

July 4, 2008

Company: LAC Holdings, Inc.
Representative: Gen Mishiba, President, CEO, and COO
Stock Code: 3857 (OSE Hercules Securities Market and
JASDAQ Exchange)
Inquiries: Michiyuki Umeda, Public Relations Officer
Telephone: 03-5537-1406

To whom it may concern:

The Conclusion of a Basic Agreement Regarding the Business Transfer from NIWS Co. Ltd. and NIWS Co. HQ Ltd.

At our company's board meeting today, a decision was reached regarding the acquisition of operations pertaining to the dealership business of NIWS Co. Ltd. and NIWS Co. HQ Ltd., which is currently undergoing Civil Rehabilitation bankruptcy proceedings. A basic agreement with the two companies was concluded, with the relevant details provided below.

Details

1. The Business Being Acquired

We are acquiring the dealership business operated by NIWS Co. HQ Ltd. and NIWS Co. Ltd.

2. Reasons for the Business Acquisition

On April 30, 2008, our company concluded a basic agreement with NIWS Co. Ltd. and NIWS Co. HQ Ltd., which has applied for bankruptcy protection under Civil Rehabilitation Law, to take over the operations pertaining to the dealership business of those two companies. We plan to acquire all the relevant quality assets, skills, and other items related to management and production in the operations of these companies following the completion of Civil Rehabilitation proceedings.

The dealership business operated by NIWS Co. HQ Ltd. and NIWS Co. Ltd. includes information systems and sales of network hardware and software in addition to IT solution consulting, information system environment planning, system requirement consulting, system planning, hardware and software installation, and existing system maintenance. They have particularly focused on developing the skills and infrastructure necessary for maintaining a high degree of expertise in [the field of] building strategic information systems for financial institutions using open client-server UNIX-based platforms.

We believe that by coordinating the system integration services business of our subsidiary A&I System Co. Ltd., and the security solutions business of our subsidiary Little eArth Corporation Co., Ltd. (LAC) with NIWS's dealership business, we can achieve a high degree of operational synergy in each of those companies' areas.

3. Overview of NIWS Co. HQ Ltd. and NIWS Co. Ltd.

NIWS Co. HQ Ltd. (as of July 1, 2008)

- (1) Corporate Name: NIWS Co. HQ Ltd.
- (2) Representative: Chairman and CEO Ken Ono

- (3) Address: Kayabacho-First Bldg, 1-17-21 Shinkawa, Chuo-ku, Tokyo
- (4) Establishment: July 1992
- (5) Principle Business: holding company for directing and managing the operations of its subsidiaries
- (6) Number of Employees: 466 (including employees transferred to NIWS Co. Ltd.)
- (7) Company Capitalization: ¥500 million

NIWS Co. Ltd. (as of July 1, 2008)

- (1) Corporate Name: NIWS Co. Ltd.
- (2) Representative: President Ken Ono
- (3) Address: Kayabacho-First Bldg, 1-17-21 Shinkawa, Chuo-ku, Tokyo
- (4) Establishment: August 2005
- (5) Principle Business: Computer software development and sales
- (6) Number of Employees: 390 (all employees were transferred from NIWS Co. HQ Ltd.)
- (7) Company Capitalization: ¥2.85 billion

4. Schedule

- Mid-July 2008 (tentative): signing of contract for transfer of business
- Late-July 2008 (tentative): business acquisition (date may change depending on the Civil Rehabilitation proceedings)

5. Future Plans and Outlook

Our company plans to set up a new subsidiary for the purpose of taking over this business acquisition. Further details regarding the new subsidiary will be released once they have been finalized.

Going forward, we plan to hold talks with both NIWS Co. HQ Ltd. and NIWS Co. Ltd. in order to determine the concrete details of the business transfer and conclude the contract.

In addition, we will be releasing more information on how this deal affects our business prospects in the current term once all details are finalized.