

# Business Performance for 3<sup>rd</sup> Quarter FY2005 (FY ending March 2006) (Consolidated Report)



February 8, 2006

Company Name **Net One Systems Co., Ltd.**  
(Stock code Number: 7518 Tokyo Stock Exchange)

(URL <http://www.netone.co.jp>)

Representative Title President & CEO Osamu Sawada  
Inquiries Title Director, Tadashi Arima Tel: (03) 5462-0800  
Manager of Operation Department

## 1. Matters related to preparation of Business Performance for 3Q of FY2005

Usage of simplified method for accounting standard : Yes  
(Details) Accounting standard of corporation tax: calculated using annual forecast tax rate based on statutory effective tax rate  
Disparity between accounting procedures of FY ended Mar. 2005 and current quarter : None  
Change in scope of consolidation and equity method : Yes  
(Details) Consolidation: (Increase) -, (Decrease) 2  
Equity method: (Increase) -, (Decrease) -

## 2. Results of FY2005 3Q ( April 1, 2005 to December 31, 2005 )

### (1) Financial Status (unit: rounded down to the nearest million yen)

	Sales		Operating Profit		Ordinary Profit	
	Million yen	%	Million yen	%	Million yen	%
Quarter ended December 31, 2005	71,447	(-19.9)	5,191	(-20.8)	5,259	(-19.5)
Quarter ended December 31, 2004	89,201	(11.6)	6,556	(34.9)	6,530	(34.2)
(Reference) Year ended Mar. 2005	134,739		10,687		10,648	

	Quarterly Net Income		Net Income per share		Net Income per share (assuming full dilution)	
	Million yen	%	Yen	Sen	Yen	Sen
Quarter ended December 31, 2005	3,109	(-12.7)	5,636	49	_____	_____
Quarter ended December 31, 2004	3,561	(30.8)	6,456	47	_____	_____
(Reference) Year ended Mar. 2005	6,214		11,183	12	_____	_____

(Note) Percentage: increase/decrease against previous FY 3Q on sales, operating profit, etc.

(2) Changes in financial position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to total assets	Shareholders' Equity per share
Quarter ended December 31, 2005	Million yen 75,014	Million yen 60,099	% 80.1	Yen Sen 108,937 18
Quarter ended December 31, 2004	73,957	55,346	74.8	100,321 50
(Reference) Year ended Mar. 2005	80,822	57,999	71.8	105,049 57

(3) Cash Flow

	Net cash provided by operating activities	Net cash used in investing activities	Net cash provided by financing activities	Cash and cash equivalents at end of the quarter (FY)
Quarter ended December 31, 2005	Million Yen 8,396	Million Yen - 1,913	Million Yen - 944	Million Yen 25,968
Quarter ended December 31, 2004	11,425	- 1,603	- 273	13,209
(Reference) Year ended Mar. 2005	18,714	- 1,708	- 238	20,429

3. Consolidated Forecast for the FY2005 ( April 1, 2005 to March 31, 2006 )

	Sales	Ordinary Profit	Current Net Income
Fiscal Year	Million yen 117,000	Million yen 10,000	Million yen 5,900

(Reference) Forecast net income per share for FY 10,694.45 Yen

(Note) There are no changes to FY ending March 2006 forecast announced in the interim financial report dated November 8, 2005.

## Operating Results (Consolidated)

During this FY 3Q, there was an increasing trend in business opportunities from large scale non-governmental enterprises. Such business opportunities included creations of networks linked to applications and the demand for capital investment focused on electrical equipment and transportation equipment is gradually on the rise. In public sector, although the Company was affected by cost reduction measures, facility investments for research institutions as well as business opportunities for selective local governments are becoming active. On the other hand, telecom companies are closely monitoring the next generation network web trends and IP facility investments remained inactive.

Under this environment, current third quarter (April 1, 2005 to December 31, 2005) business performance for orders accepted was 78,628M yen (21.4% decrease from previous FY 3Q,) sales was 71,447M yen (19.9% decrease from previous FY 3Q) and end of the term backlog of unfilled orders was 36,196M yen(25.0% decrease from previous FY 3Q.) For sales based on Product Category, Network Integration Products and Network Computing Products (NI and NC) accounted for 49,051M yen (21.2% decrease from previous FY, 3Q,) Media Integration (MI) accounted for 4,659M yen (56.5% decrease from previous FY, 3Q) and Service Integration (SI) accounted for 17,736M yen (8.9% increase from previous FY 3Q.) With regard to profit, although the gross profit margin increased (current FY 3Q was 24.3% and previous FY 3Q was 19.5% indicating 4.8% increase,) due to the increase in selling, general and administrative expense, operating profit was 5,191M yen (20.8% decrease from previous FY 3Q) and ordinary profit was 5,259M yen (19.5% decrease from previous FY 3Q.) Current net income was 3,109M yen (12.7% decrease from previous FY 3Q.)

## Changes in Financial Status (Consolidated)

With regard to current FY 3Q assets, there was an increase of 1,057M yen in comparison to the previous FY 3Q, and ended at 75,014M yen. Significant attributable factors included 12,759M yen increase in cash and deposits and marketable securities (negotiable deposits and commercial paper) from increase in recovery of account receivables, 9,561M yen decrease in note receivables and account receivables, and 2,532M yen decrease in inventories.

With regard to liabilities, due mainly to 4,399M yen decrease in account payable, total liabilities decreased by 3,991M yen and ended at 14,172M yen.

With regard to shareholders' equity, due mainly to 4,749M yen increase in earned surplus, total shareholders' equity increased by 4,753M yen and ended at 60,099M yen.

Current quarter's cash flow from operating activities decreased by 3,028M yen compared to previous FY 3Q and there was an 8,396M yen income. Significant attributable factors for this included 5,404M yen increase in payment of purchase liabilities, and 3,138M yen increase in income from recovery of account receivables. For cash flow based on investing activities, expenditure increased by 309M yen, and there was an 1,913M yen expenditure. For cash flow based on financing activities, relative to increase in payments resulting from stock split and provision of interim period dividends, there was an 670M yen increase in expenditure and there was an 944M yen expenditure.

## Consolidated FY2004 Forecasts

While demand for facility investment by large scale non-governmental enterprise market is expected to grown relative to factors as recreations and enhancements of networks, telecom companies' facility investment is expected to continue weak. On the other hand, although intense competition continues in public sector, there are signs of recovery for selective local governments.

Under this environment, with regard to consolidated business performance forecast for FY ending 2006 (April 1, 2005 to March 31, 2006) expected sales, ordinary profit and current net income are 117,000M yen, 10,000M yen and 5,900M yen respectively.

(Note) The above business forecast is based on conditions our company currently determines to be reasonable and may vary significantly from the actual business results. Factors that may significantly affect the actual business results include, but are not limited to 1) changes in economic conditions and market demand surrounding our

company, and 2) sharp fluctuation in currency exchange rate.

# Consolidated Financial Statements

## (1) Consolidated Balance Sheets

(unit: rounded down to the nearest million yen)

	End of Current FY 3Q (as of Dec. 31, 2005)		End of Previous FY 3Q (as of Dec. 31, 2004)		Variance		End of Previous FY Edited Balance Sheet (as of Mar. 31, 2005)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
<b>ASSETS</b>		%		%		%		%
<b>Current Assets</b>	<b>64,763</b>	<b>86.3</b>	<b>63,919</b>	<b>86.4</b>	<b>844</b>	<b>1.3</b>	<b>70,202</b>	<b>86.9</b>
Cash and Deposits	17,468		9,209		8,259	89.7	13,429	
Note Receivables and Account Receivables	24,336		33,898		- 9,561	- 28.2	37,073	
Securities	8,499		4,000		4,499	112.5	6,999	
Inventories	12,534		15,066		- 2,532	- 16.8	11,303	
Deferred Income Taxes	528		395		132	33.6	472	
Others	1,471		1,441		30	2.1	1,023	
Allowance for Doubtful Receivables	- 75		- 91		16	- 17.8	- 100	
<b>Fixed Assets</b>	<b>10,251</b>	<b>13.7</b>	<b>10,038</b>	<b>13.6</b>	<b>212</b>	<b>2.1</b>	<b>10,619</b>	<b>13.1</b>
<b>1. Tangible Fixed Assets</b>	<b>4,905</b>	<b>6.6</b>	<b>4,662</b>	<b>6.3</b>	<b>242</b>	<b>5.2</b>	<b>5,254</b>	<b>6.5</b>
Tools, Fixtures and Equipment	4,504		4,209		294	7.0	4,822	
Others	401		453		- 51	- 11.4	432	
<b>2. Intangible Fixed Assets</b>	<b>1,670</b>	<b>2.2</b>	<b>1,676</b>	<b>2.3</b>	<b>- 6</b>	<b>- 0.4</b>	<b>1,818</b>	<b>2.2</b>
Consolidation Adjustments Account	17		-		17	-	21	
Others	1,652		1,676		- 23	- 1.4	1,797	
<b>3. Investments and Other Assets</b>	<b>3,675</b>	<b>4.9</b>	<b>3,699</b>	<b>5.0</b>	<b>- 24</b>	<b>- 0.7</b>	<b>3,546</b>	<b>4.4</b>
Investment Securities	358		605		- 247	- 40.8	334	
Deferred Income Tax	2,197		2,096		101	4.8	2,147	
Others	1,351		1,231		120	9.8	1,299	
Allowance for Doubtful Receivables	- 233		- 233		0	- 0.4	- 234	
<b>Total Assets</b>	<b>75,014</b>	<b>100.0</b>	<b>73,957</b>	<b>100.0</b>	<b>1,057</b>	<b>1.4</b>	<b>80,822</b>	<b>100.0</b>
<b>LIABILITIES</b>								
<b>Current Liabilities</b>	<b>13,958</b>	<b>18.6</b>	<b>17,834</b>	<b>24.1</b>	<b>- 3,876</b>	<b>- 21.7</b>	<b>22,099</b>	<b>27.3</b>
Account Payable	8,559		12,959		- 4,399	- 33.9	14,795	
Short Term Debt	350		350		-	-	350	
Miscellaneous Account	719		454		264	58.1	1,032	
Accrued Corporation Tax	39		346		- 307	- 88.7	1,995	
Allowance for Bonuses	385		320		65	20.4	494	
Others	3,904		3,403		501	14.7	3,431	
<b>Fixed Liabilities</b>	<b>213</b>	<b>0.3</b>	<b>329</b>	<b>0.5</b>	<b>- 115</b>	<b>- 35.1</b>	<b>210</b>	<b>0.3</b>
Long Term Miscellaneous Account	202		170		32	18.8	202	
Allowance for Retirement Benefits	-		120		- 120	- 100.0	-	
Allowance for Bonus for Retiring Directors	-		27		- 27	- 100.0	-	
Consolidation Adjustments Account	-		1		- 1	- 100.0	-	
Others	11		9		2	25.7	8	
<b>Total Liabilities</b>	<b>14,172</b>	<b>18.9</b>	<b>18,164</b>	<b>24.6</b>	<b>- 3,991</b>	<b>- 22.0</b>	<b>22,309</b>	<b>27.6</b>
<b>MINORITY SHAREHOLDERS' EQUITY</b>								
<b>Minority Shareholders' Equity</b>	<b>743</b>	<b>1.0</b>	<b>447</b>	<b>0.6</b>	<b>296</b>	<b>66.2</b>	<b>513</b>	<b>0.6</b>
<b>SHAREHOLDERS' EQUITY</b>								
<b>Capital Stock</b>	<b>12,279</b>	<b>16.4</b>	<b>12,279</b>	<b>16.6</b>	<b>-</b>	<b>-</b>	<b>12,279</b>	<b>15.2</b>
<b>Additional Paid-in Capital</b>	<b>19,453</b>	<b>25.9</b>	<b>19,453</b>	<b>26.3</b>	<b>-</b>	<b>-</b>	<b>19,453</b>	<b>24.1</b>
<b>Earned Surplus</b>	<b>28,466</b>	<b>37.9</b>	<b>23,716</b>	<b>32.0</b>	<b>4,749</b>	<b>20.0</b>	<b>26,368</b>	<b>32.6</b>
<b>Difference from Securities Revaluation</b>	<b>- 5</b>	<b>- 0.0</b>	<b>- 8</b>	<b>- 0.0</b>	<b>3</b>	<b>- 36.9</b>	<b>- 8</b>	<b>- 0.0</b>
<b>Repurchased Stock</b>	<b>- 94</b>	<b>- 0.1</b>	<b>- 94</b>	<b>- 0.1</b>	<b>-</b>	<b>-</b>	<b>- 94</b>	<b>- 0.1</b>
<b>Total Shareholders' Equity</b>	<b>60,099</b>	<b>80.1</b>	<b>55,346</b>	<b>74.8</b>	<b>4,753</b>	<b>8.6</b>	<b>57,999</b>	<b>71.8</b>
<b>Total Liabilities, Minority Shareholders' Equity, Shareholders' Equity</b>	<b>75,014</b>	<b>100.0</b>	<b>73,957</b>	<b>100.0</b>	<b>1,057</b>	<b>1.4</b>	<b>80,822</b>	<b>100.0</b>

## (2) Consolidated Income Statements

(unit: rounded down to the nearest million yen)

	Current FY 3Q		Previous FY 3Q		Variance		Previous FY Edited Income Statement	
	Apr. 1, 2005 to Dec. 31, 2005		Apr. 1, 2004 to Dec. 31, 2004				Apr. 1, 2004 to Mar. 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%		%
<b>Sales</b>	<b>71,447</b>	<b>100.0</b>	<b>89,201</b>	<b>100.0</b>	<b>- 17,753</b>	<b>- 19.9</b>	<b>134,739</b>	<b>100.0</b>
<b>Cost of Goods Sold</b>	<b>54,106</b>	<b>75.7</b>	<b>71,767</b>	<b>80.5</b>	<b>- 17,660</b>	<b>- 24.6</b>	<b>109,355</b>	<b>81.2</b>
<b>Gross Profit on Sales</b>	<b>17,340</b>	<b>24.3</b>	<b>17,434</b>	<b>19.5</b>	<b>- 93</b>	<b>- 0.5</b>	<b>25,384</b>	<b>18.8</b>
<b>Selling General and Administrative Expenses</b>	<b>12,149</b>	<b>17.0</b>	<b>10,877</b>	<b>12.2</b>	<b>1,271</b>	<b>11.7</b>	<b>14,697</b>	<b>10.9</b>
<b>Operating Profit</b>	<b>5,191</b>	<b>7.3</b>	<b>6,556</b>	<b>7.3</b>	<b>- 1,364</b>	<b>- 20.8</b>	<b>10,687</b>	<b>7.9</b>
<b>Non-Operating Income</b>	<b>90</b>	<b>0.1</b>	<b>16</b>	<b>0.0</b>	<b>73</b>	<b>444.6</b>	<b>21</b>	<b>0.0</b>
Interest Income	3		3		- 0	- 3.0	3	
Dividends	1		0		0	243.1	0	
Write-off of Consolidation Adjustment Account	-		0		- 0	- 100.0	0	
Exchange Gain on Foreign Currencies	20		1		19	1,417.9	-	
Dividend on Group Insurance	21		1		19	1,097.7	3	
Others	44		9		34	369.3	13	
<b>Non-Operating Expense</b>	<b>22</b>	<b>0.0</b>	<b>42</b>	<b>0.0</b>	<b>- 20</b>	<b>- 47.7</b>	<b>61</b>	<b>0.0</b>
Interest Payment	3		3		0	0.3	4	
Investment Loss on Equity Method	0		7		- 7	- 99.3	9	
Issuing New Shares Expense	0		13		- 13	- 99.7	17	
Exchange Loss on Foreign Currencies	-		-		-	-	11	
Commitment Fee	7		7		- 0	- 5.1	9	
Operational Spending Loss	2		7		- 5	- 72.4	4	
Others	9		3		6	215.1	3	
<b>Ordinary Profit</b>	<b>5,259</b>	<b>7.4</b>	<b>6,530</b>	<b>7.3</b>	<b>- 1,270</b>	<b>- 19.5</b>	<b>10,648</b>	<b>7.9</b>
<b>VI Extraordinary Profit</b>	<b>34</b>	<b>0.0</b>	<b>310</b>	<b>0.3</b>	<b>- 275</b>	<b>- 88.8</b>	<b>1,225</b>	<b>0.9</b>
Reversal of Allowance for Doubtful Receivables	25		47		- 21	- 45.5	38	
Gain on Sales of Fixed Assets	8		-		8	-	-	
Gain on Sales of Investment Securities	0		123		- 122	- 99.6	1,047	
Gain on Termination of Approved Retirement Annuity System	-		137		- 137	- 100.0	137	
Others	-		2		- 2	- 100.0	2	
<b>VII Extraordinary Loss</b>	<b>152</b>	<b>0.2</b>	<b>467</b>	<b>0.5</b>	<b>- 315</b>	<b>- 67.5</b>	<b>1,034</b>	<b>0.8</b>
Loss from Removal of Fixed Assets	6		6		- 0	- 11.1	27	
Impairment Loss	132		-		132	-	-	
Loss on Sales of Investment Securities	-		25		- 25	- 100.0	106	
Loss on Sales of Affiliated Company's Stocks	14		-		14	-	-	
Loss from Evaluation of	-		220		- 220	- 100.0	168	

Investment Securities								
Loss from Disposal of Inventories	-		53		- 53	- 100.0	421	
Amount Relative to Termination of Retirement Benefits System for Executives	-		69		- 69	- 100.0	77	
Retirement Allowance Plan Adjustment Fee	-		63		- 63	- 100.0	118	
Others	-		28		- 28	- 100.0	113	
<b>Income before Taxes</b>	<b>5,142</b>	<b>7.2</b>	<b>6,373</b>	<b>7.1</b>	<b>- 1,230</b>	<b>- 19.3</b>	<b>10,839</b>	<b>8.0</b>
<b>Income Taxes</b>	<b>1,922</b>	<b>2.7</b>	<b>2,623</b>	<b>2.9</b>	<b>- 700</b>	<b>- 26.7</b>	<b>4,435</b>	<b>3.3</b>
<b>Gain from Minority Shareholders</b>	<b>110</b>	<b>0.1</b>	<b>187</b>	<b>0.2</b>	<b>- 77</b>	<b>- 41.2</b>	<b>190</b>	<b>0.1</b>
Net Income	<b>3,109</b>	<b>4.4</b>	<b>3,561</b>	<b>4.0</b>	<b>- 452</b>	<b>- 12.7</b>	<b>6,214</b>	<b>4.6</b>

## (4) Comparative Consolidated Cash Flow Statement

(unit: figures are rounded down to the nearest million yen)

	Current FY 3Q Apr. 1, 2005 to Dec. 31, 2005	Previous FY 3Q Apr. 1, 2004 to Dec. 31, 2004	Previous FY Edited Cash Flow Statement Apr. 1, 2004 to Mar. 31, 2005
	Amount	Amount	Amount
<b>Operating Activities</b>			
Current Net Income before Tax	5,142	6,373	10,839
Depreciation Expense	1,991	1,845	2,569
Impairment loss	132	-	-
Depreciation Amount for Consolidation Adjustment Account	3	- 0	- 0
Decrease in Allowance Bonus for Employee Retirement Benefits	-	- 393	- 513
Decrease in Allowance Bonus for Retiring Executives	-	- 173	- 201
Decrease in Allowance for Bonus	- 109	- 218	- 44
Decrease in Allowance for Doubtful Rec eivables	- 26	- 59	- 50
Interest Received and Dividends Received	- 4	- 3	- 4
Investment Loss on Equity Method	0	7	9
Interest Payment	3	3	4
Gain from Sales of Investment Securities	- 0	- 123	- 1,047
Loss from Sales of Investment Securities	-	25	106
Loss on Sales of Affiliated Company's Stocks	14	-	-
Loss on Revaluation of Investment Securities	-	220	168
Decrease in Account Receivables	13,571	10,433	6,984
Change in Inventories	- 1,230	749	4,521
Change in Accrued Consumption Tax	- 143	0	2
Increase in Other Current Assets	- 190	- 376	- 313
Change in Purchase Liabilities	- 6,245	- 841	1,013
Change in Unpaid Consumption Tax	- 357	- 254	75
Change in Other Current Liabilities	- 72	- 208	44
Payment for Executives' Bonuses	- 48	- 53	- 53
Others	- 156	79	202
<b>Sub-total</b>	<b>12,272</b>	<b>17,030</b>	<b>24,314</b>
Amount Received for Interests and Dividends	4	3	4
Amount Paid for Interest	- 3	- 3	- 4
Amount Paid for Corporation Tax	-3,933	- 5,599	- 5,599
Others	56	- 5	0
<b>Operating Activities</b>	<b>8,396</b>	<b>11,425</b>	<b>18,714</b>
<b>Investing Activities</b>			
Expenditure from Loan on Short Term Loan	-	- 0	- 0
Income from Recovery of Short Term Loan	0	-	-
Expenditure from Acquisition of Tangible Fixed Assets	- 1,713	- 1,602	- 2,709
Income from Sales of Tangible Fixed Assets	88	-	-
Expenditure from Acquisition of Intangible Fixed Assets	- 221	- 238	- 302
Expenditure from Acquisition of Investment Securities	- 74	-	-
Income from Sell-Off of Investment Securities	39	217	1,197

Income from Sales of Affiliated Company's Stocks	110	-	-
Expenditure from Loan on Long Term Loan	- 5	- 5	- 8
Income from Recovery of Loan Term Loan	0	6	6
Expenditure from Payment of Initial Investment	- 4	- 17	- 27
Income from Recovery of Initial Investment	0	4	8
Others	- 134	32	127
<b>Investing Activities</b>	<b>- 1,913</b>	<b>- 1,603</b>	<b>- 1,708</b>
<b>Financing Activities:</b>			
Income from Issuing Corporate Shares	-	1	1
Income from Issuing Corporate Shares to Minority Shareholders	-	-	35
Payment of Dividends	- 944	- 275	- 275
<b>Financing Activities</b>	<b>- 944</b>	<b>- 273</b>	<b>- 238</b>
<b>Increase in Cash and Cash Equivalents</b>	<b>5,538</b>	<b>9,548</b>	<b>16,768</b>
<b>Beginning Balance of Cash and Cash Equivalents</b>	<b>20,429</b>	<b>3,661</b>	<b>3,661</b>
<b>Ending Balance of Cash and Cash Equivalents</b>	<b>25,968</b>	<b>13,209</b>	<b>20,429</b>

(4) Notable matter

( Matters related to consolidated income statement )

During current FY 3Q (April 1, 2005 to December 31, 2005,) the Company has applied impairment loss to following asset.

(unit: figures are rounded down to the nearest million yen)

Location	Purpose	Type	Impairment Loss
Suginami-Ku, Tokyo	Rental parking lot	Land	132

As our group created cash flow through bundling all assets used for the purpose of network related business, all assets are indicated as one group. However, for assets not used for the purpose of aforementioned business, they have been grouped based on individual items.

Due to the material decrease in market price of the above indicated land, its book value was reduced to the recoverable amount and 132M yen decrease was recorded as impairment loss under extraordinary expense.

The recoverable amount for the applicable asset was determined through net sales price derived through subtracting estimated disposal expense from appraisal value based on market transactions in surrounding areas.

As the applicable asset was sold subsequent to allocating impairment loss, the 8M yen difference between the book value and sales price was accrued as gain from sales of fixed assets under extraordinary profit.

As Net One Systems Group segment information is unitary, sales, amount of orders accepted, and backlog of unfilled orders are indicated by their product category.

## Sales by Product Category

(unit: rounded down to nearest million yen)

	Current FY 3Q April 1, 2005 to December 31, 2005		Previous FY 3Q April 1, 2004 to December 31, 2004		Previous FY April 1, 2004 to Mar. 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Network Integration Products	54,098	68.8	66,343	66.3	83,015	65.7
Network Computing Products	1,427	1.8	1,276	1.3	1,471	1.2
Media Integration Products	5,824	7.4	17,451	17.4	18,649	14.7
Service Integration Products	17,278	22.0	15,017	15.0	23,236	18.4
Total	78,628	100.0	100,088	100.0	126,373	100.0

## Orders Accepted by Product Category

(unit: rounded down to nearest million yen)

	Current FY 3Q April 1, 2005 to December 31, 2005		Previous FY 3Q April 1, 2004 to December 31, 2004		Previous FY April 1, 2004 to Mar. 31, 2005	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Network Integration Products	47,945	67.1	61,004	68.4	90,282	67.0
Network Computing Products	1,106	1.6	1,212	1.4	1,905	1.4
Media Integration Products	4,659	6.5	10,700	12.0	18,941	14.1
Service Integration Products	17,736	24.8	16,284	18.2	23,609	17.5
Total	71,447	100.0	89,201	100.0	134,739	100.0

## Backlog of Unfilled Orders by Product Category

(unit: rounded down to nearest million yen)

	End of current FY 3Q (as of December 31, 2005)		End of previous FY 3Q (as of December 31, 2004)		End of previous FY (as of Mar. 31, 2005)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
		%		%		%
Network Integration Products	17,645	48.7	24,098	49.9	11,492	39.6
Network Computing Products	745	2.1	923	1.9	424	1.5
Media Integration Products	3,190	8.8	9,068	18.8	2,025	7.0
Service Integration Products	14,615	40.4	14,179	29.4	15,074	51.9
Total	36,196	100.0	48,269	100.0	29,016	100.0