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TECMO

4-1-34 Kudankita, Chiyoda-ku, Tokyo

<http://www.tecmo.co.jp>

A Statement Regarding Certain News Reports Concerning Ongoing Litigation

There have been recent reports in a certain tabloid newspaper and related website concerning a lawsuit introduced into Japanese courts against Tokyo-based Tecmo Ltd. ("Tecmo") and one of its executive officers, Tomonobu Itagaki, by a former employee. However, statements made in these reports are false; the alleged sexual harassment of the former employee by Itagaki never took place, and Tecmo did not issue an unjustified notice of dismissal to the former employee.

The former employee in question made a request on the 30th of June 2006 asking Tecmo to accept her voluntary resignation. However, on the 4th of July of the same year, her demeanor took a sudden turn, and she requested the company admit that she was being involuntarily terminated due to sexual harassment. In addition, she demanded that Itagaki be terminated and punitive measures be taken against other employees.

Subsequently, even as the former employee continued to change her demands multiple times, Tecmo immediately launched an investigation based on the former employee's claims of sexual harassment by Itagaki. This investigation was carried out over the course of one month, and was performed in the most strict and impartial manner. As a result of this investigation, Tecmo determined that the allegations in question were a result of the former employee's desire to vent frustrations over her own personal affairs, and not indicative of sexual harassment.

However, the fact remains that Itagaki and the former employee, as well as others involved in this matter, mingled personal affairs with their corporate responsibilities. In addition, they hindered the normal operation of the company by introducing unnecessary confusion into the workplace, and because of this Tecmo reprimanded them with demotions and salary reductions and called upon them to reflect on their conduct. Despite the former employee's claims, Tecmo did not present her with an unjustified notice of dismissal; in fact, Tecmo made special care to provide her with a new working environment in the hopes that it would facilitate her returning to work.

At present, litigation brought forth by the former employee against Tecmo and Itagaki is underway, but as of yet only the first hearing of oral arguments has been completed. Tecmo is currently preparing for the second hearing, which will give the company and Itagaki their first opportunity to present specific rebuttals and substantive claims. It is unfortunate that, at this juncture, certain media outlets have chosen to one-sidedly cover the false claims of the former employee. By making these claims appear as though they are fact, these articles have resulted in egregious defamation towards the reputation and goodwill of Tecmo and Tomonobu Itagaki.

Tecmo will continue to truthfully and impartially reveal all of the relevant facts in this litigation.

Furthermore, due to defamation caused by these false accusations, Itagaki plans to institute a countersuit against the former employee for payment of damages in this matter.