



August 22, 2008

To: Whom it may concern

Corporate Name: Net One Systems Co., Ltd.
President & CEO: Takayuki Yoshino
(Code: 7518 First Section of Tokyo Stock Exchange)
Director: Norihisa Katayama
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Acquisition of shares of Xseed Co., Ltd. to establish a subsidiary applying equity method

In board of Directors meeting dated August 22, 2008, Net One Systems has resolved as follows to subscribe to a Xseed Co., Ltd's (Headquarters: Shibuya-Ku, Tokyo, President & CEO: Yoshinori Suzuki) third party allocation of new shares.

1. Reason for acquisition of shares

Xseed's strength is the operating technology for hosting service using virtual technology and has a record of good performance based on its advanced technology. The decision to purchase shares of Xseeds is based on the determination that strenghtened relationship with Xseed will lead to furthering value added services for our cloud computing business.

Due to the acquisition of shares announced today, Xseed Co., Ltd. will become a subsidiary applying equity method.

2. Summary of the capital increase

(1)	Number of issued shares	Common stocks	320 shares
(2)	Price of issued shares		270,000 yen per share
(3)	Amount of capitalization		43,200,000 yen
(4)	Amount from capital reserve		43,200,000 yen
(5)	Allocated to		Net One Systems Co., Ltd.
(6)	Stock payment date		September 30, 2008

3. Summary of Xseed

(1)	Corporate Name	Xseed Co., Ltd.
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- (2) Representative President & CEO Yoshinori Suzuki
- (3) Location of the headquarter 36-13, Ebisu 2-Chome, Shibuya-Ku, Tokyo
- (4) Date of establishment September 21, 2006
- (5) Details of the main businesses Planning, designing and building and operating information system infrastructure and hosting business
- (6) End of accounting term December
- (7) Number of employees 20 (as of July 1, 2008)
- (8) Main office Shibuya-Ku, Tokyo
- (9) Capital 31M yen
- (1 0) Total number of outstanding stocks
620 shares (subsequent to increase in capital, 940 shares)
- (1 1) Major shareholder and percentage of ownership
Yoshinori Suzuki (100%)
(Subsequent to capital increase)
Yoshinori Suzuki (60%)
Net One Systems (34%)

(1 2) Performance trends during recent fiscal years

	Fiscal year ended December 2006 (Note)	FY ended December 2007
Sales	27M yen	161M yen
Gross profit on sales	11M yen	95M yen
Operating profit	1M yen	9M yen
Ordinary profit	0M yen	1M yen
Current net income	0M yen	0M yen
Total assets	210M yen	62M yen
Net assets	31M yen	32M yen
Net assets per share	---	---

(Note) As Xseed Co., Ltd. was established in September 2006, figures for FY ended December 2006 was irregular.

4. Applicable dates

August 22, 2008 Resolution of board of directors
September 30, 2008 Date of transfer

5. Effect on performance

The effect of the subscription to allocation of shares will have minimal effect on consolidated performance for FY ending March 2009.