

**The JFTC filed an additional criminal accusation on the bid-rigging over geological survey business and location survey planning business concerning main forest road projects procured by the Japan Green Resources Agency**

(Tentative translation)

June 13, 2007

Japan Fair Trade Commission

The Japan Fair Trade Commission (“JFTC”), on May 24 2007, found a criminal violation of the Antimonopoly Act (“AMA”), and in accordance with Article 74 (1) of the AMA, filed a criminal accusation against four juridical persons, including Japan Forest Engineering Consultants Foundation, with the Prosecutor-General on bid-rigging over geological survey business and location survey planning business concerning main forest road projects procured by the Japan Green Resources Agency (“JGRA”). In addition, the JFTC found that five individuals engaging in contracting business in above-mentioned four juridical persons, and a former executive member and a former division-director of the JGRA, committed a criminal violation of the AMA, and therefore, the JFTC, today, filed an additional criminal accusation against the above seven individuals with the Prosecutor-General in accordance with Article 74 (1) of the AMA.

Outline of the accusation is as follows.

1 Accused Individuals

- a. Five individuals of the following companies that were already accused on May 24, those of whom engaged in geological survey business and location survey planning business concerning main forest road projects procured by the JGRA.

Japan Forest Engineering Consultants Foundation, Forestech Corporation, Shinko Kosaikai, and Katahira & Engineers Inc.

- b. A former executive member and a former division-director of the JGRA

2 Ground of Criminal Accusation

(1) Fact

The five accused individuals who are employees of the four accused juridical persons mentioned in 1-a and the two accused individuals mentioned in 1-b, agreed with employees of other corporations which conduct businesses concerning geological survey and location survey planning, to prearrange a bid winner following the JGRA’s intent, and also agreed to make a bidding price convenient for a prearranged winner to win a bid over businesses concerning geological survey and location survey planning on main forest road projects procured by the JGRA in FY 2005 and FY 2006 by way of

designated competitive bids, etc. In accordance with the agreement, the four judicial persons decided in advance the bid winners, and thereby, contrary to the public interest, substantially restrained competition in the field of trade on the said businesses by mutually restricting and conducting their business activities.

(2) Applicable Articles

Article 89 (1) (i), Article 3 (prohibition of unreasonable restraint of trade) and Article 95 (1) (i) of the AMA, Article 60 of the Penal Code