

For Immediate Release

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The Provision of a Reserve for Excess Interest Repayments by a Subsidiary

As announced today in the document *Revision of Forecast Earnings and Dividends for the Year Ending December 2006*, a loss of ¥3.6 billion expected in the consolidated adjustment account is a result of delayed initial planning for an increase in excess interest repayment claims and other factors. This loss concerns the loans and credit arm of the consolidation, GMO NetCard.

A non-consolidated ¥5.5 billion yen loss on appraisal of stock in affiliated companies on GMO NetCard stock is also projected for the same reasons. The decrease in total assets will result in a figure 30% higher than net assets at the end of the most recently closed fiscal year, the year ended December 2005, (consolidated net assets: ¥16.282 billion yen, non consolidated: ¥12.574 billion).

Further, in the consolidated subsidiary GMO NetCard Inc., following the release of the paper *Auditing and Handling of Reserves for Losses Incurred on Excess Interest Repayments in the Consumer Finance Industry* a readjustment in the method of calculating the excess interest repayment reserve has resulted in an increase in the interest repayment reserve and decrease in net profits of ¥8.15 billion. GMO NetCard is now investigating the reinforcement of its financial structure.