	100.0	2,284	4.2

## XII. Sales to Sumitomo Corp. and Sumitomo Group Companies

JPY in Millions

	FY2006		FY2007		Increase/Decrease	
	Amount	% <sup>*1</sup>	Amount	% <sup>*1</sup>	Amount	YoY changes(%)
Sumitomo Corporation	14,570	10.6%	13,340	9.7	1,229	8.4
Sumitomo Group Companies <sup>*2</sup>	45,371	33.0%	42,130	30.7	3,240	7.1

<sup>\*1</sup> The percentage is the ratio to the amount of total sales

<sup>\*2</sup> Sumitomo Group includes Sumitomo Corp. Group Companies

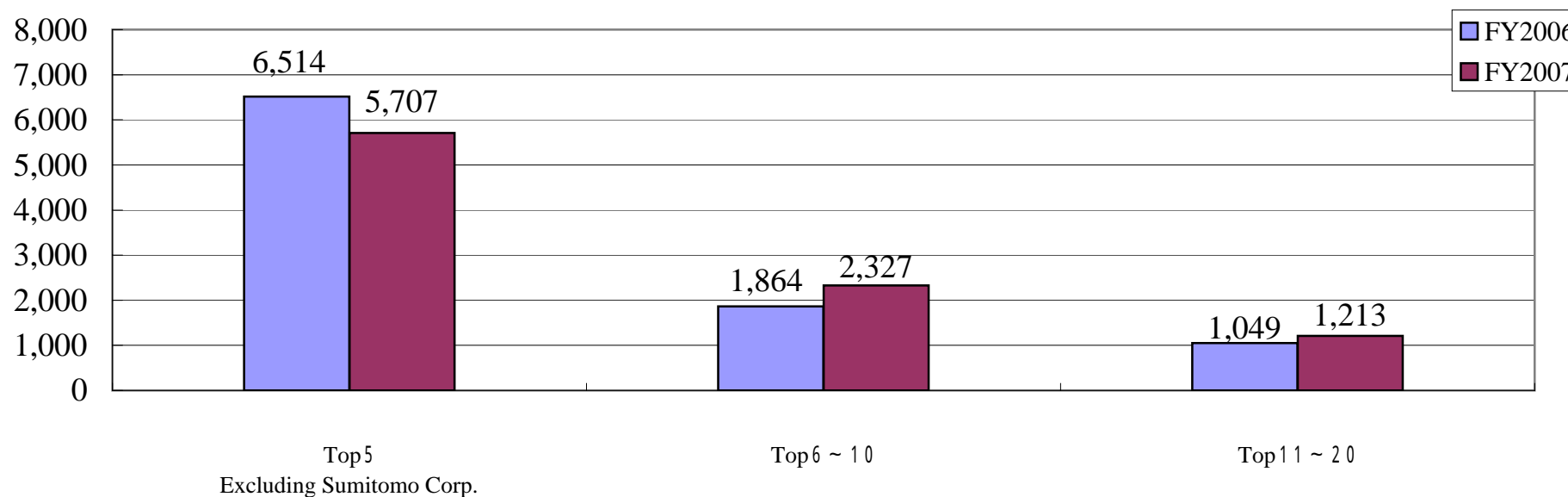
### XIII. Sales to large customer

JPY in Millions

	Total Sales	Top5				Top10				Top20			
		% of total sales (Top5)	% of total sales (Sumitomo Corp.)	Average sales per customers (excluding Sumitomo Corp.)		% of total sales (Top10)	% of total sales (Top6 ~ 10)	Average sales per customers		% of total sales (Top20)	% of total sales (Top10 ~ 20)	Average sales per customers	
					YoY(%)				YoY(%)				YoY(%)
FY2007	137,199	26.4%	9.7%	5,707	12.4	34.8%	8.4%	2,327	24.8	43.7%	8.8%	1,213	15.6
FY2006	137,344	29.6%	10.6%	6,514		36.4%	6.8%	1,864		44.0%	7.6%	1,049	

#### Average sales per customers <Consolidated>

JPY in Millions



**XIV . Financial Statements**  
**Income Statement (Consolidated)**

JPY in Millions

Accounts	FY2006		FY2007		Increase / Decrease	
	Amount	%	Amount	%	Amount	YoY changes
<b>I Net Sales</b>	<b>137,344</b>	<b>100.0</b>	<b>137,199</b>	<b>100.0</b>	<b>△ 145</b>	<b>△0.1</b>
1. Software Development	47,912		48,525		612	1.3
2. Information Processing	34,485		36,010		1,525	4.4
3. Software Package / Hardware	54,946		52,662		△ 2,284	△4.2
<b>II .Cost of sales</b>	<b>106,648</b>	<b>77.7</b>	<b>105,606</b>	<b>77.0</b>	<b>△ 1,042</b>	<b>△1.0</b>
<b>Gross Profit</b>	<b>30,696</b>	<b>22.3</b>	<b>31,593</b>	<b>23.0</b>	<b>896</b>	<b>2.9</b>
<b>III. SG &amp; A</b>	<b>22,136</b>	<b>16.1</b>	<b>21,283</b>	<b>15.5</b>	<b>△ 852</b>	<b>△3.9</b>
<b>Operating Income</b>	<b>8,560</b>	<b>6.2</b>	<b>10,309</b>	<b>7.5</b>	<b>1,749</b>	<b>20.4</b>
<b>IV.Non-operating Income</b>	<b>393</b>	<b>0.3</b>	<b>515</b>	<b>0.4</b>	<b>122</b>	<b>31.0</b>
1. Interest income	159		306		146	
2. Dividend income	24		33		8	
3. Equity in earnings of affiliates	31		-		△ 31	
4. Others	177		175		△ 1	
<b>V.Non-operating Expenses</b>	<b>61</b>	<b>0.0</b>	<b>276</b>	<b>0.2</b>	<b>215</b>	<b>352.0</b>
1. Interest expenses	1		6		4	
2. Losses on investment in fund	20		11		△ 8	
3. Investment losses on equity method	-		147		147	
4. Compensation for damages	-		89		89	
5. Others	38		21		△ 17	
<b>Ordinary Income</b>	<b>8,892</b>	<b>6.5</b>	<b>10,548</b>	<b>7.7</b>	<b>1,656</b>	<b>18.6</b>
<b>VI.Extraordinary Income</b>	<b>71</b>	<b>0.1</b>	<b>528</b>	<b>0.4</b>	<b>457</b>	<b>635.5</b>
1. Gains on sales of fixed assets	7		17		9	
2. Gains on sales of investment securities	32		80		48	
3. Proceeds from settlement of legal proceedings	30		-		△ 30	
4. Gains on business transfer	-		430		430	
5. Others	2		-		△ 2	
<b>VII Extraordinary Losses</b>	<b>1,016</b>	<b>0.7</b>	<b>1,024</b>	<b>0.7</b>	<b>7</b>	<b>0.7</b>
1. Losses on disposal of fixed assets	749		194		△ 555	
2. Losses on sales of fixed assets	2		0		△ 2	
3. Loss on one-time depreciation of Software	-		214		214	
4. Write-down of investment securities	100		597		496	
5. Loss on settlement of a maintenance contract	-		5		5	
6. Settlement charges for maintenance contract	121		-		△ 121	
7. Write-down of memberships	-		12		12	
8. Others	41		-		△ 41	
Income before income taxes	<b>7,947</b>	<b>5.8</b>	<b>10,053</b>	<b>7.3</b>	<b>2,105</b>	<b>26.5</b>
Corporation / other taxes	3,117	2.3	4,205	3.1	1,087	
Adjustments to income taxes	359	0.3	341	0.2	△ 17	
Minority interests in consolidated subsidiaries	92	0.1	90	0.1	△ 1	
<b>Net Income</b>	<b>4,377</b>	<b>3.2</b>	<b>5,415</b>	<b>3.9</b>	<b>1,037</b>	<b>23.7</b>

**Number of employees**

	FY2006	FY2007	Increase/Decrease
Number of employees	2,999	3,212	213

**Cost of sales**

	JPY in Millions		JPY in Millions		JPY in Millions	
	Amount	%	Amount	%	Amount	YoY changes(%)
Labor expenses : Outsourcing expenses	30:70		31:69			
Labor expenses	15,953	25.2	16,576	26.5	622	3.9
Outsourcing expenses	36,826	58.1	36,197	57.8	△ 628	△1.7
Other expenses	10,577	16.7	9,845	15.7	△ 731	△6.9
Office rental and upkeep expenses	1,781	2.8	1,754	2.8	△ 26	△1.5
Depreciation	924	1.5	967	1.5	43	4.7
Materials expenses	2,902	4.6	2,411	3.9	△ 490	△16.9
Communications expenses	1,195	1.9	1,106	1.8	△ 89	△7.5
Computer and related expense	2,396	3.8	2,180	3.5	△ 215	△9.0
Others	1,377	2.2	1,425	2.3	48	3.5
Total Production costs for the period	63,356	100.0	62,619	100.0	△ 737	△1.2
Transfer to other accounts	△ 1,132		△ 1,007		124	11.0
Work in process increase(-),decrease(+)	296		485		189	△63.7
Manufacturing costs (1)	62,521	(75.9)	62,098	(73.5)	△ 423	△0.7
Merchandise costs (2)	44,127	(80.3)	43,508	(82.6)	△ 618	△1.4
Total Cost of sales (1)+(2)	106,648	(77.7)	105,606	(77.0)	△ 1,042	△1.0

The percentage is the ratio to the amount of Total sales

The percentage is the ratio to the amount of Software development and Information processing

**SG&A**

	JPY in Millions		JPY in Millions		JPY in Millions	
	Amount	%	Amount	%	Amount	YoY changes(%)
Labor expenses	12,341	9.0	11,921	8.7	△ 420	△ 3.4
Other expenses	9,794	7.1	9,362	6.8	△ 432	△ 4.4
Office rental and upkeep expenses	1,669	1.2	1,557	1.1	△ 112	△ 6.7
Depreciation	609	0.4	638	0.5	29	4.9
Computer and related expenses	454	0.3	444	0.3	△ 9	△ 2.2
Training expenses	315	0.2	366	0.3	51	16.2
Taxes	539	0.4	601	0.4	62	11.5
Consolidation adjustments account	115	0.1	157	0.1	41	35.6
Others	6,090	4.4	5,596	4.1	△ 494	△ 8.1
Total SG&A expenses	22,136	16.1	21,283	15.5	△ 852	△ 3.9

# XV. Balance Sheet (Consolidated)

JPY in Millions

Accordinging Period Accounts	FY2006		FY2007		Increase/Decrease Amount
	Amount	%	Amount	%	
<b>Assets</b>					
<b>. Current Assets</b>					
1. Cash and time deposits	3,542		4,742		1,200
2. Notes and accounts receivable	29,195		24,215		4,980
3. Securities	700		1,011		310
4. Inventories	4,701		4,283		417
5. Deferred income taxes	1,946		1,897		49
6. Short-term loan	27,870		30,850		2,980
7. Other current assets	3,499		3,654		155
Allowance for doubtful accounts	12		38		26
Total current assets	71,443	61.5	70,614	60.3	828
<b>. Fixed Assets</b>					
1. Property and equipment					
(1) Buildings and structures	11,585		12,645		1,059
(2) Furniture and fixtures	2,566		2,545		21
(3) Land	14,667		14,782		115
Total fixed assets	28,819	24.8	29,973	25.6	1,153
2. Intangible assets					
(1) Goodwill	-		1,659		1,659
(2) Other Intangible Assets	2,935		3,649		714
Total Intangible Assets	2,935	2.5	5,309	4.5	2,374
3. Investments and other assets					
(1) Investments in securities	10,136		6,157		3,978
(2) Long-term prepared expenses	924		2,169		1,244
(3) Lease deposits paid	1,738		1,818		79
(4) Deferred income taxes	47		847		800
(5) Other assets	266		376		109
Allowance for doubtful accounts	92		166		74
Total investments and other assets	13,020	11.2	11,201	9.6	1,818
Total fixed assets	44,775	38.5	46,484	39.7	1,709
Total assets	116,218	100.0	117,099	100.0	881

JPY in Millions

Accordinging Period Accounts	FY2006		FY2007		Increase/Decrease Amount
	Amount	%	Amount	%	
<b>Liabilities</b>					
<b>. Current Liabilities</b>					
1. Notes and accounts payable	12,644		11,541		1,102
2. Short-term debt	-		415		415
3. Accrued income taxes	2,410		3,197		787
4. Allowance for bonuses to employees	1,601		1,765		163
5. Allowance for bonuses to directors	94		86		7
6. Other current liabilities	7,548		8,409		861
Total current liabilities	24,299	20.9	25,416	21.7	1,117
<b>. Long-term Liabilities</b>					
1. Corporate bond	-		750		750
2. Long-term debt	-		92		92
3. Deferred income taxes	135		9		126
4. Liability for severance and retirement benefits	215		223		7
5. Retirement benefits for directors and corporate auditors	173		127		45
6. Lease deposits received	99		99		-
7. Other long-term liabilities	39		57		17
Total long-term liabilities	664	0.6	1,359	1.2	694
Total liabilities	24,964	21.5	26,776	22.9	1,812
<b>Net Assets</b>					
<b>. Shareholder's equity</b>					
1. Capital	21,152	18.2	21,152	18.1	-
2. Capital surplus	31,299	26.9	31,299	26.7	-
3. Retained earnings	40,395	34.8	44,218	37.8	3,822
4. Treasury stock , at cost	3,183	2.7	6,575	5.6	3,391
Total shareholder's equities	89,665	77.2	90,096	76.9	430
<b>. Valuation and Translation adjustments</b>					
1. Net unrealized holding gains on securities, net of tax effect	1,284	1.1	404	0.3	1,688
2. Net unrealized gains on hedging derivatives, net of tax effect	1	0.0	8	0.0	10
3. Foreign currency translation adjustments	42	0.0	42	0.0	0
Total valuation and exchange adjustments	1,243	1.1	455	0.4	1,699
<b>. Stock Option</b>	-	-	33	0.0	33
<b>. Minority interests</b>	344	0.3	649	0.6	304
Total net assets	91,254	78.5	90,323	77.1	931
Total liabilities and net assets	116,218	100.0	117,099	100.0	881



## XVI. Statement of Cash Flows (Consolidated)

JPY in Millions

Accounts	According period	FY2006	FY2007	Increase/Decrease
<b>I Cash flows from operating activities</b>				
Income before income taxes and minority interests		7,947	10,053	2,105
Depreciation and amortization		2,307	2,415	108
Amortization of goodwill		115	157	41
Increase (decrease) in allowance for doubtful accounts	△	139	0	139
Net change in liability for severance and retirement benefits	△	244	7	237
(Increase) decrease in prepaid pension costs	△	531	406	124
Losses on disposal of fixed assets		749	194	△ 555
Losses on sales of fixed assets		2	0	△ 2
Loss on one-time depreciation of Software		—	214	214
Write-down of investment securities		100	597	496
Losses on sale of investment securities		—	5	5
Gains on sale of investment securities	△	32	80	△ 48
Gains on business transfer		—	430	△ 430
Investment losses on equity method		—	147	147
Share-based compensation expense		—	33	33
Interest and dividend income	△	184	340	△ 155
Compensation for damages		—	89	89
(Increase) decrease in notes and accounts receivable		702	5,299	4,597
(Increase) decrease in inventories		1,059	441	△ 618
Increase (decrease) in accounts payable	△	2,188	1,177	1,010
Payments for bonuses to directors	△	22	93	△ 71
Others	△	1,066	1,578	△ 511
Subtotal		8,578	15,533	6,955
Interest and dividend received		190	349	158
Interest paid	△	1	6	△ 4
Compensation for damages(paid)		—	58	△ 58
Income taxes paid	△	2,777	3,409	△ 631
Net cash provided by operating activities		5,989	12,409	6,419
<b>II Cash flows from investing activities</b>				
Proceeds from sales or redemption of marketable securities		1,900	700	△ 1,200
Payments for purchases of property and equipment	△	1,138	1,050	88
Payments for sales of property and equipment		7	18	11
Payments for purchases of intangibles	△	1,261	1,442	△ 181
Payments for purchases of investment securities	△	697	1,587	△ 889
Proceeds from sales or redemption of investment securities		77	197	119
Payments for purchases of securities of subsidiaries, resulting from change in scope of consolidation	△	156	605	△ 449
Proceeds for purchases of securities of subsidiaries, resulting from change in scope of consolidation		—	197	197
Proceed from business transfer		—	498	498
Others	△	363	42	406
Net cash used in investing activities	△	1,632	3,031	△ 1,399
<b>III Cash flows from financing activities</b>				
Repayment of Short-term debt		—	△ 195	△ 195
Repayment of long-term debt	△	38	—	38
Payment for redemption of corporate bonds		—	△ 45	△ 45
Payments for purchases of treasury stock	△	2,988	3,392	△ 404
Proceeds from sales of treasury stock		0	0	△ 0
Dividends paid	△	1,410	1,592	△ 182
Distributions to minority interests	△	101	3	97
Net cash used in financing activities	△	4,538	5,228	△ 690
<b>IV Effect of exchange rate changes on cash and cash equivalents</b>		34	31	△ 3
<b>V Net increase (decrease) in cash and cash equivalents</b>	△	146	4,180	4,326
<b>VI Cash and cash equivalents at beginning of year</b>		31,558	31,412	△ 146
<b>VII Cash and cash equivalents at end of year</b>		31,412	35,592	4,180

## I.Results of Operations (Consolidated)

(JPY in millions)

	FY2003		FY2004		FY2005		FY2006		FY2007		FY2008(Forecast)			
	Amount (YoY %)	%	Amount (YoY %)	%	Amount (YoY %)	%	Amount (YoY %)	%	Amount (YoY %)	%	Half		Full	
											Amount	%	Amount	%
Sales	76,675 (3.4)	100.0	70,586 (△ 7.9)	100.0	120,290 (70.4)	100.0	137,344 (14.2)	100.0	137,199 (△ 0.1)	100.0	65,000	100.0	143,000	100.0
Software Development	48,151 (0.8)	62.8	43,866 (△ 8.9)	62.1	46,265 (5.5)	38.5	47,912 (3.6)	34.9	48,525 (1.3)	35.4	-	-	-	-
Information Processing	14,689 (1.4)	19.2	15,985 (8.8)	22.6	29,943 (87.3)	24.9	34,485 (15.2)	25.1	36,010 (4.4)	26.2	-	-	-	-
Software Package / Hardware	13,834 (16.6)	18.0	10,734 (△ 22.4)	15.2	44,081 (310.6)	36.6	54,946 (24.6)	40.0	52,662 (△ 4.2)	38.4	-	-	-	-
Cost of Sales	63,674 (7.5)	83.0	59,283 (△ 6.9)	84.0	99,057 (67.1)	82.3	106,648 (7.7)	77.7	105,606 (△ 1.0)	77.0	50,700	78.0	109,800	76.8
Gross Profit	13,001 (△ 12.6)	17.0	11,303 (△ 13.1)	16.0	21,232 (87.9)	17.7	30,696 (44.6)	22.3	31,593 (2.9)	23.0	14,300	22.0	33,200	23.2
SG&A	5,991 (13.8)	7.8	6,325 (5.6)	9.0	14,701 (132.4)	12.2	22,136 (50.6)	16.1	21,283 (△ 3.9)	15.5	11,100	17.1	22,700	15.9
Operating Income	7,009 (△ 27.1)	9.1	4,978 (△ 29.0)	7.1	6,531 (31.2)	5.4	8,560 (31.1)	6.2	10,309 (20.4)	7.5	3,200	4.9	10,500	7.3
Ordinary Income	7,122 (△ 26.6)	9.3	5,098 (△ 28.4)	7.2	6,716 (31.7)	5.6	8,892 (32.4)	6.5	10,548 (18.6)	7.7	3,400	5.2	10,800	7.6
Net Income	3,978 (△ 20.5)	5.2	3,100 (△ 22.1)	4.4	2,722 (△ 12.2)	2.3	4,377 (60.8)	3.2	5,415 (23.7)	3.9	1,700	2.6	5,800	4.1
Sales Per Employee (JPY in thousands)	36,792		32,922		39,530		45,796		42,714		-		-	
Ordinary Income Per Employee (JPY in thousands)	3,417		2,378		2,207		2,965		3,284		-		-	
Number of Employees	2,084		2,179		3,043		2,999		3,212		-		-	

**. BPS , EPS and others (Consolidated)**

JPY in Millions

	FY2004		FY2005		FY2006		FY2007		FY2008(Forecast)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Assets	68,965	102.9%	94,763	137.4%	91,254	96.3%	90,323	99.0%	-	-
Total Assets	80,496	100.0%	125,064	155.4%	116,218	92.9%	117,099	100.8%	-	-
BPS (Net Asset per share ) (JPY)	1,582 . 54		1,746 . 78		1,712 . 27		1,747 . 05		-	
EPS (Net Income per share) (JPY)	70 . 93		53 . 29		80 . 91		102 . 52		113 . 04	
Equity Ratio (%)	85.7%		75.8%		78.2%		76.6%		-	
Return on Equity (%)	4.6%		3.3%		4.7%		6.0%		-	
Price Earning Ratio (times)	29.9		43.7		30.7		18.4		-	
Stock Prices (yen)	2,120		2,330		2,480		1,887		-	
Consolidated/Non-consolidated(times)	0.98		1.06		1.06		1.08		-	

**. Capital expenditure , depreciation & amortization/R&D (Consolidated)**

JPY in Millions

	Actual				Forecast
	FY2004	FY2005	FY2006	FY2007	FY2008
Capital Expenditures (tangible)	251	1,220	1,138	2,341	1,200
Capital Expenditures (software/other)	2,465	1,943	1,451	1,442	1,400
Depreciation (tangible)	827	1,260	1,338	1,338	1,400
Depreciation (software/other)	505	2,579	969	1,291	1,300
Total	1,333	3,840	2,307	2,630	2,700
R&D	1,112	1,816	1,386	1,251	2,000

\* Excluding asset write-ons/offers along with merger with SSE

## .Group Companies

	Equity Ownership	Main Businesses	Number of Employees
Sumisho Computer Systems Corporation			2,579

Consolidated Subsidiary			
Sumisho Computer Systems (USA), Inc.	100.0%	Software development Information processing	73
SUMISHO COMPUTER SYSTEMS (EUROPE) LTD.	100.0%	Software development Information processing	37
e-Commerce Technology	50.0%	Software development	16
Billingsoft Japan Co., Ltd.	100.0%	Information processing	31
Curl, Incorporated	100.0%	Research and development of rich client, "Curl" language	27
VA Linux Systems Japan	57.1%	Research and solution for Linux-based technologies	28
SCS Solutions Inc.	100.0%	Software development	241
SCS Business Support	100.0%	Business, maintenance, and administrative task, sales of supply goods	13
Asahi IT Solution Limited	100.0%	System consulting	15
Sumisho Computer Systems (Shanghai) Limited	100.0%	Information processing	7
Sumisho Computer Systems (Dalian) Limited	100.0%	Software development	6
Allied Engineering Corporation	100.0%	Consulting Packaged software development and sales	39
Sumisho Computer Systems (Asia Pacific)Pte.Ltd.	100.0%	Information processing	4
eMplex, Co., Ltd.	57.6%	Packaged software development and sales	96
Total Number of employees(consolidated)			3,212

Affiliates under the equity method of accounting		
Pioneer Soft Co., Ltd.	34.2%	Software development
Component Square, Inc.	30.8%	Product planning of EJB component, marketing, advertising advertisement and communications service for member
HULINKS, Inc.	20.0%	Import sales, support, and development of science and technology system software products
eBANK Systems Corporation	20.0%	Software development (Internet banking)
ATLED Co., Ltd.	20.0%	Packaged software development and sales (Workflow)
Sumisho Joho Datacraft Corporation	50.0%	Information processing (Network services)

\* The above figure include those who have been dispatched from SCS

## .Major customers

Type of Business	Major Customers		
Manufacturing	<ul style="list-style-type: none"> <li>• Nippon Suisan Kaisha Ltd.</li> <li>• Ajinomoto Co., Inc.</li> <li>• The Matsuda Motor Group</li> <li>• The IBM Group</li> <li>• Sharp Corp., Noritz Corp.</li> <li>• Nippon Paper Industries</li> </ul>	<ul style="list-style-type: none"> <li>• Suntory Ltd.</li> <li>• Takeda Chemical Industries, Ltd.</li> <li>• Honda Motor Co., Ltd</li> <li>• The Sony Group</li> <li>• TOSHIBA CORPORATION</li> <li>• Takenaka Corp.</li> </ul>	<ul style="list-style-type: none"> <li>• Asahi Breweries Ltd.</li> <li>• The Toyota Group</li> <li>• Stanley Electric Co., Ltd.</li> <li>• Matsushita Electric Industrial Co., Ltd.</li> <li>• Fuji Xerox Co., Ltd</li> </ul>
Distribution	<ul style="list-style-type: none"> <li>• Sumitomo Corp.</li> <li>• Matsuda Sangyo Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Otto-Sumisho Inc.</li> <li>• CHIBACOO</li> </ul>	<ul style="list-style-type: none"> <li>• Sumisho &amp; Mitsuibussan Kenzai Co., Ltd.</li> <li>• Postal Service Center</li> </ul>
Financial Institution	<ul style="list-style-type: none"> <li>• The Daiwa Securities Group</li> <li>• The Sumitomo Trust Group</li> <li>• Asahi Mutual Life Insurance Co.</li> <li>• KYUSHU LEASING SERVICE CO.,LTD.</li> </ul>	<ul style="list-style-type: none"> <li>• The Nikko Securities Group</li> <li>• Aioi Life Insurance Co., Ltd.</li> <li>• Sumitomo Mitsui Finance &amp; Leasing Co., Ltd.</li> <li>• Kyodo Leasing Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>• Tosho System Service</li> <li>• Aioi Insurance Co., Ltd.</li> <li>• GE Capital Leasing Corporation</li> </ul>
Communication and Transportation	<ul style="list-style-type: none"> <li>• The NTT Group</li> <li>• Japan Airlines</li> </ul>	<ul style="list-style-type: none"> <li>• Jupiter Telecommunications Co., Ltd.,</li> <li>• Nippon Express</li> </ul>	<ul style="list-style-type: none"> <li>• Japan Telecom Co., Ltd.</li> <li>• @NetHome Co.,Ltd.</li> </ul>
Utilities	<ul style="list-style-type: none"> <li>• Tokyo Electric Power Company (TEPCO)</li> <li>• The Kansai Electric Power Company Co., Ltd. (KEPCO),</li> </ul>		<ul style="list-style-type: none"> <li>• Tokyo Gas Co., Ltd.,</li> <li>• Shikoku Electric Power Co., Inc.</li> </ul>
Service and Others	<ul style="list-style-type: none"> <li>• The Softbank Group</li> <li>• Tokyo Broadcasting System, Inc.</li> <li>• The STAFF SERVICE GROUP</li> <li>• Fukuoka University</li> </ul>	<ul style="list-style-type: none"> <li>• Teikoku Databank Ltd.</li> <li>• The JA Group</li> <li>• SEIYO FOOD SYSTEMS INC.</li> </ul>	<ul style="list-style-type: none"> <li>• Recruit Co., Ltd.</li> <li>• Japan Mint</li> <li>• Kyusyu Sangyo University</li> </ul>

**. BPS, EPS and others(Non-Consolidated)**

JPY in Millions

	FY2004		FY2005		FY2006		FY2007		FY2008(Forecast)	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Common Stock	21,152	-	21,152	-	21,152	-	21,152	-	21,152	-
Number of Shares Outstanding	43,588,609		54,291,447		54,291,447		54,291,447		54,291,447	
Average number of Shares Outstanding	43,573,921		50,673,003		54,107,848		52,822,252		-	
Net Assets	68,834	103.0%	93,929	136.4%	89,791	95.6%	88,157	98.2%	-	-
Total Assets	79,132	100.3%	122,578	154.9%	113,361	92.5%	112,148	98.9%	-	-
BPS (Net Asset per share) (JPY)	1,579 . 53		1,731 . 41		1,691 . 21		1,717 . 49		-	
Cash Dividends per share (JPY)	26 . 00		26 . 00		28 . 00		31 . 00		32 . 00	
Interim Dividends per share (JPY)	13 . 00		13 . 00		13 . 00		15 . 00		16 . 00	
EPS (Net Income per share) (JPY)	72 . 67		50 . 06		76 . 47		94 . 95		-	
Equity Ratio (%)	87.0%		76.6%		79.2%		78.6%		-	
Return on Equity (%)	4.7%		3.1%		4.5%		5.6%		-	
Price Earning Ratio (time)	29.2		46.5		32.4		19.5		-	
Stock Prices (JPY)	2,120		2,330		2,480		1,887		-	
Payout ratio	35.7%		55.1%		36.6%		32.1%		-	