

April 4, 2001

To Whom it may concern:

Corporate Name: Net One Systems Co., Ltd.
Name and Position of the Representative:
President & CEO Kazuo Sato
(Registered Stock Code Number: 7518)
Reference: Shojiro Takagaki
03-5462-0801
Inquiries: Tomoaki Masuda
03-5462-0803

Notice regarding FY ending March 2001 business forecast adjustments resulting from disposal of investment securities

This notice serves to inform you that due to the disposal of investment securities resulting in accrual of investment securities disposition loss, following adjustments have been made.

1. Reason for disposal

As our company emphasizes real cash flow, we have decided to dispose the following securities. According to current value accounting method, when share prices of securities decrease by greater or equal to 50% in relation to the purchase prices, compulsory devaluation method is applied. On the other hand, for tax purposes, since securities are accounted in accordance with realized loss, we have recorded the realized loss.

2. Loss from disposal of investment securities

2,104 Million Yen

Name of securities	Number of shares	Acquisition value	Sales value
Cisco Systems, Inc.	539,709 shares	3,151 Million Yen	1,053 Million Yen
PictureTel Corporation	16,371 shares	12 Million Yen	5 Million Yen

3. Business Performance Forecast (April 1, 2000 to March 31, 2001)

To account for the above mentioned realized loss resulting from disposition of securities, business forecast for the FY ending March 2001 announced on October 16, 2000 was adjusted in a following manner. With regards to the updated business forecast for FY ending March 2001, we are currently in the process of gathering data. Subsequent to the completion of data collection, business forecast will be updated as necessary.

(Consolidated)

(unit: 1 Million Yen)

	Sales	Ordinary Income	Current Income
Previous Forecast (A)	49,000	3,900	3,800
Current Forecast (B)	-	-	2,600
Difference (B-A)	-	-	1,200
Variance (B-A)/(A)	-	-	31.5%

(Unconsolidated)

(unit: 1 Million Yen)

	Sales	Ordinary Income	Current Income
Previous Forecast (A)	48,500	3,800	3,700
Current Forecast (B)	-	-	2,500
Difference (B-A)	-	-	1,200
Variance (B-A)/(A)	-	-	32.4%