

For Immediate Release

Company name: ValueCommerce Co., Ltd.

Representative: Chairman & CEO Brian Nelson

(Tokyo Stock Exchange Mothers Stock Code: 2491)

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## ValueCommerce Makes Sozon a Wholly-Owned Subsidiary in a Share Swap

Tokyo—February 26—ValueCommerce Co., Ltd. (Headquarters: Minato-ku, Tokyo, Tokyo Stock Exchange Mothers Stock Code: 2491, Chairman and CEO: Brian Nelson, ValueCommerce) is pleased to announce that a Board of Directors meeting held today adopted a resolution to make its subsidiary Sozon Inc. (“Sozon”) a wholly-owned subsidiary through a share swap. Details are as follows:

### 1. Purpose

ValueCommerce holds 96.34% of the shares of Sozon, its subsidiary. To improve synergy and realize flexible management in the ValueCommerce Group, ValueCommerce will make Sozon a wholly-owned subsidiary.

### 2. Details of the Share Swap

#### (1) Schedule

Board meeting resolving to conduct the share swap	Tuesday, February 26, 2008
Conclusion of the agreement	Tuesday, February 26, 2008 (plan)
Scheduled date of the share swap (effective date)	Monday, March 31, 2008 (plan)
Date of delivery of share certificates (cash compensation)	In April 2008 (plan)

(Note) ValueCommerce will not seek the approval of the share swap by its shareholders’ meeting under the provision of Article 796, Paragraph 3 (simplified share swap) of the Corporate Code. Nor will Sozon seek approval of the share swap at a shareholders meeting under the provision of Article 784, Article 1 (simplified share swap) of the Corporate Code.

#### (2) Details of the share swap

Under the share swap agreement, ValueCommerce will pay cash equivalent to 13,100 yen per share to the shareholders of Sozon registered in the final shareholder list of Sozon on March 30, 2008, the day before the effective date of the share swap, (including real shareholders, excluding 21,056 shares held by ValueCommerce).

#### (3) Basis for calculating the equivalent cash in the share swap

ValueCommerce determined the compensation for the share swap, considering the financial condition and other matters of Sozon in consultation with Sozon. ValueCommerce also requested Shinsoh Audit Corporation to evaluate Sozon shares, thereby Shinsoh Audit Corporation using the DCF method and net assets market value method. ValueCommerce used the valuation for reference.

Shinsoh Audit Corporation is not a party related to ValueCommerce or Sozon.

#### (4) Treatment of equity warrants outstanding of the new wholly-owned subsidiary

ValueCommerce will not inherit equity warrants outstanding issued by Sozon.

3. Profiles of the parties to the equity swap (as of January 31, 2007)

(1)	Corporate name	ValueCommerce	Sozon
(2)	Businesses	Affiliate marketing service, Internet marketing consulting	Online marketing consulting and solutions
(3)	Established	March 12, 1996	October 18, 2004
(4)	Head office location	Minato-ku, Tokyo	Chuo-ku, Tokyo
(5)	Representative	Chairman & CEO Brian Nelson	President & CEO Yoshitaka Emori
(6)	Capital	1,711 million yen	96 million yen
(7)	Number of shares issued	189,140 shares	21,856 shares
(8)	Net assets	3,733 million yen (consolidated) (as of December 31, 2007)	5 million yen (non-consolidated) (as of September 30, 2007)
(9)	Total assets	4,934 million yen (consolidated) (as of December 31, 2007)	252 million yen (non-consolidated) (as of September 30, 2007)
(10)	Fiscal year end	December 31	September 30
(11)	Number of employees	183 (non-consolidated) (as of December 31, 2007)	30 (non-consolidated)
(12)	Major customers	RECRUIT CO., LTD. Yahoo Japan Corporation Orix Credit Corporation	Hewlett-Packard Japan, Ltd. JIC Corp.
(13)	Primary shareholders and shareholding	Yahoo Japan Corporation 44.38% Tim Williams 18.6%	ValueCommerce Co., Ltd. 96.34%
(14)	Main banks	The Bank of Tokyo-Mitsubishi UFJ, Ltd. Sumitomo Mitsui Banking Corporation Mizuho Bank, Ltd.	The Bank of Tokyo-Mitsubishi, Ltd.
(15)	Relationships between the parties	Capital relationships	ValueCommerce holds 21,056 Sozon shares (96.34% of the shares issued and 96.34% of the total voting rights).
		Personnel relationships	Tim Williams and Ben Clark, directors of ValueCommerce, and Scott Neville, an employee of ValueCommerce, are directors of Sozon. Keiichi Takahashi, a director of ValueCommerce, is a corporate auditor of Sozon.
		Business relationships	ValueCommerce and Sozon have sale and purchase transactions with each other including the affiliate marketing service and search engine optimization (SEO) service. ValueCommerce has loans outstanding to Sozon.
		Related party	Sozon is a consolidated subsidiary of ValueCommerce and thus is a related party of ValueCommerce.

## (16) Financial results in the past three years

(Million yen)

Fiscal year	ValueCommerce (parent company) (consolidated)			Sozon (wholly-owned subsidiary) (non-consolidated)		
	Year ending Dec. 2005	Year ending Dec. 2006	Year ending Dec. 2007	Year ending Sept. 2007	Year ending Sept. 2007	Year ending Sept. 2007
Sales	4,049	5,331	5,871	145	404	661
Operating income	233	541	200	54	70	-75
Ordinary income	507	507	214	59	70	-77
Net income	547	173	12	35	39	-80
Net income per share (yen)	2,093.64	6,169.09	6,169.09	160,822.85	4,470.45	-9,087.46
Dividend per share (yen)	0	0	0	0	0	0
Net assets per share (yen)	16,839.56	39,644.19	39,644.19	207,474.69	9,657.32	560.85

## 4. Situation after the share swap

(1) There will be no change in the business names, businesses, head office locations, representatives, capital, or fiscal year ends in association with the share swap.

## (2) Future outlook

The effect of the share swap on the business performance of ValueCommerce will be minor.