

ETIC Completes Share Transfer /the other to Yamagiwa Corporation.

November 1, 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 and receive a debt settlement pertaining to Yamagiwa Corporation. As a result, ETIC no longer holds any stock, debt or any other interests in Yamagiwa Corporation.

1. Name of company concerned

Yamagiwa Corporation (hereafter “Yamagiwa”)

2. Background

ETIC resolved to provide support to Yamagiwa on April 15th, 2011, under Article 25, Clause 4 of the Enterprise Turnaround Initiative Corporation of Japan Act (Act 63, of 2009; includes changes to the Act thereafter; hereafter “the ETIC Act”), and subsequently on June 23rd of the same year resolved to implement a purchase of debt under Article 28, Clause 1 of the Act, and a capital increase under Article 31, Clause 1 of the Act.

In August of the same year, company separation was implemented at Yamagiwa (former company) in line with the business revitalization plan, through which ETIC acquired a 100% share of the voting rights in Yamagiwa (new company), with a ¥500 million cash injection.

ETIC then proceeded with the business revitalization of Yamagiwa. Having reached a certain level of progress with regard to the revitalization, ETIC moved forward with the process of transferring shares held in Yamagiwa, and has reached an agreement to transfer shares to MARUWA Co., Ltd. In response to this decision, ETIC promptly executed an agreement with the transferee regarding the share transfer, and is scheduled to transfer all shares on December 3rd 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 increase at Yamagiwa of ¥500 million, through which it acquired 10,000 ordinary shares equivalent to a 100% share allocation. All of these shares will now be transferred.

4. Amount of debt

Of the ¥12,105 million owed to Yamagiwa, ETIC purchased ¥525 million from financial institutions through the company separation, and debt settlement is now scheduled to be completed upon receipt of the full debt repayment.

Note: The abovementioned debt purchase includes the purchase of debt assumed by the continuing company in

accordance with the company separation, and alternatively, cases where loans were provided by ETIC to the continuing company, which were then used to repay the debt owed by the related financial institutions that was transferred from the former company to the continuing company.

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

MARUWA CO., LTD.

Head office:	3-83, Minamihonjigahara-cho, Owariasahi-city, Aichi, Japan
President:	Sei Kanbe
Date established:	April 5, 1973
Paid-in Capital:	¥8,646,720,000 (as of the end of March 2012)
Listings	Tokyo Stock Exchange, Nagoya Stock Exchange, London Stock Exchange, Singapore Stock Exchange
Employees:	1,411 employees (as of the end of March 2012; consolidated)
Main business:	Development, manufacture and sales of electronic ceramics, industrial ceramics and electronic components. Development, manufacture and sales of lighting products.