Financial Report for 3rd Quarter FY 2007
(ending March 2008)

February 1, 2008

Name of registered company: Net One Systems Co., Ltd.
Location of stock listing: First Section of Tokyo Stock Exchange

Representative President & CEO Osamu SAWADA
Inquiries General Manager,
Administrative Headquarters
Tadashi ARIMA Telephone: (03)5462-0800

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

1. Business Results for FY 2007 (April 1, 2007 to December 31, 2007)

(1) Consolidated Financial Results

(Percentage: increase/decrease against previous fiscal year)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating profit</th>
<th>Ordinary profit</th>
<th>Current net income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million Yen</td>
<td>Million Yen</td>
<td>Million Yen</td>
<td>Million Yen</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Quarter ended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2007</td>
<td>74,868</td>
<td>2,760 (-12.5)</td>
<td>2,859 (-9.2)</td>
<td>1,464 (-13.2)</td>
</tr>
<tr>
<td>December 31, 2006</td>
<td>76,078</td>
<td>3,155 (-39.2)</td>
<td>3,148 (-40.2)</td>
<td>1,687 (-45.7)</td>
</tr>
<tr>
<td>FY ended</td>
<td>109,292</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>March 2007</td>
<td></td>
<td>5,498</td>
<td>-</td>
<td>2,891</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Current net income per share</th>
<th>Current net income per share assuming full dilution</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>yen sen</td>
<td>yen sen</td>
</tr>
<tr>
<td>Quarter ended</td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2007</td>
<td>2,793 50</td>
<td></td>
</tr>
<tr>
<td>December 31, 2006</td>
<td>3,059 04</td>
<td></td>
</tr>
<tr>
<td>FY ended</td>
<td>5,241 81</td>
<td></td>
</tr>
<tr>
<td>March 2007</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(2) Financial position

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Net assets</th>
<th>Net assets ratio</th>
<th>Net assets per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million yen</td>
<td>Million yen</td>
<td>%</td>
<td>yen sen</td>
</tr>
<tr>
<td>Quarter ended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2007</td>
<td>75,949</td>
<td>57,956</td>
<td>75.2</td>
<td>114,564 20</td>
</tr>
<tr>
<td>December 31, 2006</td>
<td>79,342</td>
<td>63,571</td>
<td>79.2</td>
<td>113,833 61</td>
</tr>
<tr>
<td>FY ended</td>
<td>84,601</td>
<td>64,647</td>
<td>75.5</td>
<td>115,715 08</td>
</tr>
</tbody>
</table>
(3) Consolidated cash flow

<table>
<thead>
<tr>
<th></th>
<th>Net cash provided by operating activities</th>
<th>Net cash used in investing activities</th>
<th>Net cash provided by financing activities</th>
<th>Cash and cash equivalents at end of the term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter ended</td>
<td>Million yen</td>
<td>Million yen</td>
<td>Million yen</td>
<td>Million yen</td>
</tr>
<tr>
<td>December 31, 2007</td>
<td>4,104</td>
<td>- 2,742</td>
<td>- 8,405</td>
<td>22,711</td>
</tr>
<tr>
<td>Quarter ended</td>
<td>4,882</td>
<td>- 2,611</td>
<td>- 818</td>
<td>26,508</td>
</tr>
<tr>
<td>December 31, 2006</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY ended</td>
<td>9,117</td>
<td>- 3,245</td>
<td>- 1,175</td>
<td>29,754</td>
</tr>
</tbody>
</table>

2. Status of dividends

<table>
<thead>
<tr>
<th>(Date of record)</th>
<th>Dividend per share</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Interim</td>
<td>(End of the term)</td>
<td>(Annual total)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>period) yen sen</td>
<td>yen sen</td>
<td>yen sen</td>
<td></td>
</tr>
<tr>
<td>FY ended March 2007</td>
<td>750 00</td>
<td>750 00</td>
<td>1,500 00</td>
<td></td>
</tr>
<tr>
<td>FY ending March 2008</td>
<td>750 00</td>
<td>1,250 00</td>
<td>2,000 00</td>
<td></td>
</tr>
<tr>
<td>FY ending 2008 (forecast)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(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)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating profit</th>
<th>Ordinary profit</th>
<th>Current net income</th>
<th>Current net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY</td>
<td>Million yen</td>
<td>%</td>
<td>Million yen</td>
<td>%</td>
<td>Million yen</td>
</tr>
<tr>
<td></td>
<td>110,000</td>
<td>(0.6)</td>
<td>4,600</td>
<td>(16.2)</td>
<td>4,700</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>4,700</td>
<td>(14.5)</td>
<td>2,400</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>4,634</td>
</tr>
</tbody>
</table>

There are no changes to the forecast announced on previous FY financial report dated October 29, 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 5.
1. Status of Non-Consolidated Business Results for FY 2007 (April 1, 2007 to December 31, 2007)

(1) Non-consolidated financial results

(Percentage: increase/decrease against previous fiscal year)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating profit</th>
<th>Ordinary profit</th>
<th>Current net income</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million yen</td>
<td>Million yen</td>
<td>Million yen</td>
<td>Million yen</td>
</tr>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
<td>%</td>
</tr>
<tr>
<td>Quarter ended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2007</td>
<td>73,459 (−1.5)</td>
<td>2,043 (−31.7)</td>
<td>2,151 (−29.3)</td>
<td>1,216 (−26.7)</td>
</tr>
<tr>
<td>Quarter ended</td>
<td>74,569 (6.4)</td>
<td>2,991 (−31.7)</td>
<td>3,042 (−31.8)</td>
<td>1,660 (−36.9)</td>
</tr>
<tr>
<td>December 31, 2006</td>
<td>FY ended March 2007</td>
<td>107,144</td>
<td>5,042</td>
<td>5,119</td>
</tr>
<tr>
<td></td>
<td>5,119</td>
<td>2,767</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Current net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Current net income per share assuming full dilution</td>
</tr>
<tr>
<td>Quarter ended</td>
<td>yen</td>
</tr>
<tr>
<td>December 31, 2007</td>
<td>2,320</td>
</tr>
<tr>
<td>Quarter ended</td>
<td>3,009</td>
</tr>
<tr>
<td>December 31, 2006</td>
<td>FY ended March 2007</td>
</tr>
<tr>
<td></td>
<td>5,015</td>
</tr>
</tbody>
</table>

(2) Non-consolidated Financial position

<table>
<thead>
<tr>
<th></th>
<th>Total assets</th>
<th>Net assets</th>
<th>Net assets ratio</th>
<th>Net assets per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million yen</td>
<td>Million yen</td>
<td>%</td>
<td>yen</td>
</tr>
<tr>
<td>Quarter ended</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>December 31, 2007</td>
<td>72,652</td>
<td>55,908</td>
<td>77.0</td>
<td>112,143</td>
</tr>
<tr>
<td>Quarter ended</td>
<td>76,561</td>
<td>61,938</td>
<td>80.9</td>
<td>112,271</td>
</tr>
<tr>
<td>December 31, 2006</td>
<td>FY ended March 2007</td>
<td>81,683</td>
<td>62,879</td>
<td>77.0</td>
</tr>
</tbody>
</table>

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

(Reference)

(Reference)

<table>
<thead>
<tr>
<th></th>
<th>Sales</th>
<th>Operating profit</th>
<th>Ordinary profit</th>
<th>Current net income</th>
<th>Current net income per share</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Million yen</td>
<td>Million yen</td>
<td>Million yen</td>
<td>Million yen</td>
<td>yen</td>
</tr>
<tr>
<td>FY</td>
<td>108,000</td>
<td>4,100 (−18.7)</td>
<td>4,200 (−18.0)</td>
<td>2,200 (−20.5)</td>
<td>4,248</td>
</tr>
</tbody>
</table>

(Note) There are no changes to the forecast announced on previous FY financial report dated October 29, 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 5.
Qualitative Information/ Financial Reports, etc.

1. Qualitative information regarding consolidated business performance

Total orders accepted during current consolidated term was 81,005M yen indicating 1,315M yen (1.6% decrease from previous FY 3Q) decrease. With regard to breakdown of the orders accepted based on channels, Enterprise sector (EP Sector) accounted for 29,140M yen (8.4% decrease from previous FY 3Q), Telecom and Service provider (ISP) sector (SP Sector) accounted for 33,734M yen (3.4% increase from previous FY 3Q), and Public sector (Public Sector) accounted for 18,129M yen (1.3% increase from previous FY 3Q). With regard to total orders accepted based on categories of network products, etc. and service business (operational management, etc., including construction) former accounted for 55,946M yen (4.0% decrease from previous FY) and latter accounted for 25,058M yen (4.2% increase from previous FY 3Q).

Total sales during current consolidated term was 74,868M and indicating 1,210M yen (1.6% decrease from previous FY 3Q) decrease. With regard to breakdown of sales based on channels, EP Sector accounted for 29,765M yen (0.3% increase from previous FY 3Q), SP Sector accounted for 31,820M yen (2.9% decrease from previous FY 3Q), and Public Sector accounted for 13,282M yen (2.5% decrease from previous FY 3Q). With regard to total sales based on categories of network products, etc. and service business (operational management, etc., including construction) former accounted for 49,260M yen (6.3% decrease from previous FY 3Q) and latter accounted for 25,607M yen (8.8% increase from previous FY 3Q).

With regard to profit, although total sales was 74,868M (1.6% decrease or 1,210M yen decrease from previous FY 3Q), since the cost of goods sold was 57,201M yen (2.6% decrease or 1,530M yen decrease from previous FY 3Q), gross profit on sales was 17,666M yen (1.8% increase or 319M yen increase from previous FY 3Q). On the other hand, selling, general and administrative expense was 14,906M yen (5.0% increase or 714M yen increase from previous FY 3Q), and relative to this, operating profit was 2,760M yen (12.5% decrease or 395M yen decrease from previous FY 3Q), ordinary profit was 2,859M yen (9.2% decrease or 288M yen decrease from previous FY 3Q) and current net income was 1,464M yen (13.2% decrease or 223M yen decrease from previous FY 3Q).

2. Qualitative information regarding consolidated financial status

Current total assets was 75,949M yen and decreased by 4.3% as compared to previous FY 3Q. With regard to breakdown of total assets, current assets was 64,821M yen (5.1% decrease from previous FY 3Q) and fixed assets was 11,128M yen (0.6% increase from previous FY 3Q). Current total liabilities was 17,993M yen (14.1% increase from previous FY) and total net assets was 57,956M yen (8.8% decrease from previous FY 3Q). Significant factors for decrease in current assets and total net assets included significant decrease in cash and deposits (current assets) relative to market purchases of treasury stocks (Number of shares purchased: 53,143, purchase amount: 7,607M yen) and decrease in net assets relative to increase in treasury stocks (negative item under net assets).

With regard to non-consolidated report, current assets decreased by total of 3,463M yen relative to total of 3,797M yen decrease in cash and deposits and short term investments (negotiable deposits and commercial paper), 708M yen decrease in note and account receivables and 776M yen increase in inventories. Fixed assets increased by 70M yen. Liabilities increased by total of 2,221M yen relative to 2,046M yen increase in accounts receivable (trade) and 257M yen increase in advance received. Total net assets decreased by 5,614M yen.
In comparison to end of previous FY (FY ended March 31, 2007), total assets decreased by 8,651M yen (10.2% decrease from previous FY 3Q). Significant factors for this included 7,042M yen decrease in cash and deposits and short term investments (negotiable deposits and commercial paper), 6,420M yen decrease in notes and accounts receivables (trade), and 3,851M yen increase in inventories. Relative to decrease in account receivable, etc., total liabilities and total net assets decreased by 1,960M yen and 6,690M yen, respectively.

Cash flow provided by operating activities was 4,104M yen, indicating a year over year decreased of 777M yen. Significant contributory factors for this included 1,398M yen increase in expenditure relative to increase in inventories. Cash flow used in investing activities was 2,742M yen, indicating a year over year increase of 130M yen. Significant contributory factor for this included 165M yen increase in expenditure relative to acquisition of tangible assets. Cash flow provided by (used in) financing activities was 845M yen indicating a year over year increase of 7,586M yen. Significant contributory factor for this included 7,624M yen in expenditure relative to acquisition of treasury stocks. Reflecting the above, as of the end of FY 3Q, cash and cash equivalents amounted to 22,711M yen, indicating a decrease of 3,797M yen (14.3% decrease).

3. Qualitative information regarding consolidated business performance

Although there is a concern over subprime loan problem affecting financial institutions within EP Sector, migration to IP telephony and business relating to corporate datacenters is on a rise. Within Public Sector, although some independent administrative agencies have either postponed or terminated business relative to limitation on budget, businesses from central and local government as well as from medical institutions are on a rise. During 3Q (October to December), SP Sector showed 22.6% year over year sales. For 4Q (January to March), sales are expected at a same rate as in previous FY.

Under this environment, with regard to sales for 4Q (January 1, 2008 to March 31, 2008), although in EP and Public Sectors, sales are expected to fall short of initial forecast, as the decrease is likely to be compensated by increased sales in SP Sector, there is no change in forecast.

With regard to consolidated forecast for FY 2007 (April 1, 2007 to March 31, 2008), expected sales, operating profit, ordinary profit and current net income are 110,000M yen, 4,600M yen, 4,700M yen and 2,400M 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 3Q FY2007

(1) Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>End of previous FY 3Q (as of December 31, 2006)</th>
<th>End of current FY 3Q (as of December 31, 2007)</th>
<th>Variance</th>
<th>(Reference) End of previous FY (as of March 31, 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Ratio</td>
<td>Amount</td>
<td>Ratio</td>
</tr>
<tr>
<td>I</td>
<td>Current Assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Cash and deposits</td>
<td>14,510</td>
<td>13,712</td>
<td>- 797</td>
</tr>
<tr>
<td>2.</td>
<td>Notes and accounts receivables - trade</td>
<td>25,241</td>
<td>24,533</td>
<td>- 708</td>
</tr>
<tr>
<td>3.</td>
<td>Short-term investments</td>
<td>11,998</td>
<td>8,998</td>
<td>- 2,999</td>
</tr>
<tr>
<td>4.</td>
<td>Inventories</td>
<td>13,659</td>
<td>14,435</td>
<td>776</td>
</tr>
<tr>
<td>5.</td>
<td>Deferred income taxes</td>
<td>428</td>
<td>543</td>
<td>115</td>
</tr>
<tr>
<td>6.</td>
<td>Other current assets</td>
<td>2,448</td>
<td>2,603</td>
<td>155</td>
</tr>
<tr>
<td></td>
<td>Allowance for doubtful receivables</td>
<td>428</td>
<td>543</td>
<td>115</td>
</tr>
<tr>
<td>II</td>
<td>Fixed Assets</td>
<td>11,058</td>
<td>11,128</td>
<td>70</td>
</tr>
<tr>
<td>1.</td>
<td>Tangible assets</td>
<td>5,255</td>
<td>5,350</td>
<td>94</td>
</tr>
<tr>
<td></td>
<td>(1) Furniture, fixtures and equipment</td>
<td>4,791</td>
<td>4,829</td>
<td>38</td>
</tr>
<tr>
<td></td>
<td>(2) Other tangible assets</td>
<td>463</td>
<td>520</td>
<td>56</td>
</tr>
<tr>
<td>2.</td>
<td>Intangible assets</td>
<td>1,558</td>
<td>1,464</td>
<td>- 94</td>
</tr>
<tr>
<td></td>
<td>(1) Goodwill</td>
<td>13</td>
<td>7</td>
<td>- 5</td>
</tr>
<tr>
<td></td>
<td>(2) Other intangible assets</td>
<td>1,545</td>
<td>1,457</td>
<td>- 88</td>
</tr>
<tr>
<td>3.</td>
<td>Investment and other assets</td>
<td>4,243</td>
<td>4,313</td>
<td>70</td>
</tr>
<tr>
<td></td>
<td>(1) Investment securities</td>
<td>781</td>
<td>926</td>
<td>144</td>
</tr>
<tr>
<td></td>
<td>(2) Deferred income taxes</td>
<td>2,299</td>
<td>2,177</td>
<td>- 122</td>
</tr>
<tr>
<td></td>
<td>(3) Other assets</td>
<td>1,388</td>
<td>1,435</td>
<td>47</td>
</tr>
<tr>
<td></td>
<td>Allowance for doubtful receivables</td>
<td>- 226</td>
<td>- 225</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>Total assets</td>
<td>79,342</td>
<td>75,949</td>
<td>- 3,392</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>End of previous FY 3Q (as of December 31, 2006)</th>
<th>End of current FY 3Q (as of December 31, 2007)</th>
<th>Variance</th>
<th>(Reference) End of previous FY (as of March 31, 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Current liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Accounts payable - trade</td>
<td>8,445</td>
<td>10,492</td>
<td>2,046</td>
</tr>
<tr>
<td>2.</td>
<td>Short-term loans</td>
<td>350</td>
<td>- 350</td>
<td>-</td>
</tr>
<tr>
<td>3.</td>
<td>Accrued expenses</td>
<td>746</td>
<td>840</td>
<td>94</td>
</tr>
<tr>
<td>4.</td>
<td>Accrued income taxes</td>
<td>45</td>
<td>182</td>
<td>137</td>
</tr>
<tr>
<td>5.</td>
<td>Advance received</td>
<td>4,909</td>
<td>5,167</td>
<td>257</td>
</tr>
<tr>
<td>6.</td>
<td>Allowance for bonuses</td>
<td>432</td>
<td>478</td>
<td>46</td>
</tr>
<tr>
<td>7.</td>
<td>Allowance for bonuses for executives</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>8.</td>
<td>Other current liabilities</td>
<td>737</td>
<td>775</td>
<td>37</td>
</tr>
<tr>
<td>II</td>
<td>Long term liabilities</td>
<td>104</td>
<td>56</td>
<td>- 48</td>
</tr>
<tr>
<td>1.</td>
<td>Long-term accrued expenses</td>
<td>93</td>
<td>47</td>
<td>- 46</td>
</tr>
<tr>
<td>2.</td>
<td>Other long-term liabilities</td>
<td>10</td>
<td>8</td>
<td>- 1</td>
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<tr>
<td></td>
<td>15,771</td>
<td>19.9</td>
<td>17,993</td>
<td>23.7</td>
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<tr>
<td>----------------------</td>
<td>--------</td>
<td>------</td>
<td>--------</td>
<td>------</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I Shareholders' equity</td>
<td><strong>62,607</strong></td>
<td>78.9</td>
<td><strong>56,880</strong></td>
<td>74.9</td>
</tr>
<tr>
<td>1. Capital stock</td>
<td>12,279</td>
<td>15.5</td>
<td>12,279</td>
<td>16.2</td>
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<tr>
<td>2. Additional paid-in capital</td>
<td>19,453</td>
<td>24.5</td>
<td>19,453</td>
<td>25.6</td>
</tr>
<tr>
<td>3. Accumulated earnings</td>
<td>30,969</td>
<td>39.0</td>
<td>32,849</td>
<td>43.2</td>
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<td>4. Treasury stocks</td>
<td>-94</td>
<td>-0.1</td>
<td>-7,702</td>
<td>-10.1</td>
</tr>
<tr>
<td>II Revaluation and translation adjustments</td>
<td>192</td>
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<td>234</td>
<td>0.3</td>
</tr>
<tr>
<td>1. Securities</td>
<td>-3</td>
<td>-0.0</td>
<td>149</td>
<td>0.2</td>
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<tr>
<td>2. Deferred charge from hedging instruments</td>
<td>196</td>
<td>0.2</td>
<td>85</td>
<td>0.1</td>
</tr>
<tr>
<td>III Minority interests</td>
<td>770</td>
<td>1.0</td>
<td>841</td>
<td>1.1</td>
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<tr>
<td>Total net assets</td>
<td><strong>63,571</strong></td>
<td>80.1</td>
<td><strong>57,956</strong></td>
<td>76.3</td>
</tr>
<tr>
<td>Total liabilities and net assets</td>
<td><strong>79,342</strong></td>
<td>100.0</td>
<td><strong>75,949</strong></td>
<td>100.0</td>
</tr>
</tbody>
</table>
## (2) Comparative consolidated income statement

(Units: Figures are rounded down to nearest million yen)

<table>
<thead>
<tr>
<th></th>
<th>Previous FY 3Q April 1, 2006 to December 31, 2006</th>
<th>Previous FY 3Q April 1, 2007 to December 31, 2007</th>
<th>Variance</th>
<th>(Reference) Previous FY April 1, 2006 to March 31, 2007</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Ratio</td>
<td>Amount</td>
<td>Ratio</td>
</tr>
<tr>
<td>I Sales</td>
<td>76,078</td>
<td>100.0</td>
<td>74,868</td>
<td>100.0</td>
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<tr>
<td>II Cost of goods sold</td>
<td>58,731</td>
<td>77.2</td>
<td>57,201</td>
<td>76.4</td>
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<tr>
<td></td>
<td>17,347</td>
<td>22.8</td>
<td>17,666</td>
<td>23.6</td>
</tr>
<tr>
<td>III Selling, general and administrative expense</td>
<td>14,191</td>
<td>18.7</td>
<td>14,906</td>
<td>19.9</td>
</tr>
<tr>
<td>Operating profit</td>
<td>3,155</td>
<td>4.1</td>
<td>2,760</td>
<td>3.7</td>
</tr>
<tr>
<td>IV Non-Operating Income</td>
<td>75</td>
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<td>131</td>
<td>0.2</td>
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<tr>
<td>1. Interest income</td>
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<td>86</td>
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<tr>
<td>2. Dividends</td>
<td>1</td>
<td>-</td>
<td>-1</td>
<td>-1</td>
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<td>3. Income from work from affiliated companies</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>4. Dividend from group insurance</td>
<td>31</td>
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<td>13</td>
<td>-18</td>
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<tr>
<td>5. Other income</td>
<td>17</td>
<td></td>
<td>29</td>
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<tr>
<td>V Non-operating expense</td>
<td>83</td>
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<td>32</td>
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<td>1. Interest expense</td>
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<td>-3</td>
<td>-3</td>
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<tr>
<td>2. Investment loss on equity method</td>
<td>48</td>
<td></td>
<td>7</td>
<td>-41</td>
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<td>3. Treasury stocks purchase fee</td>
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<td>17</td>
<td>17</td>
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<tr>
<td>4. Exchange loss on foreign currencies</td>
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<td>5. Commitment fee</td>
<td>6</td>
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<td>-6</td>
<td>-6</td>
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<tr>
<td>6. Investment operation loss</td>
<td>6</td>
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<td>3</td>
<td>-2</td>
</tr>
<tr>
<td>7. Other expense</td>
<td>3</td>
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<tr>
<td>Ordinary profit</td>
<td>3,148</td>
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<td>2,859</td>
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<td>VI Extraordinary profit</td>
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<td>0.0</td>
<td>3</td>
<td>0.0</td>
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<td>1. Reversal of allowance for doubtful receivables</td>
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<td>0</td>
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<td>2. Dilution gain</td>
<td>-</td>
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<td>2</td>
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<tr>
<td>VII Extraordinary loss</td>
<td>223</td>
<td>0.3</td>
<td>100</td>
<td>0.1</td>
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<tr>
<td>1. Loss from removal of fixed assets</td>
<td>4</td>
<td>74</td>
<td>69</td>
<td>134</td>
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<tr>
<td>2. Loss from sale of investment securities</td>
<td>-</td>
<td>0</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>3. Loss from sale of affiliated company's stocks</td>
<td>-</td>
<td>15</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>4. Loss from revaluation of investment securities</td>
<td>-</td>
<td>11</td>
<td>11</td>
<td>24</td>
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<tr>
<td>5. Loss on revaluation of affiliated company's stocks</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>34</td>
</tr>
<tr>
<td>6. Loss from relocation of affiliated company</td>
<td>19</td>
<td>-</td>
<td>-19</td>
<td>19</td>
</tr>
<tr>
<td></td>
<td>199</td>
<td>3.8</td>
<td>2,762</td>
<td>3.7</td>
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<td>--------------------------------------</td>
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<td>-----</td>
</tr>
<tr>
<td>Loss from termination of business relocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>2,925</td>
<td>3.8</td>
<td>2,762</td>
<td>3.7</td>
</tr>
<tr>
<td>Income taxes current</td>
<td>1,235</td>
<td>1.6</td>
<td>1,192</td>
<td>1.6</td>
</tr>
<tr>
<td>Minority interests</td>
<td>2</td>
<td>0.0</td>
<td>105</td>
<td>0.1</td>
</tr>
<tr>
<td>Current net income</td>
<td>1,687</td>
<td>2.2</td>
<td>1,464</td>
<td>2.0</td>
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</table>
### (3) Comparative Consolidated Cash Flow Statement

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

<table>
<thead>
<tr>
<th></th>
<th>Previous FY 3Q April 1, 2006 to December 31, 2006</th>
<th>Current FY 3Q April 1, 2007 to December 31, 2007</th>
<th>(Reference) Previous FY April 1, 2006 to March 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Amount</td>
<td>Amount</td>
</tr>
<tr>
<td><strong>I Cash flow provided by operating activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current net income before taxes</td>
<td>2,925</td>
<td>2,762</td>
<td>5,084</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>2,170</td>
<td>2,050</td>
<td>3,021</td>
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<tr>
<td>Amortization of goodwill</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Increase or decrease in allowance for bonus</td>
<td>- 112</td>
<td>- 158</td>
<td>92</td>
</tr>
<tr>
<td>Increase or decrease in allowance for executives’ bonus</td>
<td>-</td>
<td>- 22</td>
<td>22</td>
</tr>
<tr>
<td>Increase or decrease in allowance for doubtful accounts</td>
<td>- 0</td>
<td>4</td>
<td>- 0</td>
</tr>
<tr>
<td>Interests and dividends income</td>
<td>- 25</td>
<td>- 86</td>
<td>- 45</td>
</tr>
<tr>
<td>Equity in losses of affiliates</td>
<td>48</td>
<td>7</td>
<td>55</td>
</tr>
<tr>
<td>Interest payment</td>
<td>3</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Loss from sales of investment securities</td>
<td>-</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>Loss from sales of affiliated company’s stocks</td>
<td>-</td>
<td>15</td>
<td>-</td>
</tr>
<tr>
<td>Loss on revaluation of investment securities</td>
<td>-</td>
<td>11</td>
<td>24</td>
</tr>
<tr>
<td>Loss on revaluation of affiliated company’s stocks</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Decrease in accounts receivable</td>
<td>12,150</td>
<td>7,677</td>
<td>5,439</td>
</tr>
<tr>
<td>Increase or decrease in inventories</td>
<td>- 2,453</td>
<td>- 3,851</td>
<td>622</td>
</tr>
<tr>
<td>Increase or decrease of accrued consumption tax receivable</td>
<td>127</td>
<td>- 87</td>
<td>158</td>
</tr>
<tr>
<td>Increase of other current assets</td>
<td>- 325</td>
<td>- 420</td>
<td>- 208</td>
</tr>
<tr>
<td>Decrease of purchase liabilities</td>
<td>- 6,698</td>
<td>- 1,778</td>
<td>- 2,873</td>
</tr>
<tr>
<td>Increase or decrease of accrued consumption tax payable</td>
<td>- 42</td>
<td>- 145</td>
<td>131</td>
</tr>
<tr>
<td>Decrease of other current liabilities</td>
<td>- 298</td>
<td>- 72</td>
<td>- 49</td>
</tr>
<tr>
<td>Payment for executives’ bonuses</td>
<td>- 32</td>
<td>-</td>
<td>- 32</td>
</tr>
<tr>
<td>Others</td>
<td>- 163</td>
<td>- 66</td>
<td>17</td>
</tr>
<tr>
<td><strong>Sub-total</strong></td>
<td>7,275</td>
<td>5,840</td>
<td>11,504</td>
</tr>
<tr>
<td>Interests and dividends received</td>
<td>23</td>
<td>85</td>
<td>44</td>
</tr>
<tr>
<td>Interest paid</td>
<td>- 3</td>
<td>-</td>
<td>- 4</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>- 2,459</td>
<td>- 1,863</td>
<td>- 2,472</td>
</tr>
<tr>
<td>Others</td>
<td>46</td>
<td>42</td>
<td>45</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>4,882</td>
<td>4,104</td>
<td>9,117</td>
</tr>
<tr>
<td><strong>II Cash flow used in investing activities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Expenditure from purchase of tangible fixed assets</td>
<td>- 2,065</td>
<td>- 2,231</td>
<td>- 2,559</td>
</tr>
<tr>
<td>Expenditure from purchase of intangible fixed assets</td>
<td>- 284</td>
<td>- 377</td>
<td>- 392</td>
</tr>
<tr>
<td>Expenditure from purchase of investment securities</td>
<td>- 278</td>
<td>-</td>
<td>- 313</td>
</tr>
<tr>
<td>Proceeds from Sell-off of investment securities</td>
<td>-</td>
<td>28</td>
<td>0</td>
</tr>
<tr>
<td>Expenditure from purchase of affiliated company stocks</td>
<td>-</td>
<td>- 70</td>
<td>-</td>
</tr>
<tr>
<td>Expenditure from loan</td>
<td>- 5</td>
<td>- 9</td>
<td>- 11</td>
</tr>
<tr>
<td>Proceeds from collection of loan</td>
<td>13</td>
<td>7</td>
<td>23</td>
</tr>
<tr>
<td>Expenditure from payment of initial investment</td>
<td>- 3</td>
<td>- 3</td>
<td>- 3</td>
</tr>
<tr>
<td>Proceeds from collection of initial investment</td>
<td>1</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Others</td>
<td>10</td>
<td>- 89</td>
<td>10</td>
</tr>
<tr>
<td><strong>Net cash used in investing activities</strong></td>
<td>- 2,611</td>
<td>- 2,742</td>
<td>- 3,245</td>
</tr>
<tr>
<td><strong>III Net cash provided by (used in) financing activities</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Net decrease in short-term loans</td>
<td>—</td>
<td>—</td>
<td>— 350</td>
</tr>
<tr>
<td>Expenditure from purchase of treasury stocks</td>
<td>—</td>
<td>— 7,624</td>
<td>—</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>— 818</td>
<td>— 780</td>
<td>— 825</td>
</tr>
<tr>
<td><strong>Net cash provided by (used in) financing activities</strong></td>
<td>— 818</td>
<td>— 8,405</td>
<td>— 1,175</td>
</tr>
<tr>
<td><strong>IV Net increase (decrease) in cash and cash equivalents</strong></td>
<td>1,451</td>
<td>— 7,042</td>
<td>4,697</td>
</tr>
<tr>
<td><strong>V Beginning balance of cash and cash equivalents</strong></td>
<td>25,056</td>
<td>29,754</td>
<td>25,056</td>
</tr>
<tr>
<td><strong>VI Ending balance of cash and cash equivalents</strong></td>
<td>26,508</td>
<td>22,711</td>
<td>29,754</td>
</tr>
</tbody>
</table>
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)

<table>
<thead>
<tr>
<th></th>
<th>Previous FY 3Q (April 1, 2006 to December 31, 2006)</th>
<th>Current FY 3Q (April 1, 2007 to December 31, 2007)</th>
<th>(Reference) Previous FY (April 1, 2006 to March 31, 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount %</td>
<td>Amount %</td>
<td>Amount %</td>
</tr>
<tr>
<td>Network Integration Products</td>
<td>53,224 64.6</td>
<td>51,665 63.8</td>
<td>66,964 61.3</td>
</tr>
<tr>
<td>Network Computing Products</td>
<td>2,115 2.6</td>
<td>1,679 2.1</td>
<td>2,519 2.3</td>
</tr>
<tr>
<td>Media Integration Products</td>
<td>7,144 8.7</td>
<td>7,128 8.8</td>
<td>9,618 8.8</td>
</tr>
<tr>
<td>Service Integration Products</td>
<td>19,836 24.1</td>
<td>20,531 25.3</td>
<td>30,066 27.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>82,320 100.0</td>
<td>81,005 100.0</td>
<td>109,168 100.0</td>
</tr>
</tbody>
</table>

### Sales by product category

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

<table>
<thead>
<tr>
<th></th>
<th>Previous FY 3Q (April 1, 2006 to December 31, 2006)</th>
<th>Current FY 3Q (April 1, 2007 to December 31, 2007)</th>
<th>(Reference) Previous FY (April 1, 2006 to March 31, 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount %</td>
<td>Amount %</td>
<td>Amount %</td>
</tr>
<tr>
<td>Network Integration Products</td>
<td>48,554 63.8</td>
<td>45,446 60.7</td>
<td>69,574 63.7</td>
</tr>
<tr>
<td>Network Computing Products</td>
<td>1,821 2.4</td>
<td>1,538 2.0</td>
<td>2,451 2.2</td>
</tr>
<tr>
<td>Media Integration Products</td>
<td>5,854 7.7</td>
<td>6,116 8.2</td>
<td>8,750 8.0</td>
</tr>
<tr>
<td>Service Integration Products</td>
<td>19,847 26.1</td>
<td>21,767 29.1</td>
<td>28,516 26.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>76,078 100.0</td>
<td>74,868 100.0</td>
<td>109,292 100.0</td>
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</tbody>
</table>

### Backlog of unfilled orders by product category

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

<table>
<thead>
<tr>
<th></th>
<th>Previous FY 3Q (as of December 31, 2006)</th>
<th>Current FY 3Q (as of December 31, 2007)</th>
<th>(Reference) Previous FY (as of March 31, 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount %</td>
<td>Amount %</td>
<td>Amount %</td>
</tr>
<tr>
<td>Network Integration Products</td>
<td>17,931 44.6</td>
<td>16,870 42.2</td>
<td>10,651 31.5</td>
</tr>
<tr>
<td>Network Computing Products</td>
<td>583 1.4</td>
<td>499 1.3</td>
<td>358 1.0</td>
</tr>
<tr>
<td>Media Integration Products</td>
<td>3,089 7.7</td>
<td>3,679 9.2</td>
<td>2,667 7.9</td>
</tr>
<tr>
<td>Service Integration Products</td>
<td>18,597 46.3</td>
<td>18,923 47.3</td>
<td>20,159 59.6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>40,202 100.0</td>
<td>39,974 100.0</td>
<td>33,836 100.0</td>
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</table>

- 12 -
(1) Non-Consolidated Balance Sheet

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>End of previous FY 3Q (as of December 31, 2006)</th>
<th>End of current FY 3Q (as of December 31, 2007)</th>
<th>Variance (Reference) End of previous FY (as of March 31, 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Ratio</td>
<td>Amount</td>
</tr>
<tr>
<td>I</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>66,924</td>
<td>87.4%</td>
<td>62,519</td>
</tr>
<tr>
<td>1. Cash and deposits</td>
<td>12,904</td>
<td>18.9%</td>
<td>11,810</td>
</tr>
<tr>
<td>2. Note receivables</td>
<td>701</td>
<td>1.0%</td>
<td>593</td>
</tr>
<tr>
<td>3. Account receivables</td>
<td>24,159</td>
<td>36.1%</td>
<td>23,590</td>
</tr>
<tr>
<td>4. Short-term investments</td>
<td>11,998</td>
<td>17.8%</td>
<td>8,998</td>
</tr>
<tr>
<td>5. Inventories</td>
<td>13,694</td>
<td>20.4%</td>
<td>14,442</td>
</tr>
<tr>
<td>6. Other current assets</td>
<td>3,468</td>
<td>0.5%</td>
<td>3,089</td>
</tr>
<tr>
<td>I</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>9,636</td>
<td>13.6%</td>
<td>10,132</td>
</tr>
<tr>
<td>1. Tangible assets</td>
<td>4,176</td>
<td>6.2%</td>
<td>4,416</td>
</tr>
<tr>
<td>(1) Furniture, fixtures and equipment</td>
<td>3,820</td>
<td>5.7%</td>
<td>4,032</td>
</tr>
<tr>
<td>(2) Other fixed assets</td>
<td>355</td>
<td>0.5%</td>
<td>383</td>
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<tr>
<td>2. Intangible assets</td>
<td>1,311</td>
<td>2.0%</td>
<td>1,297</td>
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<tr>
<td>3. Investment and other assets</td>
<td>4,148</td>
<td>6.2%</td>
<td>4,419</td>
</tr>
<tr>
<td>(1) Investment securities</td>
<td>1,933</td>
<td>2.9%</td>
<td>2,159</td>
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<tr>
<td>(2) Other assets</td>
<td>2,440</td>
<td>3.7%</td>
<td>2,485</td>
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<tr>
<td>Allowance for doubtful receivables</td>
<td>-226</td>
<td>-0.3%</td>
<td>-225</td>
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<tr>
<td>Total assets</td>
<td>76,561</td>
<td>100.0%</td>
<td>72,652</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current liabilities</td>
<td>14,548</td>
<td>19.8%</td>
<td>16,700</td>
</tr>
<tr>
<td>1. Accounts payable</td>
<td>8,642</td>
<td>12.0%</td>
<td>10,401</td>
</tr>
<tr>
<td>2. Accrued income taxes</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>3. Advance received</td>
<td>4,320</td>
<td>6.0%</td>
<td>4,608</td>
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<tr>
<td>4. Allowance for bonuses</td>
<td>349</td>
<td>0.5%</td>
<td>381</td>
</tr>
<tr>
<td>5. Allowance for bonuses for executives</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<tr>
<td>6. Other current liabilities</td>
<td>1,237</td>
<td>1.7%</td>
<td>1,310</td>
</tr>
<tr>
<td>II</td>
<td>Fixed Liabilities</td>
<td>73</td>
<td>0.1%</td>
</tr>
<tr>
<td>1. Long term miscellaneous account</td>
<td>73</td>
<td>1.0%</td>
<td>42</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>14,622</td>
<td>19.1%</td>
<td>16,743</td>
</tr>
<tr>
<td>NET ASSETS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shareholders' equity</td>
<td>61,745</td>
<td>80.6%</td>
<td>55,873</td>
</tr>
<tr>
<td>1. Capital stock</td>
<td>12,279</td>
<td>16.6%</td>
<td>12,279</td>
</tr>
<tr>
<td>2. Additional paid-in capital</td>
<td>19,453</td>
<td>26.0%</td>
<td>19,453</td>
</tr>
<tr>
<td>(1) Capital reserve</td>
<td>19,453</td>
<td>26.0%</td>
<td>19,453</td>
</tr>
<tr>
<td>3. Accumulated earnings</td>
<td>30,107</td>
<td>40.8%</td>
<td>31,643</td>
</tr>
<tr>
<td>Description</td>
<td>86</td>
<td>86</td>
<td>—</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>(1) Earned surplus reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(2) Other accumulated earnings</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserve for extraordinary depreciation of IT equipment</td>
<td>7</td>
<td>2</td>
<td>—4</td>
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<tr>
<td>Other reserve</td>
<td>27,920</td>
<td>29,600</td>
<td>1,680</td>
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<tr>
<td>Earned surplus carried forward</td>
<td>2,093</td>
<td>1,953</td>
<td>—139</td>
</tr>
<tr>
<td>4. Treasury stocks</td>
<td>—94</td>
<td>—0.1</td>
<td>—7,702</td>
</tr>
<tr>
<td>II Revaluation and translation adjustments</td>
<td>192</td>
<td>0.3</td>
<td>234</td>
</tr>
<tr>
<td>1. Securities revaluation adjustments</td>
<td>—3</td>
<td>—0.0</td>
<td>149</td>
</tr>
<tr>
<td>2. Deferred charge from hedging instruments</td>
<td>196</td>
<td>0.3</td>
<td>85</td>
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<tr>
<td>Total net assets</td>
<td>61,938</td>
<td>80.9</td>
<td>55,908</td>
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<tr>
<td>Total liabilities and net assets</td>
<td>76,561</td>
<td>100.0</td>
<td>72,652</td>
</tr>
</tbody>
</table>

Total liabilities and net assets: 76,561 100.0 72,652 100.0
(2) Comparative income statement

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

<table>
<thead>
<tr>
<th></th>
<th>Previous FY April 1, 2006 to December 31, 2006</th>
<th>Current FY April 1, 2007 to December 31, 2007</th>
<th>Variance</th>
<th>(Reference) Previous FY April 1, 2006 to March 31, 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amount</td>
<td>Ratio %</td>
<td>Amount</td>
<td>Ratio %</td>
</tr>
<tr>
<td>I Sales</td>
<td>74,569</td>
<td>100.0</td>
<td>73,459</td>
<td>100.0</td>
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<tr>
<td>II Cost of goods sold</td>
<td>58,738</td>
<td>78.8</td>
<td>57,866</td>
<td>78.8</td>
</tr>
<tr>
<td>Gross profit on sales</td>
<td>15,830</td>
<td>21.2</td>
<td>15,592</td>
<td>21.2</td>
</tr>
<tr>
<td>III Selling, general and</td>
<td>12,838</td>
<td>17.2</td>
<td>13,549</td>
<td>18.4</td>
</tr>
<tr>
<td>administrative expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating profit</td>
<td>2,991</td>
<td>4.0</td>
<td>2,043</td>
<td>2.8</td>
</tr>
<tr>
<td>IV Non-operating income</td>
<td>81</td>
<td>0.1</td>
<td>133</td>
<td>0.1</td>
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<tr>
<td>V Non-operating expense</td>
<td>30</td>
<td>0.0</td>
<td>25</td>
<td>0.0</td>
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<tr>
<td>Ordinary profit</td>
<td>3,042</td>
<td>4.1</td>
<td>2,151</td>
<td>2.9</td>
</tr>
<tr>
<td>VI Extraordinary profit</td>
<td>0</td>
<td>0.0</td>
<td>0</td>
<td>0.0</td>
</tr>
<tr>
<td>VII Extraordinary loss</td>
<td>204</td>
<td>0.3</td>
<td>34</td>
<td>0.0</td>
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<tr>
<td>Income before income taxes</td>
<td>2,838</td>
<td>3.8</td>
<td>2,117</td>
<td>2.9</td>
</tr>
<tr>
<td>Income taxes current</td>
<td>1,178</td>
<td>1.6</td>
<td>900</td>
<td>1.2</td>
</tr>
<tr>
<td>Current net income</td>
<td>1,660</td>
<td>2.2</td>
<td>1,216</td>
<td>1.7</td>
</tr>
</tbody>
</table>