



# Business Performance for 1<sup>st</sup> Quarter FY2005 (FY ending March 2006) (Non-Consolidated Report)

August 5, 2005

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

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

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representative

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## 1. Matters related to preparation of Business Performance for 1st Quarter of FY2005

Usage of simplified method for accounting standard: Yes

(Description) 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. 2005 and current quarter: Yes

(Description) From current quarter, accounting standard and implementation guidance for impairment of fixed assets has been applied.

Relative to this, there was a decrease of 132M yen in income before income taxes.

## 2. Results of FY2005 1<sup>st</sup> Quarter (April 1, 2005 to June 30, 2005)

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

	Sales		Operating profit		Ordinary profit	
	Million yen	%	Million yen	%	Million yen	%
Quarter ended June 30, 2005	21,407	(-19.4)	1,295	(-19.6)	1,308	(-18.4)
Quarter ended June 30, 2004	26,552	(18.3)	1,610	(57.6)	1,603	(54.0)
(Reference) Year ended March 2005	132,235		9,667		9,681	

	Quarterly net income		Net income per share		Net income per share (assuming full dilution)	
	Million Yen	%	Yen	Sen	Yen	Sen
Quarter ended June 30, 2005	718	(-22.2)	1,302	96	—	—
Quarter ended June 30, 2004	924	(55.1)	1,675	73	1,674	91
(Reference) Year ended March 2005	5,677		10,219	90	—	—

(Note) Percentage: increase/decrease against previous FY 1<sup>st</sup> 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 June 30, 2005	70,040	57,840	82.6	104,842	68
Quarter ended June 30, 2004	71,068	52,756	74.2	95,628	42
(Reference) Year ended March 2005	77,790	57,499	73.9	104,154	49

3. Forecast for the FY2005 (April 1, 2005 to March 31, 2006)

	Sales	Ordinary profit	Current net income
	Million yen	Million yen	Million yen
Interim period	58,000	4,000	2,200
Fiscal year	145,000	12,000	6,800

(Reference) Forecast net income per share for FY 12,325.81

(Note) The above forecast is the forecast made on May 11, 2005 for announcement of previous FY financial statements. At this point, there are no changes to the forecast.