

To whom it may concern:

Corporate Name: Net One Systems, Co., Ltd.  
Representative: Kazuo Sato, President & CEO  
( Stock Code Number: 7518 TSE 1<sup>st</sup> Section )  
Reference:  
Isao Nakamura, Managing Director of Operation Service  
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**Notice regarding**  
**Business Report for 2<sup>nd</sup> Quarter FY 2002** (July 1<sup>st</sup> to September 30, 2002)  
**and**  
**Revision on the Interim Business Forecast for FY 2002** (FY ending March 2003)

This notice serves to inform you the following:

1. Our company's Report on Status of Orders Accepted and Sales for 2<sup>nd</sup> Quarter FY 2002  
(July 1, 2002, to September 30, 2002);

and

2. Our company's Revised Interim Business Forecast for FY 2002  
(April 1, 2002, to September 30, 2002).

Net One Systems, Co., Ltd. Business Report for FY 2002 2<sup>nd</sup> Quarter (July 1- September 30, 2002)

Business Results for 2<sup>nd</sup> Q FY 2002 in comparison to the previous Q  
( unit : million Yen )

Q1 FY 2002	Q2 FY 2002	Variance	%
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Orders Accepted

Consolidated Result	21,862	21,876	13	0.1%
Non-consolidated Result	21,833	22,168	334	1.5%

Sales

Consolidated Result	17,943	19,773	1,829	10.2%
Non-consolidated Result	17,689	19,796	2,106	11.9%

Backlog of Unfilled Orders

Consolidated Result	29,846	31,949	2,102	7.0%
Non-consolidated Result	29,214	31,586	2,372	8.1%

Business Results for 2<sup>nd</sup> Q FY2002 in comparison to the 2<sup>nd</sup> Q FY2001  
( unit : million Yen )

Q2 FY 2001	Q2 FY 2002	Variance	%
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Orders Accepted

Consolidated Result	20,096	21,876	1,779	8.9%
Non-consolidated Result	19,240	22,168	2,927	15.2%

Sales

Consolidated Result	17,220	19,773	2,553	14.8%
Non-consolidated Result	16,823	19,796	2,972	17.7%

Backlog of Unfilled Orders

Consolidated Result	25,529	31,949	6,419	25.1%
Non-consolidated Result	25,006	31,586	6,580	26.3%

Business Results for 1<sup>st</sup> H FY2002 in comparison to the 1<sup>st</sup> H FY2001  
( unit : million Yen )

Interim FY 2001	Interim FY 2002	Variance	%
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Orders Accepted

Consolidated Result	39,548	43,738	4,189	10.6%
Non-consolidated Result	38,831	44,001	5,169	13.3%

Sales

Consolidated Result	34,881	37,717	2,835	8.1%
Non-consolidated Result	34,361	37,485	3,123	9.1%

Backlog of Unfilled Orders

Consolidated Result	25,529	31,949	6,419	25.1%
Non-consolidated Result	25,006	31,586	6,580	26.3%

Notice regarding Revision on the Interim Business Forecast for FY 2002 (ending March 2003)

This is to update our company's Interim Business Forecast (Current Net Profit) for FY 2002, which was originally released on May 16, 2002. For your reference, it also contains information of revised forecasts on Sales and Ordinary Profit in addition to the revised forecast on Current Net Profit.

1. Revision on the Interim Business Forecast for FY 2002:

(Consolidated)

(unit: million Yen)

	Sales	Ordinary Profit	Current Net Profit
Original forecast (A)	40,000	2,500	1,420
Revised forecast (B)	37,717	2,680	1,770
Variance (B-A)	2,283	180	350
Ratio (B-A)/ (A)	5.7%	7.2%	24.6%

(Non-consolidated)

(unit: million Yen)

	Sales	Ordinary Profit	Current Net Profit
Original forecast (A)	38,900	2,300	1,300
Revised forecast (B)	37,485	2,570	1,800
Variance (B-A)	1,415	270	500
Ratio (B-A)/ (A)	3.6%	11.7%	38.5%

2. Grounds for such forecast revision:

On the whole, the company added up ¥ 593m of Extraordinary Profit & Loss for the 1<sup>st</sup> Half Term FY 2002; as for Extraordinary Profit, the company added up ¥ 1,264 m for Securities Disposal and ¥ 23m for Other Special Profit; likewise, as for Extraordinary Loss, the company subtracted ¥ 195m due to Securities Disposal, ¥ 408m due to Depreciated Securities Valuation, and ¥ 90m due to Other Special Loss.

The company hereby revises the forecast for its Non-consolidated Interim Current Net Profit to be ¥ 1,800m, with increment of 38.5% in comparison to the originally forecasted ¥1,300m. Likewise, in coordination with such increment, the forecast for Consolidated Interim Current Net Profit is due to a revision; the revised forecast is ¥ 1,770m, with increment of 24.6% in comparison to the originally forecasted ¥ 1,420m.

3. Additional information for your reference: (Interim Business Results from the previous FY)

FY 2001 Interim Results (April 1<sup>st</sup> to September 30, 2002)

(unit: million Yen)

	Sales	Ordinary profit	Current net profit
Consolidated	34,881	2,434	1,339
Non-consolidated	34,361	2,272	1,231