

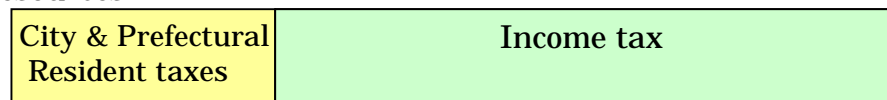
Measures taken when Income taxes were not levied due to decrease in income for 2007

Due to the transfer of tax resources from the national government to the prefectural and local governments, overall tax burden is adjusted to stay the same. The overall tax burden for those whose Resident taxes (prefectural and local taxes) increases for FY2007 is offset by the decrease in Income taxes (national tax). (refer table 1)

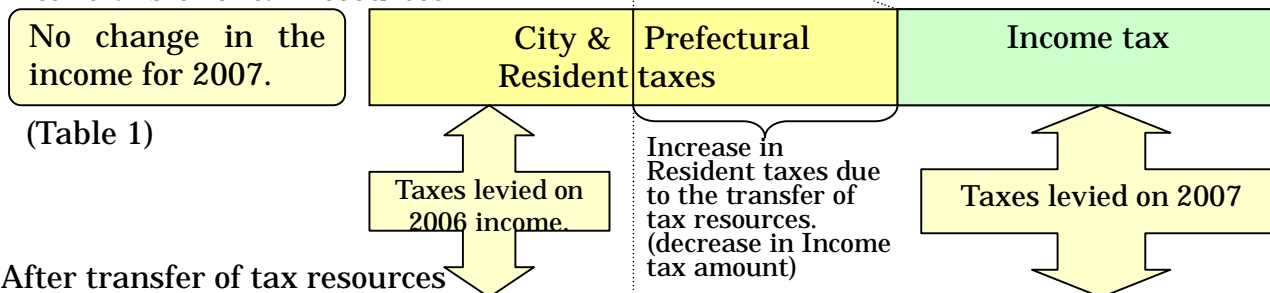
However, if there was a decrease in income and no Income tax was paid for 2007, then there would be no basis to decrease from in order to offset the increase in Resident taxes. (refer table 2)

In this case, provided that the requisites outlined below in “(1) Taxpayers who are applicable” are met, the taxpayer may submit the “Declaration for the Reduction of Resident Taxes” form. This measure will adjust the taxpayer’s overall tax liabilities to levels prior to the transfer of tax resources.

Prior to transfer of tax resources

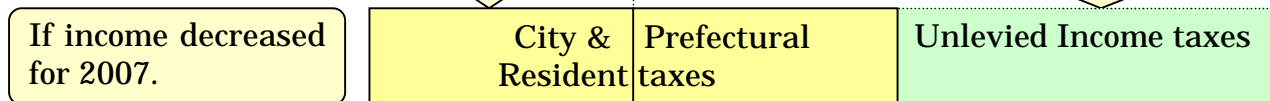


After transfer of tax resources



(Table 1)

After transfer of tax resources



(Table 2)

The increase in City & Prefectural Resident taxes will be decreased by proper declaration.

(1) Taxpayers who are applicable

Taxpayers who turned in Resident taxes declarations and Income tax returns within deadline and satisfy both and below.

If standard tax amount (excluding taxes declared separately) for Resident taxes of FY2007 is greater than the sum of the differences in personal deductions\*1 between Resident taxes and Income tax.

If standard tax amount (including taxes declared separately) for Resident taxes of FY2008 is less than the sum of the differences in personal deductions\*2 resident taxes and Income tax.

1 Basic deductions, Disability deductions, Widow (Widower) deductions, Working student deductions, Deductions for spouse, Special deductions for spouse, Deductions for dependents and Special allowance for disabled living in same dwelling.

2 For example, Basic deduction for Income taxes is ¥380,000 and ¥330,000 for Resident taxes, the difference is ¥50,000.

(2) How to declare :

In order to receive the deduction in Resident taxes, the taxpayer must submit the “Declaration for the Reduction of Resident Taxes” form!!

(This declaration must be submitted between July 1, 2008 and July 30, 2008 )

The declaration must be submitted to the local government office at the location of taxpayer’s resident on January 1<sup>st</sup> FY2007. Those who moved during 2007 should submit to the local government office of your residence on January 1<sup>st</sup>.

Even after the declaration is submitted, there may be cases that, upon review, this measure may not be applicable.