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
Inquiries regarding this news release:
IR Tomoaki Masuda
Telephone: 03-5462-0803

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)

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Fiscal year ended March 2005</th>
<th>Fiscal year ended March 2006</th>
<th>Fiscal year ended March 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>169,965</td>
<td>169,965</td>
<td>169,965</td>
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<tr>
<td>Operating profit</td>
<td>84,786</td>
<td>92,050</td>
<td>135,471</td>
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<tr>
<td>Ordinary profit</td>
<td>84,787</td>
<td>92,052</td>
<td>135,619</td>
</tr>
<tr>
<td>Current net income</td>
<td>59,544</td>
<td>54,416</td>
<td>76,426</td>
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<tr>
<td>Total assets</td>
<td>244,597</td>
<td>291,206</td>
<td>379,556</td>
</tr>
<tr>
<td>Net assets</td>
<td>212,131</td>
<td>266,548</td>
<td>342,974</td>
</tr>
</tbody>
</table>

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.