



Business Performance for 1st Quarter FY2006 (FY ending March 2007) (Non-Consolidated Report)

August 7, 2006

Company Name **Net One Systems Co., Ltd.**

(Stock code Number: 7518 Tokyo Stock Exchange)

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

Representative Title **President & CEO** **Osamu Sawada**

Inquiries Title **General Manager**
Administrative Headquarters **Tadashi Arima Tel: (03)5462-0800**

1. Matters related to preparation of Business Performance for 1st Quarter of FY2006

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. 2006 and current quarter: **None**

2. Results of FY2006 1Q (April 1 2006 to June 30, 2006)

(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, 2006	21,422	(0.1)	118	(-90.8)	110	(-91.5)
Quarter ended June 30, 2005	21,407	(-19.4)	1,295	(-19.6)	1,308	(-18.4)
(Reference) Year ended Mar. 2006	105,508		6,759		6,855	

	Quarterly Net Income		Net Income per Share		Net Income per Share (assuming full dilution)	
	Million yen	%	yen	sen	yen	sen
Quarter ended June 30, 2006	64	(-91.1)	116	29	—	—
Quarter ended June 30, 2005	718	(-22.2)	1,302	96	—	—
(Reference) Year ended Mar. 2006	4,226		7,612	65	—	—

(Note) Percentage: increase/decrease against previous FY 1Q 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, 2006	74,727	60,640	81.1	109,918	93
Quarter ended June 30, 2005	70,040	57,840	82.6	104,842	68
(Reference) Year ended Mar. 2006	81,754	60,934	74.5	110,402	44

3 . Forecasts for FY2006 (April 1, 2006 to March 31,2007)

	Sales	Ordinary Profit	Current Net Income
	Million yen	Million yen	Million yen
Interim period	50,000	2,000	1,200
Fiscal year	117,000	7,000	4,100

(Reference) Forecast net income per share for FY 7,431.74 yen

(Note) The above FY forecasts were announced on May 10, 2006 announcement of financial statements and there have been no changes. Forecasts for the interim period have been revised as of August 7, 2006.