



November 28, 2008

To whom it may concern:

Company: RADIA HOLDINGS, INC.  
Representative: Shinichi Horii  
Representative Director and President  
(Code No. 4723 TSE 2<sup>nd</sup> Section)  
Contact: Hideshi Tachiyama  
Senior Executive Officer  
General Manager,  
Public Relations and Investor Relations Division  
(TEL: 03-3405-9262)

## **Notification of Absorption-Type Split and Merger of Subsidiaries**

This is to inform you that consolidated subsidiaries Ctec, Inc. ("Ctec" hereinafter) and Buntechno Co., Ltd. ("Buntechno" hereinafter) resolved in meetings of their boards of directors held on November 27, 2008 to enter into an absorption-type split effective January 1, 2009, at which time all production engineer staffing business conducted by Buntechno will be succeeded to by Ctec. This resolution was approved by the Board of Directors of Radia Holdings, also meeting on November 27, 2008.

In addition, Ctec, CIT, Inc. ("CIT" hereinafter) and TST, Inc. ("TST" hereinafter) resolved in meetings of their boards of directors held on November 27 to merge effective January 1, 2009 with Ctec as the surviving company. This resolution was approved by the Board of Directors of Radia Holdings, also meeting on November 27.

### *Details*

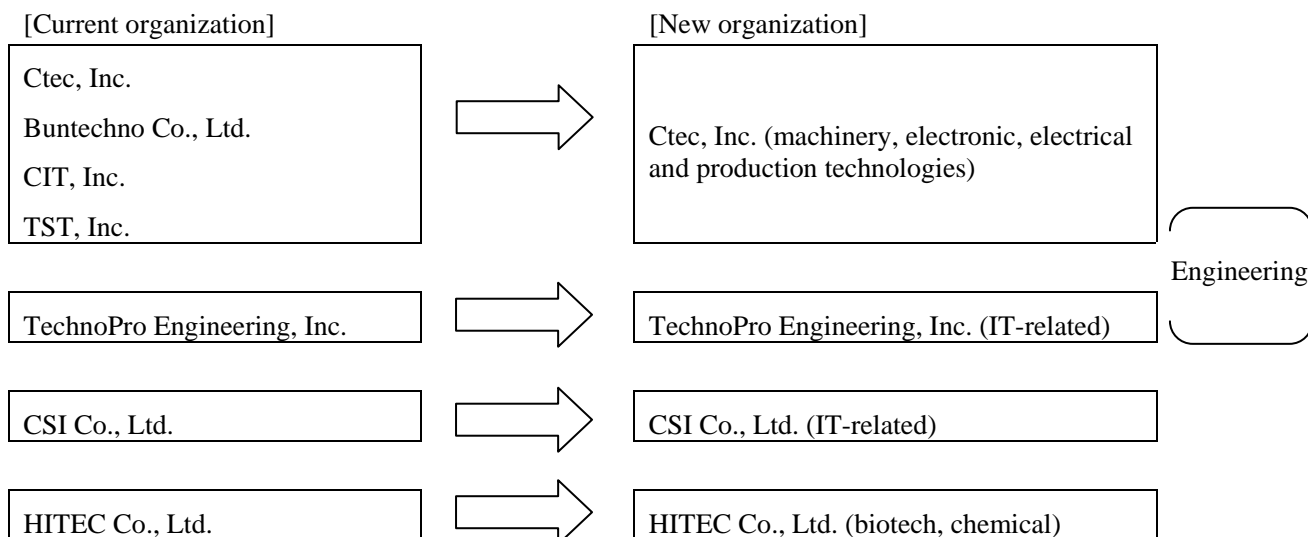
#### **1. Purposes of absorption-type split and merger**

As already disclosed in "Notice on the Formulation of Business Restructuring Plan (Mid-term Management Plan) and Business Restructuring" on October 14, the company is moving forward on the restructuring of its businesses.

We are faced with an increasingly challenging business environment and need to secure stable growth over the medium and long terms so as to achieve high levels of customer services and enjoy the cost benefits that come with expansions to the scale of our operations. One facet of the Business Restructuring program is to reorganize domestic operating companies so as to achieve efficiency gains and improve market competitiveness. It was therefore decided to consolidate four (Ctec, Buntechno, CIT and TST) of our seven subsidiaries in the core domestic engineering staffing business into a single company, Ctec.

After the consolidation, Ctec will have revenues of approximately 80 billion yen and 12,000 engineering staff, placing it in the top rungs of the domestic engineering staffing segment.

The consolidation will bring new scale and efficiency to the company's operations, improve its expertise in engineering staffing services, enable it to address customer needs at a very high level and also to provide an "one-stop shop" for the many different technical areas that had been divided up among the four companies in the past: research, development, design, analysis, testing, evaluation, production etc. It will therefore enhance the company's customer base and sales capacity.



## 2. Outline of absorption-type split

### (1) Schedule of absorption-type split

Board of Directors resolution on absorption-type split	November 27, 2008	(Ctec, Buntechno)
Date of absorption-type split agreement	November 27, 2008	(Ctec, Buntechno)
General Meeting of Shareholders approval of absorption-type split	December 26, 2008 (tentative)	(Ctec, Buntechno)
Absorption-type split effective date	January 1, 2009 (tentative)	(Ctec, Buntechno)

### (2) Method of absorption-type split

Ctec will be the succeeding company and Buntechno the split company.

### (3) Increase in capital as a result of succession

The counter value for the corporate split will be paid in cash and there will be no increase in capital as a result of succession to operations.

### (4) Rights and obligations succeeded to by the succeeding company

Other than those for which there are specific stipulations in the Split Agreement, the rights and obligations succeeded to by Ctec from Buntechno as a result of the absorption-type split will be based on the balance sheet and other financial statements of Buntechno as at June 30, 2008, finalized by adjusting for any increases or decreases between that date and the effective date.

### (5) Prospects for fulfillment of obligations

In our judgment, there are no problems with the prospects of either company fulfilling its obligations after the split.

### 3. Profile of companies in absorption-type split (as at June 30, 2008)

(1) Name	Ctec, Inc. (Succeeding company)	Buntechno Co., Ltd. (Splitting company)
(2) Major lines of business	General engineering service	Production engineer staffing
(3) Established	June 2, 1997	December 11, 1997
(1) Location of head office*	6-10-1 Roppongi, Minato-ku, Tokyo	6-10-1 Roppongi, Minato-ku, Tokyo
(2) Representative	Gaku Shimaoka	Yoshiaki Kasai
(3) Capital	100 million yen	10 million yen
(4) Total issued and outstanding shares	3,600 shares	200 shares
(5) Net assets	23 billion yen	4.3 billion yen
(6) Gross assets	38 billion yen	7.2 billion yen
(7) Settlement term	June	June
(8) Large shareholders and ownership ratios	RADIA HOLDINGS Premier, Inc. 100%	RADIA HOLDINGS , INC. 100%

\* Head office relocated in November

### 4. Profile of business unit(s) to be succeeded to

- (1) Operations of business unit(s) to be succeeded to  
All services related to production engineer staffing
- (2) Business results of business unit(s) to be succeeded to  
Revenue of 12.3 billion yen (FYE March 2008) \* Settlement term changed to June in April 2008
- (3) Assigned asset and liability values (as at June 30, 2008)

Assets		Liabilities	
Item	Book value	Item	Book value
Current assets	2.6 billion yen	Current liabilities	2 billion yen
Fixed assets	0.1 billion yen	Fixed liabilities	0.4 billion yen
Total	2.7 billion yen	Total	2.4 billion yen

### 5. Outline of merger

- (1) Schedule of merger

Board of Directors resolution on merger	November 27, 2008	(Ctec, CIT and TST)
Date of merger agreement	November 27, 2008	(Ctec, CIT and TST)
General Meeting of Shareholders approval of merger	December 26, 2008 (tentative)	(Ctec, CIT and TST)
Merger effective date	January 1, 2009 (tentative)	(Ctec, CIT and TST)
- (2) Method of merger  
Ctec will be the surviving company in the merger, and CIT and TST will be extinguished.
- (3) Description of allocations in conjunction with the merger  
This is a merger among consolidated subsidiaries and there will therefore be no delivery of counter values and no change in capital as a result.
- (4) Handling of warrants and bonds with warrants of the extinguished companies  
Not applicable.

**6. Profile of merging companies****(As at June 30, 2008)**

(1) Name	Ctec, Inc. (Surviving company)	CIT, Inc. (Extinguished company)	TST, Inc. (Extinguished company)
(2) Major lines of business	General engineering service	General engineering service	Production engineer staffing
(3) Established	June 2, 1997	July 11, 2001	March 1, 1990
(4) Location of head office*	6-10-1 Roppongi, Minato-ku, Tokyo	6-10-1 Roppongi, Minato-ku, Tokyo	6-10-1 Roppongi, Minato-ku, Tokyo
(5) Representative	Gaku Shimaoka	Kazunari Kadono	Dai Kajino
(6) Capital	100 million yen	100 million yen	100 million yen
(7) Total issued and outstanding shares	3,600 shares	2,000 shares	1,880 shares
(8) Net assets	23 billion yen	4 billion yen	4.2 billion yen
(9) Gross assets	38 billion yen	5.9 billion yen	6.9 billion yen
(10) Settlement term	June	June	June
(11) Large shareholders and ownership ratios	RADIA HOLDINGS Premier, Inc. 100%	RADIA HOLDINGS Premier, Inc. 100%	RADIA HOLDINGS Premier, Inc. 100%

\* *Head office relocated in November***7. Status of Ctec after absorption-type split and merger**

- (1) Name Ctec, Inc.  
(2) Major lines of business General engineering service  
(3) Location of head office 6-10-1 Roppongi, Minato-ku, Tokyo  
(4) Representative Gaku Shimaoka  
(5) Capital 100 million yen  
(6) Settlement term June  
(7) List of new executive officers (tentative)

Position in new organization	Name	Responsibility(s)
Representative Director	Gaku Shimaoka	President
Managing director	Yoshiaki Kasai	General Manager, Business Devision
Managing director	Kuniya Nishiyama	General Manager, Engineering Devision
Director	Dai Kajino	General Manager, Western Japan Devision
Director	Shinobu Kaneuchi	General Manager, Eastern Japan Devision
Director	Yoshiomi Nomoto	General Manager, Employment Devision
Director	Teruhiko Nishihashi	General Manager, Management Planning Devision
Director	Hidetaka Enoki	General Manager, Business Development Devision
Director	Takeshi Satake	General Manager, Compliance Devision
Director	Kazunari Kadono	General Manager, Contracts Devision

**8. Forecast impact on results from absorption-type split and merger**

The absorption-type split and merger involve only consolidated subsidiaries, and the impact on consolidated results will therefore be negligible.

End of document