

December 6, 2007

To Whom It May Concern:

Company Name: LAC Holdings, Inc.
Representative: Gen Mishiba, President
(JASDAQ Code No. 3857; Osaka SE Hercules/ JQ)
Company Name: A&I System Co., Ltd.
Representative: Masahiko Ooaku

LAC Holdings Group subsidiary A&I System Co., Ltd. has acquired an exclusive license for Japan and leading Asian countries to sell "EZ Source," a productivity improvement tool for program development and maintenance. At the same time, A&I System Co., Ltd. has also signed a partnership agreement with Wistron Information Technology & Services Corporation ("WITS") of Taiwan to perform support services for "EZ Source."

A&I System Co., Ltd. ("A&I;" Chuo-ku, Tokyo; Masahiko Ooaku, president), a venture firm of LAC Holdings, Inc. (Minato-ku, Tokyo; Gen Mishiba, president), has acquired an exclusive license from EZ Legacy Ltd. to sell "EZ Source," a software program designed for COBOL and SAP users, in Japan and other major Asian countries. A&I has also signed a partnership agreement with WITS of Taiwan, who will provide local support services for Japanese and foreign-capitalized firms conducting offshore development and maintenance using EZ Source.

Details

1. Acquisition of Exclusive License to Sell EZ Source

A&I has acquired an exclusive license from EZ Legacy Ltd. to sell EZ Source, a program highly regarded as a program development and maintenance tool. This license covers exclusive sales in Japan, Taiwan, Hong Kong, China and Korea. EZ Source is a program development and maintenance tool for SAP and COBOL programs. EZ Source offers a means for productivity improvement, providing significant benefits in terms of program development and maintenance cost reductions for SAP users who generally incur high costs associated with numerous customizations, and in development efficiency for COBOL users who have a difficult time finding personnel with experience in the language. Many Japanese and foreign-capitalized firms conduct program development and maintenance using EZ Source in offshore locations such as China or other Asian countries. A&I has signed a partnership agreement with WITS of Taiwan to provide local support services for these firms.

A&I aims to reach ¥1.6 billion in annual EZ Source sales in the next three years, mainly to financial services firms in the banking, securities, credit card, life and accident insurance industries and other major firms using SAP, as well as sales of related services in the domestic and offshore EZ Source program development and maintenance business.

2. EZ Source Overview

Traditionally, companies have found it very difficult to synchronize program

development across multiple domestic or international locations. Problems are only exacerbated when offshore development also involves different languages.

EZ Source provides simple operations to allow users to visualize programs, taking this visualized program information (repository) and storing it in a database. This offers users the ability to synchronize program development and maintenance across multiple domestic or international locations. EZ Source facilitates program development and maintenance without the normal constraints of time and location, providing major advances for companies in terms of efficiency, accuracy and speed.

3. EZ Legacy Ltd. Overview

EZ Legacy Ltd. (Herzliya, Israel) is a subsidiary company spun out of the development department of BluePhoenix Solutions (listed on the U.S. NASDAQ exchange), a company highly regarded by IT research and advisory services provider Gartner. EZ Legacy has become an independent firm, purchasing technology patents, and performing its own development and sales of software products running the range from systems analysis to migration.

EZ Legacy boasts more than 30 corporate clients around the globe, including such major global companies as Daimler AG, Siemens, BearingPoint and others. ING Life Insurance, a top client in Japan, reports that they have been able to use EZ Legacy software to quickly visualize complex programs, sharing information between development teams in Japan and overseas. As a result, the firm has reported significant reductions in program development and maintenance costs.

4. WITS Overview

Wistron Information Technology & Services Corporation ("WITS") of Taiwan was founded in June 1992. The firm specializes in on-site and offshore development related to the finance, manufacturing, and logistics industries. The company also provides technical and sales support in Japan, Taiwan and China. The entire WITS group consists of 850 employees located in seven offices throughout Asia, and the company is one of the leading IT outsourcing firms in all of Taiwan.

According to the terms of the agreement between A&I and WITS, WITS will provide technical support and call center functions for Japanese and foreign-capitalized firms that use EZ Source to engage in offshore development in Asia.

5. A&I/ LAC Holdings Overview

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| (1)Company Name | A&I System Co., Ltd. | LAC Holdings, Inc. |
| (2)Representative | Masahiko Ooaku, President | Gen Mishiba, President |
| (3)Main Office | A&I Hakozaki Bldg. 16-9 Hakozaki-cho, Nihonbashi, Chuo-ku, Tokyo | Shiodome City Center 1-5-2 Higashi Shinbashi, Minato-ku, Tokyo |
| (4)Established | May 1, 1987 | October 1, 2007 |
| (5)Business Lines | Solutions Services Systems Development Services Consulting Services | LAC Group operations management and related services |

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|------------------|---|---|
| (6)Capital Stock | ¥1.259 billion (as of October 1, 2007) | ¥1 billion (as of October 1, 2007) |
| (7)Annual Sales | 11.604 billion (FYE March 2007) *Consolidated sales | ¥22.319 billion (projected FYE March 2008 figures) *Consolidated sales *LAC figures represent for a 15-month period, due to a change in fiscal year. |
| (8)Employees | Non-Consolidated: 587 Consolidated: 782 (as of April 2007) | LAC HD Group 1,252 *LAC HD non-consolidated has 67 employees (as of October 1, 2007) |
| (9)Subsidiaries | Insurance Systems Laboratory (100%) Software Service, Inc. (100%) AXIS CO., LTD. (65%) | Little eArth Corporation Co., Ltd. (100%) A&I System Co., Ltd. (100%) |

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<Contact Information>

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