

ETIC Completes Share Transfer /the other to Shibamasa Kanko Co., Ltd.

September 6th, 2012
Enterprise Turnaround Initiative Corporation of Japan

The Enterprise Turnaround Initiative Corporation of Japan (“ETIC”), following a decision by the ETIC Committee, has resolved to implement a transfer of shares to Shibamasa Kanko Co., Ltd. and to have the completion of the lending. As a result, ETIC no longer holds any stock, debt or any other interests in Shibamasa Kanko Co., Ltd.

1. Name of company concerned

Shibamasa Kanko Co., Ltd. (hereafter “Shibamasa Kanko”)

2. Background

ETIC resolved to provide support to Shibamasa Kanko on March 3rd, 2011, under Article 25, Clause 4 of the Enterprise Turnaround Initiative Corporation of Japan Act (Act 63, of 2009; includes amendments to the Act thereafter; hereafter “the ETIC Act”), and subsequently on March 24th of the same year resolved to implement a purchase of debt under Article 28, Clause 1 of the Act, and a capital injection under Article 31, Clause 1 of the Act.

In May of the same year, the company separation was implemented at Shibamasa Kanko (former company) in line with the business revitalization plan, through which ETIC acquired a 100% share of the voting rights in Shibamasa Kanko (new company), with a ¥10 million cash injection/other method.

Shibamasa Kanko (former company) has been on the process of liquidation in accordance with the business revitalization plan.

ETIC then proceeded with the business revitalization of Shibamasa Kanko. Having reached a certain level of progress with regard to the revitalization, ETIC moved forward with the process of transferring shares of Shibamasa Kanko, and has reached an agreement to transfer shares to Ellerose Corporation. Upon this decision, ETIC is of immediate to conclude an agreement with the transferee regarding the share transfer, and schedules to transfer all shares by October 1st this year. Debt settlement is also scheduled to be completed at the same time.

Note: Please refer to the appendix for an outline of the share transferee.

3. Amount of capital increase

ETIC made a capital injection at Shibamasa Kanko of ¥10 million, through which it acquired 200 shares equivalent to a 100% allocation. All of these shares will be transferred.

4. Amount of debt

Of the ¥12,870 million owed to Shibamasa Kanko, ETIC purchased ¥6,364 million from financial institutions and the others, and in accordance with the business revitalization plan, ¥6,164 million in debt was forgiven. Following the company separation

proceedings, the partial repayment of ¥14 million was raised through disposal of assets. Repayment of the remaining debt amount of ¥186 million is now scheduled to be completed.

5. Comments from State Ministers in charge of ETIC

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

Appendix: Outline of the Share Transferee

Ellerose Co., Ltd.

Head office:	4-200 Saburomaru, Fukui City, Fukui, Japan
President:	Nagayoshi Maegawa
Date established:	July 24, 1979
Paid-in Capital:	¥24,000,000 (as of the end of July 2012)
Employees:	133 employees (as of the end of July 2012; non-consolidated)
Main business:	Manufacture and sales of clothing (such as innerwear), health food and beauty products. Management of sports clubs, cultural centers and swimming pools.