Consolidated Financial Statements for the Fiscal Year ended March 31, 2010

12 May 2010

These financial statements have been prepared in accordance with accounting principals generally accepted in Japan.

NEC Networks & System Integration Corporation

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1. Consolidated Results for the Fiscal Year 2009 ended March 31, 2010

(Rounded down to the nearest million yen.)

(1) Net Sales and Income

(Percentages represent change compared with the previous fiscal year.)

	Net sales (¥ million)	Year-on-year change (%)	Operating income (¥ million)	Year-on-year change (%)	Ordinary income (¥ million)	Year-on-year change (%)
FY ended March/10	**217,727**	**-12.6**	**9,867**	**-10**	**10,125**	**-9.7**
FY ended March/09	249,070	-3.5	10,968	2.1	11,211	7.6

	Net income (¥ million)	Year-on-year change (%)	Net income per share (¥)	Net income per share (diluted) (¥)	Return on equity (%)	Ordinary income/ Total assets (%)	Operating income/ Net sales (%)
FY ended March/10	**5,806**	**12.6**	**116.74**	**—**	**8.2**	**6.9**	**4.5**
FY ended March/09	5,154	16.8	103.61	—	7.7	7.4	4.4

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Owner's equity ratio (%)	Net assets per share (¥)
31-Mar-10	**146,915**	**74,221**	**50.1**	**1,479.62**
31-Mar-09	147,462	69,340	46.6	1,381.92

c.f. Owner's equity: 31/Mar/10: ¥73,585 million; 31/Mar/09: ¥68,730 million

(3) Cash Flows

	Net cash provided by (used in) operating activities (¥ million)	Net cash provided by (used in) investing activities (¥ million)	Net cash provided by (used in) financing activities (¥ million)	Cash and cash equivalents at end of year (¥ million)
FY ended March/10	**160,070**	**-1,885**	**-1,382**	**29,538**
FY ended March/09	6,971	-2,193	-2,096	16,614

2. Dividends

	Dividends per share (¥)					Total dividends paid (full year) (￥million)	Payout ratio (consolidated) (%)	Dividends/ Net assets (consolidated) (%)
	1st quarter	Interim	3rd quarter	Year-end	Full year			
FY ended Mar/09	—	11.00	—	11.00	22.00	1,094	21.2	1.6
FY ended Mar/10	**—**	**11.00**	**—**	**14.00***	**25.00**	**1,243**	**21.4**	**1.7**
FY ended Mar/11(est.)	—	13.00	—	13.00	26.00		27.5	

* Ordinary dividends: ￥11.00 per share, Special dividends: ￥3.00 per share

3. Financial Forecasts for Fiscal Year 2010 ending March 31, 2011

(Percentages represent change compared to the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥ million)	(%)	(¥)
6 Months ending Sep/10	**100,000**	**0.8**	**3,300**	**1.8**	**3,300**	**-1.0**	**1,490**	**-22.5**	**29.96**
FY ending Mar/11	**240,000**	**10.2**	**10,000**	**1.3**	**10,000**	**-1.2**	**4,700**	**-19.0**	**94.51**

Cautionary Statement

Forecasts of results mentioned in this document are future estimates and are thus inclusive of risks and uncertain factors since they are not based on definite facts. Please be aware that a variety of factors could cause actual results to differ significantly from those projected. The major factors affecting actual results include the economic climate and social trends surrounding the business of this Company's group, consumer trends vis-a-vis systems and services provided by this Company's group, as well as pressure to lower prices and ability to cope with the market in response to intensified competition.
Factors affecting results are not limited to the ones mentioned above.

4. Qualitative Information

4-1. Business Results

(1) Business Results for the Year Ended March 31, 2010

The Japanese economy continued to struggle throughout the year ended March 31, 2010, with conditions across the board affected by issues such as deflation and a tough employment market. There are nonetheless signs that things are starting to pick up, with a recovery in exports to emerging countries enabling certain companies to post improved earnings and consumer spending receiving a boost from the government's economic stimulus measures.

The Information and Communication Technology (ICT) field, within which the NEC Networks & System Integration Corporation operates, is continuing to see active investment in areas such as local information networks, as governments attempt to eliminate the regional digital divide, and advanced wide-area firefighting and disaster prevention systems. With enterprise investment recovering in the Tokyo-area, meanwhile, the future is starting to look promising, with rising investment in data centers and related areas with an eye to expanding markets for new services such as cloud computing. Over the course of the whole year however, ICT investment in general was down compared to the previous year, as a knock-on effect of restrained investment by enterprises and the telecommunications carriers, amongst other factors.

In light of such business conditions and the current environment, the Company posted the following consolidated results for the year ended March 31, 2010.

Orders received	¥ 222,046 million	(9.5% decrease year on year)
Net sales	¥ 217,727 million	(12.6% decrease year on year)
Operating income	¥ 9,867 million	(10.0% decrease year on year)
Ordinary income	¥ 10,125 million	(9.7% decrease year on year)
Net income	¥ 586 million	(12.6% increase year on year)

Having worked hard to focus operations on trends such as local information network development and the promotion of more advanced wide-area firefighting and disaster prevention systems, orders from governments increased. In enterprises market, fourth quarter orders from the financial and manufacturing industries upturned by increased proposal activities focusing on EmpoweredOffice* (EO) and support services. Orders for data center construction and other cloud computing related services also increased steadily. As a result, overall orders moved back into the positive during the fourth quarter for the first time in six quarters. Over the course of the whole year however, orders totaled ¥222,046 million, down 9.5% year on year due to restrained capital investment in the private sector, including within the NEC Group and the telecommunications carriers. For the same reason, net sales were down 12.6% from the previous year to ¥217,727 million due to the impact of limited private sector investment, compounded by the fact that strong orders from governments were not fully registered under net sales for the year.

* EmpoweredOffice: An office reform solution that we provide. It fuses our strengths in ICT and facility installation to reform office work processes by encouraging knowledge-building work styles and proposes changes in ways of working and the workplace environment to fulfill social responsibilities such as stronger security and environmental responsiveness.

In terms of profit, we have been working to reinforce underlying profitability on a companywide basis, through initiatives such as stepping up management innovation "AC-I" (All

Cost & Management Innovation) activities and increasing overall cost efficiency. We have also been focusing on cutting costs, including efforts to reinforce cost input management, increasing operational efficiency through the integration of business infrastructure for the support service business and improving material distribution efficiency. As a result, our cost of sales ratio improved by 0.9 percentage points compared to the previous year. Selling, general and administrative expenses were also reduced by ¥1,430 million through the top-down implementation of reforms in areas such as work patterns and operating processes. Concrete measures include the companywide practice of paperless meetings as part of EO initiatives, the full-scale introduction of videoconferencing between premises and efforts to cut back on all non-essential business trips. Through these measures, we reduced expenses for copying and communications by just over 40% and cut business travel expenses by around 30% on a companywide basis.

In spite of a decline in income due to decreased earnings, we nonetheless managed to improve the Company's profit margin. Net income meanwhile reached a record level, due to the fact that deferred tax assets deducted the previous year had no impact on tax effect accounting this year.

Operating results by business segment were as follows.

Orders Received

(Millions of yen)

	NI/SS	Telecommunications Engineering	Product Sales	Total
Year ended March 2010	148,159	62,580	11,305	222,046
Year ended March 2009	164,451	66,904	13,900	245,257
Increase (decrease)	(16,292)	(4,324)	(2,594)	(23,210)
Percentage increase (decrease)	(9.9)	(6.5)	(18.7)	(9.5)

Network Integration / Support Services (NI/SS)

In addition to increased orders from governments on the back of trends such as local information network development and the promotion of more advanced wide-area firefighting and disaster prevention systems, enterprise orders also started to establish upward momentum in the Tokyo area during the second half of the year, not least as a result of increased orders for data center construction, as companies started to look towards cloud computing. Although we managed to produce results in our areas of focus that will pave the way for the coming year and beyond, orders for both Network Integration and Support Services were down overall due to restrained private sector investment across the board.

Telecommunications Engineering

Despite strong figures for governments, as with Network Integration / Support Services, orders for Telecommunications Engineering were down as a result of factors such as mobile communications carriers holding down investment in base stations for their existing networks.

Product Sales

Product Sales orders were down as a result of limited enterprise investment.

Net Sales

(Millions of yen)

	NI/SS	Telecommunications Engineering	Product Sales	Total
Year ended March 2010	145,646	60,846	11,233	217,727
Year ended March 2009	164,996	68,397	15,676	249,070
Increase (decrease)	(19,350)	(7,550)	(4,442)	(31,342)
Percentage increase (decrease)	(11.7)	(11.0)	(28.3)	(12.6)

Network Integration / Support Services (NI/SS)

As with orders received, sales of both Network Integration and Support Services declined as a result of restrained private sector investment.

Telecommunications Engineering

Sales of Telecommunications Engineering were down due to factors such as reduced investment in base stations amongst mobile communications carriers.

Product Sales

Sales in the Product Sales segment were down as a result of limited enterprise investment.

Main Contents of Business Segments by Type

Business	Main Contents
Network Integration /Support Services	Planning and consulting, software development, construction, operation and maintenance, outsourcing services and supply of originally developed products and devices for network systems to strengthen the operating efficiency and competitiveness of customers
Telecommunications Engineering	Network infrastructure construction and installation of electrical and air conditioning systems
Product Sales	Sales of data communication products, etc.

(2) Outlook for Year Ending March 31, 2011

The Company's forecast consolidated results for the year ending March 31, 2011 are as follows.

Orders received	¥ 240 billion	(8.1% increase year on year)
Net sales	¥ 240 billion	(10.2% increase year on year)
Operating income	¥ 10 billion	(1.3% increase year on year)
Ordinary income	¥ 10 billion	(1.2% decrease year on year)
Net income	¥ 4.7 billion	(19.0% decrease year on year)

In spite of resurgent financial instability and other causes for concern in Europe, economic conditions are expected to recover on a global scale, including the Japanese economy, during the year ending March 31, 2011. Corporate results are therefore expected to gradually pick up, especially in export-related enterprises.

The ICT field within which the Company operates is likely to see increased investment in line with recovering corporate performance, with investment in ICT infrastructure also expected to continue in the public sector as governments push ahead with local information network development. On other fronts, cloud computing services are expected to be rolled out on a large scale, resulting in a growing market for related services.

With shifting market trends such as these presenting an ideal opportunity for growth, we intend to get off to a strong start this year ending March 31, 2011 and actively expand operations aimed at accelerating growth over the medium to long term. In addition to expanding existing lines of business, we will be stepping up our efforts to target new areas in a bid to secure nearly double-digit growth in both orders and sales.

Making the most of the anticipated recovery in ICT investment in the enterprise market, we intend to expand our range of services offering streamlined office and smart work capabilities, focusing especially on EO solutions, and plan to capture demand for office relocation and integration and improved operational efficiency. Governments are expected to continue to invest in local information network development and more advanced wide-area firefighting and disaster prevention systems. We will reinforce our flexible nationwide project implementation framework to actively cater to such demand, and will increase our share of the market.

On other fronts, we will continue to expand our approaches in anticipated growth fields such as environmental businesses and cloud computing related areas. In the environmental area, we plan to step up new solutions, including expanding our range of EO solutions and providing energy- and resource-saving proposals, and intend to actively target new lines of business such as quick charging facilities for electric vehicles. In the cloud computing related field meanwhile, we intend to reinforce operations aimed at service providers, including next generation data center construction business, whilst also expanding our range of cloud computing-type services, including thin-client services. In the support services area, we are planning to expand operations through initiatives such as consolidating support service functions for the expansion of existing operations, via organizational restructuring as outlined below, and operational improvements, including the possibility of offering contact center and call center operations. We are aiming to increase services as a percentage of companywide sales.

To lay the foundations to implement such measures, we restructured our operations units according to specific markets in April 2010 (social infrastructure for such as governments, telecommunications carriers, enterprise, and regional business). In addition to consolidating resources for each market and reinforcing the Company’s nationwide service framework in an effort to position services as a key growth driver, we also integrated social infrastructure capabilities in order to tap into growing demand in areas such as local information network development and next generation mobile infrastructure.

In addition to strengthening our market-specific capabilities, we intend to push ahead with active investment aimed at securing further growth. As part of such investment, we are planning to relocate our head office to the central area of Tokyo (Iidabashi area) in October 2010, in the interests of improved access and convenience. We intend to step up “aggressive management”, including initiatives such as reinforcing sales activities, establishing EO showrooms at each office and integrating our isolated bases into one.

In terms of profit, we will continue implement and reinforce management innovation “AC-I” activities, whilst effectively promoting efforts to improve overall cost efficiency, including reviewing operational processes, so as to increase operating income. We anticipate a year on year decline in net income meanwhile as a result of posting extraordinary losses from investments and expenses for relocating head office.

Forecast results for the next fiscal year have been compiled based on the assumed exchange rates of ¥90 to the dollar (US) and ¥120 to the Euro.

(3) Profit Distribution Policy and Dividends for the Fiscal Years ended March 2010 and ending March 2011

As we regard it as one of our top management priorities to distribute a reasonable share of the Company's profits to our shareholders, we make every effort to reinforce the Company's management foundations, strengthen the Company's financial standing and increase the Company's earning capacity. We also attach a great deal of importance to internal capital in the interests of strategic investment in new business areas and growth areas in line with the emergence of new service markets, such as cloud computing. We operate a profit distribution policy aimed at meeting all of our shareholders' expectations wherever possible, fully taking into consideration factors such as consolidated results and financial conditions.

On that basis, we will be increasing the year-end dividend for the year ended March 31, 2010 to ¥14 per share, which includes a ¥3 special dividend in light of the Company's record net income, taking the annual dividend for the year to ¥25.

Having focused on increasing the Company's earning capacity via management innovation "AC-I" activities over the last few years, we have decided to distribute a larger share of our profits with shareholders for the year ending March 31, 2011. Projected dividends will therefore be ¥13 for both interim and year-end dividends, making an annual dividend of ¥26.

	Dividends per share (Yen)		
	Interim	Year-end	Annual
FY ended March 2010 (previous plan)	11.00	11.00	22.00
FY ended March 2010 (decided)	11.00	14.00	25.00
FY ending March 2011 (plan)	13.00	13.00	26.00

4-2. Management Policies

(1) Basic Corporate Management Policy

NEC Networks & System Integration Corporation ("the Company") was established in 1953 after breaking away from NEC Corporation. Shares in the company were listed on the second section of the Tokyo Stock Exchange in 1983 and subsequently moved up to the first section, where they remain to this day, in 1992. Spanning a wide range of areas from office ICT systems to public and social infrastructure, our main strength as one of the industry's leading network systems integrators (SIer) stems from our ability to provide customers with a complete package of services for their network systems, from planning and installation to operation. In order to capitalize on this strength and grow as a company, we continue to promote management innovation and management quality initiatives, revolving primarily around management reform "AC-I" activities, and to reinforce growth potential and earnings capacity in an effort to ensure that the Company is well regarded and trusted by its customers, shareholders and other stakeholders.

(2) Management Targets

We consider efficient management to be crucial in order to secure steady growth and ensure increased margins, including sales and return on net assets.

(3) Medium- to Long-Term Management Strategies and Issues facing the Company

The ICT market within which the Company operates is currently seeing increased demand for ICT services designed to level out investment and reduce the cost of running systems, not least in the enterprise market. In terms of network infrastructure meanwhile, the development of next generation networks (NGN) is making high speed, high quality communication a reality. With the establishment of LTE next generation mobile systems also set to get underway in earnest, we expect advances in network infrastructure to gather pace in the future, including in the mobile communication field. With this in mind, we expect network-based services to really take off, including cloud computing services using advanced network infrastructure and rich content services, and are forecasting a major shift in network investment in favor of more service-oriented businesses. We therefore intend to reinforce our service operations as a core area of business in the interests of medium- to long-term growth. At the same time, we will continue to implement management innovation "AC-I" activities so as to further strengthen the Company's foundations.

i. Growth initiatives

Enterprise Market

We intend to lower costs, increase operational efficiency and strengthen our enterprise solution capabilities for environmental services, revolving around our EmpoweredOffice (EO) office reform solutions, which combine our specialist ICT technologies and facility installation capabilities. In response to growing corporate demand for ICT services, we plan to improve cloud computing-type services as part of our outsourcing operations and expand our range of services. We are also planning to extend our range of operational services, including the possibility of offering contact center and call center services. In addition to strengthening and expanding support services, this will create an improved value chain that will pave the way for future system planning and construction solutions and enable us to expand our operations in line with the life cycles of our customers' systems.

Telecommunications Carriers

As for telecommunications carriers, since NGN construction has progressed, we believe investment associated with laying the foundations for NGN-based services and maintenance and operation of those services will increase in the future. In addition to providing construction, operational, maintenance and other services in support of communications carriers' service infrastructure, consolidating related resources and harnessing the highly reliable carrier-grade systems integration (SI) and maintenance capabilities that we have built up through the construction of NGN and other such operations, we also intend to develop new services with carriers. On top of all this, we plan to extend our highly reliable carrier-grade services to large-scale systems operated by other service providers and companies in general.

Governments and other Social Infrastructure Market

In terms of social infrastructure, we anticipate further active investment amongst the likes of governments and broadcasters for purposes such as the establishment of local information networks triggered by the full switchover to terrestrial digital broadcasting in July 2011 and the development of firefighting and disaster prevention systems harnessing wireless digital technology to offer people greater safety and peace of mind. Having consolidated resources in this sector as well, we intend to improve the efficiency and quality of our operations, through initiatives such as enhanced nationwide project management, and effectively monitor demand in order to reinforce our business performance capabilities.

Increasing Investment in Growth

To respond quickly to the shift towards services and other changes in the market and ensure growth, we believe that we also need to work in partnership with other companies and harness outside resources. As such, we have adopted a policy of actively exploring and undertaking investment in growth, including M&A.

ii. Reinforcing Corporate Foundations

As well as improvement initiatives in each workplace, ranging from sales and proposal to system design and construction and support services, we have also developed ongoing management-led organizational evaluation and improvement processes and laid solid foundations through our management innovation "AC-I" activities to date. We will continue to accelerate "AC-I" activities on a Company-wide basis, increasing overall cost efficiency in terms of selling, general and administrative expenses as well as improving our cost of sales ratio. We will also continue to develop and effectively harness human resources as we reinforce our corporate foundations, in an effort to ensure growth in the future.

iii. Reinforcing Compliance and Internal Controls

We place top priority on compliance and always make sure that our conduct adheres to corporate ethics and the spirit of compliance with the law. In particular, we make every effort to ensure the adequacy of all financial statements relating to internal controls, as specified in legislation such as the Companies Act, Financial Instruments and Exchange Act, and to conduct transactions in a fair manner, including rigorous order accounting. We also make sure that we have the necessary systems in place to achieve this and have taken steps such as establishing a dedicated department within the Corporate Finance & Controller Division to evaluate the appropriateness of our transactions. We continue to enhance our internal whistle-blowing system and have established both internal and external consultation services so as to detect compliance problems at an early stage.

In addition to strengthening compliance and internal controls, the establishment of a Management Quality Improvement Committee has made it possible to review and discuss specific measures aimed at improving management quality in areas such as risk management and encourage efforts to share related information on a companywide basis. We will continue to reinforce our compliance-oriented approach to management in the future.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2010	As of March 31, 2009
ASSETS		
Current assets:		
Cash and deposits	**29,538**	16,614
Notes and accounts receivable-trade	**79,988**	91,321
Purchased goods, materials and supplies	**1,696**	2,081
Work in process	**5,572**	7,333
Deferred tax assets	**4,590**	4,858
Other	**2,726**	1,481
Allowance for doubtful receivables	**(204)**	(378)
Current assets	**123,908**	123,312
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	**8,350**	8,315
Accumulated depreciation	**(5,058)**	(4,741)
Buildings and structures, net	**3,292**	3,574
Machinery, equipment and vehicles	**344**	358
Accumulated depreciation	**(312)**	(331)
Machinery, equipment and vehicles, net	**31**	27
Tools, furniture and fixtures	**10,126**	9,805
Accumulated depreciation	**(8,511)**	(8,128)
Tools, furniture and fixtures, net	**1,614**	1,676
Land	**2,508**	2,508
Construction in progress	**161**	70
Other	**399**	317
Accumulated depreciation	**(143)**	(48)
Other, net	**255**	268
Property, plant and equipment	**7,864**	8,126
Intangible assets	**3,656**	4,307
Investments and other assets:		
Investment securities	**381**	444
Deferred tax assets	**7,142**	7,331
Other	**4,094**	4,114
Allowance for doubtful receivables	**(131)**	(174)
Investments and other assets	**11,486**	11,715
Noncurrent assets	**23,007**	24,149
Assets	**146,915**	147,462

(Millions of yen)

	As of March 31, 2010	As of March 31, 2009
LIABILITIES		
Current liabilities		
Notes and accounts payable-trade	**34,979**	39,915
Short-term loans payable	**---**	121
Current portion of long-term loans payable	**2,000**	---
Income taxes payable	**3,004**	3,177
Accrued consumption taxes	**1,546**	2,207
Advanced received	**1,579**	1,870
Provision for directors' bonuses	**92**	70
Provision for loss on order received	**128**	40
Other	**9,462**	9,107
Current liabilities	**52,792**	56,511
Noncurrent liabilities		
Long-term loans payable	**3,000**	5,000
Provision for retirement benefits	**15,792**	15,817
Other	**1,109**	793
Noncurrent liabilities	**19,901**	21,610
Liabilities	**72,693**	78,121
NET ASSETS		
Shareholders' equity		
Capital stock	**13,122**	13,122
Capital surplus	**16,650**	16,650
Retained earnings	**44,318**	39,606
Treasury stock	**(48)**	(45)
Shareholders' equity	**74,043**	69,334
Valuation and translation adjustments		
securities	**6**	(0)
Deferred gains or losses on hedges	**3**	(2)
Foreign currency translation adjustment	**(467)**	(601)
Valuation and translation adjustments	**(457)**	(604)
Minority interests	**635**	610
Net assets	**74,221**	69,340
Liabilities and net assets	**146,915**	147,462

(2) Consolidated Statements of Income

(Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2009
Net sales	**217,727**	249,070
Cost of sales	**184,788**	213,600
Gross profit	**32,938**	35,470
Selling, general and administrative expenses	**23,070**	24,501
Operating income	**9,867**	10,968
Non-operating income:		
Interest income	**49**	69
Dividends income of insurance	**101**	123
Insurance received	**62**	---
Reversal of allowance for doubtful accounts	**166**	---
Other	**210**	410
Non-operating income	**590**	602
Non-operating expenses:		
Interest expenses	**66**	66
Foreign exchange losses	**66**	---
Loss on retirement of noncurrent assets	**---**	83
Loss on valuation of investment securities	**45**	---
Other	**153**	210
Non-operating expenses	**332**	360
Ordinary income	**10,125**	11,211
Extraordinary income:		
Gain on sale of investment securities	**---**	176
Extraordinary income	**---**	176
Income before income taxes and minority interests	**10,125**	11,387
Income taxes -current	**3,886**	4,756
Income taxes -differed	**454**	1,403
Income taxes	**4,341**	6,160
Minority interests in income	**(21)**	72
Net income	**5,806**	5,154

(3) Consolidated Statements of Cash Flows

(Millions of yen)

	Year ended March 31, 2010	Year ended March 31, 2009
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	**10,125**	11,387
Depreciation and amortization	**2,244**	2,270
Amortization of goodwill	**66**	66
Amortization of negative goodwill	**(6)**	(25)
Increase (decrease) in allowance for doubtful accounts	**(223)**	(71)
Increase (decrease) in provision for retirement benefits	**(29)**	(968)
Increase (decrease) provision for directors' bonuses	**21**	11
Increase (decrease) in provision for loss on order received	**87**	(426)
Interest and dividends income	**(61)**	(85)
Interest expenses	**66**	66
Loss (gain) on valuation of investment securities	**45**	11
Loss (gain) on sale of investment securities	**10**	(176)
Loss (gain) on sale of property, plant and	**(0)**	(2)
Loss on retirement of noncurrent assets	**21**	83
Decrease (increase) in notes and accounts receivable-trade	**11,610**	4,818
Decrease (increase) in inventories	**2,152**	2,571
Increase (decrease) in notes and accounts payable-trade	**(5,013)**	(7,081)
Increase (decrease) in accrued consumption taxes	**(619)**	65
Other, net	**(312)**	423
Subtotal	**20,186**	12,940
Interest and dividends income received	**61**	85
Interest expenses paid	**(66)**	(66)
Income taxes paid	**(4,111)**	5,988
Net cash provided by (used in) operating activities	**16,070**	6,971
Net cash provided by (used in) investing activities:		
Purchase of property, plant and equipment	**(1,097)**	(1,088)
Proceeds from sales of property, plant and	**3**	5
Purchase of intangible assets	**(830)**	(1,437)
Purchase of investment securities	**(3)**	(7)
Proceeds from sales of Investment securities	**33**	180
Payment of loans receivable	**(52)**	(23)
Collection of loans receivable	**47**	23
Purchase of investments in subsidiaries	**---**	(25)
Proceeds from purchase of investments in subsidiaries	**---**	175
Other, net	**14**	4
Net cash provided by (used in) investing activities	**(1,885)**	(2,193)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	**(124)**	(950)
Repayment of long-term loans payable	**---**	(29)
Proceeds from sale and purchase of treasury stock, net	**(2)**	(26)
Cash dividends paid	**(1,090)**	(1,040)
Cash dividends paid to minority shareholders	**(2)**	(2)
Other, net	**(162)**	(47)
Net cash provided by (used in) financing activities	**(1,382)**	(2,096)
Effect of exchange rate change on cash and cash equivalents	**121**	(408)
Net increase (decrease) in cash and cash equivalents	**12,923**	2,272
Cash and cash equivalents at beginning of year	**16,614**	14,341
Cash and cash equivalents at end of year	**29,538**	16,614

(4) Segment Information

Business Segment Information

Year ended March 31, 2010

(Millions of yen)

	Network Integration/ Support Services	Telecommunications Engineering	Product Sales	Total	Eliminations and corporate	Consolidated
Orders received	**148,159**	**62,580**	**11,305**	**222,046**	**---**	**222,046**
Sales						
(1) Sales to third parties	**145,646**	**60,846**	**11,233**	**217,727**	**---**	**217,727**
(2) Intersegment sales	**---**	**---**	**---**	**---**	**---**	**---**
Total	**145,646**	**60,846**	**11,233**	**217,727**	**---**	**217,727**
Operating income and loss	**12,183**	**2,689**	**603**	**15,475**	**(5,607)**	**9,867**

Year ended March 31, 2009

(Millions of yen)

	Network Integration/ Support Services	Telecommunications Engineering	Product Sales	Total	Eliminations and corporate	Consolidated
Orders received	164,451	66,904	13,900	245,257	---	245,257
Sales						
(1) Sales to third parties	164,996	68,397	15,676	249,070	---	249,070
(2) Intersegment sales	---	---	---	---	---	---
Total	164,996	68,397	15,676	249,070	---	249,070
Operating income and loss	12,960	3,206	586	16,754	(5,785)	10,968