

February 20, 2008

To all stakeholders

Company name: SFCG Co., Ltd.
Representative Officer: Kenshin Oshima
Chairman and CEO
(Security code: 8597, 1st section of Tokyo Stock Exchange)
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SFCG to Absorb Subsidiary

The Board of Directors of SFCG Co., Ltd., on February 20, 2008 approved a resolution to merge TZCS INC., a wholly owned subsidiary, through absorption into the parent company. The merger will become effective on March 26, 2008.

1. Purpose of merger

TZNC INC. is the core company among SFCG Group's investment-related businesses. By merging TZCS INC. through absorption into the parent company, the Group will consolidate its securities investment-related businesses at the parent company. This merger will support more efficiency and dynamic management of the Group's investment businesses.

2. Description of merger

(1) Merger timetable

Directors meetings to approve merger contract:	February 20, 2008 (Wednesday)
Signing of merger contract:	February 20, 2008 (Wednesday)
Date of merger (effective date):	March 26, 2008 (Wednesday)

The merger qualifies as a short-form merger under Article 796-3 of the Company Law and as a simple merger under Article 784-1 of the Company Law. The merger, therefore, does not require prior approval of the shareholders of SFCG Co., Ltd. and TZCS INC.

(2) Merger method

SFCG Co., Ltd. the surviving company (qualifies as a short-form merger under Article 796-3 and as a simple merger under Article 784-1 of the Company Law) will absorb TZCS INC.

(3) Merger ratio and merger bonus

The merger ratio will not be calculated, since TZCS INC. is a wholly owned subsidiary of SFCG Co., Ltd. There will be no issue of new stock or any increase in capital as a result of the merger. No merger bonus shall be paid.

(4) Stock options and convertible bonds of TZCS INC.

TZCS INC. has no outstanding stock options or convertible bonds.

