

Case Number: The Osaka District Court 2007 (*fu*) 5890

Bankrupt Party: *Kabushiki Kaisha ABC*

Date of Commencement of the Bankruptcy Proceedings: July 23, 2007, 5:00 p.m.

To Former Language Instructors and Staff Members:

August 1, 2007

Mr. Katsuyuki Mitsu, Attorney-at-law
Bankruptcy Trustee Appointed by
Civil Division No. 6 of the Osaka District Court
Mitsu Sogo Horitsu Jimusho
IK Building 3F,
2-5-10 Koraihashi, Chuo-ku, Osaka 541-0043
Tel: 06-6221-0473; Fax: 06-6221-0461

Kabushiki Kaisha ABC (“ABC”), the operator of ABC Language School, has filed a petition for the commencement of bankruptcy proceedings with the Osaka District Court (the “Court”) on July 23, 2007. The Court decided to commence the bankruptcy proceedings of ABC at 5:00 p.m. on the same date, and appointed me as the bankruptcy trustee.

Based on such decision of the Court, I retain the right to dispose of all the assets of ABC and will proceed with my duties as the bankruptcy trustee. However, it is unlikely that ABC, having few remaining assets, will be able to fully pay the accrued wages of its former instructors and staff.

I therefore recommend you to apply for the payment of unpaid wages by the Japan Labor Health and Welfare Organization (in Japanese, *Rodosha Kenko Fukushi Kiko*; the “JLHWO”, and such payment procedure, the “JLHWO Procedure”) (however, I cannot guarantee that everyone who applies will pass the screening for the JLHWO Procedure in accordance with its rules for the receipt of payments). If you wish to apply for the JLHWO Procedure, you will be required to prepare a written request for payment of unpaid wages, which must be certified by the bankruptcy trustee as to the date of application for the commencement of the bankruptcy proceedings, the date of the Court decision, the date of termination of your employment, the amount of the unpaid wages, the amount to be paid by JLHWO, and the like.

However, as of the date of the application for bankruptcy, I do not have the contact information of the former instructors and staff and am therefore unable to explain the JLHWO Procedure to you.

For that reason, I request you to fill out the attached contact information form and send it to the office of the bankruptcy trustee, the address of which is written at the end of this document, by mail or facsimile (the private information provided in the contact information form will not be used for any purpose other than for communications related to the bankruptcy proceedings). Also, if you know of other former instructors or staff of ABC who have not received this letter, please kindly advise them to contact the office of the bankruptcy trustee.

The outline of the JLHWO Procedure is described below. Please also see the website of JLHWO for more detailed information (<http://www.rofuku.go.jp/kinrosyashien/miharai.html>).

Payment of Unpaid Wages by JLHWO

1. JLHWO pays a set portion of unpaid wages on behalf of a bankrupt company (such as ABC) to the employees who left the company without receiving their accrued wages.
2. To receive payment from JLHWO, you must satisfy both of the following requirements:
 - (1) Both of the following (i) and (ii) are applicable to you:
 - (i) You worked as an “employee” for longer than one year at a company that was covered by the governmental workers’ compensation insurance (the Industrial Accident Compensation Insurance).

Note from Bankruptcy Trustee: The term “employee” in the above sentence includes foreigners and part-time employees. I am currently investigating whether ABC satisfies the above requirement. Because I am quite certain that ABC operated language schools for longer than one year, it is likely that this requirement is satisfied in the case of ABC.
 - (ii) The reason for the termination of your employment was the bankruptcy of your employer, and you have not received your accrued wages in full (however, if the total amount of the unpaid wages is 20,000 yen or less, you will not be eligible for the JLHWO Procedure).
 - (2) Your employment was terminated during the two (2) year period beginning from the day six (6) months prior to the date that the application was made for the commencement of the bankruptcy proceedings (in the case of ABC, which filed the application on July 23, 2007, the two-year period commenced on January 23, 2007).
3. The “unpaid wages” covered by the JLHWO Procedure are the “regular wages” and “retirement benefits” that became due but were not paid during the period from the day six (6) months prior to the date of the termination of your employment until the day immediately before you request payment from JLHWO.

The total amount of the unpaid wages means wages before the deduction of any taxes, social security premiums or other charges. However, expenses such as the rent for a company-provided apartment, payment for goods you purchased from the company, and repayment of employee loans shall be deducted from such wages.
4. JLHWO will pay 80% of the “total amount of unpaid wages.” However, the total amount of the unpaid wages covered by the payment of JLHWO is subject to a maximum amount which depends upon your age as of the date of the termination of your employment (1.1 million yen for people under 30, 2.2 million yen for those 30-44, and 3.7 million for those 45 or older). If the actual amount of unpaid wages exceeds the applicable maximum amount, JLHWO will only pay 80% of the applicable maximum amount (880 thousand yen for those under 30, 1.76 million yen for those 30-44, and 2.96 million for those 45 or older).

The Office of Bankruptcy Trustee

Address: Mitsu Sogo Horitsu Jimusho,
IK Building 3F, 2-5-10 Koraibashi, Chuo-ku, Osaka 541-0043

Contact person: Katsuyuki Mitsui, Attorney-at-law,
The Office of Bankruptcy Trustee for *Kabushiki Kaisha* ABC

Tel: 06-6221-0473;
Fax: 06-6221-0461

To: Katsuyuki Mitsu, Attorney-at-law,
Bankruptcy Trustee of *Kabushiki Kaisha ABC*
Mitsu Sogo Horitsu Jimusho
IK Building 3F,
2-5-10 Koraibashi, Chuo-ku, Osaka 541-0043
Fax: 06-6221-0461

Date: _____, 2007

I am/our company is a creditor of *Kabushiki Kaisha ABC* (ABC Language School).
I/we inform you of my/our company's contact information as follows:

Post Code: _____

Address: _____

Name (in case of company, also the name of the representative person):

Contact Person: _____

Telephone: _____

Fax: _____

Type of Claim*: Unused Lesson Voucher / Unpaid Wages (Unpaid Part-Time Wages) / Loans /
Accounts Receivable / Service Fees /

Other (_____)

Amount of Claim: ¥ _____

* Please circle the applicable type of your claim. If you choose 'Other,' please describe the claim in the parentheses.