



Business Performance for 3rd Quarter FY2004 and Revisions to FY2004 Forecasts (FY ending March 2005)(Non-Consolidated Report)

February 8, 2005

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

(URL <http://www.netone.co.jp>)

Company Title President & CEO Osamu Sawada

Representative

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1. Matters related to preparation of Business Performance for 3rd Quarter of FY2004

Usage of simplified method for accounting standard : Yes

(Details) Accounting standard of corporation tax: calculated using annual forecast tax rate based on statutory effective tax rate

Disparity between accounting procedures of FY ended Mar. 2004 and current quarter : None

2. Results of FY2004 1st Quarter (April 1, 2004 to December 31, 2004)

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

	Sales		Operating Profit		Ordinary Profit	
	Million yen	%	Million yen	%	Million yen	%
Quarter ended December 31, 2004	87,459	(12.3)	5,755	(24.3)	5,768	(23.5)
Quarter ended December 31, 2003	77,866	(43.3)	4,629	(56.6)	4,672	(52.9)
(Reference) Year ended Mar. 2004	119,287		10,187		10,234	

	Quarterly Net Income		Net Income per share		Net Income per share (assuming full dilution)	
	Million yen	%	Yen	Sen	Yen	Sen
Quarter ended December 31, 2004	3,380	(22.4)	6,128	17	—	—
Quarter ended December 31, 2003	2,761	(32.8)	10,030	38	10,018	27
(Reference) Year ended Mar. 2004	6,089		21,930	41	21,910	36

(Note) Percentage: increase/decrease against previous FY 3rd quarter on sales, operating profit, etc.

(2) Changes in financial position

	Total Assets	Shareholders' Equity	Shareholders' Equity Ratio to total assets	Shareholders' Equity per share	
	Million yen	Million yen	%	Yen	Sen
Quarter ended December 31, 2004	71,616	55,202	77.1	100,061	34
Quarter ended December 31, 2003	67,560	48,784	72.2	176,857	96
(Reference) Year ended Mar. 2004	72,718	52,158	71.7	188,915	59

3. Forecast for the FY2004 (April 1, 2004 to March 31, 2005)

	Sales	Ordinary Profit	Current Net Income
	Million yen	Million yen	Million yen
Fiscal Year	132,000	9,000	5,000

(Reference) Forecast net income per share for FY 9,063.09 Yen

The above forecast is based on currently available information and the actual business performance may differ in relation to various factors. With regard to particulars related to above forecast, please refer to Revisions to Consolidated and Non-Consolidated FY2004 Forecasts on page 5 of consolidated report.

Reference information regarding current quarter (FY) net income per share, current quarter (FY) net income per share assuming full dilution, and shareholders' equity per share

On May 20, 2004, the company provided 2 shares for 1 share stock split. In order to make comparisons over period of time, following chart indicates the per share values after applying retroactive adjustments for the stock split.

	Current FY 3Q April 1, 2004 to December 31, 2004		Previous FY 3Q April 1, 2003 to December 31, 2003		Previous FY April 1, 2003 to March 31, 2004	
	Yen	Sen	Yen	Sen	Yen	Sen
Current quarter (FY) net income per share	6,128	17	5,015	19	10,965	21
Current quarter (FY) net income per share assuming full dilution	—————		5,009	14	10,955	18
Shareholder's equity per share	100,061	34	88,428	98	94,457	80

(Note) As there were no diluted shares, current quarter (FY) net income per share assuming full dilution for current FY3Q has been left blank.