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Press Release

**Invitation to Participate in
SIM-Drive Corporation's Advanced Development Project II and
Announcement of Headquarters Relocation to Shin-Kawasaki**

SIM-Drive Corporation was established by Soichiro Fukutake (Chairman), Hiroshi Shimizu(CEO), Kenichi Hatori (Director) and Hiroshi Fujiwara(Director) in August 2009 for the purpose of quickly and widely spreading around the world the electric vehicle technologies he has been developing over the last 30 years.

SIM-Drive's Advanced Development Project I started in January this year, with 34 participating organizations, including businesses and municipalities throughout Japan and overseas businesses, and it is well underway.

We are issuing this press release to inform you that we have started to invite participating organizations for Advanced Development Project II, the launch of which has been requested by many parties. We would also like to inform you that our headquarters has been relocated from the office in Chiyoda-ku, Tokyo to Kawasaki Business Incubation Center (KBIC) in Shin-Kawasaki, Saiwai-ku, Kawasaki-shi, which was previously our R&D base.

**1. Overview of Prototype Electric Vehicle to be Produced in SIM-Drive's
Advanced Development Project II**

In SIM-Drive's Advanced Development Project II, we will make a prototype electric vehicle, with an anticipation that any of the participants would start mass-production at around 2014.

To reach the mass production stage and to gain public acceptance, it is essential that electric vehicles have their own special features that vehicles powered by internal-combustion engines do not have.

In SIM-Drive's Advanced Development Project I, we have effectively used the "Platform by SIM-Drive" technology, which is a combination of in-wheel motor (SIM-Drive) technology and component built-in frame technology, while also minimizing battery weight. Doing so, we have aimed at improving motor use efficiency, reducing drag and minimizing rolling friction.

In SIM-Drive's Advanced Development Project II, we will develop a new concept vehicle by taking full advantage of the SIM-Drive technology we developed in Project I. In addition to the existing performance and functionality of our automobiles, such as the feel of the acceleration, interior space and riding comfort, the new concept vehicle will

also include new, unique features not found in previous models.

The new features to be added to the vehicle in Advanced Development Project II will be newly developed for that project.

We are planning to demonstrate the finished Advanced Development Project I vehicle when Advanced Development Project II begins in January 2011.

As with the development of the Project I vehicle, we will decide on the types and specifications of the vehicle to be produced in Advanced Development Project II based on an agreement between participating organizations. In addition, we will perform overall designing as well as interior and exterior designing and produce a prototype vehicle incorporating requests from participating organizations and parts and other materials supplied by them. In Project II, we will dedicate ourselves to the project in the hope of developing an electric vehicle that can create new values based on our accumulated knowledge.

2. The Development Model for SIM-Drive's Advanced Development Project II

One of the major characteristics of running SIM-Drive's business is the adoption of an open-source scheme. This is because part of our mission is to spread the use of the combined in-wheel motor and component built-in frame technologies, instead of manufacturing and selling electric vehicles as final products. When people from participating organizations experience the electric vehicle industry, in which these technologies serve as the core, and then take back the technologies and the contacts they made through this experience to their organizations, the industry will grow even more. A variety of businesses from a range of sectors, including finished vehicle makers, auto-parts makers, those in heavy industry and trading companies, as well as municipal bodies, have participated in Advanced Development Project I. In Project II, we expect businesses from a wider range of sectors and other organizations to take part. Recently, we have also received an increasing number of inquiries regarding participation from overseas businesses.

Details of SIM-Drive's Advanced Development Project II follow.

First, we ask that each of the participating organizations who have been or will be engaging in electric vehicle-related business pay a participation fee of 20 million yen. SIM-Drive and each participating organization will collaborate in producing a prototype electric vehicle for about one year, vehicle, with an anticipation that any of the participants would start mass-production at around.

Participating organizations will be able to use the following facilities and results of the development. A desk and chair will be provided at our development base for each participating organization, to be used freely on a full-time or part-time basis. All participants can engage in all phases of production of a prototype vehicle in the project.

Participating organizations will be provided with specifications, basic drawings and test certificates, which are the deliverables for this project.

Participants will also be able to use the finished prototype vehicle for testing, displaying at exhibitions, company-sponsored events and other activities.

SIM-Drive's Advanced Development will work to the following schedule. First, there will be a five-week start-up program. In the first two weeks of this program, participants will share knowledge about electric vehicles. In the last three weeks, participants will discuss concepts, ratings and specifications of the prototype vehicle to be produced in the project, and then finalize these items based on an agreement between them.

Following this, they will perform overall designing as well as interior and exterior designing and produce a prototype vehicle by taking requests from participating organizations and incorporating parts and other materials provided by them.

We are aiming to apply for license plates for finished prototype automobiles at the end of FY2011 (March 2012).

[Supplementary material] About SIM-Drive Corporation

1. A Feature of SIM-Drive Corporation

SIM-Drive Corporation aims at spreading technologies for electric vehicles, rather than manufacturing or selling such vehicles and their parts as products. We believe the shortest path to achieving this is to provide opportunities for people involved in businesses related to electric vehicles to use such technologies freely, rather than keeping them to ourselves. For this reason, we share technologies that we develop following open source principles. By open source, we mean here that anyone can participate in the development of technologies, take the technologies away with them and use them.

SIM-Drive Corporation is mainly specialized in the following two technologies. One of them is the in-wheel motor technology, which is used to integrate a motor into wheels. At SIM-Drive Corporation, we call this technology "SIM-Drive." The other is called the component built-in frame technology, which enables major components required to drive vehicles, such as batteries and inverters, to be put into a rigid frame structure with a hollow construction provided underneath the floor of the vehicle. We named the model which combines these two technologies, "Platform by SIM-Drive."

By effectively using these technologies, the driving distance per charge, considered the biggest weakness of previous electric vehicles, can be significantly extended.

The photo in Figure 1 is Eliica, a typical example of the use of these technologies.

Eliica is a high-performance electric vehicle that greatly outperforms previous models.

Our president has been involved in the development of all of these technologies. Our

current objective is to provide these technologies to all businesses involved in the automobile industry as basic technologies through collaborative projects between organizations participating in Advanced Development and SIM-Drive, and thus spreading electric vehicles that will be mass produced.

2. Details of SIM-Drive's Advanced Development Project

The two main pillars of SIM-Drive Corporation's business are advanced development and development support for mass-produced vehicles by transferring the results of ADVANCED DEVELOPMENT. We repeat these activities for many types of vehicles to slightly different schedules. Table 1 gives a schematic form of this business model. In this press release, we have announced the start of the Advanced Development Project II part of this business model.