

November 6, 2007

To whom it may concern:

## **Unofficial Decision Regarding the Sponsorship Following Nova Corporation's Filing for Protection under the Corporate Rehabilitation Law**

Having been unofficially appointed the sponsor of the business of Nova Corporation (hereinafter referred to as NOVA), we would like to inform you of the following:

### **1. Background**

NOVA filed for protection under the Corporation Rehabilitation Law with the Osaka District Court on October 26, 2007, and received a provisional administration order on the same day. Toshiaki Higashibata and Noriaki Takahashi, both lawyers, were appointed as the Interim Trustees. Since the issuance of the provisional administration order, NOVA has suspended business at its schools. Under these circumstances, G. Communication Co., Ltd. was unofficially appointed as the sponsor.

### **2. Details**

#### (1) Business to be succeeded

*Ekimae Ryugaku* language lessons, *Ochanoma Ryugaku* language lessons and "NOVA Kids" (Kids' English)

#### (2) Succeeding company

G. education Co., Ltd. (100% subsidiary of G. communication Co., Ltd.)

#### (3) Trademark

G. Communication Group has 42 English language schools called "EC Eikaiwa," centering in Hokkaido, and owns the trademark for these schools. Therefore, studies will be made to determine whether or not to continue the use of "NOVA" as a trademark.

#### (4) Classes to be taken over

With the aim of maintaining the employment of NOVA employees and supporting its students, we will promptly take over 30 schools from NOVA and resume lessons. We will then do our utmost to operate 200 schools as our interim goal.

#### (5) Preferential treatment for NOVA students

We will not take on the debts that NOVA incurred in the form of advance tuition fees for NOVA lessons. However, we will make maximum efforts to support the students. Initially, we will ensure that NOVA students will be able to receive similar lessons for 25% of the normal tuition fees.

#### (6) Employment security

We will do our best to hire NOVA employees.

### **3. Future Schedules**

We will announce future schedules as soon as their details become available.

Masaki Inayoshi

Chairman and Representative Director

Sotaro Obaara (contact person)

Operating Officer and Director of the Management Planning Division

G. communication Co., Ltd.

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TEL: 052-912-0335

URL: <http://www.g-com.jp>

### Outline of G. communication Co., Ltd.

Corporate name	G. communication Co., Ltd.
Address of Head Office	5-12-3, Kurokawa-hondori, Kita-ku, Nagoya
Established	June 1997
Name and Title of Representative	Masaki Inayoshi, Chairman, President and Representative Director
Capital	2,786,260,000 yen (as of November 2007)
No. of employees	2,051 (entire group)
Main financing banks	Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation, Mizuho Bank, Ltd.
Major shareholders and shareholding percentages	Masaki Inayoshi (74.35%) AFCO Co., Ltd. and affiliated investment associations (4.98%) Oak Capital Corporation (3.51%) NIF SMBC Ventures Co., Ltd. and affiliated investment associations (3.22%) Nomura Research & Advisory Co., Ltd. (1.19%) Japan Asia Investment Co., Ltd. and affiliated investment associations (0.97%) Hideo Sugimoto (0.97%) Enterprise Development Co., Ltd. (0.92%) Michiko Inayoshi (0.74%) Hitoshi Takahashi (0.74%)
Major business	Group holdings company, consulting services, design and construction
Consolidated subsidiaries	<ul style="list-style-type: none"> <li>■ G. taste Co., Ltd. (JASDAQ: 2694) Direct management and franchising of multiple business categories centering on Sendai Heiroku, Toriaezu Gohei and Getaya</li> <li>■ G. networks Co., Ltd. (TSE 2nd Section: 7474) Direct management and franchising of multiple business categories centering on Nagasaki Chanmen, Omuraisu-tei and Tonko</li> <li>■ Global Act Co., Ltd. (TSE 2nd Section: 7428) Direct management and franchising of multiple business categories centering on Chanko Edosawa</li> <li>■ Yakinikuya Sakai Co., Ltd. (JASDAQ: 7622) Direct management and franchising of multiple business categories centering on Yakinikuya Sakai</li> <li>■ G. education Co., Ltd. Direct management and franchising of ITTO Kobetsu Shido Gakuin, Gambaru Gakuen, EC Eikaiwa, TOPS and GRIP!</li> <li>■ G. food Co., Ltd. Direct management and franchising of multiple business categories centering on Haikaraya, Otaru Shokudou, Hatagoya, Suzunoya and Ahoudori</li> <li>■ SWEETSTYLE Co., Ltd. Direct management and franchising of multiple business categories centering on Mont-Thabor, Cats-Café and Daichi no Table</li> <li>■ Harshey's Corporation Mega-franchisee that joints excellent franchises irrespective of business categories in and outside the Group</li> <li>■ Joraku Shuzo Co., Ltd. Manufacture and sales of alcoholic beverages (authentic Kuma-Shochu distilled sake)</li> <li>■ Sekihara Shuzo Co., Ltd. Manufacture and sales of alcoholic beverages centering on Japanese sake</li> <li>■ GCOM produce Co., Ltd. Development of G. communication's franchisees centering on the development of food service business</li> <li>■ GCOM System Solution Co., Ltd. Development, sales and consultation regarding software, POS cash registers and ASP</li> <li>■ B Supply Co., Ltd. Consignment of operation and management of the entire food service industry</li> <li>■ GCOM KOREA CORPORATION Area franchiser for G. communication and trading entity primarily in South Korea</li> </ul>

### Recent major M&A

- May 2007 Yakinikuya Sakai Co., Ltd. (JASDAQ: 7622) became a consolidated subsidiary (51.46%).
- Nov. 2006 Goodwill of the Chubu Royale Group transferred to Mont-Thabor Co., Ltd.
- Nov. 2006 All outstanding shares of Jinpachi Chubu Co., Ltd. transferred.
- Oct. 2006 Edosawa Co., Ltd. (TSE 2nd Section: 7428) became a consolidated subsidiary through TOB.
- Oct. 2006 Shares of Sekihara Shuzo Co., Ltd. obtained.
- Oct. 2006 Restaurant business of Lafisto Co., Ltd. transferred to G. food Co., Ltd. from the bankruptcy administrator.
- Sep. 2006 “Omuraisu-tei” business of Oz Co., Ltd. transferred to Pao Co., Ltd. from the bankruptcy administrator.
- Aug. 2006 All outstanding shares of EC Inc. transferred.
- Jun. 2006 Mont-Thabor Co., Ltd. became a wholly owned subsidiary through stock exchange (trading taking place on June 1)
- May 2006 Business of Gyokuhokan, a high-class hot-spring inn in Izu, transferred.
- Apr. 2006 Pao Co., Ltd. (TSE 2nd Section: 7474) became a consolidated subsidiary (52.3%) through the acceptance of allocation of new shares to a third party.
- Mar. 2006 All outstanding shares of Joraku Shuzo Co., Ltd. transferred.
- Mar. 2006 All outstanding shares of Q’s factories Co., Ltd. transferred.
- Feb. 2006 All outstanding shares of Harshey's Corporation transferred.
- Jan. 2006 Pao Co., Ltd. became an equity method affiliate (34.4%) through the acceptance of allocation of new shares to a third party.
- Sep. 2005 Yakiniku Karubi and Komugiya restaurants of Nakatake Co., Ltd. transferred from the bankruptcy administrator.
- Aug. 2005 Toriaezu Gohei business of Zecoo Co., Ltd. transferred to Heiroku Co., Ltd. from the bankruptcy administrator.
- Jul. 2005 Heiroku Co., Ltd. (JASDAQ: 2694) became a consolidated subsidiary (51.0%) through the acceptance of allocation of new shares to a third party and TOB.
- Apr. 2005 All outstanding shares of Sunway Co., Ltd. transferred.
- Feb. 2005 All outstanding shares of Cats Co., Ltd. transferred.
- Nov. 2004 Saint Moritz Co., Ltd. established and business of Coffee Shop and Confectionery Shop “Saint Moritz” transferred.
- Aug. 2004 All outstanding shares of Suzunoya Co., Ltd. transferred.
- May 2004 All outstanding shares of Suzusho Co., Ltd. transferred.
- \*The company names are as of M&A.

### Outline of G. education Co., Ltd.

Corporate name	G. education Co., Ltd.
Address of the Head Office	5-12-3, Kurokawa-hondori, Kita-ku, Nagoya
Established	June 2003
Name and Title of the Representative	Takashi Ono, President and Representative Director
Capital	100 million yen (as of November 2007)
No. of employees	157
Main financing banks	Bank of Tokyo-Mitsubishi UFJ, Sumitomo Mitsui Banking Corporation
Major shareholder and shareholding percentage	G. communication Co., Ltd. (100.0%)
Major business	Direct management and franchising of ITTO Kobetsu Shido Gakuin, Gambaru Gakuen, EC Eikaiwa, TOPS and GRIP!