



July 13, 2005

To Whom it May Concern

Tokyo Tatemono Osaka Bldg., 3-7-12 Kitahama, Chuo-ku, Osaka
Company Name Nittyu Co., Ltd.
Representative and Kazuhisa Tatsumi, President and
Title Representative Director
(Stock Code : 2 3 5 3 TSE 1st Section • JASDAQ)
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Notice of Gratis Transfer (Negotiated Transaction) of Stock in Nittyu Co., Ltd. to Shareholders

President and Representative Director Kazuhisa Tatsumi will effect a gratis transfer of Nittyu Co., Ltd.'s common shares to shareholders of record as of July 31, 2005. The details of this gratis stock transfer are as described below.

Notice

1. Overview

- (1) This stock transfer is a gratis transfer through negotiated transaction of stock held in Nittyu Co., Ltd. by President and Representative Director Kazuhisa Tatsumi (hereafter "the transaction").
- (2) Persons who are the object of this transaction will be decided by separately determined standards.

2. Aim of the Transaction

- (1) President and Representative Director Kazuhisa Tatsumi owns 38.1% (as of the end of January 2005) of the issued shares of Nittyu Co., Ltd., and the aim of the transaction is to reduce President Tatsumi's future holdings in the Company to under 33.3% in order to strengthen the Company's corporate governance.
- (2) By effecting this transaction, Nittyu Co., Ltd. aims to increase its free float weight in preparation for the introduction of the Free Float Adjusted Topix indices that are scheduled to be gradually introduced from October 2005.
- (3) Nittyu Co., Ltd. was listed on the first section of the Tokyo Stock Exchange in January 2005, and was also listed on the JASDAQ Securities Exchange in March 2005. This transaction represents the transfer of stock by an individual who is daily reminded and grateful of the support and cooperation received from the Company's shareholders.

3. Details

- (1) Number of stocks to be transferred A maximum of 83,171 common shares (2.5% of total issued shares).
- (2) Transfer stock price Gratis (Gift and other taxes payable are to be born by the recipient, with the individual transferring the shares or the Company bearing no tax liability).
- (3) Owner of shares to be transferred Kazuhisa Tatsumi, President and Representative Director
- (4) Eligible Recipients Shareholders of record as of July 31, 2005 and holding over 20 shares will receive one share for every 20 shares held, with one additional share being transferred for each addition 20 shares held above 20 shares. Moreover, as the Nittyu Co., Ltd. directors and auditors are not the intended recipients of this transfer, they are ineligible to receive shares.
- (5) Method of Transfer Eligible recipients that apply will be advised of the negotiated transaction gratis transfer.

- (6) Confirmation Period for Intentions of Receipt September 5, 2005 (Monday) through September 30, 2005 (Friday) (Effective the date of postmark)
- (7) Date of Receipt November 11, 2005 (Friday)
- (8) Transfer Procedure Eligible shareholders will be mailed an application and stock registration request through regular mail in the first half of September. After receipt, please confirm the details of the mailed documents and return them by mail. However, if the application and the stock registration request are not received within the confirmation period for intention of receipt, the applicant will become ineligible.

Please be advised the deadline for receipt of application is September 30, 2005 (postmark date), and an early return is requested in order facilitate smooth processing of the applications.

- (9) Reference As all expenses related to this transaction will be born individually by President and Representative Director Kazuhisa Tatsumi, there will be no cost incurred by Nittyu Co., Ltd. Selection of eligible shareholders and fulfillment of applications will be based on the Company's shareholder register.

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