



Financial Report for 1st Quarter FY 2007 (ending March 2008)

July 30, 2007

Name of registered company: Net One Systems Co., Ltd.
 Location of stock listing: First Section of Tokyo Stock Exchange
 Stock Code Number: 7518 (URL <http://www.netone.co.jp/index.html>)

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

1. Business Results for FY 2007 (April 1, 2007 to June 30, 2007)

(1) Consolidated Financial Results

(Percentage: increase/decrease against previous fiscal year)

	Sales		Operating profit		Ordinary profit		Current net income	
	Million Yen		Million Yen		Million Yen		Million Yen	
Quarter ended June 30, 2007	21,368	(- 2.4)	474	(922.5)	513	(-)	231	(818.8)
Quarter ended June 30, 2006	21,883	(0.2)	46	(- 97.1)	20	(- 98.7)	25	(- 97.4)
FY ended March 2007	109,292	-	5,489	-	5,498	-	2,891	-

	Current net income per share		Current net income per share assuming full dilution	
	yen	sen	yen	sen
Quarter ended June 30, 2007	420	48	—	—
Quarter ended June 30, 2006	45	76	—	—
FY ended March 2007	5,241	81	—	—

(2) Financial position

	Total assets	Net assets	Net assets ratio	Net assets per share	
	Million yen	Million yen	%	yen	sen
Quarter ended June 30, 2007	79,303	64,579	80.4	115,626	66
Quarter ended June 30, 2006	77,625	62,182	79.1	111,360	24
FY ended March 2007	84,601	64,647	75.5	115,715	08

(3) Consolidated 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 term
	Million yen	Million yen	Million yen	Million yen
Quarter ended June 30, 2007	- 88	- 879	- 349	28,437
Quarter ended June 30, 2006	1,254	- 1,063	- 338	24,909
FY ended March 2007	9,117	- 3,245	- 1,175	29,754

2. Status of dividends

(Date of record)	Dividend per share					
	Interim period		End of the term		Annual total	
	yen	sen	yen	sen	yen	sen
FY ended March 2007	750	00	750	00	1,500	00
FY ending 2008 (forecast)	750	00	1,250	00	2,000	00

(Note) Details of end of the term dividend for FY ending 2008 (forecast)

Commemorative dividend 500.00 yen

There are no changes to the dividend forecast announced on previous FY financial report dated May 9, 2007.

3. Forecast for the consolidated FY ending March 31, 2008 (April 1, 2007 to March 31, 2008) (Reference)

(Percentage: increase/decrease against previous fiscal year or interim period)

	Sales		Operating profit		Ordinary profit		Current net income		Current net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen	sen
Interim period	50,000	(-0.0)	1,800	(-5.4)	1,800	(-5.1)	1,000	(-8.4)	1,812	62
FY	112,000	(2.5)	4,700	(-14.4)	4,700	(-14.5)	2,700	(-6.6)	4,894	07

There are no changes to the forecast announced on previous FY financial report dated May 9, 2007.

4. Others

- (1) Changes to significant subsidiaries during the FY (changes to wholly owned specified subsidiaries affecting the scope of consolidation) none
 (2) Application of simplified method for accounting yes
 (3) Changes in accounting policy none

(Note) For details, please refer to Qualitative Information/Financial Reports, etc. 4. Others on page 6.

1. Status of Non-Consolidated Business Results for FY 2007 (April 1, 2007 to June 30, 2007)

(1) Non-consolidated financial results

(Percentage: increase/decrease against previous fiscal year)

	Sales		Operating profit		Ordinary profit		Current net income	
	Million yen		Million yen		Million yen		Million yen	
Quarter ended June 30, 2007	20,925	(- 2.3)	160	(34.9)	204	(85.2)	114	(78.0)
Quarter ended June 30, 2006	21,422	(0.1)	118	(- 90.8)	110	(- 91.5)	64	(- 91.1)
FY ended March 2007	107,144	—	5,042	—	5,119	—	2,767	—

	Current net income per share		Current net income per share assuming full dilution	
	yen	sen	yen	sen
Quarter ended June 30, 2007	207	00	—	—
Quarter ended June 30, 2006	116	29	—	—
FY ended March 2007	5,015	53	—	—

(2) Non-consolidated Financial position

	Total assets		Net assets		Net assets ratio		Net assets per share	
	Million yen		Million yen		%		yen sen	
Quarter ended June 30, 2007	76,314		62,713		82.2		113,675	06
Quarter ended June 30, 2006	74,727		60,640		81.1		109,918	93
FY ended March 2007	81,683		62,879		77.0		113,976	95

2. Forecast for the non-consolidated FY ending March 31, 2008 (April 1, 2007 to June 31, 2008) (Reference)

(% for the FY or interim period are ratio of increase or decrease against previous FY or interim period)

	Total Assets			Net Assets			Net Assets Ratio			Net Assets Per Share			Total Assets		
	Million	yen	%	Million	yen	%	Million	yen	%	yen	sen	Million	yen	sen	
Interim period	49,000		(- 0.1)	1,800		(- 9.1)	1,800		(- 10.5)	1,000		(- 13.5)	1,812		62
FY	110,000		(2.7)	4,500		(- 10.8)	4,500		(- 12.1)	2,600		(- 6.0)	4,712		81

(Note) There are no changes to the forecast announced on previous FY financial report dated May 9, 2007.

The above forecast is based on currently available information and the actual business performance may

differ in relation to various factors.

With regard to particulars related to above forecast, please refer to Qualitative Information/Financial Reports, etc. 3. Qualitative information regarding consolidated business performance on page 6.

Qualitative Information/ Financial Reports, etc.

1. Qualitative information regarding consolidated business performance

With regard to trends for orders accepted during current FY 1Q, new businesses from financial and service industries and auto-industry within general public company segment (5.6% decrease from previous FY 1Q for EP sector) showed increasing trend. However, relative to increase in ratio of service industries, lead time has increased. Within telecom industry and ISP sector (5.1% decrease from previous FY 1Q for SP sector), although the demand for investments on existing facility continues to decrease, this trend is coming to an end and investments within ISP sector is showing signs of recovery. In addition, there are cases of new businesses through joint business with telecom companies. With regard to public sector (30.8% increase from previous FY 1Q for Public Sector) in addition to local governments and medical facility related businesses, Net One Systems was awarded contracts from central government and universities.

Under this environment, sales in EP sector was down by 3.3%, SP sector was up by 1.2%, and public sector was down by 10.8% during the current 1Q in comparison to previous FY 1Q. Decrease in public sector was relative to large scale decrease in end of previous FY backlog of unfilled orders. Sales for NI products and SI (operation management, etc. including construction) were 13,200M (7.8% decrease from previous FY 1Q) and 8,145M yen (8.1% increase from previous FY 1Q) respectively.

Backlog of unfilled orders were 38,933M yen (2.2% increase from previous FY 1Q) and EP sector was 14,895M yen (5.8% increase from previous FY 1Q), SP sector was 10,387M yen (3.3% increase from previous FY 1Q) and public sector was 13,650M yen (2.2% decrease from previous FY 1Q).

With regard to profit, sales decreased by 2.4% from previous FY 1Q. However, improvement in product profit margin and sales composition as well as reduction of cost including outsourcing fee, cost of goods sold decreased by 1,045M yen (6.1% decrease from previous FY 1Q) and gross profit margin was 25.1% indicating 3.0% improvement over previous FY 1Q. As a result, operating profit was 5,365M yen (11.0% increase from previous FY 1Q). Relative to capping selling and general administrative expenses at 4,890M yen (2.1% increase from previous FY 1Q), operating profit was 474M yen (999.5% increase from previous FY 1Q), ordinary profit was 513M yen (2,376.4% increase from previous FY 1Q) and net income was 231 M yen (818.8% increase from previous FY 1Q).

2. Qualitative information regarding consolidated financial status

In comparison to the previous consolidated FY, total assets at the end of current FY 1Q increased by 2.2% and ended at 79,303M yen. Total assets was comprised of 68,455M yen (increase of 2.9% from previous FY 1Q) of current assets and 10,847M yen (decrease of 2.3% from previous FY 1Q) of fixed assets. Total liabilities was 14,723M yen (decrease of 4.7% from previous FY 1Q). Total net assets was 64,579M yen (3.9% increase from previous FY 1Q).

Current assets increased by 1,933M yen, as cash and deposits, short term investments (negotiable deposits and commercial paper), and money on deposit for purchase of treasury stocks increased by a total of 5,947M yen, note receivables and account receivables -trade decreased by 2,894M yen and inventories decreased by 1,635M yen. Due to decrease in furniture, fixtures and equipment, fixed assets decreased by 255M yen.

Liabilities decreased by 718M yen due to 1,839M yen decrease in accounts payable and 805M yen increase in advance received. Net assets increased by 2,396M yen due to increase in accumulated earnings, etc.

In comparison to the end of the previous FY, total assets decreased by 5,297M yen (6.3% decrease from end of previous FY). Significant contributory factors for this included 7,715M yen decrease in notes receivables and accounts receivables and 702M yen increase in inventory assets. Total liabilities decreased by 5,230M yen in comparison to the end of the previous FY. Significant contributory factor for this is the 5,866M yen decrease in accounts payable.

For cash flow based on operating activities, in comparison to the previous FY 1Q, income decreased by 1,342M yen and ended at expenditure of 88M yen. Significant contributory factors for this included 2,631M yen increase in expenditure relative to increase in other current assets which sets aside deposit for purchase of treasury stocks, as well as 1,013M yen decrease in expenditure relative to decrease in increase of inventory assets and 1,032M yen decrease in expenditure relative to decrease in payment of purchase liabilities. For cash flow from investing activities, there was a 879M yen expenditure relative to 183M yen decrease in expenditure. This is mainly due to 257M yen decrease in expenditure relative to acquisition of tangible assets. For cash flow based on financing activities, there was a 10M yen increase in expenditure relative to 349M yen of expenditure. As a result, Balance of cash and cash equivalents at the end of current FY 1Q was 28,437M yen. This indicated 3,527M yen increase (14.2% increase) from previous FY 1Q.

3. Qualitative information regarding consolidated business performance

Demand for safe and reliable network infrastructure for network reconstruction is strong in both non-governmental as well as governmental institutions. There are increasing numbers of companies that are placing greater budgets for information related investments including reconstruction of operational management system which aims to review the network system with special considerations for the safety of network infrastructure and increasing reliability. However, as price competition continues, Net One Systems aims to focus on value added services as the core of service business.

Under this environment, with regard to consolidated business performance forecast for FY ending 2008 (April 1, 2007 to March 31, 2008) expected sales, operating profit, ordinary profit and current net income are 112,000M yen (network products, etc. 76,400M yen and service business 35,600M yen), 4,700M yen, 4,700M yen and 2,700M yen respectively.

(Note) The above business forecast is based on conditions our company determines to be reasonable and may vary significantly from the actual business result. Factors that may significantly affect the actual business result 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.

4. Others

(1) Changes to significant subsidiaries during the FY (changes to wholly owned specified subsidiaries affecting the scope of consolidation)

None.

(2) Usage of simplified method for accounting standard

Accounting standard of corporation tax is calculated using annual forecast tax rate based on statutory effective tax rate.

(3) Disparity between accounting procedures of previous FY and current quarter

None.

5. Consolidated Financial Statements for 1Q FY2007

(1) Consolidated Balance Sheet

(unit: rounded down to the nearest million yen)

	End of previous FY 1Q (as of June 30, 2006)		End of current FY 1Q (as of June 30, 2007)		Variance		(Reference) End of previous FY (as of March 31, 2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
ASSETS		%		%		%		%
I Current Assets	66,522	85.7	68,455	86.3	1,933	2.9	73,701	87.1
1. Cash and deposits	15,410		9,440		- 5,969		17,756	
2. Notes and accounts receivables - trade	26,133		23,239		- 2,894		30,954	
3. Short-term investments	9,499		18,996		9,496		11,997	
4. Inventories	12,921		11,286		- 1,635		10,584	
5. Deferred income taxes	598		553		- 44		636	
6. Other current assets	1,959		4,940		2,980		1,773	
Allowance for doubtful receivables	- 0		- 0		- 0		- 0	
II Fixed Assets	11,103	14.3	10,847	13.7	- 255	- 2.3	10,899	12.9
1. Tangible assets	5,340	6.9	5,110	6.5	- 229	- 4.3	5,061	6.0
(1) Furniture, fixtures and equipment	4,869		4,617		- 251		4,597	
(2) Other tangible assets	471		493		22		464	
2. Intangible assets	1,652	2.1	1,536	1.9	- 116	- 7.0	1,598	1.9
(1) Goodwill	15		9		- 6		12	
(2) Other intangible assets	1,637		1,527		- 109		1,586	
3. Investment and other assets	4,110	5.3	4,200	5.3	90	2.2	4,238	5.0
(1) Investment securities	537		725		188		746	
(2) Deferred income taxes	2,341		2,341		0		2,351	
(3) Other assets	1,457		1,358		- 99		1,366	
Allowance for doubtful receivables	- 226		- 225		0		- 225	
Total assets	77,625	100.0	79,303	100.0	1,678	2.2	84,601	100.0
LIABILITIES								
I Current liabilities	15,337	19.8	14,666	18.5	- 670	- 4.4	19,850	23.5
1. Accounts payable - trade	8,245		6,405		- 1,839		12,272	
2. Short-term loans	350		—		- 350		—	
3. Accrued expenses	847		1,178		330		1,117	
4. Accrued income taxes	154		282		127		895	
5. Advance received	4,603		5,409		805		3,911	
6. Allowance for bonuses	434		455		20		637	
7. Allowance for bonuses for executives	—		—		—		22	
8. Other current liabilities	701		935		234		993	
II Long term liabilities	105	0.1	57	0.1	- 48	- 45.7	103	0.1
1. Long-term accrued expenses	93		47		- 46		93	
2. Other long-term liabilities	11		9		- 1		9	
TOTAL LIABILITIES	15,442	19.9	14,723	18.6	- 718	- 4.7	19,953	23.6

NET ASSETS								
I Shareholders' equity	61,359	79.0	63,630	80.2	2,271	3.7	63,811	75.4
1. Capital stock	12,279	15.8	12,279	15.5	—	—	12,279	14.5
2. Additional paid-in capital	19,453	25.0	19,453	24.5	—	—	19,453	23.0
3. Accumulated earnings	29,720	38.3	31,991	40.3	2,271	7.6	32,173	38.0
4. Treasury stocks	- 94	- 0.1	- 94	- 0.1	—	—	- 94	- 0.1
II Revaluation and translation adjustments	77	0.1	159	0.2	82	107.3	26	0.0
1. Securities revaluation adjustment	- 4	- 0.0	10	0.0	15	—	- 2	- 0.0
2. Deferred charge from hedging instruments	81	0.1	149	0.2	67	82.1	29	0.0
III Minority interests	746	1.0	789	1.0	43	5.8	808	1.0
Total net assets	62,182	80.1	64,579	81.4	2,396	3.9	64,647	76.4
Total liabilities and net assets	77,625	100.0	79,303	100.0	1,678	2.2	84,601	100.0

(2) Comparative consolidated income statement

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

	Previous FY 1Q April 1, 2006 to June 30, 2006		Previous FY 1Q April 1, 2007 to June 30, 2007		Variance		(Reference) Previous FY April 1, 2006 to March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
I Sales	21,883	100.0	21,368	100.0	- 515	- 2.4	109,292	100.0
II Cost of goods sold	17,048	77.9	16,003	74.9	- 1,045	- 6.1	84,856	77.6
Gross profit on sales	4,834	22.1	5,365	25.1	530	11.0	24,436	22.4
III Selling, general and administrative expense	4,788	21.9	4,890	22.9	101	2.1	18,946	17.4
Operating profit	46	0.2	474	2.2	428	922.5	5,489	5.0
IV Non-Operating Income	11	0.1	42	0.2	30	263.3	99	0.1
1. Interest income	2		27		25		44	
2. Dividends	1		—		- 1		1	
3. Income from work from affiliated companies	—		—		—		3	
4. Exchange gain on foreign currencies	—		5		5		—	
5. Dividend from group insurance	—		—		—		31	
6. Other income	8		9		1		18	
V Non-operating expense	37	0.2	4	0.0	- 32	- 87.9	90	0.1
1. Interest expense	1		—		- 1		4	
2. Investment loss on equity method	12		3		- 9		55	
3. Exchange loss on foreign currencies	18		—		- 18		6	
4. Commitment fee	2		—		- 2		9	
5. Investment operation loss	3		0		- 2		10	
6. Other expense	0		0		0		5	
Ordinary profit	20	0.1	513	2.4	492	—	5,498	5.0
VI Extraordinary profit	0	0.0	0	0.0	0	28.4	0	0.0
1. Reversal of allowance for doubtful receivables	0		0		0		0	
VII Extraordinary loss	1	0.0	7	0.0	6	353.4	414	0.3
1. Loss from removal of fixed assets	1		7		6		134	
2. Loss from sale of investment securities	—		—		—		2	
3. Loss from revaluation of investment securities	—		—		—		24	
4. Loss on revaluation of affiliated company's stocks	—		—		—		34	
5. Loss from relocation of affiliated company	—		—		—		19	
6. Loss from termination of business relocation	—		—		—		199	

Income before income taxes	19	0.1	505	2.4	486	—	5,084	4.7
Income taxes current	15	0.1	219	1.0	203	—	2,152	2.1
Minority interests	- 21	- 0.1	53	0.3	75	—	40	0.0
Current net income	25	0.1	231	1.1	206	818.8	2,891	2.6

(3) Comparative Consolidated Cash Flow Statement

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

	Previous FY 1Q April 1, 2006 to June 30, 2006	Current FY 1Q April 1, 2007 to June 30, 2007	(Reference) Previous FY April 1, 2006 to March 31, 2007
	Amount	Amount	Amount
I Cash flow from operating activities:			
Current net income before taxes	19	505	5,084
Depreciation and amortization	653	614	3,021
Amortization of goodwill	0	0	3
Increase or decrease in allowance for bonus	- 110	- 181	92
Increase or decrease in allowance for executives' bonus	—	- 22	22
Decrease in allowance for doubtful accounts	- 0	- 0	- 0
Interests and dividends income	- 3	- 27	- 45
Equity in losses of affiliates	12	3	55
Interest payment	1	—	4
Loss from sales of investment securities	—	—	2
Loss on revaluation of investment securities	—	—	24
Loss on revaluation of affiliated company's stocks	—	—	34
Decrease in accounts receivable	10,951	9,213	5,439
Increase or decrease in inventories	- 1,715	- 702	622
Decrease of accrued consumption tax receivable	134	—	158
Increase of other current assets	- 298	- 2,930	- 208
Decrease of purchase liabilities	- 6,898	- 5,865	- 2,873
Increase or decrease of accrued consumption tax payable	- 39	- 76	131
Increase or decrease of other current liabilities	- 221	218	- 49
Payment for executives' bonuses	- 32	—	- 32
Others	- 146	- 82	17
Sub-total	2,305	664	11,504
Interests and dividends received	3	26	44
Interest paid	- 1	—	- 4
Income taxes paid	- 1,061	- 789	- 2,472
Others	8	9	45
Net cash provided by operating activities	1,254	- 88	9,117
II Cash flow from investing activities:			
Expenditure from purchase of tangible fixed assets	- 964	- 706	- 2,559
Expenditure from purchase of intangible fixed assets	- 104	- 123	- 392
Expenditure from purchase of investment securities	—	—	- 313
Proceeds from Sell-off of investment securities	—	28	0
Expenditure from purchase of affiliated company stocks	—	- 70	—
Expenditure from loan	- 1	- 2	- 11
Proceeds from collection of loan	13	2	23
Expenditure from payment of initial investment	- 1	- 0	- 3
Proceeds from collection of initial investment	1	—	1
Others	- 5	- 6	10
Net cash used in investing activities	- 1,063	- 879	- 3,245
III Net cash provided by (used in) financing activities			
Net decrease in short-term loans	—	—	- 350
Dividends paid	- 338	- 349	- 825
Net cash provided by (used in) financing activities	- 338	- 349	- 1,175

IV Net increase (decrease) in cash and cash equivalents	- 146	- 1,316	4,697
V Beginning balance of cash and cash equivalents	25,056	29,754	25,056
VI Ending balance of cash and cash equivalents	24,909	28,437	29,754

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

Orders accepted by product category

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

	Previous FY 1Q April 1, 2006 to June 30, 2006		Current FY 1Q April 1, 2007 to June 30, 2007		(Reference) Previous FY April 1, 2006 to March 31, 2007	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Network Integration Products	16,549	63.6	16,883	63.8	66,964	61.3
Network Computing Products	843	3.2	414	1.6	2,519	2.3
Media Integration Products	2,072	8.0	1,919	7.2	9,618	8.8
Service Integration Products	6,547	25.2	7,247	27.4	30,066	27.6
Total	26,013	100.0	26,464	100.0	109,168	100.0

Sales by product category

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

	Previous FY 1Q April 1, 2006 to June 30, 2006		Current FY 1Q April 1, 2007 to June 30, 2007		(Reference) Previous FY April 1, 2006 to March 31, 2007	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Network Integration Products	13,425	61.4	12,071	56.5	69,574	63.7
Network Computing Products	402	1.8	406	1.9	2,451	2.2
Media Integration Products	1,769	8.1	2,101	9.8	8,750	8.0
Service Integration Products	6,286	28.7	6,789	31.8	28,516	26.1
Total	21,883	100.0	21,368	100.0	109,292	100.0

Backlog of unfilled orders by product category

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

	Previous FY 1Q (as of June 30, 2006)		Current FY 1Q (as of June 30, 2007)		(Reference) Previous FY (as of March 31, 2007)	
	Amount	Ratio %	Amount	Ratio %	Amount	Ratio %
Network Integration Products	16,386	43.0	15,463	39.7	10,651	31.5
Network Computing Products	731	1.9	366	0.9	358	1.0
Media Integration Products	2,103	5.5	2,486	6.4	2,667	7.9
Service Integration Products	18,869	49.6	20,616	53.0	20,159	59.6
Total	38,090	100.0	38,933	100.0	33,836	100.0

(Reference) Non-Consolidated Financial Statements for 1Q FY2007

(1) Non-Consolidated Balance Sheet

(unit: rounded down to the nearest million yen)

	End of previous FY 1Q (as of June 30, 2006)		End of current FY 1Q (as of June 30, 2007)		Variance		(Reference) End of previous FY (as of March 31, 2007)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
ASSETS		%		%		%		%
I Current Assets	65,407	87.5	66,484	87.1	1,076	1.6	71,948	88.1
1. Cash and deposits	13,820		7,365		- 6,454		15,845	
2. Note receivables trade	1,315		832		- 482		1,033	
3. Account receivables - trade	24,630		22,170		- 2,460		29,638	
4. Short-term investments	9,499		18,996		9,496		11,997	
5. Inventories	12,927		11,292		- 1,634		10,592	
6. Other current assets	3,215		5,828		2,613		2,841	
Allowance for doubtful receivables	- 1		- 1		-		- 1	
II Fixed Assets	9,319	12.5	9,829	12.9	510	5.5	9,735	11.9
1. Tangible assets	3,974	5.3	4,258	5.6	283	7.1	4,161	5.1
(1) Furniture, fixtures and equipment	3,613		3,864		250		3,800	
(2) Other fixed assets	360		393		33		361	
2. Intangible assets	1,384	1.9	1,334	1.7	- 49	- 3.6	1,372	1.7
3. Investment and other assets	3,960	5.3	4,236	5.6	276	7.0	4,200	5.1
(1) Investment securities	1,655		1,957		302		1,904	
(2) Other assets	2,531		2,504		- 27		2,521	
Allowance for doubtful receivables	- 226		- 225		0		- 225	
Total assets	74,727	100.0	76,314	100.0	1,586	2.1	81,683	100.0
LIABILITIES								
I Current liabilities	14,012	18.8	13,558	17.8	- 454	- 3.2	18,730	22.9
1. Accounts payable - trade	8,253		6,479		- 1,773		12,425	
2. Accrued income taxes	140		145		4		765	
3. Advance received	4,018		4,777		759		3,281	
4. Allowance for bonuses	345		367		22		441	
5. Allowance for bonuses for executives	-		-		-		20	
6. Other current liabilities	1,255		1,788		533		1,796	
II Fixed Liabilities	73	0.1	42	0.0	- 30	- 41.8	73	0.1
1. Long term miscellaneous account	73		42		- 30		73	
Total Liabilities	14,086	18.9	13,600	17.8	- 485	- 3.4	18,803	23.0
NET ASSETS								
I Shareholders' equity	60,563	81.0	62,553	82.0	1,989	3.3	62,852	77.0
1. Capital stock	12,279	16.4	12,279	16.1	-	-	12,279	15.1
2. Additional paid-in capital	19,453	26.0	19,453	25.5	-	-	19,453	23.8
(1) Capital reserve	19,453		19,453		-		19,453	

3. Accumulated earnings	28,925	38.7	30,914	40.5	1,989	6.9	31,214	38.2
(1) Earned surplus reserve	86		86		—		86	
(2) Other accumulated earnings								
Reserve for extraordinary depreciation of IT equipment	7		2		- 4		2	
Other reserve	27,920		29,600		1,680		27,920	
Earned surplus carried forward	911		1,225		314		3,205	
4. Treasury stocks	- 94	- 0.1	- 94	- 0.1	—	—	- 94	- 0.1
II Revaluation and translation adjustments	77	0.1	159	0.2	82	107.3	26	0.0
1. Securities revaluation adjustments	- 4	- 0.0	10	0.0	15	—	- 2	- 0.0
2. Deferred charge from hedging instruments	81	0.1	149	0.2	67	82.1	29	0.0
Total net assets	60,640	81.1	62,713	82.2	2,072	3.4	62,879	77.0
Total liabilities and net assets	74,727	100.0	76,314	100.0	1,586	2.1	81,683	100.0

(2) Comparative income statement

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

	Previous FY April 1, 2005 to March 31, 2006		Current FY April 1, 2006 to March 31, 2007		Variance		(Reference) Previous FY April 1, 2006 to March 31, 2007	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
I Sales	21,422	100.0	20,925	100.0	- 497	- 2.3	107,144	100.0
II Cost of goods sold	17,010	79.4	16,300	77.9	- 709	- 4.2	85,018	79.3
Gross profit on sales	4,412	20.6	4,624	22.1	212	4.8	22,125	20.7
III Selling, general and administrative expenses	4,293	20.0	4,464	21.3	170	4.0	17,083	16.0
Operating profit	118	0.6	160	0.8	41	34.9	5,042	4.7
IV Non-operating income	15	0.0	45	0.2	29	193.3	107	0.1
V Non-operating expense	23	0.1	1	0.0	- 22	- 95.1	30	0.0
Ordinary profit	110	0.5	204	1.0	94	85.2	5,119	4.8
VI Extraordinary profit	0	0.0	0	0.0	0	28.4	0	0.0
VII Extraordinary loss	1	0.0	7	0.1	6	359.3	368	0.4
Income before income taxes	109	0.5	197	0.9	88	80.7	4,752	4.4
Income taxes current	45	0.2	83	0.4	38	84.4	1,985	1.8
Current net income	64	0.3	114	0.5	50	78.0	2,767	2.6