

Results of Operations (Consolidated) of 3rd Quarter of Fiscal Year Ending March 2008

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Nobuhiko Ishizaka

Director of Corporate Administration Section

Sumisho Computer Systems Corporation



Sumisho Computer Systems Corporation



Outline of results of operations

(year-to-date, Apr.-Dec.)

[Consolidated]

(Yen in Millions)

	Apr.2006-Dec.2006	Apr.2007-Dec.2007	Increase/Decrease	Rate of Change (%)
Sales	95,437	92,821	Δ2,615	Δ2.7%
Gross Profit	20,733	21,301	568	2.7%
S.G. & A. Expenses	16,498	15,975	Δ523	Δ3.2%
Operating Income	4,234	5,326	1,091	25.8%
Ordinary Income	4,462	5,554	1,092	24.5%
Net Income	2,291	3,006	714	31.2%



Outline of results of operations (3Q, Oct.-Dec.)

[Consolidated]

(Yen in Millions)

	Oct.2006-Dec.2006	Oct.2007-Dec.2007	Increase/Decrease	Rate of Change (%)
Sales	31,249	31,227	Δ22	Δ0.1%
Gross Profit	7,039	7,652	612	8.7%
S.G. & A. Expenses	5,384	5,233	Δ151	Δ2.8%
Operating Income	1,655	2,419	763	46.1%
Ordinary Income	1,752	2,475	723	41.3%
Net Income	954	1,282	327	34.4%



Sales comparison by solution (3Q, Oct.-Dec.)

[Consolidated]

(Yen in Millions)

	Oct.2006-Dec.2006 (Percentage of Total: %)	Oct.2007-Dec.2007 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Industrial Solutions	15,967 (51.1%)	15,496 (49.6%)	Δ470	Δ2.9%
ERP Solutions	3,274 (10.5%)	3,589 (11.5%)	314	9.6%
Platform Solutions	12,007 (38.4%)	12,141 (38.9%)	133	1.1%
Total	31,249 (100.0%)	31,227 (100.0%)	Δ22	Δ0.1%



Sales comparison by segment (3Q, Oct.-Dec.)

[Consolidated]

(Yen in Millions)

	Oct.2006-Dec.2006 (Percentage of Total: %)	Oct.2007-Dec.2007 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Software Development	10,363 (33.2%)	11,286 (36.1%)	922	8.9%
Information Processing	8,130 (26.0%)	8,677 (27.8%)	546	6.7%
Package Software and Hardware Sales	12,755 (40.8%)	11,263 (36.1%)	△1,491	△11.7%
Total	31,249 (100.0%)	31,227 (100.0%)	△22	△0.1%

[Orders Accepted] Software Development	11,224	10,544	△680	△6.1%
[Backlog] Software Development	10,572	10,343	△229	△2.2%



Sales by solution (3Q, Oct.-Dec.)

[Consolidated]

(Yen in Millions)

	Software Development	Information Processing	Package Software and Hardware Sales	Total (Percentage of Total: %)
Industrial Solutions	8,055	4,303	3,137	15,496 (49.6%)
ERP Solutions	2,602	171	815	3,589 (11.5%)
Platform Solutions	627	4,202	7,310	12,141 (38.9%)
Total (Percentage of Total: %)	11,286 (36.1%)	8,677 (27.8%)	11,263 (36.1%)	31,227 (100.0%)



Sales comparison by sector (3Q, Oct.-Dec.)

[Consolidated]

(Yen in Millions)

		Oct.2006-Dec.2006		Oct.2007-Dec.2007		Increase/Decrease	
		Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Rate of Change(%)
Manufacturing		7,624	24.4%	7,323	23.5 %	△300	△3.9 %
Distribution		5,994	19.2%	6,558	21.0 %	563	9.4 %
Finance		3,199	10.2%	4,046	13.0 %	847	26.5 %
	Bank	846	2.7%	1,183	3.8 %	337	39.8 %
	Securities	984	3.2%	1,353	4.3 %	369	37.5 %
	Credit/Leasing	702	2.2%	631	2.0 %	△71	△10.1 %
	Insurance	665	2.1%	878	2.8 %	213	32.0 %
Communications/ Transportation		6,948	22.2%	6,307	20.2 %	△641	△9.2 %
Electric Power/ Gas		366	1.2%	409	1.3 %	43	11.7 %
Service/Others		7,116	22.8%	6,581	21.1 %	△535	△7.5 %
Total		31,249	100.0%	31,227	100.0%	△22	△0.1 %



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

(Yen in Millions)

◆ Sales

△2,600

1H (Apr.-Sep.)

△2,600

Factors for increase 1,400

Industrial solutions for manufacturing 1,100

Industrial solutions for finance 300

Factors for decrease △4,000

Related to transfer of business △600

Related to network equipment △2,200

Year-end variables △200

Platform solutions for distribution △1,000

3Q (Oct.-Dec.)

0

Factors for increase 900

Industrial solutions for finance 600

ERP solutions for manufacturing 100

ERP solutions for distribution 200

Factors for decrease △900

Related to transfer of business △500

Related to network equipment △400



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

(Yen in Millions)

◆ Gross profit

570

1H (Apr.-Sep.)

△40

Factors for increase 360

Improvement of profitability 270

Unprofitable businesses $\Delta 240 \rightarrow \Delta 150$ 90

Factors for decrease △400

Related to transfer of business △240

Related to network equipment △160

3Q (Oct.-Dec.)

610

Factors for increase 900

Improvement of profitability 830

Unprofitable businesses $\Delta 80 \rightarrow \Delta 10$ 70

Factors for decrease △290

Related to transfer of business △210

Related to network equipment △80



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

(Yen in Millions)

◆ S.G. & A. expenses

△520

1H (Apr.-Sep.) **△370**

Factors for increase **310**

Expansion of revenue base **160**

(Global business strategies, etc.)

Enhancement of human resources **80**

(Education expenses, etc.)

Expansion of management infrastructure **70**

(Enhancement of internal control, etc.)

Factors for decrease **△680**

Related to transfer of business **△230**

Streamlining of back-office departments **△100**

New stage support program **△250**

Streamlining of S.G. & A. expenses **△100**

of operating departments

3Q (Oct.-Dec.) **△150**

Factors for increase **200**

Expansion of revenue base **110**

(Global business strategies, etc.)

Enhancement of human resources **20**

(Education expenses, etc.)

Expansion of management infrastructure **70**

(Enhancement of internal control, etc.)

Factors for decrease **△350**

Related to transfer of business **△150**

Streamlining of S.G. & A. expenses **△200**

of operating departments



Sales comparison by solution

(year-to-date, Apr.-Dec.)

[Consolidated]

(Yen in Millions)

	Apr.2006-Dec.2006 (Percentage of Total: %)	Apr.2007-Dec.2007 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Industrial Solutions	48,657 (51.0%)	48,672 (52.4%)	15	0.0%
ERP Solutions	10,480 (11.0%)	10,123 (10.9%)	△357	△3.4%
Platform Solutions	36,299 (38.0%)	34,025 (36.7%)	△2,274	△6.3%
Total	95,437 (100.0%)	92,821 (100.0%)	△2,615	△2.7%



Sales comparison by segment

(year-to-date, Apr.-Dec.)

[Consolidated]

(Yen in Millions)

	Apr.2006-Dec.2006 (Percentage of Total: %)	Apr.2007-Dec.2007 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Software Development	32,271 (33.8%)	32,440 (34.9%)	168	0.5%
Information Processing	24,695 (25.9%)	25,721 (27.7%)	1,026	4.2%
Package Software and Hardware Sales	38,471 (40.3%)	34,660 (37.3%)	△3,810	△9.9%
Total	95,437 (100.0%)	92,821 (100.0%)	△2,615	△2.7%

[Orders Accepted] Software Development	37,225	35,754	△1,471	△4.0%
[Backlog] Software Development	10,572	10,343	△228	△2.2%



Sales by solution (year-to-date, Apr.-Dec.)

[Consolidated]

(Yen in Millions)

	Software Development	Information Processing	Package Software and Hardware Sales	Total (Percentage of Total: %)
Industrial Solutions	23,656	13,211	11,804	48,672 (52.4%)
ERP Solutions	7,172	498	2,453	10,123 (10.9%)
Platform Solutions	1,611	12,011	20,402	34,025 (36.7%)
Total (Percentage of Total: %)	32,440 (34.9 %)	25,721 (27.7 %)	34,660 (37.3 %)	92,821 (100.0%)



Sales comparison by sector (year-to-date, Apr.-Dec.)

[Consolidated]

(Yen in Millions)

	Apr.2006-Dec.2006		Apr.2007-Dec.2007		Increase/Decrease	
	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Rate of Change(%)
Manufacturing	23,571	24.7%	25,439	27.4%	1,868	7.9 %
Distribution	19,377	20.3%	19,021	20.5%	△355	△1.8 %
Finance	10,591	11.1%	11,539	12.4%	947	8.9 %
Bank	2,914	3.1%	3,530	3.8%	615	21.1 %
Securities	3,217	3.4%	3,885	4.2%	668	20.8 %
Credit/Leasing	2,382	2.5%	1,816	2.0%	△566	△23.8 %
Insurance	2,076	2.2%	2,306	2.5%	230	11.1 %
Communications/ Transportation	19,796	20.7%	16,429	17.7%	△3,367	△17.0 %
Electric Power/ Gas	1,464	1.5%	1,215	1.3%	△248	△17.0 %
Service/Others	20,636	21.6%	19,176	20.7%	△1,460	△7.1 %
Total	95,437	100.0%	92,821	100.0%	△2,615	△2.7 %

Expansion of target businesses/Pursuit of business synergies [1]

- Improvement of profitability of entrusted software development
 - Focus on strategic customers/applications mainly in entrusted software development for finance industry
- Development of manufacturing solutions business
 - Focus on production line simulation (DELMIA)
 - Make Allied Engineering Corporation, a CAE vendor, subsidiary (equity ownership: 90%)
- Promotion of ProActive business
 - Aggressive marketing activities after the release of new version (new screen, enhanced operability, improved performance)

Expansion of target businesses/Pursuit of business synergies [2]

➤ Promotion of Curl business

- Curl won “InfoWorld Technology of the Year” for Best RIA
- Utilization of China and India as bases of development/operation/verification
- Marketing and full-scale business development in North America

➤ Expansion of netXDC

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

➤ Capital and business alliance with ND Software Co., Ltd.

- Establishment of new software development base in Tohoku region as a domestic development base
- Development of system business related to healthcare and welfare

[Company profile of ND Software Co., Ltd.]

Established: September 1979

Listed: JASDAQ (February 2006)

Head office: Yamagata Prefecture

Line of business: Planning, development and sales of original software products related to welfare and healthcare, and software operations support and maintenance

Promotion of global strategies

➤ Development of business in China

- Smooth launch of business for Japanese customers in China, revolving around two bases, Sumisho Computer Systems (Shanghai) Ltd. and Sumisho Computer Systems (Dalian) Co., Ltd.

➤ Expansion of overseas bases

Establishment of Sumisho Computer Systems (Asia Pacific) Pte. Ltd. in Singapore

[Company profile of Sumisho Computer Systems (Asia Pacific) Pte.Ltd.]

Established: November 2007

Head office: Singapore

Line of business: IT services for Japanese companies in ASEAN countries, India, Australia, etc.

1) Software development

2) Information processing services

3) Package software and hardware sales

Equity ownership: 100%

Enhancement of new business development capabilities

➤ Strengthening of relationship with Presidio STX, LLC (PSTX)

- Acquisition of commercial rights to various IT products through PSTX as an agent
- Enhancement of our business development capabilities using their capability to explore IT ventures

[Company profile of Presidio STX, LLC]

Established: August 1998

Head office: Santa Clara (Silicon Valley)

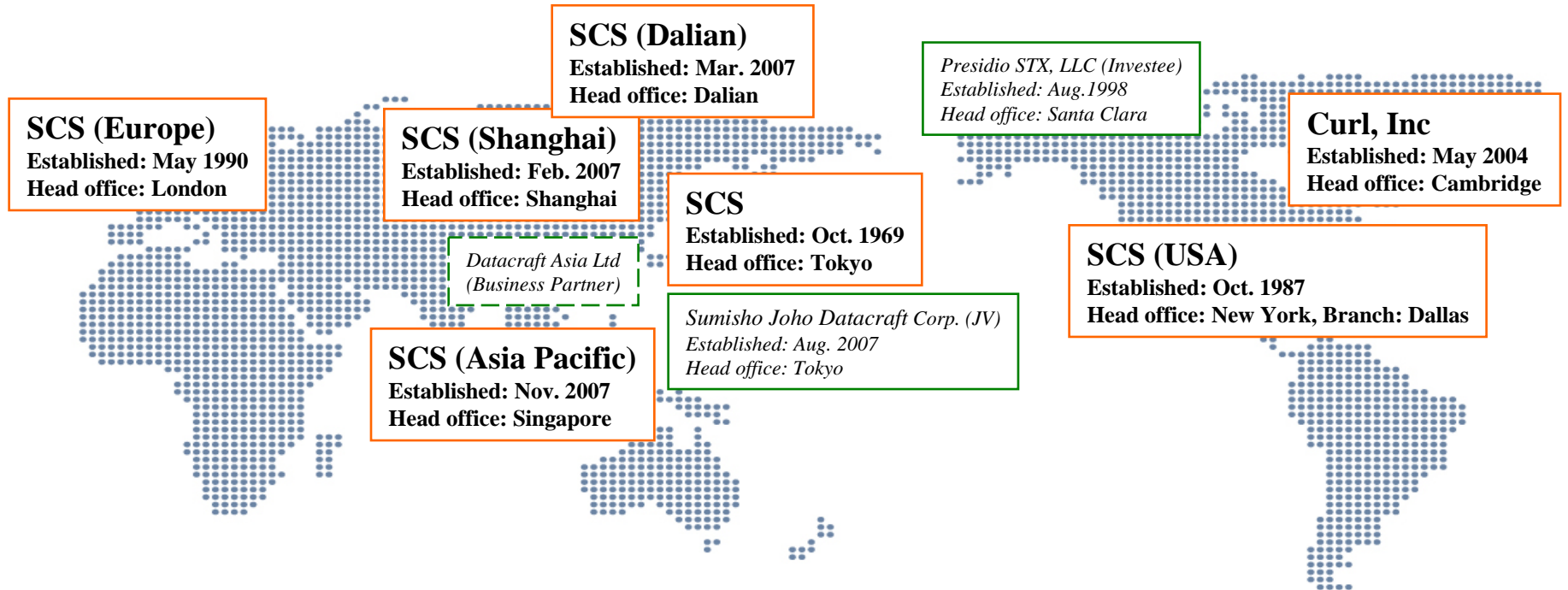
Line of business: 1) Venture capital

2) Export of IT-related products to Japan

3) Export and import of electronics-related products



Global network of SCS



[Brief history of overseas business]

- Oct. 1987 SCS (USA) established
- May 1990 SCS (Europe) established
- May 2004 Curl, Inc. established
- Feb. 2007 SCS (Shanghai) established
- Mar. 2007 SCS (Dalian) established
- Aug. 2007 Business alliance with Datacraft Asia Ltd in Singapore, JV (Sumisho Joho Datacraft Corp.) established in Japan
- Nov. 2007 SCS (Asia Pacific) established
- Invested in Presidio STX, LLC

Enhancement of human resources/technical capabilities

➤ Enhancement of training system

- Implementation of skill diagnosis of ITSS to all employees
- Full-scale implementation of technical training according to job
- Reform of management training system to enhance management capabilities

➤ Enhancement of global human resources

Implementation of international trainee system

➤ Realization of ideal working environment

- Enhancement of healthcare programs for executives and employees
- Enhancement of child care and family support system (Implementation of subsidy system for babysitting expenses, etc.)

Sophistication of management infrastructure

➤ Promotion of business process reengineering

➤ Enhancement of internal control

➤ Implementation of next mission-critical system



Adjustment of results forecast for full year

[Consolidated]

(Yen in Millions)

	Original Forecast Mar.2008	Adjusted Forecast Mar.2008	Increase/Decrease	Rate of Change (%)
Sales	145,000	138,000	△7,000	△4.8%
Gross Profit	33,350	31,700	△1,650	△4.9%
S.G. & A. Expenses	24,000	21,800	△2,200	△9.2%
Operating Income	9,350	9,900	550	5.9%
Ordinary Income	9,500	10,200	700	7.4%
Net Income	4,900	5,200	300	6.1%



Main adjustment factors for results forecast for full year

➤ Sales/gross profit

1. Influence of network equipment sales
2. Influence of change of business
 - Transfer of business
 - Shift to strategic customers/solutions
 - Focus on new version of ProActive

➤ S.G. & A. expenses

1. Transfer of business
2. Streamlining of S.G. & A. expenses of operating/back-office departments
3. Strategic spending



Purchase of treasury stock

➤ Details of purchase

- Class of shares to be purchased: Common stock of the Company
- Total number of shares to be purchased: 2,500,000 shares (maximum)
[4.71% of total shares issued (excluding treasury stock)]
- Total purchase price of shares: 5,000 million yen (maximum)
- Purchase period: January 29, 2008 through March 14, 2008

(Reference) Treasury stock holding as of January 18, 2008

Total number of shares issued (excluding treasury stock)	<u>53,090,981 shares</u>
Number of shares of treasury stock	<u>1,200,466 shares</u>

The information in this material, other than historical facts, is the Company's future prospects in management's view based on the currently available information, and includes risks and uncertainties relating to economic conditions, fierce industry competition, market demand, exchange rates, tax and various systems. Therefore, actual results are subject to change for these various factors and the Company assumes no responsibility to your disadvantages by use of this information. The Company is under no obligation to correct and announce future prospects in this material in light of new information and future events.