



July 27, 2007

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: Norihisa Katayama
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Notice regarding dissolution and liquidation of a subsidiary

Net One Systems Co., Ltd. (hereinafter “Net One Systems”) board of directors meeting dated July 27, 2007 resolved as follows to dissolve the company’s consolidated subsidiary, e-japan Ltd.,

1. Status of the applicable subsidiary (as of June 30, 2007)

- | | |
|---|---|
| (1) Corporate name | e-Japan Ltd., |
| (2) Location | Sphere Tower Tennoz, 2-8 Higashi-Shinagawa 2-Chome, Shinagawa, Tokyo |
| (3) Representative | President and CEO Kichitaro Saigo |
| (4) Description of business | Planning, development sales and service related to computer systems |
| (5) Date of establishment | November 11, 2000 |
| (6) Paid-in capital | 150 million yen (wholly owned by Net One Systems) |
| (7) Relationship with Net One Systems Co., Ltd. | Human resources: three directors and one statutory auditor dispatched from Net One Systems Business transactions: Net One Systems distributes e-japan’s products |
| (8) Number of employees | none |

(9) Business performance for the past three years

(unit: rounded down to the nearest million yen)

| Fiscal year | Fiscal year ended March 2005 | Fiscal year ended March 2006 | Fiscal year ended March 2007 |
|--------------------|---------------------------------|---------------------------------|---------------------------------|
| Sales | 1 6 9, 9 6 5 | 1 6 9, 9 6 5 | 1 6 9, 9 6 5 |
| Operating profit | 8 4, 7 8 6 | 9 2, 0 5 0 | 1 3 5, 4 7 1 |
| Ordinary profit | 8 4, 7 8 7 | 9 2, 0 5 2 | 1 3 5, 6 1 9 |
| Current net income | 5 9, 5 4 4 | 5 4, 4 1 6 | 7 6, 4 2 6 |
| Total assets | 2 4 4, 5 9 7 | 2 9 1, 2 0 6 | 3 7 9, 5 5 6 |
| Net assets | 2 1 2, 1 3 1 | 2 6 6, 5 4 8 | 3 4 2, 9 7 4 |

2. Background for dissolution and liquidation of e-japan

e-Japan has been involved with production and sales of computer software since November 2000. However, due to completion of transfer of business from e-japan to Net One Systems in April 2007, as of today, board of directors resolved to dissolve e-japan.

3. Schedule for dissolution of applicable subsidiary

July 27, 2007 e-Japan extraordinary general meeting of shareholders
(date of dissolution)

During February 2008 planned date for liquidation

4. Impact on business performance of Net One Systems

Dissolution of e-japan will have insignificant impact on Consolidated Financial Report for Fiscal Year ending March 2008.