

February 19, 2010

To : Parties concerned

Corporate Name : I-NET CORP.
Representative : President Shigemasa Kajimoto
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I-NET Corp. (hereinafter, "I-NET") hereby announces that at a meeting of its board of directors held on February 19, 2010, it was resolved that I-NET shall undertake all businesses under 3D Incorporated (hereinafter, "3D"), a consolidated subsidiary of I-NET. Following the transfer of said businesses, 3D will undergo dissolution and special liquidation. Details are as follows.

Reason for Undertaking of Businesses and Dissolution and Special Liquidation of Subsidiary

3D primarily conducts the development of systems utilizing three-dimensional computer graphics. Up until now, this subsidiary had enacted a number of measures for the purpose of recovering profitability, including cultivating new businesses and reducing its fixed expenses. However, based on factors that include the severe business environment that has persisted since the latter half of 2008 and the deterioration of the subsidiary's future business outlook, it was concluded that rather than continuing the businesses on an independent basis, integrating the businesses of 3D with those of I-NET would be the most appropriate course of action.

Through assuming all of the businesses under 3D, I-NET intends to streamline and optimize said businesses through sharing management resources and eliminating redundant costs. Furthermore, under its stable management foundation, I-NET will bring out the maximum potential of the advanced technological capability in 3D's possession. Through doing so, I-NET will aim to aggressively develop those businesses in the three-dimensional computer graphics market, which is expected to demonstrate further growth in the future.

As all businesses under 3D will be integrated into I-NET through a business transfer, following the completion of said business transfer, 3D is scheduled for dissolution and special liquidation.

2. Overview of 3D

(1) Trade name	3D Incorporated
(2) Headquarters	1-1 Sakae-cho, Kanagawa-ku, Yokohama, Kanagawa, JAPAN
(3) Representative	Yoma Watarai, President
(4) Business operations	Using three-dimensional computer graphics system development.
(5) Founded	April 1, 1988
(6) Capital	¥317million
(7) Employees	25
(8) Net assets	(¥188million)
(9) Total assets	¥156million
(10) Major shareholders (shareholders ratio)	I-NET CORP. (99.0%)
(11) Relationship with I-NET CORP.	Consolidated subsidiary

3. Business transfer details

I-NET will undertake all businesses under 3D as of March 12, 2010.

(1) Business performance of 3D

	March 2007 term	March 2008 term	March 2009 term	March 2010 term *
	¥mil.	¥mil.	¥mil.	¥mil.
Net sales	374	409	379	207
Operating income	(60)	32	23	(35)
Ordinary income	(66)	27	19	(36)
Net income for the term	(67)	26	18	(36)

*April 1, 2009 ~ January 31, 2010 (10 months)

(2) Asset and Liability Items under 3D and Corresponding Amounts. (as of January 31, 2010)

Assets		Liabilities	
Account	Book value	Account	Book value
	¥mil.		¥mil.
Current assets	125	Current liabilities	332
Fixed assets	30	Long-term liabilities	12
Total	156	Total	344

(3) Business Undertaking Price and Method of Settlement

An appropriate institution is being requisitioned to compute the value of businesses under 3D. The business undertaking price shall be based on the business value thus computed, and shall be determined following adjustment between the transferee company and recipient company. The transaction shall be settled in cash.

4.Schedule(Anticipated)

(1)Business Transfer

- February 19, 2010 : Meeting of Board of Directors to approve business transfer agreement
(I-NET and 3D)
- February 19, 2010 : Conclusion of business transfer agreement
- March 12, 2010(Anticipated) : Effective date of business transfer

Note: Based on stipulations under the “simplified business undertaking” set forth in Article 468, Item 2 of the Companies Act of Japan and the “summary business transfer” set forth in Article 468, Item 1 of said Act, the business transfer in question shall be performed between I-NET and 3D without obtaining approval at the general meeting of shareholders for the business transfer agreement.

(2) Dissolution and Special Liquidation (3D)

- March 12, 2010(Anticipated) : Extraordinary Meeting of Shareholders
(resolution to dissolve subsidiary)
- Between mid- and late March 2010 (tentative) : Motion to commence special liquidation procedures

5.Overview of accounting

Transaction under Common Control

6.Future performance outlook

The impact on the consolidated and non-consolidated business performance of I-NET from undertaking the businesses of 3D (business integration) and conducting the dissolution and special liquidation of 3D will be negligible.

*Performance forecasts are derived from judgments based on information available to I-NET CORP. at the time of announcement of this document. Consequent deviation from predicted values may occur due to changes in conditions arising from indeterminable internal or external factors.