

Results of Operations and Business Strategies of Six Months of Fiscal Year Ending March 2009

October 29, 2008

Yasuyuki Abe

President & CEO

Sumisho Computer Systems Corporation



住商情報システム株式会社

Sumisho Computer Systems Corporation



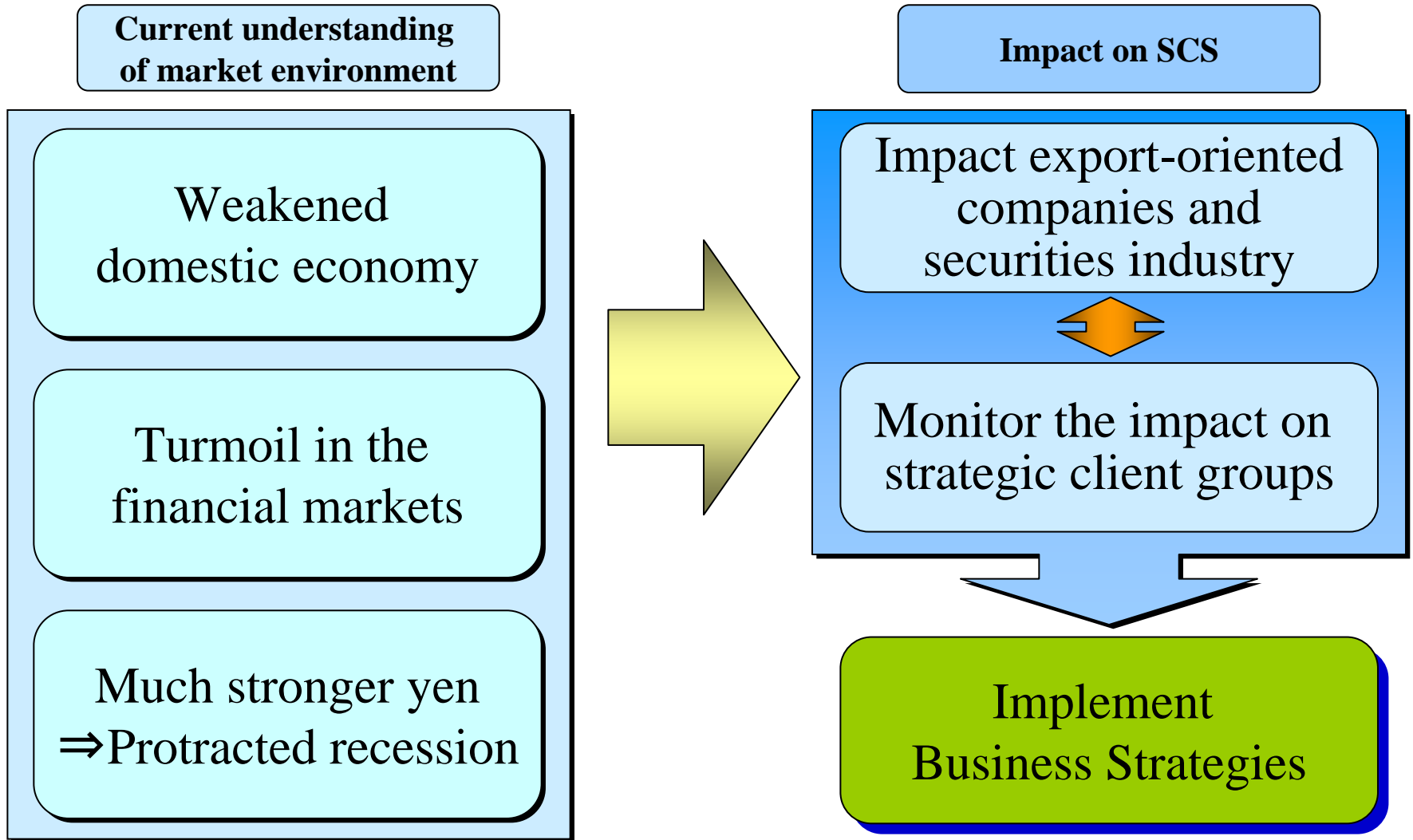
Summary of Results of Operations (Apr.1.2008 to Sep.30.2008)

[Consolidated]

(Yen in Millions)

	Apr.2007-Sep.2007	Apr.2008-Sep.2008	Increase/Decrease	Rate of Change (%)
Sales	61,594	63,469	1,875	3.0%
Operating Income	2,907	2,990	83	2.9%
Ordinary Income	3,078	3,222	143	4.6%
Net Income	1,724	1,654	△69	△4.1%

Understanding of Market Environment and Impact on Results of Operations



In addition to the implementation of Business Strategies for FY2008:

- Focus on software vendor business
 - ↔ Especially, improvement of productivity and profitability
- Business expansion and closer relationships with strategic customers
 - ↔ - Strategic shift of management resources
 - Especially, restructuring of mission-critical systems and R&D-related projects
- Review of various expenses

FY2008

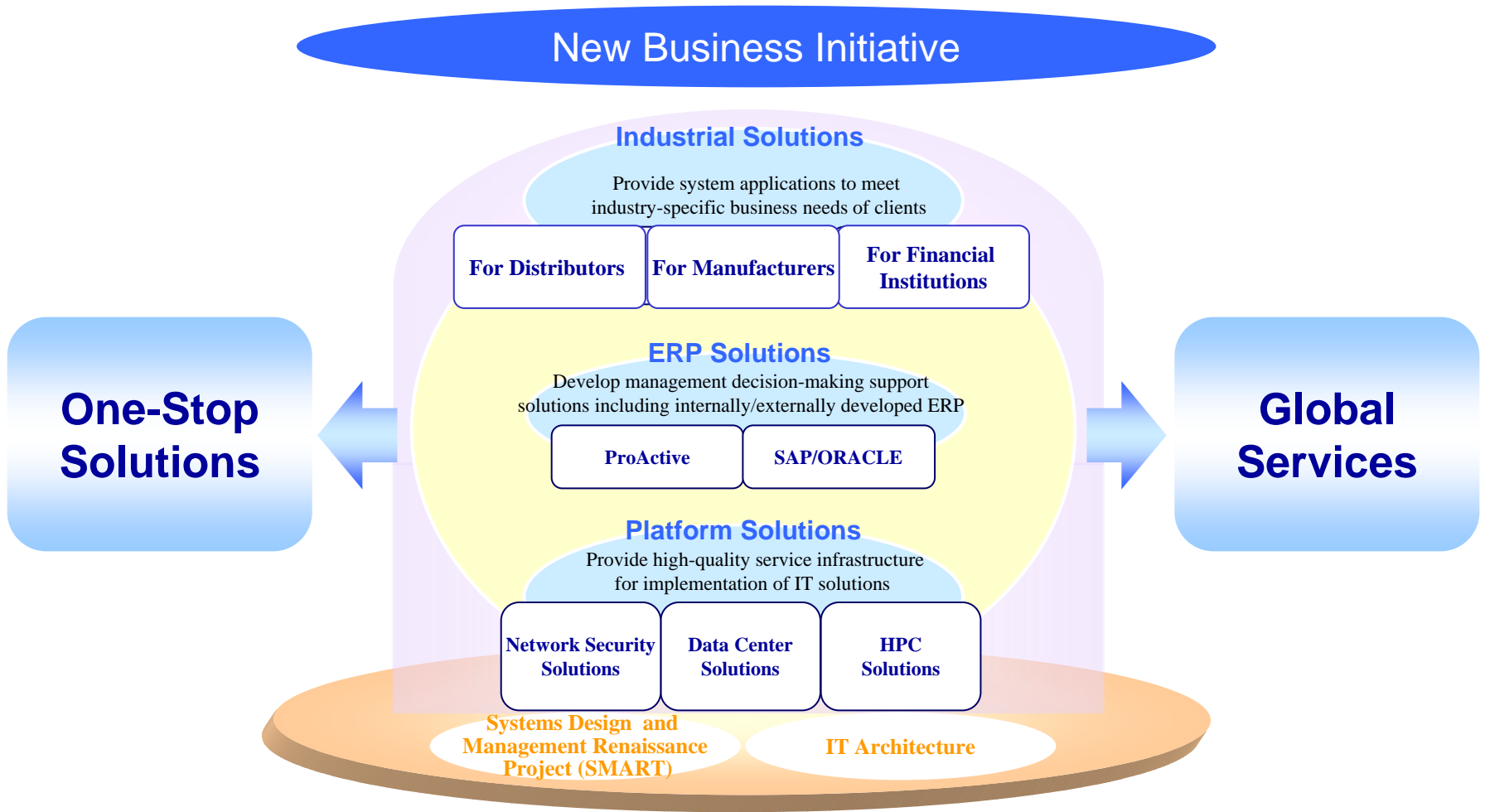
Strengthen Foundation for Growth

- Expand target businesses
- Promote global strategies
- People business as software vendor business
- Strengthen ties with major customers
- Enhance technology base/software development capabilities/quality control
- Expand human capital resource/marketing and technical capabilities

**“SCS-Style
Business”
Strategy**

Further Enhancement of Management Infrastructure
(internal control/compliance/information security system)

Expansion of Target Businesses (1)

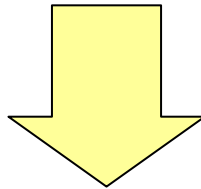


➤ Enhancement of manufacturing solutions business

- Capital/business alliance with ARGO GRAPHICS Inc.

Time of investment: June 2008

Investment ratio: SCS→AG 22.7%



Establishment of Business Alliance Committee
Launch of joint marketing activities



Expansion of Target Businesses (3)

➤ Development/expansion of financial solutions business

- Business transfer from NIWS Group

Target business: Foreign exchange online system business

Time of transfer: August 2008

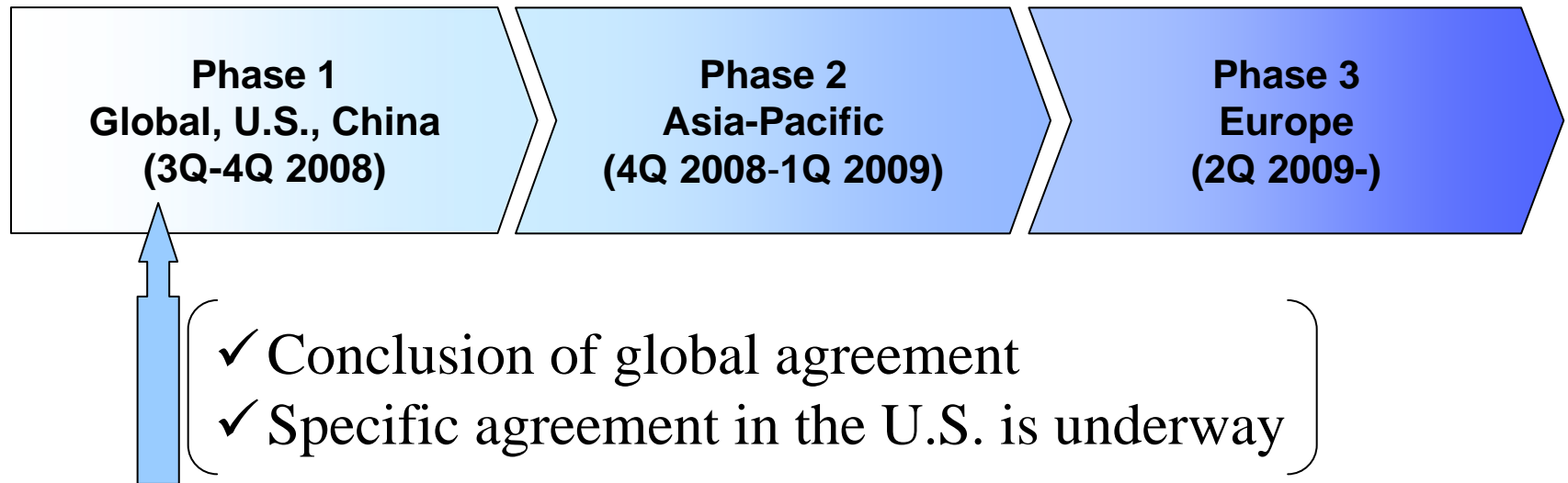
Objectives: (1) Software lineup in finance-related business

(2) Obtainment human resources for financial solutions business

Transferred employees: 40

- Promotion of solutions business for insurance industry

- Enhancement of business alliance with SAP Group
(Execution of Joint Marketing Agreement)
 - Sales target of SAP-related business in overseas areas
⇒ Double in the next three years
 - Business strategy phase plan





Promotion of Global Strategy (2)

➤ Acquisition of SAP consulting company, B4 Consulting, Inc.

[Summary]

Investment ratio: 80%, Time of investment: September 2008

[Objectives]

- (1) Expansion of global business by securing core human resources in the U.S. and Europe
- (2) Expansion of capabilities in SAP business implementation for local companies in the U.S. and Europe
- (3) Strengthening of relationships with SAP



Development of Software Vendor Business

- Active promotion for sales expansion of ProActive E²
 - Good deal pipeline
 - Promotion of partnership strategy (No. of companies with business partnership agreement: 7 to 9)
 - Enhancement of marketing strategy such as promotion & advertisement and holding seminars
 - Expansion of project implementation capabilities
 - ⇒ Capital/business alliance with Daiwa Computer Co., Ltd.
Investment ratio: 8.0%, Time of investment: September 2008



**To be a global IT company, building
on its people and technologies to
create business value**

Results of Operations (Consolidated) of Six Months of Fiscal Year Ending March 2009

October 29, 2008

Nobuhiko Ishizaka

Director of Corporate Administration Section

Sumisho Computer Systems Corporation



住商情報システム株式会社

Sumisho Computer Systems Corporation



Summary of Results of Operations (Apr.1.2008 to Sep.30.2008)

[Consolidated]

(Yen in Millions)

	Apr.2007-Sep.2007	Apr.2008-Sep.2008	Increase/Decrease	Rate of Change (%)
Sales	61,594	63,469	1,875	3.0%
Gross Profit	13,648	14,700	1,051	7.7%
SG&A Expenses	10,741	11,710	968	9.0%
Operating Income	2,907	2,990	83	2.9%
Ordinary Income	3,078	3,222	143	4.6%
Net Income	1,724	1,654	△69	△4.1%



Sales Comparison by Solution (Apr.1.2008 to Sep.30.2008)

[Consolidated]

(Yen in Millions)

	Apr.2007-Sep.2007 (Percentage of Total: %)	Apr.2008-Sep.2008 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Industrial Solutions	33,176 (53.9%)	31,565 (49.7%)	Δ 1,610	Δ 4.9%
ERP Solutions	6,533 (10.6%)	7,711 (12.1%)	1,177	18.0%
Platform Solutions	21,883 (35.5%)	24,192 (38.2%)	2,308	10.6%
Total	61,594 (100.0%)	63,469 (100.0%)	1,875	3.0%



Sales Comparison by Segment (Apr.1.2008 to Sep.30.2008)

[Consolidated]

(Yen in Millions)

	Apr.2007-Sep.2007 (Percentage of Total: %)	Apr.2008-Sep.2008 (Percentage of Total: %)	Increase/Decrease	Rate of Change (%)
Software Development	21,153 (34.3%)	22,378 (35.3%)	1,224	5.8%
Information Processing	17,044 (27.7%)	17,557 (27.7%)	513	3.0%
Package Software and Hardware Sales	23,396 (38.0%)	23,533 (37.1%)	136	0.6%
Total	61,594 (100.0%)	63,469 (100.0%)	1,875	3.0%

[Orders Accepted] Software Development	25,210	27,835	2,624	10.4%
[Backlog] Software Development	11,085	11,421	335	3.0%



Sales by Solution/Segment (Apr.1.2008 to Sep.30.2008)

[Consolidated]

(Yen in Millions)

	Software Development	Information Processing	Package Software and Hardware Sales	Total (Percentage of Total: %)
Industrial Solutions	16,099	8,914	6,551	31,565 (49.7%)
ERP Solutions	5,147	461	2,102	7,711 (12.1%)
Platform Solutions	1,131	8,182	14,879	24,192 (38.2%)
Total (Percentage of Total: %)	22,378 (35.3%)	17,557 (27.7%)	23,533 (37.1%)	63,469 (100.0%)



Sales Comparison by Sector (Apr.1.2008 to Sep.30.2008)

[Consolidated]

(Yen in Millions)

	Apr.2007-Sep.2007		Apr.2008-Sep.2008		Increase/Decrease	
	Amount	Percentage of Total (%)	Amount	Percentage of Total (%)	Amount	Rate of Change (%)
Manufacturing	18,062	29.3%	18,669	29.4%	606	3.4%
Distribution	12,578	20.4%	13,776	21.7%	1,198	9.5%
Finance	7,766	12.6%	8,468	13.3%	702	9.0%
Banks	2,623	4.3%	3,040	4.8%	417	15.9%
Securities	2,532	4.1%	1,910	3.0%	△621	△24.6%
Credit / Leasing	1,180	1.9%	1,424	2.2%	243	20.6%
Insurance	1,429	2.3%	2,092	3.3%	663	46.4%
Communications/ Transportation	10,019	16.3%	9,361	14.7%	△657	△6.6%
Electric Power / Gas	808	1.3%	743	1.2%	△64	△8.0%
Services/Others	12,359	20.1%	12,449	19.6%	89	0.7%
Total	61,594	100.0%	63,469	100.0%	1,875	3.0%

*Sales amount by sector in FY2007 was partially revised.



Sales Analysis

(Year-on-year, Main factors for increase and decrease, Apr.-Sep.)

(Yen in Millions)

◆ Sales

1,900

Factors for increase

4,200

ERP solutions	Related to software vendor business	700
Platform solutions	HPC large project	1,500
	Related to product distribution	1,500

Increase on a consolidated basis due to business restructuring of subsidiaries

500

Factors for decrease

△2,300

Industrial solutions	Large project of server integration	△ 700
	Server sales, etc.	△ 1,400
Others		△ 100

Related to business transfer

△ 100



Gross Profit Analysis

(Year-on-year, Main factors for increase and decrease, Apr.-Sep.)

(Yen in Millions)

◆ Gross profit	1,050
----------------	-------

Factors for increase	1,170
----------------------	-------

Unprofitable projects ($\Delta 150 \rightarrow \Delta 70$)	80
--	----

ERP solutions	Related to software vendor business	450
---------------	-------------------------------------	-----

Platform solutions	Related to product distribution	210
--------------------	---------------------------------	-----

Others		200
--------	--	-----

Increase on a consolidated basis due to business restructuring of subsidiaries	230
--	-----

Factors for decrease	$\Delta 120$
----------------------	--------------

Industrial solutions	Server sales, etc.	$\Delta 110$
----------------------	--------------------	--------------

Related to business transfer	$\Delta 10$
------------------------------	-------------



SG&A Expenses Analysis

(Year-on-year, Main factors for increase and decrease, Apr.-Sep.)

(Yen in Millions)

◆ SG&A expenses	970
-----------------	-----

Factors for increase	1,050
----------------------	-------

Global business strategy	200
--------------------------	-----

Related to software vendor business	570
-------------------------------------	-----

Expansion of product distribution business	80
--	----

Enhancement of management infrastructure	40
--	----

Others	130
--------	-----

Related to business transfer	30
------------------------------	----

Factors for decrease	△80
----------------------	-----

Related to business transfer	△80
------------------------------	-----



Comparison with Initial Forecast (Apr.1.2008 to Sep.30.2008)

[Consolidated]

(Yen in Millions)

	Apr.2008-Sep.2008 Initial Forecast	Apr.2008-Sep.2008 Actual	Increase/Decrease	Rate of Change (%)
Sales	65,000	63,469	△1,531	△2.4%
Gross Profit	14,300	14,700	400	2.8%
SG&A Expenses	11,100	11,710	610	5.5%
Operating Income	3,200	2,990	△210	△6.6%
Ordinary Income	3,400	3,222	△178	△5.2%
Net Income	1,700	1,654	△46	△2.7%



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:	2,000,000 shares (maximum) [3.9% of total shares issued (excluding treasury stock)]
Total purchase price of shares:	3,500 million yen (maximum)
Purchase period:	October 29, 2008 - December 15, 2008

(Reference) Treasury stock holding as of September 30, 2008

Total number of shares issued (excluding treasury stock):	51,308,787 shares
Number of shares of treasury stock:	2,982,660 shares



[Reference] Press Release from Jul.2008 to Oct.2008 (1)

ProActive	08.07.07	Started to provide implementation solutions to start full-scale operations in a short time at low cost
	08.07.16	Started to provide “Add-on Development Kit” to improve development productivity
	08.09.09	Capital/business alliance with Daiwa Computer Co., Ltd.
	08.09.24	Kintetsu Real Estate adopted “ProActiveE2” and “ASTERIA WARP” to maximize the effect of ERP implementation
ERP	08.07.15	Agreed on enhancement and promotion of strategic cooperation with SAP Japan in overseas projects
	08.09.02	Acquisition of SAP consulting company, B4 Consulting, Inc.
Financial	08.07.01	Started the sale of Safe Watch Profiling of SIDE International
	08.07.25	Conclusion of business transfer agreement of ORFE international accounting online system
	08.08.07	Started the sale of packaged products of Wall Street Systems



[Reference] Press Release from Jul.2008 to Oct.2008 (2)

Security	08.08.28	Started the sale of McAfee Spam Filter Quick Pack
Curl	08.07.04	University of Hawaii at Manoa started a research project using Curl
	08.07.16	Public release of data-collaboration kit to support offline applications
	08.08.15	Public announcement of Curl Eclipse Plug-in
	08.09.10	Opened the application positing site “Curl Apps Gallery”
	08.09.16	Started to provide 3D application “Curl 3D Gallery”
	08.09.25	Provided UI design component for RIA as open source
	08.09.30	Release of the latest Curl Version 7.0 (Nitro) Beta 2
Others	08.09.26	Notice of change of address of stock transfer agent’s handling office

Your continued support
will be greatly appreciated.