

January 18, 2002

Notification of New Stock Issuance and Stock Split

Notification is hereby given of the resolution adopted at the meeting of Board of Directors of Net One Systems Co., Ltd. (Net One Systems) held today, on January 18, 2002, to issue new stock (public offering and third-party allocation) and conduct a stock split.

I. The Issue of New Shares

1. Number of Shares to be Issued

14,427 shares of Common Stock

2. Issue Price

To be determined according to the Rule 14.7.2 in the Common Rules of Japan Securities Dealers Association

3. Portion of Issue Price Not to be Included in Stated Capital

Residual amount after deducting the amount included in stated capital from the issue price. The amount included in stated capital is 1/2 of the issue price, with fractional amounts rounded up to 1 yen.

4. Offering Method

Public offering to be fully underwritten by Merrill Lynch Japan Securities Co., Ltd., The Nomura Securities Co., Ltd., Tokyo Mitsubishi Securities Co., Ltd., The Mizuho Securities Co., Ltd., UFJ Capital Markets Securities Co., Ltd., Nikko Salomon Smith Barney Limited and Daiwa Securities SMBC Co. Ltd..

Offering price is to be determined by multiplying the closing price of Net One Systems as of the pricing date (between Tuesday, January 29, 2002 and Thursday, January 31, 2002) by the multiplier

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between 0.90 and 1.00. If there is no closing price available for the pricing date, the closing price as of the closest prior date available shall be used. The underwriting agreement gives Merrill Lynch Japan Securities Co., Ltd., the lead manager of the offering, the right to decrease the number of underwritten shares to 12,263 shares.

5. Underwriting Agreement

Underwriters shall pay the amount equal to the Issue Price on February 7, 2002 at designated pay-in locations. Underwriters shall not receive underwriting fees. However, underwriters will receive the total difference between the offering price and the issue price.

6. Subscription Period

From Friday, February 1 2002 to Tuesday, February 5 2002. These dates may be moved up depending on the demand conditions. The earliest these dates would be moved up from Wednesday, January 30, 2002 to Friday, February 1, 2002.

7. Payment Date

Thursday, February 7, 2002

8. Dividend Record Date

Monday, October 1, 2001

9. Subscription Unit

1 share

10. Issue price, the amount not to be included in stated capital and other matters related to this offering shall be decided by the President of Net One Systems.

11. Above items are contingent upon the registration under the Securities Exchange Law taking effect.

. Third Party Allocation

1 . Number of Shares to be Issued

3,823 shares of Common Stock

2 . Issue Price

To be determined (shall be the same as the issue price for the public offering)

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3. **Portion of the Issue Price Not to be Included in Stated Capital**
To be determined (shall be the same as for the issue price for the public offering)
4. **Subscription Period**
Wednesday, February 6, 2002
5. **Payment Date**
Thursday, February 7, 2002
6. **Dividend Record Date**
Monday, October 1, 2001
7. **Subscription Unit**
1 share
8. **Designated Purchaser and the Number of Shares Allocated**
Mitsubishi Corporation 3,823 shares
9. **Issue price, the amount not to be included in stated capital and other matters related to this third-party allocation shall be decided by the President of Net One Systems.**
10. **Above items are contingent upon the registration under the Securities Exchange Law taking effect.**

. Stock Split

1. **Net One Systems announces a 2-for-1 stock split effective as of May 20, 2002.**
 - (1) **Shares to be Issued**
Shares of common stock in the amount equal to the number of shares outstanding as of Sunday, March 31, 2002, multiplied by 1.
 - (2) **Stock Split Method**
Each share of common stock owned by shareholders on the stock holder list and the list of fractional shares as of March 31, 2002 (since the date and the prior date are non-business days for the record-keeping agent, the practical date shall be Friday, March 29, 2002) will be split into 2 shares.
2. **Dividend Record Date**
Monday, April 1, 2002
3. **Other matters related to this stock split shall be determined at a Board of Directors meeting.**

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