



August 30, 2004

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Notice of the aquisition of AIM Consulting Co., Ltd

WORKS APPLICATIONS Co., Ltd. (WORKS) has independently underwritten a capital increase for AIM Consulting Co., Ltd. (AIMC) through allocation of shares to a third party, which makes AIMC a consolidated WORKS subsidiary.

1. Background of this acquisition.

Since its establishment, AIM Consulting Co., Ltd. has participated in the development of the new COMPANY® Accounting Series products (slated for introduction in December 2004), and WORKS entered into a capital tie-up with AIMC by acquiring some of company shares in March 2003. Therefore, based on a deepening understanding between the two companies and with the goal of obtaining AIMC's assistance in providing consulting services related to business process reengineering (BPR)—a new business area under development by the WORKS group—WORKS has acquired additional AIMC shares. AIMC boasts notable strengths in consulting services related to management and business operations, with accounting positioned at their core. The acquisition of additional shares by WORKS makes AIMC a consolidated subsidiary.

Please refer to the attached document for details.

2. Outline of AIM Consulting Co., Ltd. (as of August 27, 2004):

- (1) Trade name: AIM Consulting Co., Ltd
- (2) Location of headquarters: 7-15 Niban-cho, Chiyoda-ku, Tokyo
- (3) Date of establishment: January 2003
- (4) Representatives: Toru Okukawa and Takashi Fujimura,
Representative Directors
- (5) Capital: 10 million yen
- (6) Line of business: Accounting and management consulting
- (7) Number of employees: twelve
- (8) Sales: 69,419,000 yen (for the fiscal year ended June 2004)
- (9) Net losses: 878,000 yen (for the fiscal year ended June 2004)
- (10) Capital relationship: WORKS holds 19.0% of outstanding stock shares
issued by AIMC

(11) Personal relationships: At the general meeting of AIMC shareholders held August 26, 2004, WORKS Representative Directors Takashi Abe and Yoshiro Ishikawa were appointed Directors of AIMC

3 . Outline of capital increase through allocation of shares to a third party:

- | | |
|-----------------------------------------------------|----------------------|
| (1) Number of new shares issued: | 287 |
| (2) Percentage of shares held after underwriting: | 66.7% |
| (3) Issue price of new shares: | 53,340 yen per share |
| (4) Total amount paid: | 15 million yen |
| (5) Deadline for payment: | August 31, 2004 |

4 . Effects on WORKS business forecasts:

Although this increase in newly acquired shares makes AIM Consulting Co., Ltd. a consolidated subsidiary of WORKS APPLICATIONS Co., Ltd., the effects on WORKS group business performance for this fiscal year is expected to be slight. Accordingly, no revisions will be made in business forecasts for this period.

WORKS acquires AIM Consulting Co., Ltd.;
Launches new services to support Business Process Reengineering
~ Consulting services to support BPR ~

WORKS APPLICATIONS Co., Ltd. (headquarters: Minato-ku, Tokyo; Representative Director and CEO: Masayuki Makino; hereinafter “WORKS”) has acquired additional shares in the accounting consultancy firm of AIM Consulting Co., Ltd (headquarters: Chiyoda-ku, Tokyo; Representative Directors: Toru Okukawa and Takashi Fujimura; hereinafter “AIMC”) by underwriting a capital increase for AIMC through allocation of shares to a third party. The transaction makes AIMC a consolidated WORKS subsidiary.

Based on this acquisition, WORKS will launch consulting services to support business process reengineering (BPR), drawing on AIMC’s cumulative experience in the field.

Launching new business consulting services as part of the WORKS management strategy

WORKS plans to deploy a mid-term management strategy focusing on business activity along the following four axes. The first axis includes wide diffusion of WORKS enterprise resource planning (ERP) software package products, starting with the COMPANY® series, as well as an expanded product lineup. The second axis involves the expansion of business in the area of services. To date, WORKS has sold only products; as part of its future plans, it will provide a broad array of services, from strategies involving product applications to business management. The third axis involves expanding the coverage size of clients and the fourth axis involves developing overseas operations.

These additional shares were acquired as part of the second axis strategy, expanding business operations in the area of services. AIMC provides consulting services related to management and business operations, with accounting positioned at their core, as well as support for restructuring of business systems, including ERP. Based on AIMC’s first-rate consulting acumen, WORKS will launch new business consulting services and enhance its services, positioning the COMPANY® Accounting Series at the core of these services.

By acquiring 66.7% in AIMC shares, WORKS gains a consolidated subsidiary

To strengthen its cooperative relationship with AIMC in the development of accounting software package products, WORKS acquired shares of AIMC stock (19%) in March of last year. Since then, as mutual understanding between the two companies has deepened, WORKS decided to acquire additional AIMC shares, which brings AIMC's extensive consulting experience to the table. The common goal is a stronger partnership and the launching of new business consulting services.

WORKS has acquired 287 new shares of AIMC at an acquisition price of 15 million yen. Including previously held shares, WORKS now owns 66.7% of all AIMC shares issued, making AIMC a consolidated subsidiary of WORKS.

Launching business consulting services revolving around a soon-to-be released accounting software package

WORKS plans to expand its business operations by launching new consulting services to support business operation reforms.

The first of these efforts involves introducing business consulting services that revolve around accounting, drawing on the extensive experience provided by new consolidated subsidiary AIMC. The first objective is the prompt establishment of systems installation methods through systems development and installation support, focusing on the COMPANY® Accounting Series. Following systems installation, overall system operation assistance will be offered as operation monitoring support, based on assessments of installation results. Future plans call for the comprehensive outsourcing services for BPR, up to the conceptual formulation level, based on support for management strategy formulation and information technology planning.

WORKS anticipates that the services in cooperation with AIMC will significantly boost orders for the COMPANY® Accounting Series, an accounting software package for large-sized firms to be released at the end of the year. WORKS also expects to incorporate clients' needs into this package and strengthen its accounting functions.

Sometime in the future, WORKS also plans to provide business consulting services in fields beyond accounting.

AIMC to expand consulting staff and broaden its service structure

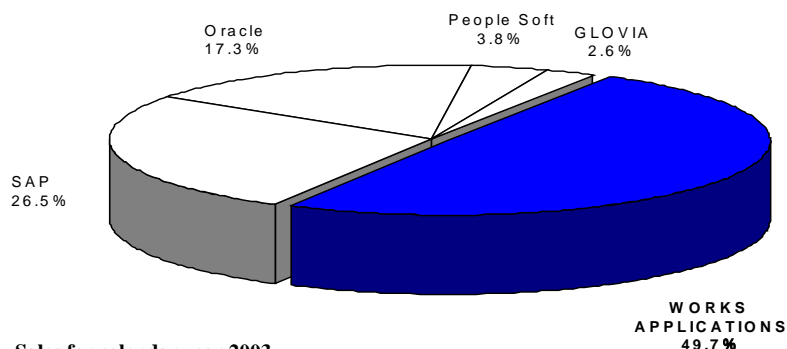
AIMC plans to use the capital increase through allocation of shares to a third-party to increase the number of consulting staff and enhance and strengthen its organization to prepare for providing services via WORKS.

To date, AIMC has proceeded with the systematization and development of consulting services, from upstream processes for restructuring business systems revolving around accounting to all other processes, down to installation and maintenance. However, securing the requisite staff with a limited capital base had become the biggest issue facing the company.

The third-party allocation of shares to WORKS will improve AIMC's financial position and enable AIMC to secure enough human resources to provide a broad range of consulting services related to restructuring business operations. Therefore, this assembles a structure allowing AIMC to proceed concurrently with both development and service provision.

AIMC plans to hire approximately ten new employees this fiscal year, bringing total staffing to some 20 employees.

COMPANY® has Japan's top market share in the human-resources field



Sales for calendar year 2003

(Source : Yano Research Institute, Enterprise Application Market for Major Companies)

The COMPANY® series of enterprise resource planning (ERP) software packages for large-sized firms, which has achieved Japan's top market share in the human-resources field, has been adopted by more than 260 large-sized firms which have more than 1,000 employees (as of June 30, 2004), and has been highly evaluated in the marketplace. Currently, the system consists of the following products.

- “COMPANY® Personnel & Payroll”
- “COMPANY® Web Service” (a Web application and workflow system)
- “COMPANY® Assignment & Project Management” (an attendance and project work-hours management system)
- “COMPANY® Knowledge information Portal” (a knowledge management, groupware, and employee portal system)
- “COMPANY® Learning Management” (an e-learning, education, and training management system)

In addition to the above, WORKS plans to begin shipping “COMPANY® Accounting Series” at the end of 2004, and to introduce new products in ERP-related fields in the future.

[About the trademarks]

The names of products and other names used in this News Release are the trademarks or registered trademarks of the respective companies.

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