FOR IMMEDIATE RELEASE

Celartem Technology USA, Inc. to Acquire LizardTech, Inc.

Digital Content Developments Planned for Document Imaging and Geospatial Markets

New York, N.Y. – June 20, 2003 – Celartem Technology USA, Inc. today announced that it had reached a definitive agreement to acquire LizardTech, Inc., a developer of software and services that dramatically increase the value of complex digital content, and a standard bearer in the geospatial imaging arena.

Celartem Technology USA, Inc. is wholly owned by Japan’s Celartem Technology, Inc. (Hercules:4330), which provides digital image and secure content distribution solutions. The addition of LizardTech’s core technology and applications furthers Celartem’s vision to consolidate and develop technology to simplify and enhance the creation, management, control and distribution of digital content. The acquisition puts Celartem in a strong position to change the existing definition of digital content to encompass both images and digital document content – to include fonts, images and a variety of related document elements.

“Celartem is aggressively working toward landmark product development for the overall imaging industry,” said Jiro Shindo, chairman, Celartem Technology, Inc. “Bringing LizardTech under the Celartem Group banner vaults us ahead in our efforts to offer a wider range of high-end imaging and distribution products for digital content owners, distributors and users.”

“Our core technology for imaging and distribution is a natural fit with LizardTech’s products,” added Osamu Ikeda, president, Celartem Technology USA. “We are especially excited about what this will mean for a variety of industry markets moving forward.”

LizardTech, Inc. employs 29 people and is being acquired for $11.25 million in cash. Under terms of the agreement, LizardTech will operate as a separate unit within the Celartem Group of companies and will be known as “LizardTech Inc., a Celartem Company.” LizardTech will maintain its existing U.S. operations headquartered in Seattle and European efforts based in London. Over time, R&D and sales operations will be merged with existing Celartem efforts in Europe and Japan. Celartem Group officers and board of directors will oversee LizardTech operations, as well as for Extensis, the other existing Celartem Group subsidiary.

“Celartem and LizardTech share a passion for imaging and document technology,” said Case Kuehn, chief operating officer, LizardTech. “The winning combination of product assets, operational resources and combined global reach will deepen our image and distribution offerings to provide immediate and long term benefits for our customers worldwide – especially within the geospatial arena.”

LizardTech offers several innovative imaging and geospatial technologies and there are no expected short-term changes to the existing product and technology brands being used by LizardTech. MrSID (Multi-resolution Seamless Image Database) is the defacto standard image format in the geospatial imaging field; the GeoExpress line of products based on MrSID offers additional geospatial capabilities. LizardTech’s DjVu is a powerful workflow enabler for the general document imaging market. Document Express with DjVu is the company’s document imaging solution widely used in the US, throughout Europe and also in Japan, by

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global enterprises that require distribution of business-critical content over any network, including narrowband and wireless. Combined and expanded product development efforts moving forward will address a broad range of needs for creative professionals, the defense industry, as well as the publishing and imaging markets.

“The synergy of Celartem and LizardTech technologies not only accelerates the momentum of LizardTech solutions, it further strengthens the customer care elements of our product offerings,” said Karen Morley, vice president of Geospatial Imaging, LizardTech, Inc. “The combination of our technologies and Lizardtech’s strong support for the defense market will allow us to offer more powerful imaging tools to this important community and will also help us grow our participation in geospatial industry activities such as Open GIS Consortium (OGC).”

“As another of the Celartem Group’s portfolio companies, Extensis is thrilled about what this means for combined future product developments,” said Kevin Hurst, vice president of marketing, Extensis. “With this related group of technologies, the overall imaging industry can expect to see some truly inventive products over time.”

Final acquisition arrangements will be completed in July 2003.

About Celartem
Celartem Technology Inc. was established in 1996 to research, develop and market storage and distribution technologies for digital images. Celartem has developed technology for digital image compression, scaling, secure distribution and management. Celartem is headquartered in Tokyo with offices in New York and Paris and also operates in the US and Europe through its wholly owned subsidiary Extensis, Inc. Celartem is listed on the Osaka Securities Exchange, Hercules Market (Hercules: 4330). Please visit http://www.celartem.com for more information.

About LizardTech
LizardTech is a private company, formed in 1992 to build valuable business solutions from technologies created by the world’s leading research organizations including Los Alamos National Laboratory (LANL) and AT&T Labs. LizardTech’s software is installed on millions of desktops and integrated into a wide variety of platforms and applications. LizardTech has offices in Seattle, London and Tokyo. Please visit http://www.lizardtech.com for more information.

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