

# Net One Report 2009

April 1, 2008 to March 31, 2009

## To Our Shareholders



**Takayuki Yoshino**

President & CEO

Allow me to extend my sincerest gratitude to our shareholders, and my wishes for their continued success.

It is my pleasure to present the Net One Report for the fiscal year ended March 2009.

The Net One Systems Co., Ltd. Group (“the Group”) capitalizes on highly advanced technologies to create business models that meet the needs of our society and the times, as well as to pioneer new markets. Our management policy is designed to guide us toward “continual growth” and “increased customer satisfaction” through our efforts in these areas. Our strategies focus on four main ideas: (1) Competitive differentiation in our Network Business, which is the core business of the Group; (2) Expansion of our proprietary XOC (Expert Operations Center) Services Business; (3) Stronger positioning of our Platform Business, which is oriented mainly toward data center applications with virtualization technology; and (4) Further growth in our Unified Communications Business.

To successfully execute these strategies, we have clearly defined the roles, responsibilities and cooperative channels within the Group. We have also conducted an organizational restructuring to respond to the Information Communications Technology (ICT) market in the following aspects. Specifically, we have strengthened and expanded the roles, responsibilities and cooperation methods of our four organizations: two which are responsible for interacting with external parties (one for customers, one for vendors); one responsible for developing new solutions and creating added value within the Group; and one responsible for support, which mainly deals with the Services Business. By

effectively utilizing these organizations, we can facilitate communications, and respond to the ICT market.

More specifically, we established Net One Partners Co., Ltd. as a consolidated subsidiary in November 2008 as one additional means for interacting with our customers. This new company began operations in January 2009, and provides an opportunity to integrate our network technologies and the Group services into the solutions offered by our business partners, as we enter new business fields and markets—or engage in further development of existing markets—to expand the scope of our sales activities.

Formerly, we addressed our customers according to their respective markets through our Enterprise Sector (“EP Sector”), which dealt with private companies, our Telecom and Internet Service Provider Sector (“SP Sector”), and our Public Sector (“Public Sector”) business segments. Considering, however, the demand and utilization among corporations in the Tokyo metropolitan area and in regional markets, we have reorganized these three business segments into the Tokyo metropolitan area Private Enterprise Sector (“EP Sector”), the Telecom and Internet Service Provider Sector (“SP Sector”), and the Regional Area and Public Sector (“AP Sector”) business segments. To these we have added the Partner Sector, operated under the management of the aforementioned Net One Partners Co., Ltd. Going forward, we will approach our markets through these four business segments.

As a system for responding to our vendors, the Product Development Group will be responsible for everything from product marketing to new product

discovery and verification/assessment. The Product Development Group will also be responsible for vendor negotiations and contracts.

We have established the Sales Promotion Group to fit in the gap between Customer Support and the Product Development Group. The mission of the Sales Promotion Group is to create new value. This group is responsible for new solutions development, as well as promotion, education and support. In this way, we have constructed a value chain in the ICT market that connects the product to the end user.

We have contributed more resources to Network Service and Technologies Co., Ltd. to clarify its position as a central company in maintenance, operations management and other services, improving and expanding our Group-wide support system.

Engaged in these measures above, the Group will pursue our management policy of “continual growth” and “increased customer satisfaction,” striving to be a company trusted and supported by all stakeholders. We must fulfill our responsibilities to our customers, our shareholders, our partners and our employees, remaining focused on making positive contributions to the ICT market, to society, and to the global environment. This is how we will accomplish our goals.

I would like to ask for your continued support and encouragement.

June 2009

Takayuki Yoshino  
President & CEO

Strategic Direction

## To achieve continual growth, we are pursuing differentiation and expansion across four business sectors.

As exemplified by the integration of broadcasting and telecommunications, the structure of the Information Communications Technology (ICT) platform is evolving rapidly into a vital component of the social infrastructure. Net One Systems Co., Ltd. (“the Company”) has focused on this trend. Beyond the Network Business that has been our core offering since our inception, the Company has expanded into other lines (including ICT platform construction, maintenance and operations), responding to the needs of society.

Going forward, we will concentrate on a strategy of differentiation and expansion in four distinct business sectors, working constantly toward continual growth. Specifically, we are actively engaged in the design and structural quality improvement of the Network Business, as well as the Security Business (including consulting services), clearly drawing a distinction between us and our competitors. We are dedicating resources to the expansion of our proprietary XOC (Expert

Operations Center) services, which have been the subject of many favorable reviews. Trends in diversified usage have meant that the network has become more advanced and complex than ever before. XOC is a standout service in this environment, offering high-level operations management, and effectively providing network availability and security. By evangelizing virtualized data centers that offer convenient management and reduced overall costs, we are building a stronger foothold in the market for our Platform Business. Our Unified Communications Business experienced dramatic growth during fiscal 2009. We will actively promote the benefits of next-generation videoconferencing and other highly productive business communications, touting their availability and cost-reduction effects. The Company will continue to pursue improvements in the number of contracts in and the profitability of this business sector.

● Four Business Sectors Identified for Growth

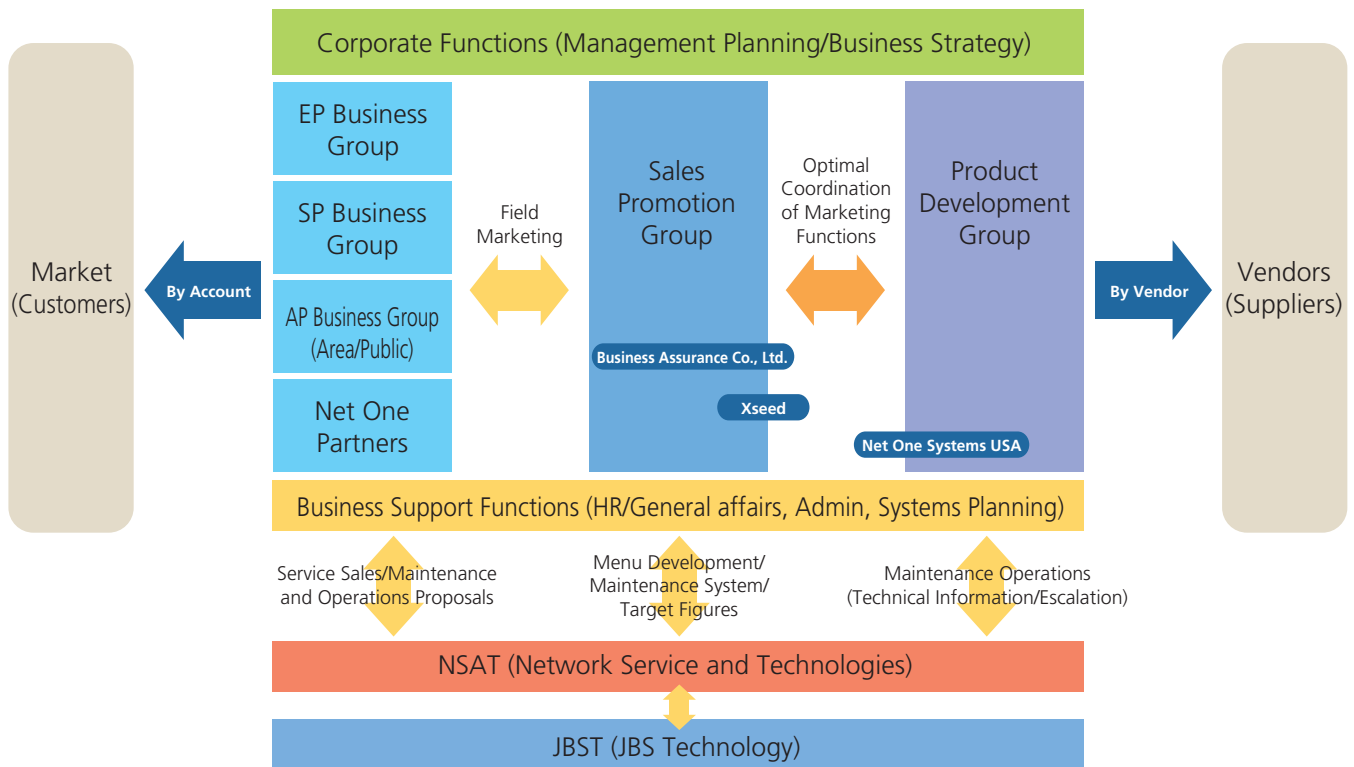


## New Organizational Structure

# The Company created a structure with clearly defined roles, responsibilities and cooperative channels within the Group.

The Company has rearranged its organizational structure to clarify roles, responsibilities and cooperative channels within the Group. Specifically, we have established individual business groups responsible for each customer and the Product Development Group responsible for vendor interaction. A Sales Promotion Group has been established and placed between the aforementioned groups to create new value and provide solutions. We have successfully reorganized the value chain between the supply of ICT devices and the market. Maintenance and operations

management are a large source of our competitive advantage in the value chain; as such, we are expanding our Group-wide service support system. Providing high value-added services along the lifecycle of the ICT platform—from planning and design construction to operations and audits—is an indispensable part of our Platform Business. Strengthening our sales structure along customer and regional characteristics is important for our success. This large-scale reorganization reflects these needs, and supports flexible management response.



Strategies to Expand Market Coverage

The Company established a strategic subsidiary to expand our Partner Sector business and aims to develop/create markets across a broad range of industries.

The Company established consolidated subsidiary Net One Partners Co., Ltd. in November 2008. This company integrates our technology services and operations management services with the solutions offered by our business partners, strengthening our ability to respond to markets and business lines for which our response has been insufficient to date.

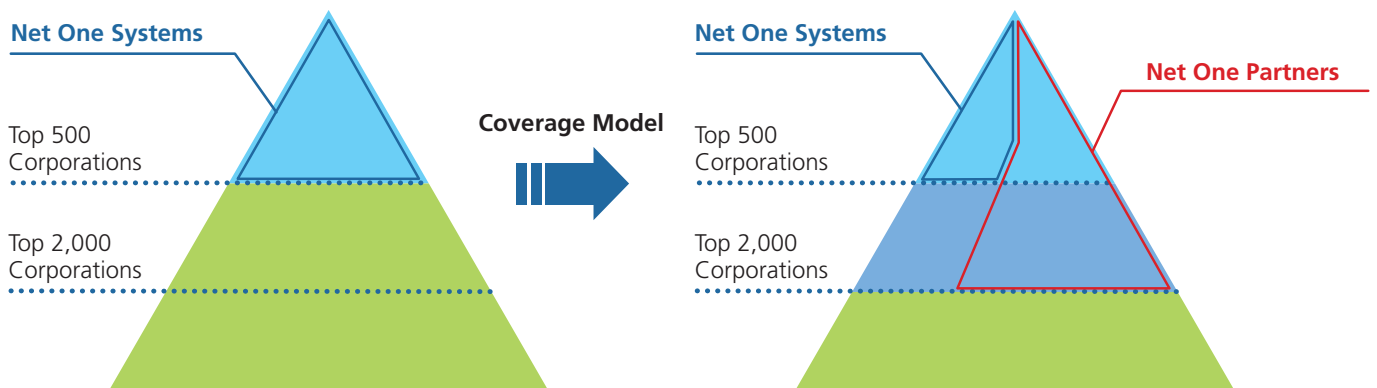
The Company's main customers are large corporations (Top 500 corporations) that own their own large-scale networks. However, there are more

than 2,000 corporations in Japan having in excess of ¥100 billion in net sales and 1,000 employees. Each of these corporations needs high value-added network systems. Net One Partners Co., Ltd. utilizes the whole range of the Company's resources, working to expand the scope of the Group's sales activities, and offering appropriate solutions across a wider range of identified markets by focusing on cooperation with our business partners.

Japanese Corporations

Annual net sales in excess of ¥100 billion (approximately 2,000 corporations)

Employees in excess of 1,000 (approximately 2,300 corporations)



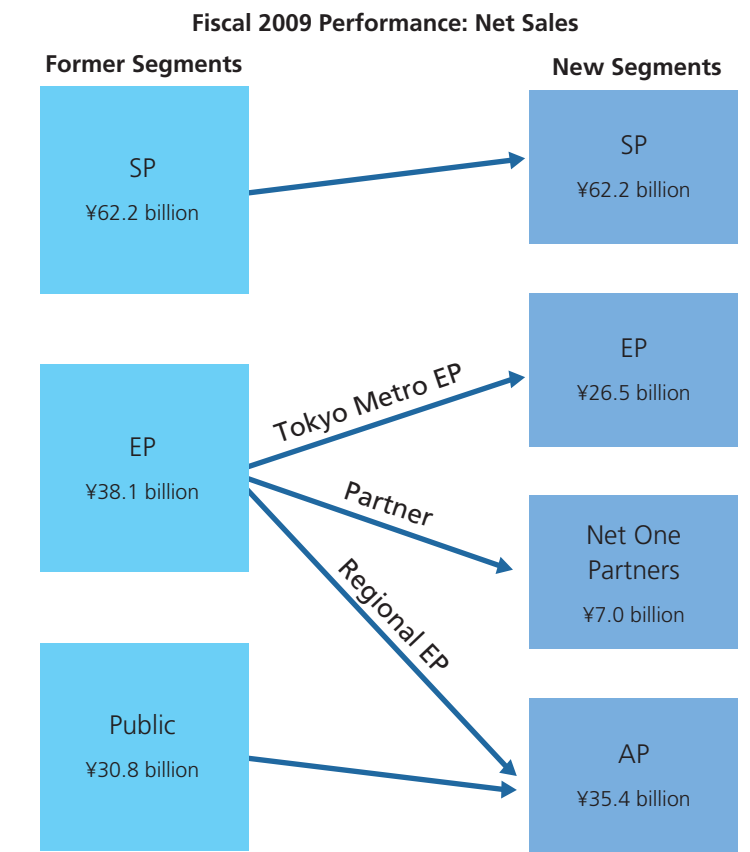
## Market Classifications Based on New Business Strategy

The Company conducted a review and reclassification of our markets (customers), establishing four classifications with the addition of the Partner market.

The ICT market exhibits different characteristics depending on the regional or corporate circumstances in question. For example, a certain regional market might have information communications infrastructure in place, but services to utilize such infrastructure may be insufficient. A company in a certain region may have adopted telecommuting technologies, while the local government may need more advanced services to support remote medical services, improved administrative functions through digital conversion, support for regional information broadcasting, remote education, lifelong education and so forth.

Taking these situations into consideration, the

Company has made significant changes to its market classifications. Specifically, during fiscal 2010, the Company defined the SP ("Service Provider Sector," a market that encompasses Internet Service Providers and other telecom carriers), EP ("Enterprise Sector," a market consisting of private companies located in the Tokyo metropolitan area) and AP ("Area/Public Sector," a market consisting of regional corporations and public services) classifications. To these three classifications, the Company added the Partner market, coverage of which is provided by Net One Partners Co., Ltd.



Business Systems Reorganization

The Company structured compatible, coordinated business systems reflecting the special characteristics of each of the four business sectors.

A major feature of this structural reorganization is the clear definition of the roles and responsibilities of each of the four organizations. Each business group such as EP and SP is designed to act as the department responsible for direct contact and response with customers. The Product Development Group is the department responsible for dealing with vendors. This group is also responsible for establishing a strong, friendly relationship with vendors, as well as being the central organization for product marketing, product identification,

verification/assessment contracts, etc. The Sales Promotion Group acts as an added value creation department in the Net One Group, responsible for bringing new solutions to customers. Our consolidated NSAT subsidiary is mainly responsible for maintenance/operations management and other post-sales services as the core entity within the Service Business Group. These four organizations are each responsible for executing on their clearly defined responsibilities and specialties, working in cooperation and coordination with each other.



## The Net One Group Vision

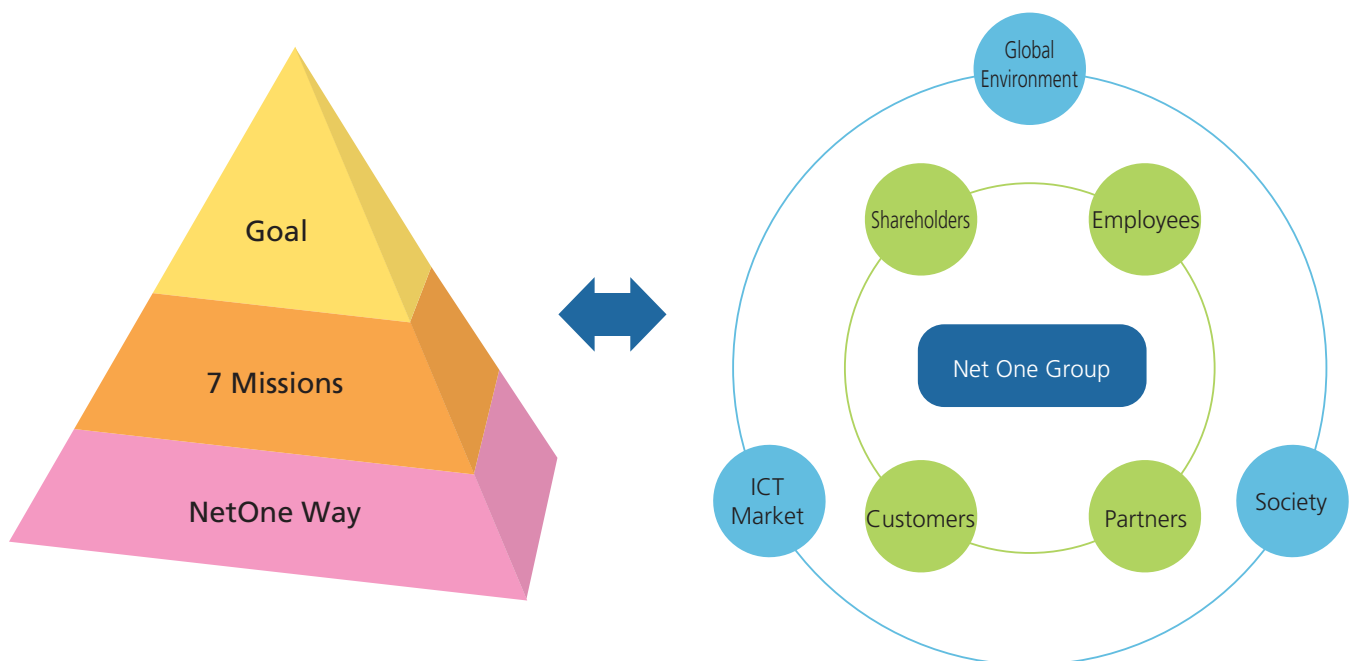
The goal of the Net One Group is to become an “admired company.”

“Continual growth” and “increased customer satisfaction” are the basic tenets of our management strategy; we have also created a new Net One Group Vision in conjunction with our group strategy. The ultimate goal under this vision is to become an “admired company” (a firm trusted and supported by all stakeholders). To achieve this goal, we have defined seven missions. Four missions relate to our responsibilities to customers, partners, shareholders and employees. Three missions relate to our contribution to the ICT market, society and the global environment. We are in the process of creating a specific action guideline, NewOne Way, in connection with these missions; we plan to complete this document by this fall.

Our Goal:

**Become an “Admired Company”**

The Net One Group is dedicated to the goal of becoming a company trusted, supported and admired by all of our stakeholders.



## Operating results for fiscal year ended March 2009

During current fiscal year, with regard to market for Enterprise Sector (“EP Sector”), which dealt with private companies, due to a sudden slowdown in economy and effect of crisis in financial industry since fall of last year, reassessments of new capital investments, etc. and cost cutbacks took place in many companies. As results, project scales were relatively smaller and both orders received and sales decreased. However, on the other hand, relative to greater demands for capital investments with aims of total cost reduction and rationalization, there were businesses that led to orders received.

With regard to market in Telecom and Internet Service Provider (“SP Sector”), relative to strong demands for capital investments within telecom industry, both orders accepted and sales were up.

With regard to Public Sector (“Public Sector”) market, relative to strong business growth from central government and local administrative agencies as well as from academic institutions, both orders accepted and sales were up.

Under this environment, orders received were ¥130,821 million indicating an increasing of ¥13,475 million (11.5% increase from previous fiscal year). With regard to orders received based on channels, ¥36,539 million (10.9% decrease) were in EP Sector, ¥63,876 million (29.3% increase) were in SP Sector and ¥30,405 million (12.9% increase) were in Public Sector. With regard to orders accepted based on network products and service business (operation management including construction), orders accepted for network products were ¥89,404 million (16.8% increase) and orders accepted for service business were ¥41,416 million (1.5% increase).

Under this environment, during current consolidated fiscal year, net sales were ¥131,119 million, up ¥19,431 million (17.4% increase from previous fiscal year). With regard to sales based on channels, ¥38,093 million (8.9% decrease) were in EP Sector, ¥62,177 million (33.4% increase) were in SP Sector and ¥30,849 million (32.4% increase) were in Public Sector. With regard to sales based on network products and service business, ¥89,986 million (21.1% increase) in sales were comprised of network products and ¥41,133 million (10.0% increase) in sales were comprised of service business.

As indicated above, during current consolidated fiscal year, net sales were ¥131,119 million (up 17.4% or ¥19,431 million increase) and cost of sales was capped at ¥98,482 million (up 13.8% or ¥11,913 million increase) as a result of negotiations with product vendors and decrease in purchase prices from overseas vendors due to stronger yen from last fall. As a

result, gross profit was ¥32,637 million (up 29.9% or ¥7,518 million increase) and gross profit margin was 24.9% (up 2.4 points). Also, as selling, general and administrative expenses were ¥23,756 million (up 16.8% or ¥3,408 million increase), operating income was ¥8,881 million (up 86.1% or ¥4,109 million increase), ordinary income was ¥9,036 million (up 84.9% or ¥4,149 million increase) and net income was ¥4,897 million (up 97.1% or ¥2,413 million increase).

## Analysis regarding financial status

Total assets at the end of fiscal year were ¥81,833 million indicating ¥2,425 million decrease (down 2.9%) from the previous fiscal year.

With regard to breakdown of assets, current assets were ¥70,472 million, indicating ¥2,437 million decrease (down 3.3%). Significant contributory factor for this was ¥1,833 million decrease (¥7,087 million at the end of fiscal year, ¥8,920 million in the previous fiscal year) in merchandises. Noncurrent assets were ¥11,361 million and showed ¥11 million increase (up 0.1%) from the previous fiscal year.

Liabilities were ¥27,423 million indicating ¥1,834 million increase (up 7.2%) from the previous fiscal year. Significant contributory factor for this was ¥2,244 million increase in income taxes payable.

Net assets were ¥54,409 million, indicating ¥4,260 million decrease (down 7.3%) from the previous fiscal year. This was due to ¥3,850 million increase in retained earnings owing to recording net income, etc. and ¥8,465 million increase (a decrease in net assets) in treasury stock.

Cash and cash equivalents at the end of fiscal year under review was ¥22,698 million, decreased by ¥2,852 million (down 11.2%) from the previous fiscal year. This was attributed to ¥10,014 million cash inflow from operating activities, ¥3,055 million cash outflow in investing activities and ¥9,811 million cash outflow from financing activities. Each cash flow is as follows.

Net cash provided by operating activities amounted to ¥10,014 million, ¥2,339 million increase from the previous fiscal year. This was mainly due to ¥4,101 million increase in cash inflow due to increase in income before income taxes and ¥3,663 million increase in cash inflow from decrease in inventories. This was offset by ¥6,688 million increase in cash outflow from increase in amount for accounts payable.

Net cash used in investing activities came to ¥3,055 million, ¥410 million decrease from the previous fiscal year. This was mainly due to ¥402 million decrease in payment for acquisition of property, plant and equipment.

Net cash used in financing activities totaled ¥9,811 million, ¥1,398 million increase from the previous fiscal year. This was mainly due to ¥842 million increase in payment for purchase of treasury stock.

## ● Consolidated Income Statement (Summary)

Years ended March 31, 2009 and 2008

(unit: million yen)

	2009	2008
Net Sales	131,119	111,687
Cost of sales	98,482	86,568
Gross profit	32,637	25,119
Selling, general and administrative expenses	23,756	20,347
Operating income	8,881	4,772
Non-operating income	223	178
Non-operating expenses	68	63
Ordinary income	9,036	4,887
Extraordinary income	161	4
Extraordinary loss	342	137
Income before income taxes	8,856	4,754
Income taxes—current	4,363	2,200
Income taxes—deferred	(553)	(54)
Minority interests in income	148	124
Net income	4,897	2,484

## ● Consolidated Cash Flow Statement (Summary)

Years ended March 31, 2009 and 2008

(unit: million yen)

	2009	2008
Net cash provided by operating activities	10,014	7,674
Net cash used in investing activities	(3,055)	(3,465)
Net cash used in financing activities	(9,811)	(8,412)
Net increase (decrease) in cash and cash equivalents	(2,852)	(4,203)
Cash and cash equivalents at beginning of year	25,550	29,754
Cash and cash equivalents at end of year	22,698	25,550

# Consolidated Financial Statements

Net One Systems Co., Ltd. and Consolidated Subsidiaries

## Consolidated Balance Sheet (Summary)

As of March 31, 2009 and 2008

(unit: million yen)

	2009	2008
<b>ASSETS</b>		
Current Assets	70,472	72,910
Cash and deposits	12,700	10,554
Notes and accounts receivable - trade	32,408	31,773
Short-term investments securities	9,998	14,996
Inventories	—	12,570
Merchandise	7,087	—
Goods in transit	552	—
Costs on uncompleted construction contracts	3,248	—
Supplies	5	—
Deferred tax assets	1,337	908
Other current assets	3,178	2,113
Allowance for doubtful accounts	(44)	(5)
Noncurrent Assets	11,361	11,349
Property, plant and equipment	5,550	5,278
Intangible assets	1,451	1,665
Investment and other assets	4,358	4,405
<b>Total assets</b>	<b>81,833</b>	<b>84,259</b>
<b>LIABILITIES</b>		
Current Liabilities	27,056	25,516
Accounts payable—trade	14,077	16,519
Lease obligations	343	19
Accounts payable—other	1,400	1,477
Income taxes payable	3,427	1,183
Advances received	4,552	4,405
Provision for bonuses	1,049	737
Provision for directors' bonuses	135	27
Provision for loss of liquidation of subsidiaries and affiliates	27	—
Other	2,042	1,146
Noncurrent liabilities	367	72
<b>Total liabilities</b>	<b>27,423</b>	<b>25,589</b>
<b>NET ASSETS</b>		
Shareholders' equity	53,286	57,900
Capital stock	12,279	12,279
Capital surplus	19,453	19,453
Retained earnings	37,720	33,870
Treasury stock	(16,167)	(7,702)
Valuation and translation adjustments	114	(90)
Valuation difference on available-for-sale securities	(12)	55
Deferred gains or losses on hedges	126	(146)
Minority interests	1,009	860
<b>Total net assets</b>	<b>54,409</b>	<b>58,670</b>
<b>Total liabilities and net assets</b>	<b>81,833</b>	<b>84,259</b>

## Consolidated Statement of Changes in Shareholders' Equity

Years ended March 31, 2009 and 2008

(unit: million yen)

	2009	2008		2009	2008
<b>Shareholders' equity</b>			<b>Valuation and translation adjustments</b>		
<b>Capital stock</b>			Valuation difference on available-for-sale securities		
Balance at the end of the preceding period	12,279	12,279	Balance at the end of the preceding period	55	(2)
Changes of items during the period			Changes of items during the period		
Total changes of items during the period	—	—	Net changes of items other than shareholders' equity	(67)	58
Balance at the end of the period	12,279	12,279	Total changes of items during the period	(67)	58
<b>Capital surplus</b>			Balance at the end of the period	(12)	55
Balance at the end of the preceding period	19,453	19,453	Deferred gains or losses on hedges		
Changes of items during the period			Balance at the end of the preceding period	(146)	29
Total changes of items during the period	—	—	Changes of items during the period		
Balance at the end of the period	19,453	19,453	Net changes of items other than shareholders' equity	272	(175)
<b>Retained earnings</b>			Total changes of items during the period	272	(175)
Balance at the end of the preceding period	33,870	32,173	Balance at the end of the period	126	(146)
Changes of items during the period			Total valuation and translation adjustments		
Dividends from surplus	(1,046)	(787)	Balance at the end of the preceding period	(90)	26
Net income for the period	4,897	2,484	Changes of items during the period		
Total changes of items during the period	3,850	1,696	Net changes of items other than shareholders' equity	205	(117)
Balance at the end of the period	37,720	33,870	Total changes of items during the period	205	(117)
<b>Treasury stock</b>			Balance at the end of the period	114	(90)
Balance at the end of the preceding period	(7,702)	(94)	<b>Minority interests</b>		
Changes of items during the period			Balance at the end of the preceding period	860	808
Purchase of treasury stock	(8,465)	(7,607)	Changes of items during the period		
Total changes of items during the period	(8,465)	(7,607)	Net changes of items other than shareholders' equity	148	51
Balance at the end of the period	(16,167)	(7,702)	Total changes of items during the period	148	51
<b>Total shareholders' equity</b>			Balance at the end of the period	1,009	860
Balance at the end of the preceding period	57,900	63,811	<b>Total net assets</b>		
Changes of items during the period			Balance at the end of the preceding period	58,670	64,647
Dividends from surplus	(1,046)	(787)	Changes of items during the period		
Net income for the period	4,897	2,484	Dividends from surplus	(1,046)	(787)
Purchase of treasury stock	(8,465)	(7,607)	Net income	4,897	2,484
Total changes of items during the period	(4,614)	(5,911)	Purchase of treasury stock	(8,465)	(7,607)
Balance at the end of the period	53,286	57,900	Net changes of items other than shareholders' equity	354	(65)
			Total changes of items during the period	(4,260)	(5,977)
			Balance at the end of the period	54,409	58,670

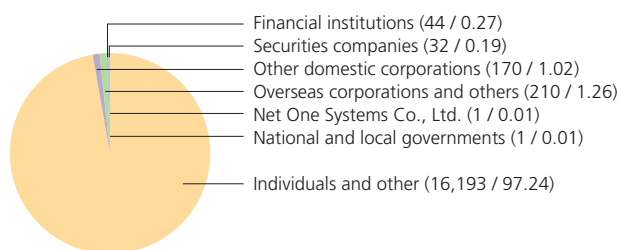
## Stock Information (As of March 31, 2009)

- Number of shares issued \_\_\_\_\_ 551,900
- Number of shareholders \_\_\_\_\_ 16,651
- Major shareholders

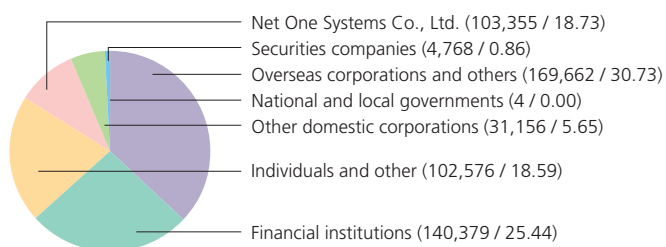
Name	Number of shares held	Ownership ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	37,979	6.9
CBNY-ORBIS SICAV	36,279	6.6
Mitsubishi Corporation	27,636	5.0
Master Trust Bank of Japan, Ltd. (Trust Account)	22,147	4.0
Japan Trustee Services Bank, Ltd. (Trust Account 4G)	21,200	3.8
CBNY-ORBIS FUNDS	16,928	3.1
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	16,560	3.0
State Street Bank and Trust Company 505012	15,164	2.8
Japan Trustee Services Bank, Ltd. (Trust Account 4)	8,680	1.6
Meiji Yasuda Life Insurance Company	7,200	1.3

(Note) The Company retains 103,355 shares in treasury stock; this amount is not included in the major shareholder figures above.

### ● Stock distribution by type of shareholder (persons / %)



### ● Stock distribution by number of shares held (shares / %)



## Corporate Data (As of March 31, 2009)

<b>Corporate Name</b>	Net One Systems Co., Ltd.
<b>Established</b>	February 1, 1988
<b>Capital Stock</b>	12,279 million yen
<b>Business Activities</b>	Network solutions provider business 1. Network consulting 2. Network design and management 3. Network facilities installation and construction 4. Network equipment sales 5. Network computing services 6. Operation support services 7. Training services
<b>Number of Employees</b>	1,764 (consolidated) 1,408 (non-consolidated)
<b>Major Banks</b>	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Mizuho Corporate Bank, Ltd. Mitsubishi UFJ Trust and Banking Corporation The Sumitomo Trust & Banking Co., Ltd. Sumitomo Mitsui Banking Corporation

## Directors and Corporate Auditors (As of June 24, 2009)

Chairman	Osamu Sawada
President & CEO	Takayuki Yoshino
Managing Director	Shingo Saito
Directors	Toru Arai Noriyoshi Katayama Tsuyoshi Suzuki Shunichi Suemitsu Hiroshi Otsuka Katsutoshi Ichikawa Kunio Kawakami
Full-time Corporate Auditor	Hiromu Yoshida
Corporate Auditors	Masasuke Naito Masamichi Kikuchi Minoru Uchida

**● Business Locations****● Head Office**

2-2-8 Higashi Shinagawa, Shinagawa-ku, Tokyo 140-8621 Japan  
Tel: +81-3-5462-0800

**● Kansai Office**

Shin-Osaka Trust Tower, 3-5-36 Miyahara, Yodogawa-ku, Osaka 532-0003 Japan  
Tel: +81-6-6395-7409

**● Hokkaido Office**

3-1-6 San-Jou Nishi, Chuo-ku Kita, Sapporo 060-0003 Japan  
Tel: +81-11-231-5007

**● Tohoku Office**

1-1-20 Kakyuin, Aoba-ku, Sendai 980-0013 Japan  
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**● Tsukuba Office**

1-6-1 Takezono, Tsukuba-shi, Ibaraki 305-0032 Japan  
Tel: +81-29-851-1163

**● Chubu Office**

2-15-15 Nishiki, Naka-ku, Nagoya 460-0003 Japan  
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**● Toyota Office**

1-5-3 Kozakahonmachi, Toyota-shi, Aichi 471-0034 Japan  
Tel: +81-565-37-3552

**● Hiroshima Office**

16-11 Hacchobori, Naka-ku, Hiroshima 730-0013 Japan  
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**● Takamatsu Office**

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**● Kyushu Office**

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Tel: +81-92-471-7130

**● Okayama Office**

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**● Kasumigaseki Office**

2-2-12 Akasaka, Minato-ku, Tokyo 107-0052 Japan  
Tel: +81-3-5572-6380

**● Quality Control Center**

3-2-35 Yashio, Shinagawa-ku, Tokyo 140-0003 Japan  
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**● Overseas Subsidiaries**

Net One Systems USA, Inc.  
800 W El Camino Real, Suite 420  
Mountain View, California 94040 U.S.A.  
Tel: +1-650-210-3419

## Shareholder Information

Fiscal Year	April 1 through March 31
General Meeting of Shareholders	June
Dates of Record	General Meeting of Shareholders March 31 Year-End Dividend March 31 Interim Dividend September 30
Method of Public Notice	Public notices of the Company shall be made via electronic notification. In the event that this method is not available due to accidents or other circumstances, the Company will publish announcements via the Nihon Keizai Shimbun. Announcement URL <a href="http://www.netone.co.jp/">http://www.netone.co.jp/</a>

### [Requests for forms for changing registered address, and others related to share transactions]

We ask that shareholders who have accounts with securities firms notify their respective firms directly regarding address changes or other inquiries. Other shareholders may make inquiries, etc. via the following contact information:

Shareholder Registry Administrator and Special Accounts Account Management Institution	The Sumitomo Trust & Banking Co., Ltd. 4-5-33 Kitahama, Chuo-ku, Osaka
Shareholder Registry Administrator	2-3-1 Yaesu, Chuo-ku, Tokyo
Office Contact	Stock Transfer Agency Dept., The Sumitomo Trust & Banking Co., Ltd.
Mailing Address	Stock Transfer Agency Dept., The Sumitomo Trust & Banking Co., Ltd. 1-10 Nikko-cho, Fuchu-shi, Tokyo 183-8701 Japan
Telephone	0120-176-417 (toll free)
Internet Website	<a href="http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html">http://www.sumitomotrust.co.jp/STA/retail/service/daiko/index.html</a>

### [Special Accounts]

The Company has opened an account ("Special Account") with shareholder registry administrator Sumitomo Trust & Banking Co., Ltd. for those shareholders who had not utilized JASDEC (Japan Securities Depository Center, Inc.) prior to the transition to electronic stock certificates. We ask that such shareholders direct their changes of registered address or other inquiries to the telephone number above.

## Net One Systems Co., Ltd.

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