

Business Performance for 1st Quarter FY2003 (ending March 2004)(Non-Consolidated Report)

August 5, 2003

Company Name **Net One Systems Co., Ltd.**
Stock Code Number: 7518 Tokyo Stock Exchange

(U R L <http://www.netone.co.jp>)

Company President & CEO Kazuo Sato

Representative

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Manager of Operation
Department

1. Matters related to preparation of Business Performance for 1st Quarter of FY2003

Principles applied for preparation of financial report: : (principles of interim financial report)

Disparity between accounting procedures of : For accounting standard of corporation
FY ended Mar. 2003 and current fiscal quarter tax, in some instances, simplified method is
applied.

Participation of certified accountant or auditing corporation : no

(note) In previous FY, our company disclosed 1st quarter Sales, Orders Accepted, and Backlog Orders.
For items not disclosed in 1st quarter of previous FY, figures are indicated as reference.

2. Results of FY2003 1st Quarter (April 1, 2003 to June 30, 2003)

(1) Financial Status (unit: rounded down to the nearest million yen)

	Orders Accepted		Backlog Orders		Sales	
	Million yen	%	Million yen	%	Million yen	%
Quarter ended June 30, 2003	24,095	(10.4)	36,035	(23.3)	22,440	(26.9)
Quarter ended June 30, 2002	21,833	(11.4)	29,214	(29.3)	17,689	(0.9)
(reference) Year ended Mar. 2003	102,236		34,380		92,926	

	Operating Profit		Ordinary Profit		Current (1 st Quarter) net income	
	Million yen	%	Million yen	%	Million yen	%
Quarter ended June 30, 2003	1,022	(406.2)	1,041	(340.3)	595	(117.8)
Quarter ended June 30, 2002	201	(-)	236	(-)	273	(-)
(reference) Year ended Mar. 2003	7,434		7,535		4,383	

(note) Percentage: increase/decrease against previous FY 1st quarter on sales, operating profit, etc.
For the reference item, percentage of increase/decrease has been omitted.

(2) Changes in financial position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to total assets
	Million yen	Million yen	%
Quarter ended June 30, 2003	62,890	46,638	74.2
Quarter ended June 30, 2002	53,399	41,741	78.2
(reference) Year ended Mar. 2003	73,884	46,067	62.4

3 . Forecast for the FY 2003 (April 1, 2003 to March 31, 2004)

	Forecast Sales	Forecast Ordinary Profit	Forecast Current Net Income
	Million yen	Million yen	Million yen
Interim Period	42,000	3,000	1,700
Fiscal Year	105,000	9,000	5,100

(note) The above forecast was made at beginning of the FY. There are no changes in forecast figures at this time.

< Reference Information >

Quarterly based financial position for the FY2002 (Apr. 1, 2002 to Mar. 31, 2003) (Non-Consolidated)

	1st Quarter (Apr. 2002 to Jun. 2002)	2nd Quarter (Jul.2003 to Sept. 2002)	3rd Quarter (Oct. 2003 to Dec. 2002)	4th Quarter (Jan. 2003 to Mar. 2003)
	Million yen	Million yen	Million yen	Million yen
Orders Accepted	21,833	22,168	26,183	32,050
Backlog Orders	29,214	31,586	40,908	34,380
Sales	17,689	19,796	16,862	38,578
Gross Profit on Sales	3,098	5,199	3,326	7,515
Operating Profit	201	2,279	475	4,478
Ordinary Profit	236	2,337	481	4,479
Quarterly Net Income	273	1,535	270	2,303