

Consolidated Results of Operation

3rd Quarter of Fiscal Year Ending March 2011

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Sumisho Computer Systems Corporation



Summary of Results (First Three Quarters)

[Consolidated Results]

(Million yen)

	Apr. 2009 – Dec. 2009	Apr. 2010 – Dec. 2010	Increase/Decrease	
			Amount	Change (%)
Sales	91,182	93,589	2,406	2.6%
Gross Profit	20,618	20,141	Δ476	Δ2.3%
SG&A Expenses	17,432	16,540	Δ892	Δ5.1%
Operating Income	3,185	3,601	416	13.1%
Ordinary Income	3,939	3,798	Δ141	Δ3.6%
Net Income	1,731	2,170	438	25.3%



Sales Comparison by Solution (First Three Quarters)

[Consolidated Results]

(Million yen)

	Apr. 2009 – Dec. 2009 (composition)	Apr. 2010 – Dec. 2010 (composition)	Increase/Decrease	
			Amount	Change (%)
Industrial Solutions	42,850 (47.0%)	48,195 (51.5%)	5,345	12.5%
ERP Solutions	11,650 (12.8%)	10,044 (10.7%)	Δ1,605	Δ13.8%
Platform Solutions	36,681 (40.2%)	35,349 (37.8%)	Δ1,332	Δ3.6%
Total	91,182 (100.0%)	93,589 (100.0%)	2,406	2.6%



Sales Comparison by Segment (First Three Quarters)

[Consolidated Results]

(Million yen)

	Apr. 2009 – Dec. 2009 (composition)	Apr. 2010 – Dec. 2010 (composition)	Increase/Decrease	
			Amount	Change (%)
Software Development	32,420 (35.6%)	32,169 (34.4%)	Δ250	Δ0.8%
Information Processing	26,662 (29.2%)	27,149 (29.0%)	486	1.8%
Packaged Software/ Hardware Sales	32,098 (35.2%)	34,269 (36.6%)	2,171	6.8%
Total	91,182 (100.0%)	93,589 (100.0%)	2,406	2.6%

[Incoming Orders] Software Development	35,508	34,042	Δ1,466	Δ4.1%
[Backlog] Software Development	10,118	10,119	1	0.0%



Sales Comparison by Segment (Third Quarter)

[Consolidated Results]

(Million yen)

	Oct. 2009 – Dec. 2009 (composition)	Oct. 2010 – Dec. 2010 (composition)	Increase/Decrease	
			Amount	Change (%)
Software Development	9,845 (33.1%)	11,026 (35.6%)	1,181	12.0%
Information Processing	8,926 (30.0%)	9,099 (29.4%)	173	1.9%
Packaged Software/ Hardware Sales	10,967 (36.9%)	10,844 (35.0%)	Δ123	Δ1.1%
Total	29,739 (100.0%)	30,971 (100.0%)	1,231	4.1%

[Incoming Orders] Software Development	9,644	10,866	1,222	12.7%
[Backlog] Software Development	10,118	10,119	1	0.0%



Sales Comparison by Solution/Segment

(First Three Quarters)

[Consolidated Results]

(Million yen)

Apr. 2010 - Dec. 2010	Software Development	Information Processing	Packaged Software/ Hardware Sales	Total
Industrial Solutions	23,281	13,264	11,650	48,195
ERP Solutions	7,270	531	2,242	10,044
Platform Solutions	1,618	13,353	20,377	35,349
Total	32,169	27,149	34,269	93,589

Apr. 2009 - Dec. 2009	Software Development	Information Processing	Packaged Software/ Hardware Sales	Total
Industrial Solutions	22,055	12,538	8,256	42,850
ERP Solutions	8,356	450	2,842	11,650
Platform Solutions	2,008	13,674	20,999	36,681
Total	32,420	26,662	32,098	91,182

Difference	Software Development	Information Processing	Packaged Software/ Hardware Sales	Total
Industrial Solutions	1,225	726	3,393	5,345
ERP Solutions	Δ1,086	81	Δ600	Δ1,605
Platform Solutions	Δ389	Δ321	Δ621	Δ1,332
Total	Δ250	486	2,171	2,406



Sales Comparison by Sector (First Three Quarters)

[Consolidated Results]

(Million yen)

		Apr. 2009 -Dec. 2009		Apr. 2010 - Dec. 2010		Increase/Decrease	
		Amount	Composition	Amount	Composition	Amount	Change
Manufacturers		25,300	27.7%	21,883	23.4%	Δ3,417	Δ13.5%
Distributors		22,571	24.8%	23,350	25.0%	778	3.5%
Financial Institutions		11,572	12.7%	13,145	14.0%	1,573	13.6%
	Banks	4,967	5.4%	4,749	5.1%	Δ218	Δ4.4%
	Securities Firms	1,794	2.0%	1,307	1.4%	Δ486	Δ27.1%
	Shopping Credit/ Leasing Companies	1,537	1.7%	3,532	3.8%	1,995	129.8%
	Insurance Companies	3,273	3.6%	3,555	3.8%	281	8.6%
Communications/ Transportation		13,835	15.2%	14,556	15.6%	720	5.2%
Utilities		1,591	1.7%	1,342	1.4%	Δ248	Δ15.6%
Services/Others		16,311	17.9%	19,311	20.6%	3,000	18.4%
Total		91,182	100.0%	93,589	100.0%	2,406	2.6%

* We made a partial amendment in previously disclosed data.



Sales Analysis

Details of increase and decrease from April to December (year-on-year)

		(Million yen)
Sales		+2,400
Details of increase		+8,500
➤ Industrial Solutions for		
▪ Distributors		+1,600
▪ Financial institutions		+2,300
▪ Communications		+1,600
➤ Service industry, academic institutions and governmental agencies		+3,000
Details of decrease		Δ6,100
➤ Manufacturers		Δ3,400
➤ Platform Solutions for		
▪ Distributors		Δ1,300
➤ FY2009 disposal/withdrawal from investments in unprofitable businesses		Δ800
➤ Others		Δ600

*Increase and decrease by solution



Gross Profit Analysis

Details of increase and decrease from April to December (year-on-year)

		(Million yen)
Gross Profit		Δ470
Details of increase		+1,330
➤ Industrial Solutions for		
▪ Distributors		+120
▪ Financial institutions		+440
▪ Communications		+430
➤ Platform Solutions for		
▪ Distributors		+230
➤ Service industry, academic institutions and governmental agencies		+110
Details of decrease		Δ1,800
➤ Manufacturers		Δ1,310
➤ FY2009 disposal/withdrawal from investments in unprofitable businesses		Δ230
➤ Others		Δ260

*Increase and decrease by solution



SG&A Expenses Analysis

Details of increase and decrease from April to December (year-on-year)

(Million yen)

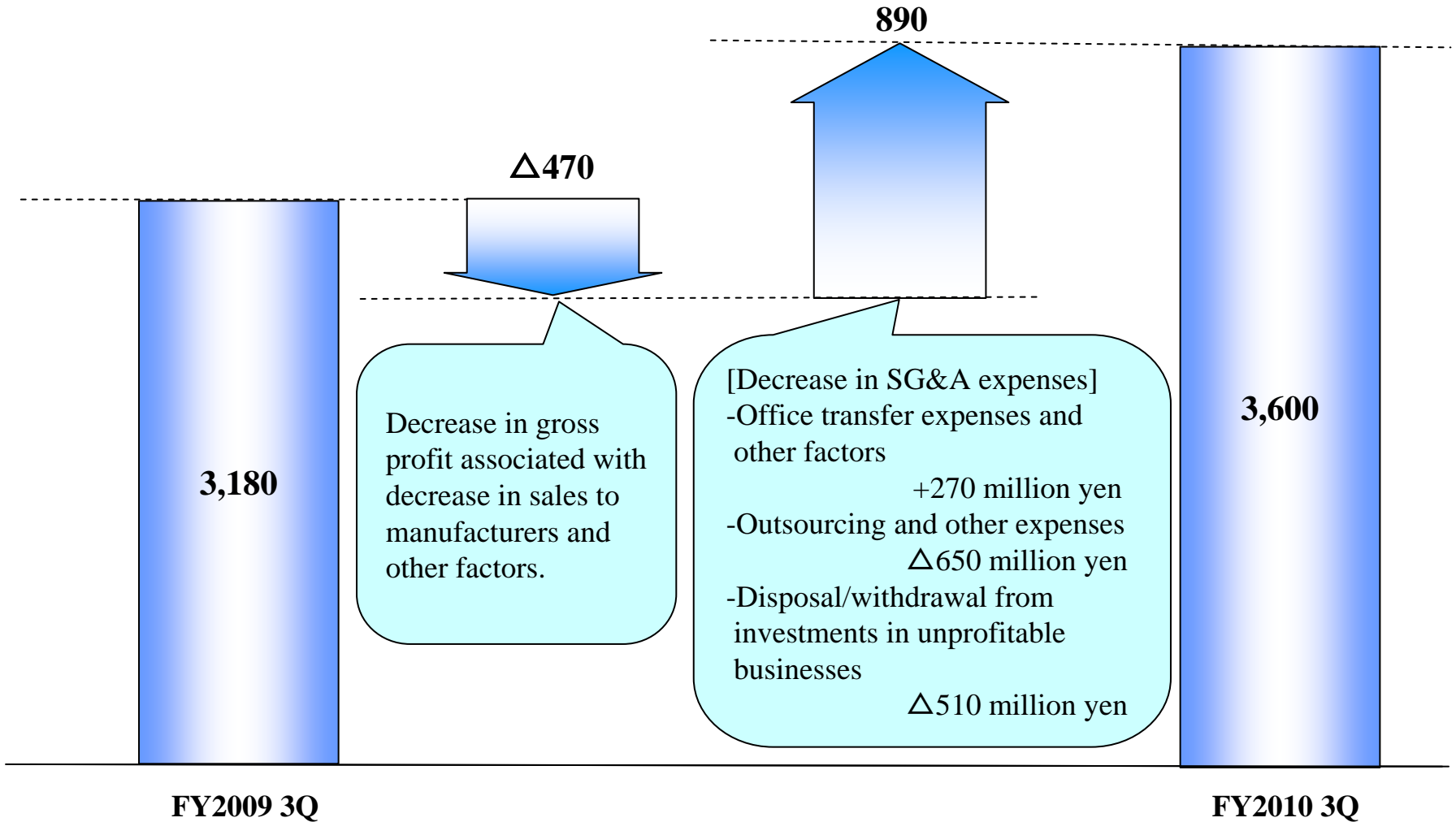
SG&A Expenses	Δ890
Details of increase	+270
<ul style="list-style-type: none">➤ Office transfer expenses➤ Others	<ul style="list-style-type: none">+140+130
Details of decrease	Δ1,160
<ul style="list-style-type: none">➤ Expenses related to our own ERP systems➤ Outsourcing expenses and R&D expenses➤ FY2009 disposal/withdrawal from investments in unprofitable businesses	<ul style="list-style-type: none">Δ 90Δ 560Δ 510



Operating Income Analysis

Details of increase and decrease from April to December (year-on-year)

(Million yen)



Overview of the Operating Environment

Business Environment

➤ General trends:

Economic recovery continuing from the beginning of the fiscal year appear to be pausing. The business outlook is supported by firm growth of emerging economics, including China, and by solid personal consumption in Japan, despite uncertainties.

➤ IT industry:

Investments in the renewal of IT products (hardware and software) remain stable. However, a cautious stance on budget use is observed at some clients.

Client companies are still cautious about investing in software development.

Quite a few client companies are stepping up consideration of a resumption of investment.

Impact on SCS



- The increasing pace of the IT product distribution business shows some signs of calming.
- Orders for software development investments show signs of recovery. The deal flow, including negotiations of major projects for the new fiscal year, also remains strong.
- The trend of prolonging the consideration period for overall IT investment continue throughout the fiscal year.



Business Trends by Reported Segment

Distribution & Manufacturing System Solution Business

- In the software development business, the deal flow remains strong and orders are also gaining upward momentum as willingness to invest in IT is increasing, although the consideration period for IT investment is prolonged in an uncertain business environment.
- In the IT product distribution business, automakers are investing in the field of R&D, including simulation. Investments in the renewal of IT products remain strong, but some companies have a cautious stance on investment within the fiscal year.

Financial System & ERP Solution Business

- [Finance]
- Businesses for all sectors remain strong, except for securities firms.
 - IT investment associated with mergers/reorganizations is picking up.
 - For banks, inquiries from regional banks are increasing.
- [ERP]
- Although deals are built up to a certain level, trends such as the downsizing of projects and the prolonged consideration period for those deals continue.
 - Although some large companies are adopting IFRS early, the actual launch of IFRS projects is expected to take place in earnest from the next fiscal year. Projects that set the handling of IFRS as a precondition for adoption are increasing.

Global Solution Business

- With respect to business for overseas offices of Japanese companies, we are seeking to expand our business and bolstering local support, especially in Asia.

IT Platform Solution

- Investments in the renewal of IT products are stable in a wide range of areas to develop IT (network and security) structure. In particular, businesses for academic institutions, including the field of HPC remained strong. On the other hand, some clients have a cautious stance on investment, reflecting the uncertain business environment.
- The deal flow is increasing as services and products are diversifying in businesses related to cloud-computing and virtualization.

SCS External Sales & Operating Income by Reported Segment based on Management Approach

			(Million yen)
Solutions	Reported Segment	Description	2010/4-2010/12 External sales Operating income
Industrial Solutions	Distribution & Manufacturing System Solution Business	Provides IT services that meet the industry-specific system needs mainly for distributors and manufacturers.	25,554
			846
ERP Solutions	Financial System & ERP Solution Business	Provides IT services that meet the system needs that are specific to financial institutions and provides clients with IT services on ERP systems including “ProActive”, the Company’s proprietary ERP packaged software and other ERP packaged software.	18,703
			216
Platform Solutions	Global Solution Business	Provides IT services that leverage our overseas network to our global clients, including Sumitomo Corporation Group, that expand their operations worldwide.	9,894
			1,086
Platform Solutions	IT Platform Solution Business	Provides IT platform development & operation services, from the design, development and maintenance of clients’ IT infrastructure operations using data centers.	34,734
			1,975
Platform Solutions	Others	Provides IT services to our clients through our branch offices in Japan and other services.	4,701
			△119
Overall Company			93,589
			3,601

*Reported Segments are based on the revised Accounting standards on disclosure of segment information.

*Total operating income by new segment of 3,601 million yen includes unallocated general corporate expenses of △403 million yen.

Your continued support and
encouragement will be
highly appreciated.



(For Reference)

Press Releases from Oct. 2010 to Jan. 2011 (1)

ProActive	October 26, 2010	Begins full operation of ProActive E ² as a business operation system common to 11 group companies of VIA Holdings Inc.
	November 1, 2010	Begins providing the latest version of ProActive E ² , an ERP package that pursues the handling of IFRS convergence and the improvement of customer convenience
	December 15, 2010	Begins full operation of ProActive E ² , an ERP package, as an accounting system common to 7 group companies of the Green Stamp Group
Cloud Computing	October 18, 2010	Enters into an alliance with FalconStor Japan Co., Ltd. in the field of business continuity planning of virtualization and cloud-computing
	November 11, 2010	Begins providing Zeus Load Balancer, a software load balancer of Zeus Technology, on the TIS cloud base
	December 14, 2010	Commencement of a cloud installation service using GALAXY of NTT Docomo and Google Apps
Curl	January 26, 2011	Begins providing the latest version of Curl Development tools for Eclipse, a Curl development environment



(For Reference)

Press Releases from Oct. 2010 to Jan. 2011 (2)

Network	December 9, 2010	Introduces the PureFlow® GS1 Series, a highly accurate bandwidth control system, to a mission-critical network system of Mizuho Bank, Ltd.
	December 10, 2010	Jointly builds a network within Miyazaki Prefectural Nursing University
	December 10, 2010	Begins selling NIKSUN Portable, a new portable high-capacity capture/network analyzer
Security	December 13, 2010	Enters into a distribution agreement for the PA Series, a next-generation firewall of Palo Alto Networks, Inc.
Services	November 1, 2010	Begins providing SCS SAM plus, a software asset management service that supports the prevention of the unauthorized use of licenses
	November 9, 2010	Begins providing atWill Template, a template that supports the construction of production management systems
Others	October 18, 2010	Conducts an anti-smoking campaign for better health