

ETIC Reaches Agreement on Purchase of Debt from Yamagiwa Corporation

June 23rd, 2011

Enterprise Turnaround Initiative Corporation of Japan

The Enterprise Turnaround Initiative Corporation of Japan (“ETIC”), following its decision on April 15th, 2011 to provide support to Yamagiwa Corporation under Article 25, Clause 4 of the Enterprise Turnaround Initiative Corporation of Japan Act (Act 63, of 2009, hereafter “the ETIC Act”) today, under Article 28, Clause 1 of the same Act, reached agreement on the purchase of debt owed by Yamagiwa Corporation.

1. Name of company concerned

Yamagiwa Corporation (hereafter “Yamagiwa”)

2. Amount of debt to be purchased

	(Million yen)	
Principal value of total debt, etc.	12,105	(A)
Principal value of debt to be purchased	525	(B)
Principal value of debt for which financial support has been agreed by financial institutions in accordance with revitalization plan	11,579	(A - B)

Notes:

1. The amount in (B) above includes 1. the purchase of debt planned to be transferred from Yamagiwa to a Continuing Company after implementation of a company separation in accordance with the business revitalization plan, and 2. any amounts arising from the provision by ETIC of financing which is used by Yamagiwa to repay debt owed to the financial institutions, instead of ETIC purchasing the debt.
2. The amounts listed above are based on debt outstanding as of the time of the decision to support, and may change during the course of proceedings up to the time of actual debt purchase.

3. Comments from State Ministers in charge of ETIC

Prime Minister, Minister of Internal Affairs and Communications, Minister of Finance, Minister of Economy, Trade and Industry: No opinion expressed

Minister of Health, Labour & Welfare: “I have no objection to the decision. However, I ask that in advising on and guiding the implementation of the corporate revitalization plan,

ETIC should aim to ensure that Yamagiwa Corporation complies with related laws and regulations, and that Yamagiwa Corporation also provides adequate opportunities for substantive discussions with the workforce with due consideration of employment stability and other such factors.”

4. Amount of financial support

Debt forgiveness: 8,246 million yen

**Amounts calculated based on the premise that the disposal of collateral assets proceeds in line with estimated amounts*

5. Treatment of trade and general creditors

This agreement on the purchase of debt involves agreement between ETIC and the financial institutions providing loans to Yamagiwa. There will continue to be no impact on trade and general creditors.

ENDS