

***March 27, 2012***

**Notice Concerning Litigation (of Appeals) Pending**

As announced in the "Notice Concerning Judicial Decisions in Litigation and Appeal" released dated December 2, 2011, Miroku Jyoho Service Co., Ltd. ("MJS") and Miroku System Trading Co., Ltd., a subsidiary of the company (hereafter, "MST"), have been handed a ruling by the Tokyo District Court dated November 30, 2011, concerning a complaint filed by PFU Limited (hereafter, "Plaintiff") citing as the defendant and codefendant MJS and MST. The plaintiff, asserting the said ruling to be inappropriate, on December 13, 2011, filed petition for appeal against MJS. Notice of the filing for petition of appeal was served to MJS dated March 26, 2012. Notice is therefore given as follows.

1. Court and date of filing of petition for appeal

Tokyo Court of Appeals

December 13, 2011

2. Outline of the appellant (plaintiff)

(1) Corporate name: PFU Limited

(2) Address: Nu 98-2 Unoke, Kahoku-shi, Ishikawa prefecture

(3) Position and name of the representative: Representative director and president, Kiyoshi Hasegawa

3. Content of the appeal

(Primary pleading)

(1) Adjudication to the effect that the appealed court decision is void inasmuch and insofar as it rules against the appellant

(2) Adjudication to the effect that the appellee MJS shall pay to the appellant 3,458,445,440 yen and an amount thereon corresponding to 60 percent per annum for the period from January 16, 2008, until the completion of payment

(3) Adjudication to the effect that the appellee shall pay the cost of the courts in the first and second instances

(Alternative pleading)

(1) Adjudication to the effect that the appealed court decision is void inasmuch and insofar as it rules against the appellant

(2) Adjudication to the effect that the appellee MJS shall pay to the appellant 3,407,588,690 yen and an amount thereon corresponding to 50 percent per annum for the period from January 16, 2008, until the completion of payment

(3) Adjudication to the effect that the appellee shall pay the cost of the court in the first and second instances

4. Content of the litigation in the first instance

(1) Background to the litigation

As described in the "Notice Concerning Litigation Pending" released on January 16, 2008, with respect to deliverables that are the subject of a sales agreement between MST and the plaintiff (the seller), it was found that delivery was not performed as contracted under the agreement, on which grounds MST dispatched to the plaintiff a written notice of termination of the said agreement, whereupon the said agreement was terminated. In response, the plaintiff filed a complaint seeking payment from MST and MJS of 4,040,139,390 yen (subsequently reduced to 3,458,445,440 yen), either in the performance of the payment obligation in the amount of the transaction price based on the said agreement or as

compensation for damages on grounds of tort as the joint and several obligation of MST and MJS.

With respect to the sales agreement asserted by the plaintiff, MST and MJS in their defense asserted the legitimacy of their argument that since the said agreement was already terminated without the delivery of the deliverables, no obligation exists on the part of MST and MJS to pay either the transaction price based on the said agreement nor an obligation to pay compensation for damages.

(2) Content of the ruling in the first instance

(1) With respect to the claim to payment asserted by the plaintiff against MJS, the Court accepted the argument of MJS and rejected the claim of the plaintiff.

(2) With respect to the claim to payment asserted by the plaintiff against MST, the court ordered provisional execution, accepting the claim of the plaintiff as follows. "The defendant MST shall pay to the plaintiff the amount of 3,458,445,440 yen and an amount thereon corresponding to 60 percent per annum for the period from January 16, 2008, until the completion of payment."

(3) With respect to the costs of the court, the court ruled that none are payable by MJS and that the plaintiff must pay the expenses of MJS. Furthermore, the court ruled that MST must pay one-half of the expenses of the plaintiff.

Dated December 16, 2011, MST filed a petition for appeal on grounds of the ruling against MST in the first instance being unlawful.

5. Further action

For the purposes of the appeal, MJS will in the same way as in the first instance continue to defend the legitimacy of its argument. Any future matters that need to be disclosed in relation to this litigation will be immediately made public.

At present, this litigation is not anticipated to affect the consolidated business results for the fiscal year ending March 2012.