

April 3, 2008

Regarding the unlawful business practices of our former subsidiary director

This is to inform you that at a board of directors meeting held on April 3, 2008, the decision was made to press criminal charges against a former subsidiary director for unlawful business practices. Furthermore, we would like to formally and sincerely apologize for any and all inconvenience that this incident may have caused to all parties with whom we do business, including our stockholders and customers.

1. Brief summary of the incident

Our former subsidiary director abused his position as the person in charge of controlling the company's overall accounting activities, and taking custody of its funds. From April 2006 to February 2008, he embezzled approximately ¥540 million in company funds which were applied to his own personal commodity futures trading. We sincerely apologize for the time that it took to discover such clandestine activities as the creation of falsified financial statements. Upon the discovery of these incidents on March 20, 2008, an in-house investigation was immediately launched, and on March 31, the former director was punitively dismissed. As we pursue criminal prosecution, we also intend to carry out civil proceedings in order to recover as much as possible.

2. Effect on Performance

The full effects of these incidents on this term's operating results including their accounting treatments are still under review, however as indicated in the adjustment to the forecast of operating results announced today, we expect to record an extraordinary loss of approximately ¥540 million in consolidated and non-consolidated operating results.

3. Our response to this incident

These incidents occurred despite establishment of the Fundamental Policy regarding Improvements to Internal Control System and our efforts to strengthen our management control system. We are treating this event with utmost seriousness and will thoroughly review our internal management system, calling upon all officers and employees to prevent such grave incidents from occurring again.