

Results of Operations of FY2007 and Management Initiatives for FY2008

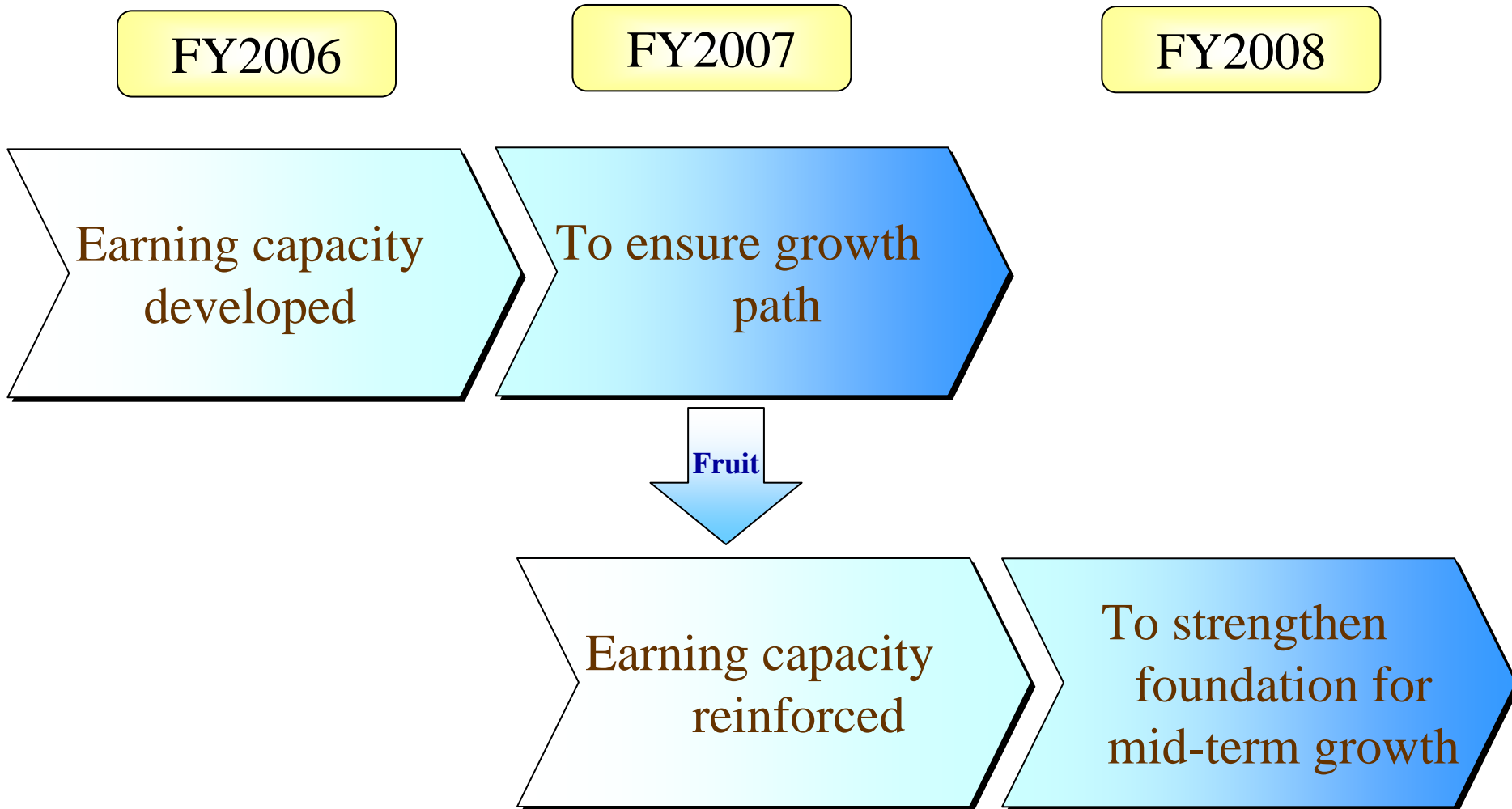
May 2008

Yasuyuki Abe

President & CEO

Sumisho Computer Systems Corporation

Overview of FY2007 & Management Initiatives for FY2008



Results of Operations of FY2007

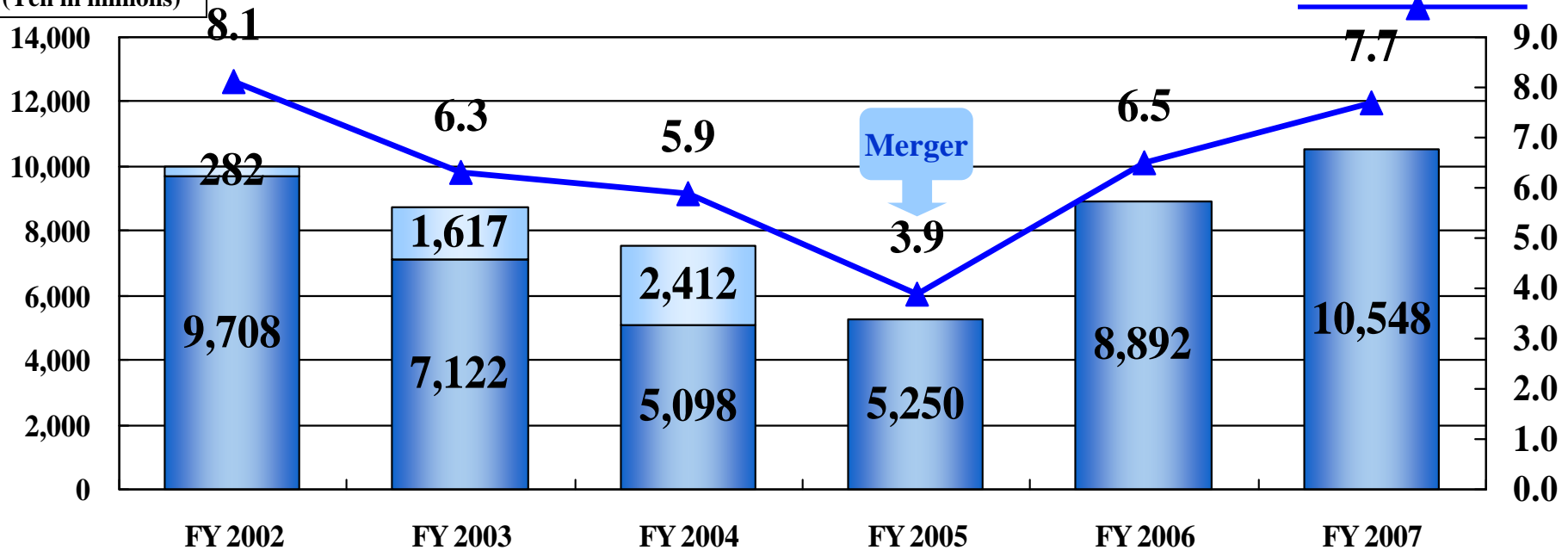
Posted Record Profits in FY2007

SSE
SCS

Consolidated

Ordinary income
(Yen in millions)

Ordinary income margin (%)



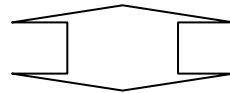
*FY02-FY04 numbers are results of simple summation of the financial figures of SCS and SSE.

*FY05 Number is proforma number and for reference purpose only.

FY2007

Reinforce Earning Capacity

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



Enhancement of Management Infrastructure
(BPR • Internal Control • New ERP System)

Expansion of target businesses/Pursuit of business synergies

- Profitability improvement of software development
 - Improvement of productivity through tighter project management
- Development of manufacturing solution business
 - Business expansion of factory simulation software (DELMIA)
 - Development of proprietary CAE solution
- Promotion of ProActive business
 - Focusing on post-release marketing of its new version
- Strategies for Curl Business
 - Kicking off marketing activities and full-fledged business development in North America
 - Utilizing operational bases in China and India for development/operation/verification
- Expansion of netXDC
 - Completion of expansion of data center capacity in our 1st & 2nd data centers

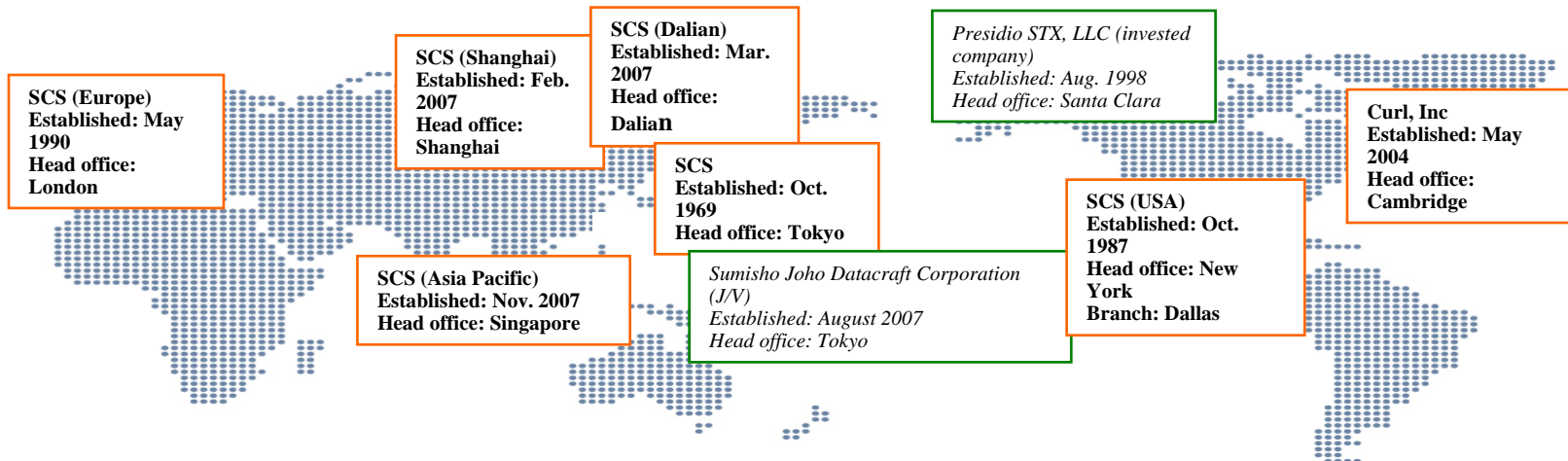
Promotion of global strategies

➤ Enhancement and expansion of overseas bases

- Rollout of IT services to Japanese clients in China, ASEAN countries, India, Australia, etc.
⇒ Establishment of SCS (Shanghai), SCS (Asia Pacific)
- Launching a full-scale offshore software development
⇒ Establishment of SCS (Dalian)

➤ Enhancement of global support system

- Providing network management services and outsourcing services
⇒ Establishment of Sumisho Joho Datacraft Corporation



Enhancement of new business development capabilities

➤ Enhancement of businesses associated with ERP

- Focusing on CRM (Customer Relationship Management) and SFA (Sales Force Automation) solution businesses

⇒ eMplex Co., Ltd. (equity ownership: 57.6%)

- Enhancement of workflow package software business

⇒ ATLED Co., Ltd. (equity ownership: 20%)

➤ Enhancement of business development capabilities

- Participating in a US venture capital to find out new technologies, products and services

Sophistication of technical bases/software development capabilities

➤ Professional technical training in place

Enhancement of human resources and technical capabilities

➤ Training menu overhaul

Sophistication of Management infrastructure

➤ Enhancement of business process reengineering/ internal control



Enhancement of Group Capabilities

Sumisho Computer Systems (Shanghai) Limited (established) Provides IT services to Japanese clients in China	Equity ownership 100% Established in Feb. 2007 (Started operation in April 2007)
Sumisho Computer Systems (Dalian) Co. , Ltd. (established) Engages in software development through offshore partners	Equity ownership 100% Established in Mar. 2007 (Started operation in April 2007)
ATLED Co., Ltd. (co-founded) Enhances workflow package businesses	Equity ownership 20% Established in May 2007
eMplex Co., Ltd. (acquired) Enhances proprietary CRM & SFA solution businesses	Equity ownership 57.6% Capital/business alliance in June 2007 Additional investment in March 2008
Sumisho Joho Datacraft Corporation (co-founded) Provides high-value added network operations and outsourcing services	Equity ownership 50% Established in Aug. 2007
Allied Engineering Corporation (acquired) Enhances and expands proprietary CAE solution businesses for manufacturers	Equity ownership 90% Capital/business alliance in Aug. 2007
Sumisho Computer Systems (Asia Pacific) (established) Provides IT services to Japanese clients in ASEAN countries, India, Australia, etc.	Equity ownership 100% Established in Nov. 2007 (Started Operation in Jan. 2008)
ND Software Co., Ltd (business/capital alliance) Expands software development capacity in Japan	Equity ownership 4.9% Capital/business alliance in Dec. 2007

Management Initiatives for FY2008

FY2008

Strengthen Foundation for Growth

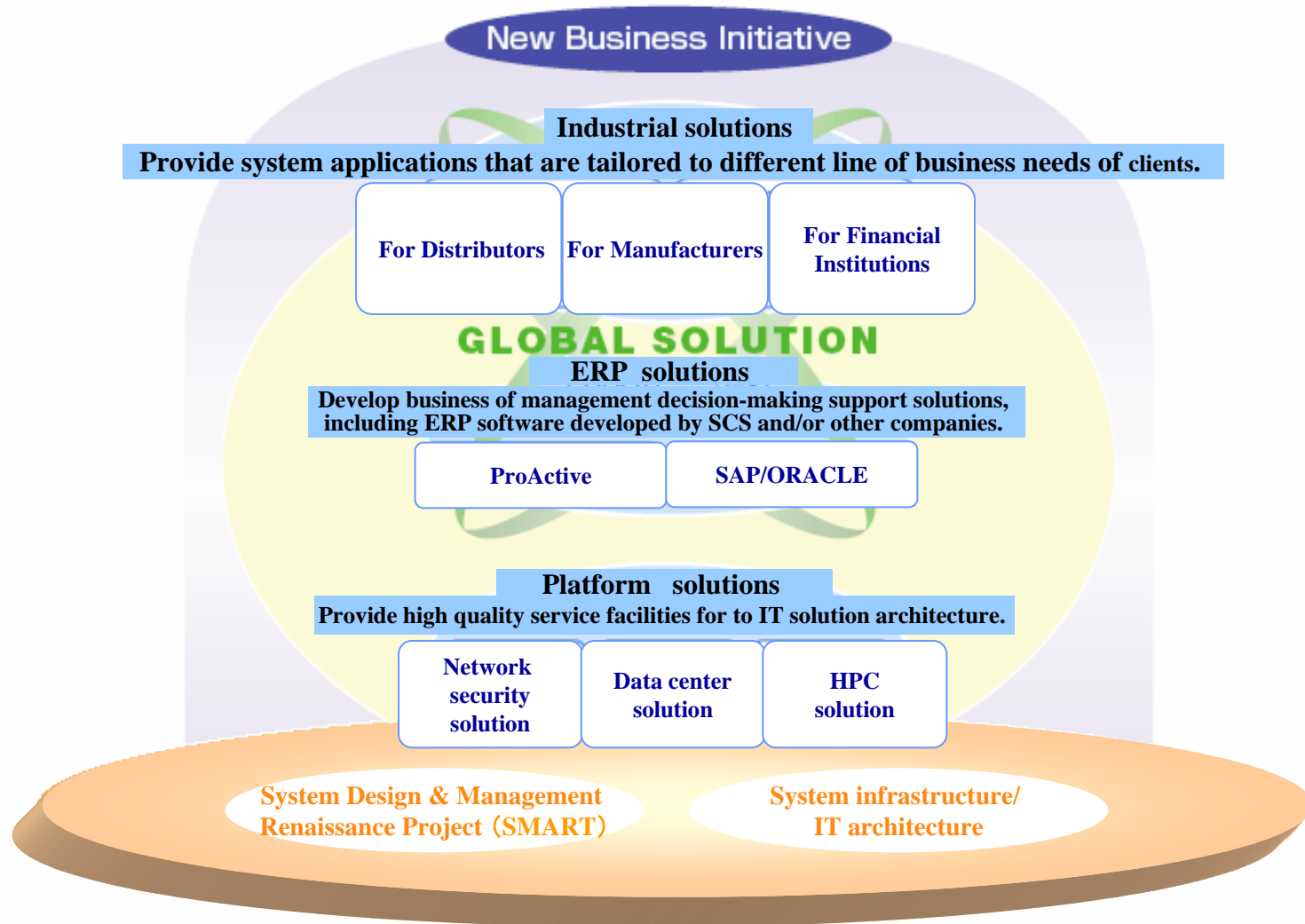
- Expand target businesses
- Promote global strategies
- Propel businesses as a software vendor
- Strengthen ties with major customers
- Enhance technology base and software development capabilities
- Expand human capital resources

**“SCS-Style
Business”
Strategy**



Further Enhancement of Management Infrastructure
(Internal Control, Information Security System)

Expansion of Target Businesses



< Industrial Solutions >

Pursuit Business Synergies

Current Market Condition

Business Strategies

For Distributors

Business trends will depend on consumer spending, but IT investments by retailers and wholesalers will level off.

- Develop new solutions for retailers and distributors

For Manufacturers

Business will be affected by fluctuations in foreign exchange markets, but demand for capital investment seeking for competitive edge will continue.

- Provide one-stop services to support manufacturers
- Expand consulting service business for operational process improvement
- Develop global businesses
- Enhance CAE business area

For Financial Institutions

Turmoil in financial markets resulting from subprime loan problems may affect Japanese financial institutions in their investment demand for system renewal.

- Develop and enhance solution businesses for insurance companies
- Make transition from account oriented business to solution business

< ERP Solutions >

Enhance Marketing Strategies

Current Market Condition

Business Strategies

**ProActive
business**

ERP demand by small and medium-sized companies, especially listed companies, will increase once Japanese SOX Act requirements are defined.

- Drive ProActive E2 promotional campaign by:
 - executing marketing initiatives
 - creating ties with sales partners
- Develop additional modules for full line-up services

**ERP businesses,
including SAP,
ORACLE**

ERP demand by large companies will remain high to ensure compliance with Japanese SOX Act and their global expansion.

- Increase total added value through expansion of ERP-related application businesses
- Differentiate from competitors by providing global solutions

< Platform Solutions >

Execute Value-adding Strategies by Enhancing SI Capabilities

Current Market Condition

Business Strategies

Network security solution

Severe situation will continue due to drop in prices of network equipment. But demand for security solutions will expand to ensure compliance with Japanese SOX Act.

- Develop and enhance router business
- Expand and enhance solution businesses for cable TV operators
- Expand global network business
- Refine combined technologies for security solutions

Data center solution

Since outsourcing of IT services are increasing as a means of efficient asset operation, needs for data center will remain high.

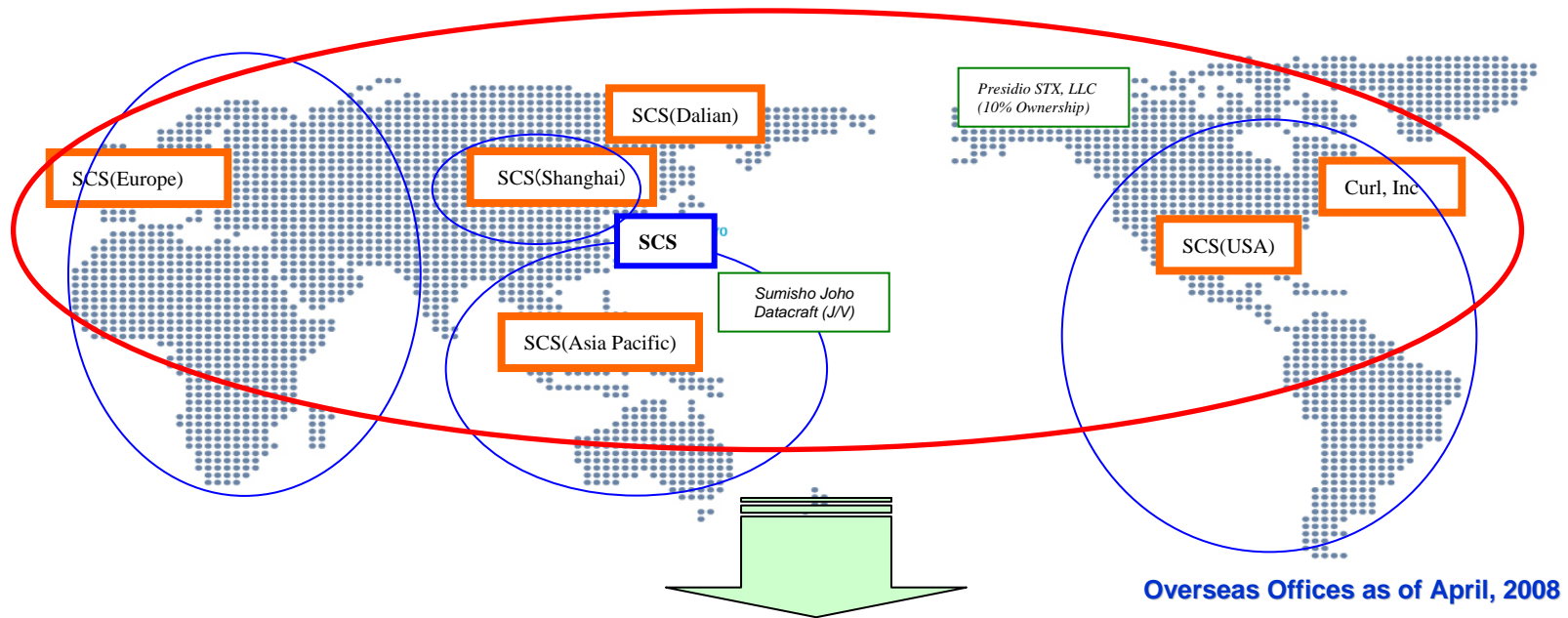
- Expand urban type data centers by refurbishing 1st center and expanding 2nd center

HPC solution

While the situation is severe due to price cut in hardware equipment, demand for high capacity systems will expand not only in academic field/public sector but also in private sector.

- Increase added-value by utilizing system architecture in cooperation with vendors
- Promote efficiency of IT infrastructure and TCO reduction by utilizing virtualization technique

Expand Global IT Services Across Five Geographical Markets

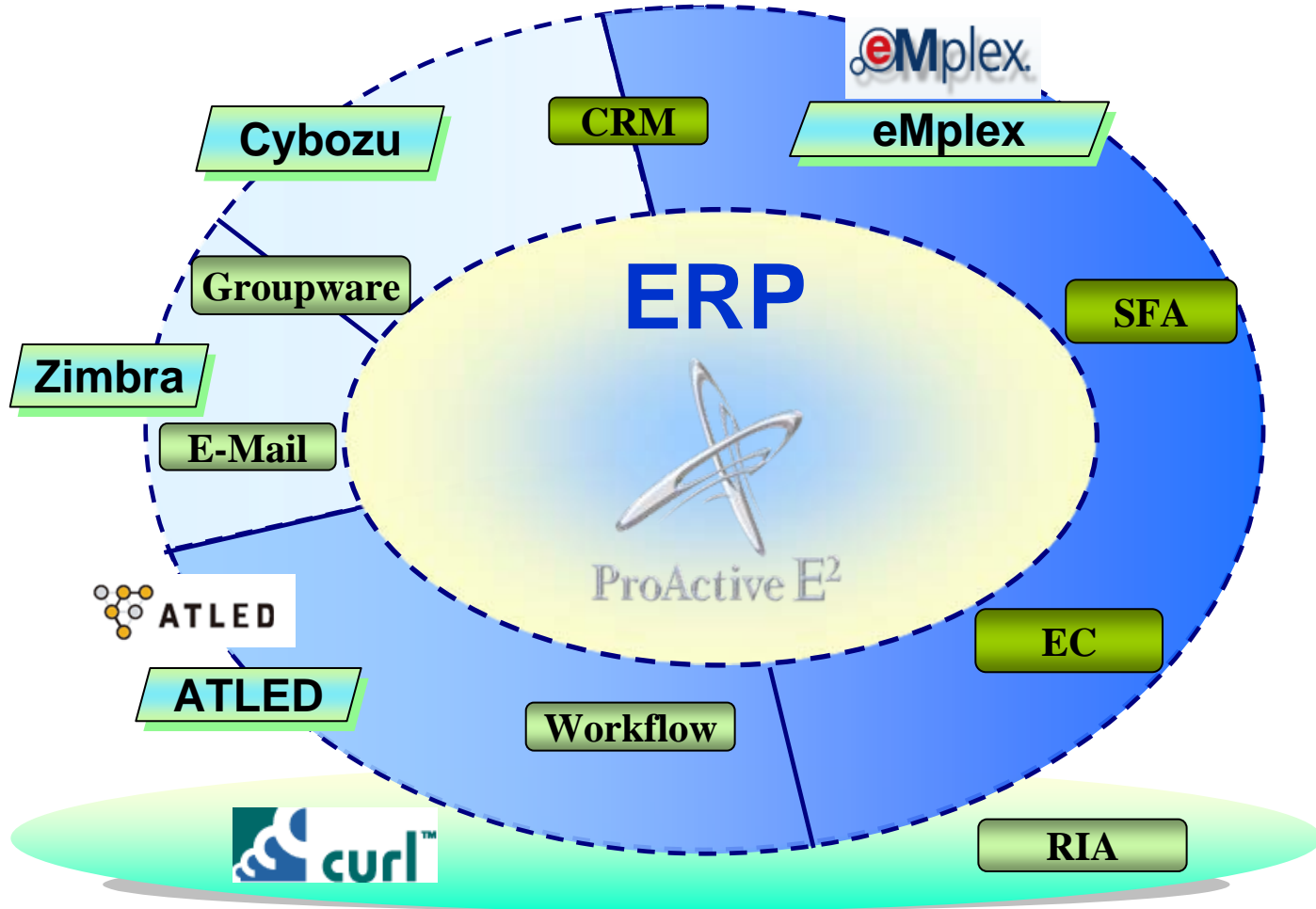


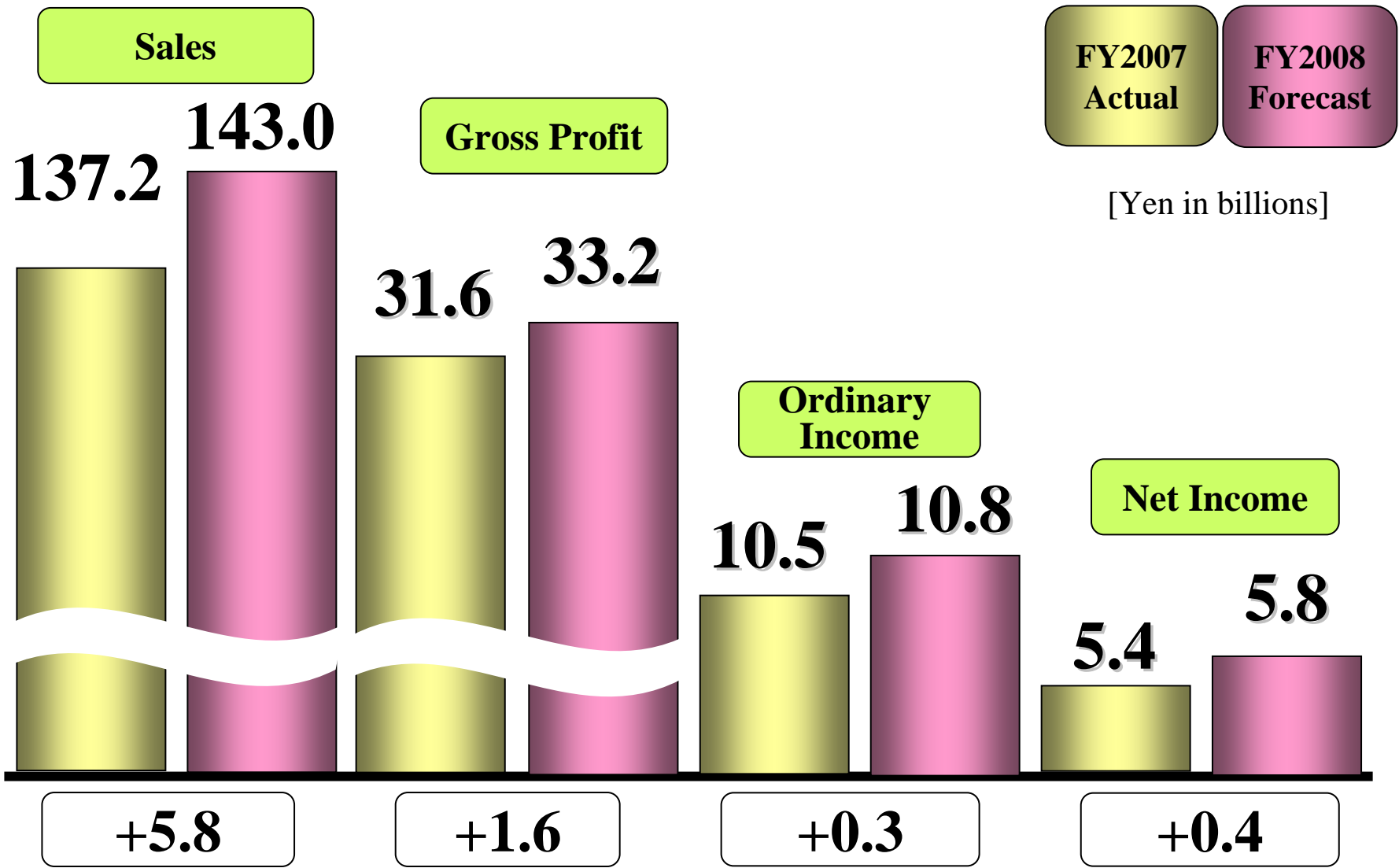
Overseas Offices as of April, 2008

**We are seeking business opportunities in the global market:
in the areas including SAP, platform solutions,
industry solutions for manufacturer / financial institutions.**

Software Vendor Businesses

Focus on ERP related packaged software with proprietary technologies





Results of Operations of FY2008 (Consolidated)



Summary of Results of Operations

[Consolidated]

(Yen in Millions)

	FY2006	FY2007	Increase/Decrease	Rate of Change (%)
Sales	137,344	137,199	△145	△ 0.1%
Gross Profit	30,696	31,593	896	2.9%
SG&A Expenses	22,136	21,283	△ 852	△ 3.9%
Operating Income	8,560	10,309	1,749	20.4%
Ordinary Income	8,892	10,548	1,656	18.6%
Net Income	4,377	5,415	1,037	23.7%



Sales by Solution

[Consolidated]

(Yen in Millions)

	FY2006 (Percentage of Total: %)	FY2007 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Industrial Solutions	71,876 (52.3%)	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%



Sales by Segment

[Consolidated]

(Yen in Millions)

	FY2006 (Percentage of Total: %)	FY2007 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
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%
Package Software and Hardware Sales	54,946 (40.0%)	52,662 (38.4%)	△2,284	△4.2%
Total	137,344 (100.0%)	137,199 (100.0%)	△145	△0.1%

[Orders Accepted] Software Development	49,323	47,460	△1,862	△ 3.8%
[Backlog] Software Development	7,029	5,964	△1,064	△ 15.2%



Sales by Solution/Segment

[Consolidated]

(Yen in Millions)

	Software Development	Information Processing	Package Software and Hardware Sales	Total (Percentage of Total: %)
Industrial Solutions	34,681	18,275	17,668	70,625 (51.5%)
ERP Solutions	11,419	643	3,279	15,341 (11.2%)
Platform Solutions	2,424	17,092	31,715	51,232 (37.3%)
Total (Percentage of Total: %)	48,525 (35.4 %)	36,010 (26.2%)	52,662 (38.4 %)	137,199 (100.0%)



Sales by Sector

[Consolidated]

(Yen in Millions)

	FY2006		FY2007		Increase/Decrease	
	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Rate of Change(%)
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%

*Sales amount of Bank is partially amended in FY 2006.



Sales Analysis

(Yen in Millions)

◆ Sales

△ 100

1H (Apr.-Sep.) **△2,600**

Factors for increase **1,400**

Industrial solutions for manufactures **1,100**

Industrial solutions for financial Institutions **300**

Factors for decrease **△4,000**

Related to business transfer **△600**

Network equipment related businesses **△2,200**

Platform solutions for distributors **△1,000**

Others **△200**

2H (Oct.-Mar.) **2,500**

Factors for increase **5,100**

Industrial solutions for manufacturers **400**

Industrial solutions for financial Institutions **800**

ERP solutions for manufacturers **300**

ERP solutions for distributors **400**

Hardware sales for the government **3,200**

Factors for decrease **△2,600**

Related to business transfer **△1,300**

Network equipment related businesses **△600**

Others **△700**



Gross Profit Analysis

(Yen in Millions)

◆ Gross profit

900

1H (Apr.-Sep.) **Δ40**

Factors for increase **360**

Profitability improvement **270**

Unprofitable projects (Δ240→Δ150) **90**

Factors for decrease **Δ400**

Related to business transfer **Δ240**

Network equipment related businesses **Δ160**

2H (Oct.-Mar.) **940**

Factors for increase **1,660**

Profitability improvement **880**

Unprofitable projects (Δ470→Δ190) **280**

Increase in profit through sales increase **500**

Factors for decrease **Δ720**

Related to business transfer **Δ570**

Network equipment related businesses **Δ150**



SG&A Expenses Analysis

(Yen in Millions)

◆ SG&A Expenses

△850

1H (Apr.-Sep.) △370

Factors for increase 310

Expansion of revenue base (Global business strategies, etc.)	160
Enhancement of human resources (Education expenses, etc.)	80
Expansion of management infrastructure (Enhancement of internal control, etc.)	70

Factors for decrease △680

Related to business transfer	△230
Streamlining of back-office operation	△100
Streamlining of SG&A expenses of operating departments	△100
New stage support program	△250

2H (Oct.-Mar.) △480

Factors for increase 450

Expansion of revenue base (Global business strategies, etc.)	270
Enhancement of human resources (Education expenses, etc.)	70
Expansion of management infrastructure (Enhancement of internal control, etc.)	110

Factors for decrease △930

Related to business transfer	△300
Streamlining of back-office operation	△100
Streamlining of SG&A expenses of operating departments	△300
Others	△230

Forecasts for FY2008 (Consolidated)

SCS Forecasts

[Consolidated]

(Yen in Millions)

	FY2007	FY2008	Increase/Decrease	Rate of Change (%)
Sales	137,199	143,000	5,801	4.2%
Gross Profit	31,593	33,200	1,607	5.1%
SG&A Expenses	21,283	22,700	1,417	6.7%
Operating Income	10,309	10,500	191	1.9%
Ordinary Income	10,548	10,800	252	2.4%
Net Income	5,415	5,800	385	7.1%



Forecast for FY2008 (Sales)

(Yen in Billions)

	FY2007 Actual	FY2008 Forecast	Increase
Sales	137.2	143.0	+5.8
Gross profit	31.6	33.2	+1.6
SG&A Expenses	21.3	22.7	+1.4
Operating income	10.3	10.5	+0.2



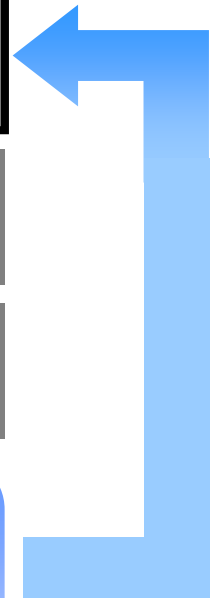
- Promotion of global services + 1.0
- ProActive business + 0.9
- Expansion of IT product distribution businesses + 3.0
- Others + 0.9



Forecast for FY2008 (Gross profit)

(Yen in Billions)

	FY2007 Actual	FY2008 Forecast	Increase
Sales	137.2	143.0	+5.8
Gross profit	31.6	33.2	+1.6
SG&A Expenses	21.3	22.7	+1.4
Operating income	10.3	10.5	+ 0.2



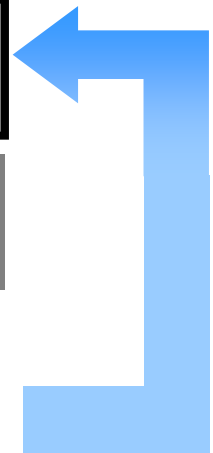
- Promotion of global services + 0.3
- ProActive business + 0.5
- Expansion of product distribution businesses + 0.55
- Improvement of productivity and others + 0.25



Forecast for FY2008 (SG&A Expenses)

(Yen in Billions)

	FY2007 Actual	FY2008 Forecast	Increase
Sales	137.2	143.0	+5.8
Gross profit	31.6	33.2	+1.6
SG&A Expenses	21.3	22.7	+1.4
Operating income	10.3	10.5	+ 0.2



- Promotion of global services + 0.25
- ProActive business + 0.5
- Expansion of product distribution businesses + 0.3
- Improvement of management infrastructure + 0.25
- Others + 0.1

Distribution of Dividends & Purchase of Treasury Stock

➤ Dividends

- Year-end dividend per share
 ¥15 ⇒ ¥16
 (¥31 per share annually)

(Record date)	Dividend per share (yen)		
	Interim	Year-end	Annual
March 2007	13.00	15.00	28.00
March 2008	15.00	16.00	31.00
March 2009 (Forecast)	16.00 (Forecast)	16.00 (Forecast)	32.00 (Forecast)

➤ Purchases of treasury stocks

- Type of purchased stocks Common stock of SCS
- Total number of purchased stocks 1,781,200 stocks
 [Accounting for 3.28% of the total number of stocks issued and outstanding]
- Total purchase price of stocks ¥3,387 million
- Purchase period Jan. 29, 2008 – March 14, 2008

Note: Treasury stocks as of March 31, 2008

Number of shares issued and outstanding (including treasury stocks) 54,291,447 shares

Number of treasury stocks 2,981,726 shares

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.