

September 27, 2007

To all stakeholders

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Notice of Cancellation of Merger of Privately Owned Parent Company

The board of directors of KE Holdings Co., Ltd., the privately owned parent company of SFCG Co., Ltd., approved a resolution on September 27, 2007 to cancel the planned merger with SFCG subsidiary T-ZONE Holdings, Inc. (JASDAQ listed) that was announced on May 24, 2007 as stated below. SFCG announced the decision of KE Holdings' board of directors on August 10, 2007 to postpone the merger. At this time, the merger plan has been officially cancelled.

In addition, SFCG announced on August 22, 2007 that the board of directors of KE Holdings approved a resolution to merge with Bluebird Co., Ltd. However, the KE Holdings directors today approved a resolution to cancel this merger plan.

1. Background and reasons for cancellation of merger

KE Holdings received the advice of many external professionals and stakeholders concerning its plan to merge with T-ZONE Holdings on October 1, 2007. The company used this information to carefully examine this merger. As a result, the decision was reached to apply the listing examination prior to the merger rather than after the merger, as had been originally planned. To provide time for this examination, the directors of both companies approved resolutions on August 10, 2007 to postpone the merger and have concentrated on applying the listing examination.

However, the subprime loan problem has arisen as a big problem in the U.S. financial market, which eventually increased credit risks in Japan financial market. It created turmoil in Japan, including a sharp decline in stock markets. No end to this problem is yet in sight. The stock prices of KE Holdings and T-ZONE Holdings have also been affected. Due to these dramatic events in financial markets, there has been a significant change in the assumptions used to determine the merger ratio for KE Holdings that was approved at the T-ZONE Holdings annual shareholders meeting on June 27, 2007.

Based on all of these factors, KE Holdings decided that the best course of action would be to cancel the merger of KE Holdings and T-ZONE Holdings. The KE Holdings board of directors approved a resolution to terminate the merger agreement on September 27, 2007.

In addition, KE Holdings has terminated its planned merger with Bluebird, which was announced on August 22, 2007 (SFCG's Privately Owned Parent Company KE Holdings to Merge with Bluebird) due to a significant change in the assumptions used to determine the merger ratio for KE Holdings. Both companies have agreed to cancel the merger contract.

2. Timetable for cancellation of merger agreements

Directors meetings to cancel merger agreements	September 27, 2007
Signing of merger cancellation agreements	September 27, 2007
Electronic public notice of cancellation	October 5, 2007 (tentative)