



PLANEX COMMUNICATIONS INC.
Katsuaki Kubota, President
(JASDAQ code 6784)

Contact: Takaaki Komatsu, General Manager of Corporate Planning Dept.
TEL: 03-5766-1333

April 11, 2006

Regarding the Submission of the “Reformation Report” to JASDAQ Stock Exchange, Inc.

Planex Communications Inc. (herein after “the Company”) disclosed the change of its accounting auditor on March 28, 2006. Chuo Aoyama Audit Corporation, the former accounting auditor for the Company, had notified the Company as of February 16, 2006 of their intention of not accepting reappointment and to retire at the end of the annual meeting of the Company scheduled on March 24, 2006. However, this information had not been disclosed until the said date. JASDAQ Stock Exchange, Inc. decided that the Company’s management and system of timely disclosure have to be improved since the important company information had not been disclosed without delay. They requested the Company to submit the “Reformation Report” by April 11, 2006 in accordance with Chapter 23 Paragraph 1 of "Rules on Timely Disclosure by Issuer of Listed Securities". Today, the Company submitted the report as the attachment.

Reformation Report

Planex Communications Inc.

Reformation Report.

PLANEX COMMUNICATIONS INC.
Katsuaki Kubota, President

April 11, 2006

Mr. Takashi Tsutsuki
President
JASDAQ Stock Exchange, Inc.

The Company submits here in accordance with the Chapter 23 Paragraph 1 of "Rules on Timely Disclosure by Issuer of Listed Securities" (herein after "Rules on Timely Disclosure") the reformation report describing the development of the incident that lead the Company to make the "Disclosure of Information regarding the Change of Accounting Auditor" on March 28, 2006 and the remedial actions that the Company will implement.

1. How the "Disclosure of Information regarding the Change of Accounting Auditor" had not been made until March 28, 2006.

1) The Company had received on February 16, 2006 a notification from its then accounting auditor, Chuo-Aoyama Audit Corporation of their intention not to accept the reappointment as the auditor for the Company when their contract term ends at the end of the annual meeting of the Company scheduled on March 24, 2006.

2) The Company started looking for a new accounting auditor by asking securities companies, consultant companies, auditors, lawyers and others for information. However, the Company had been occupied by handling other operations such as the year end settlement of accounts, the new accounting standards and also the preparation for shareholders' meeting, neglecting to reconfirm the items that are subject to timely disclosure until after March 24, which is the date for the shareholders' annual meeting. For such reasons the "Disclosure of Information regarding the Change of Accounting Auditor" was not made until March 28, 2006.

3) The account settlement for December, 2005 has received the opinion as being appropriate by Chuo Aoyama Audit Corporation.

Following is to show how things developed since the occurrence of the incident to the disclosure.

2. From occurrence of the incident to the disclosure of the information

Date	Incidents
February 7	<p>Chuo Aoyama Audit Corporation declared orally their intention not to accept reappointment after the end of their contract term.</p> <p>The Company conveyed its request orally for Chuo Aoyama Audit Corporation to continue to serve for the current term. The Company and Chuo Aoyama Audit Corporation had a good relationship before the incident.</p>
February 8	<p>The Company started to look for an audit corporation to take the place of Chuo Aoyama Audit Corporation asking securities companies, consultant companies, auditors, lawyers and others for introduction to a new audit corporation.</p>
February 16	<p>The Company received from Chuo Aoyama Audit Corporation the written intention of rejection to accept the reappointment when their contract term is over at the end of the shareholders' meeting scheduled on March 24. The Company accepted it.</p>
March 24	<p>Ordinary shareholders' meeting was held.</p> <p>Chuo Aoyama Audit Corporation was present at the meeting.</p>
March 28	<p>When a member of staff in charge of information disclosure checked "Rules on Timely Disclosure" and "Guideline for timely disclosure of company information" to confirm about other matters, this person happened to learn that this incident is one item to be disclosed.</p>
March 28	<p>The Company contacted JASDAQ Stock Exchange, Inc. at once and was consulted to have this matter disclosed immediately.</p>
March 28	<p>The disclosure was made.</p>

3. Cause of the inappropriate information disclosure

1) The primary cause of this incident is that the directors and personnel in charge of information disclosure of the Company overlooked the fact that changing auditing corporation is one of the items that are subject to timely disclosure, even though change of auditing corporation is a critical piece of information that has significant influence on the Company's management. This was entirely due to a lack of knowledge about the "Rules on Timely Disclosure". The Company now realizes that the schedule required for information disclosure should be made and properly managed and the related documents before and after the incidents should be kept. And most importantly, it should have full knowledge about which information are subject to timely disclosure.

The delay was also induced from circumstance such as the announcement of financial statements, creation of brief statement of financial results, account settlement briefing sessions and preparations for the shareholders' meeting. In such circumstances, there were many things to be handled after the notice of rejection of reappointment by Chuo Aoyama. Resignation of a vice-president, revision of the performance forecast and many other unexpected matters had also taken place. The Company did not have the management system to cope with the series of problems adequately.

2) Because of a lack of knowledge, the Company did not consult with outside specialists including the lead securities company but acted only based on the inadequate internal knowledge resulting in the failure to make a timely disclosure. The Company also lacked staff and skilled personnel in the management department and did not have adequate system to make proper judgment about the disclosure.

3) It is deeply regrettable for a listed company to fall into such a situation.

4. Awareness of the influence of the inadequate processing of "Disclosure of Information regarding the Change of Accounting Auditor" had on investors and securities market

The Company caused inconvenience to shareholders, investors and all other persons concerned by its inadequate processing of "Disclosure of Information regarding the Change of Accounting Auditor".

The Company regrets deeply about this matter and tries to rebuild the company structure and make sure to abide by the “Rules on Timely Disclosure” to avoid such incidents to occur again and make efforts to restore confidence.

5. Remedial Actions

1) Current office administration system for timely disclosure of company information

Handling of information has been done independently within each department. All reports and notifications from outside companies were reported directly to the director in charge of information disclosure. Whether the information had to be disclosed or not was decided by the president and the director in charge of information disclosure, after the director in charge of information disclosure had selected the ones to be reported to the president.

2) The cause of this inadequate disclosure

On February 7, 2006, the oral indication was given by Chuo Aoyama Audit Corporation that they will not accept reappointment after the fulfillment of their contract term. Also on February 16, 2006 they had submitted the written indication that they will not accept reappointment after their contract term matures at the end of the shareholders' meeting of the Company scheduled on March 24. Even though the Company had accepted the written indication, it did not disclose the fact until March 28.

This improper disclosure was due to the lack of thorough understanding by the president and other directors of importance of information disclosure and the rules on timely disclosure that JASDAQ had set. It is also regrettable that the checking function by various multiple personnel in charge of information disclosure, including the president and directors, did not function adequately.

3) Preventive measure for the future

(1) Reconfirmation of importance of information disclosure as a listed company

We consider that the directors of listed companies need to reaffirm the need to act thinking primarily of the influence on stake holders such as shareholders, investors and the

securities market. At the same time, we need to educate all directors and employees about social responsibility as a listed company and our obligation of timely disclosure. We have to inform them that this incident had important consequences for the securities market and the stake holders. We have to promote changes in consciousness to take preventive steps. At the same time, we will implement the following remedial actions.

(2) Education about the rules on timely disclosure

All directors and employees will be educated that according to the rules on timely disclosure when a listed company has made an important decision or important event has happened, they need to disclose it immediately. Also, regarding important matters, we will seek for preliminary consultation with JASDAQ Stock Exchange.

(3) Improvement of office system for timely disclosure of important company information

We deeply regret that this delay of disclosure was due to the lack of clear standard in the Company regarding management of important information of the Company.

We will make an independent corporate planning section directly under the president. The division in charge of information disclosure will be made in the corporate planning section and the general manager of the planning section will also be the director in charge of information disclosure. He will be supervising important information which is subject to the timely disclosure for quick, accurate and fair disclosure.

Whether information should be disclosed will be first discussed and decided by the director in charge of information disclosure and other parties involved. When they decide that it should be disclosed, it will be brought to the board of directors and only after approval at the board meeting, the disclosure will be made.

As one of the concrete measures, the director in charge of information disclosure and outside staff who is involved should create and use the "Disclosure check sheet" to clarify the range of responsibility, management and decision making process to prevent the recurrence of leaks and flaws.

The planning section will be responsible for educating the director in charge of timely disclosure. The disclosure policy will be well recognized as the Company rule and implemented.

(4) Continuous effort to improve

Directors and employees in charge of information disclosure will make a timely disclosure of company information in accordance with the relevant disclosure policy as they continuously work on improvements to retain a proper timely disclosure system.

(5) Timely report on the development of improvement measure

The Company will present reports on actual development of the measures for improvement described above. We will put together directors and all employees to implement such measures for better awareness and for prevention of recurrence. (About the organizational system on information disclosure, please refer to page 8 of the reformation report.

6. Attitude and policy towards timely disclosure

1) The Company realizes timely disclosure of company information is the basic premise to maintain self-responsibility in investment that is an essential part of the securities market and also an important rule to protect investors. To implement such timely disclosure of company information properly is an important mission of listed companies and to fail to do so puts their eligibility as the listed company in doubt. It is a critical problem that can damage the reliability of the securities market. For that reason, it is really regrettable that the Company caused this problem failing to follow the rule on timely disclosure and we take it for granted that it was a neglect of the rule.

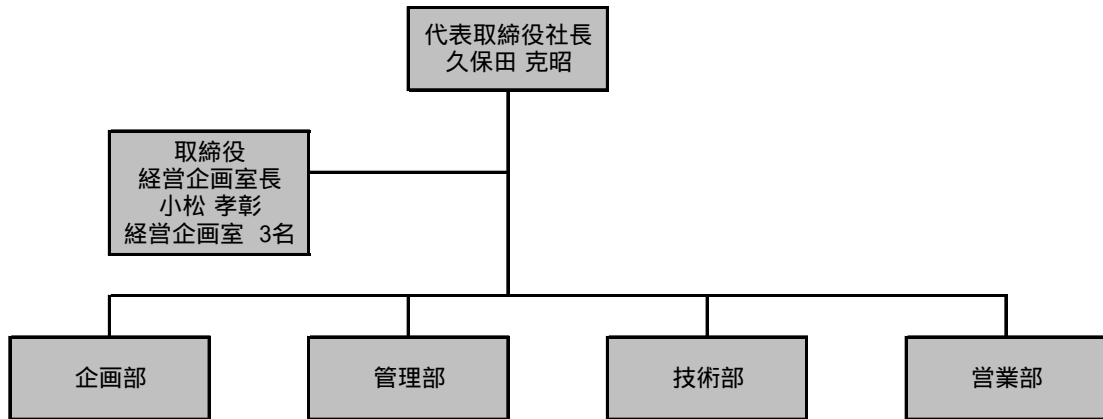
2) From now, we will recognize sturdily the importance of timely disclosure and work on strengthening the system for timely disclosure, will make disclosure to shareholders, investors and others quickly and accurately to fulfill the responsibility as a listed company.

3) The Company will take measures required for timely disclosure such as improvements of the office system and education of directors and others. It keeps working to continually reinforce the timely disclosure system and commits itself to sincerely trying to work on it.

4) We will set our basic policy to be a company that can provide wide variety of solutions that meet customers' need, with an organization climate to adhere to laws and rules, making a clear break from the past. Directors and employees will join together to devote effort to management and to improve the corporate value.

End of document

開示担当部署組織図(平成18年4月11日現在)



開示チェックシート

社長	経営企画 室長	担当

適時開示日

2006年 月 日

取締役会議案 / 発生事項

No.	議案等	内容	開示の要否	根拠(適時開示規則 / ガイドライン)
			要 / 否	
			要 / 否	
			要 / 否	
			要 / 否	

事前協議先	内容
ジャスダック証券取引所	
関東財務局	
主幹事証券会社	
監査法人	
弁護士1	
弁護士2	
公認会計士	
コンサルタント1	
コンサルタント2	

チェック事項

項目	担当	内容	責任者
1			
2			
3			
4			
5			

コメント

コメント提供者	コメント内容

開示実行日迄 秘密厳守