April 18, 2006

To: Whom it may concern,

Corporate Name: Net One Systems Co., Ltd.

President & CEO: Osamu Sawada

(Code: 7518 First Section of Tokyo Stock Exchange)

Director: Isao Nakamura

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Notice regarding revised forecasts

Please be advised that based on recent business performance trends, forecasts for the fiscal year ending 2006 (April 1, 2005 to March 31, 2006) announced on October 17, 2005 have been revised as follows.

1. Revised forecast for the fiscal year ending 2006 (April 1, 2005 to March 31, 2006)

(Consolidated) (unit; million yen)

	Sales	Ordinary Profit	Current Net Income
Previous forecast（A）	117,000	10,000	5,900
Revised forecast（B）	107,900	7,800	4,600
Difference（B－A）	(9,100)	(2,200)	(1,300)
Ratio（B－A）／(A)	(7.8%)	(22.0%)	(22.0%)
Previous FY interim period results	134,739	10,648	6,214

(Non-consolidated) (unit; million yen)

	Sales	Ordinary Profit	Current Net Income
Previous forecast（A）	115,000	9,200	5,300
Revised forecast（B）	106,000	6,800	4,000
Difference（B－A）	(9,000)	(2,400)	(1,300)
Ratio（B－A）／(A)	(7.8%)	(26.1%)	(24.5%)
Previous FY interim period results	132,235	9,681	5,677

2. Factors leading to revisions of forecasts

(i) Amount of orders accepted and sales for the FY ending March 2006

Consolidated FY orders accepted and consolidated FY sales forecasts, which were predicted to be 122,000M and 117,000M yen respectively are expected to be 112,800M yen (9,200M yen decrease) and 107,900M (9,100M yen decrease) respectively.

Consolidated orders accepted for current FY 4Q was 34,100M yen and this indicated 30.1% increase from consolidated orders accepted for previous FY 4Q amounting to 26,200M.

4Q consolidated sales ended at 36,400M yen indicating 20.0% decrease as compared to 45,500M yen for previous FY 4Q. Contributing factors for this decline include slowdown in partner business and for SP business (telecom and ISP related businesses) the decline in 3Q sales resulting from drop in orders accepted could not be compensated by increased orders accepted and sales in 4Q.

Consolidated backlog of unfilled orders is expected to end at 33,900M yen (4,900M yen increase compared to previous FY) as compared to 29,000M yen for FY ended March 2005.

(ii) Profit for the fiscal year ending March 2006

With regard to profit ratio for the FY, profit margins were forecasted at 23.4% for consolidated report and 21.9% for non-consolidated report. In spite of this forecast due to non-attainment of target set for non-consolidated sales, the non-consolidated gross profit margin decreased a little less than 1%. As selling, general and administrative expenses were as projected, ratio of selling, general and administrative expenses were approximately 15.8% for consolidated report and 14.8% for non-consolidated report. Accordingly, ordinary profit ratios for consolidated and non-consolidated reports were 7.2% and 6.4% respectively.

(Note) Above-mentioned forecasts are calculated based on currently available information and actual results may differ from the forecasts due to various unforeseeable factors.