

REVIC Transfers Debt Pertaining to Fuji Technica Inc. and Others

June 14th, 2013
Regional Economy Vitalization Corporation of Japan

The Regional Economy Vitalization Corporation of Japan (“REVIC”), following a decision by the REVIC Committee, has resolved to implement a transfer of debt of the Fuji Technica companies. As a result, REVIC no longer holds any debt of the Fuji Technica companies.

1. Names of companies concerned

Fuji Technica Inc. (hereafter, “Fuji Technica”) and Fuji Assembly Systems, Inc. (hereafter “FAS”); (collectively, “the Fuji Technica companies”).

Note: Fuji Technica & Miyazu Inc. (“hereafter, Fuji Technica & Miyazu”) is the new trade name of Fuji Technica after the transfer of business of Miyazu Seisakusho Inc. (“hereafter, Miyazu Seisakusho”) to Fuji Technica in line with its business revitalization plan.

2. Background

ETIC, as the predecessor of REVIC, resolved to provide support to the Fuji Technica companies on September 17th, 2010, 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 Act”), and subsequently on November 12th of the same year resolved to implement a purchase of debt under Article 28, Clause 1 and Article 31, Clause 1 of the Act.

On December 15th of the same year and February 21st, 2011, in line with the business revitalization plan, ETIC acquired an 81.15% share of voting rights (based on conversion to common stock) in Class A Preferred Stock with a ¥5,300 million cash injection and a 3.86% share of voting rights (same basis as above) in Class B Preferred Stock with a ¥869 million investment in kind*, for a total 85.01% share of voting rights (same basis as above). ETIC retained a portion of Class A Preferred Stock and Class B Preferred Stock that has been converted to common stock.

In line with the business revitalization plan, on December 16th, 2010 all business of Miyazu Seisakusho was transferred to Fuji Technica, which on July 1st, 2011 changed its trade name to Fuji Technica & Miyazu.

After this transfer, the liquidation process of Miyazu Seisakusho was completed in line with the business revitalization plan. Additionally, at the time of the decision to provide support, Fuji Technica held 83% of voting rights in FAS, but as of August 8th, 2012 all shares held have been sold.

Business revitalization of Fuji Technica & Miyazu then proceeded in line with the plan. Having reached a certain level of progress with regard to the revitalization, ETIC moved

forward with the process of transferring shares held in Fuji Technica & Miyazu, and on May 23, 2013, completed the transfer of shares to Phoenix Capital Co., Ltd. (hereafter "Phoenix Capital"; purchasing entities were formed by Phoenix Capital Co., Ltd. and were Phoenix Capital Partners Nine LPS and Phoenix Capital Eleven).

REVIC has now resolved to transfer all debt held in the Fuji Technica companies to Phoenix Capital on June 21, 2013.

**This is ETIC's underwriting of the raising shares, a part of which consists of paid-in cash. It obtained them through its credit purchase operation from the subject lenders. (It is so called debt-equity-swap. (=DES))*

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

3. Amount of debt

Of the ¥11,658 million owed by the Fuji Technica companies, ETIC purchased ¥3,845 million from financial institutions, and implemented a debt equity swap in accordance with the business revitalization plan. REVIC later received scheduled repayments as well as a partial repayment through disposal of collateral, and on June 21, 2013, the remaining debt amount of ¥1,793 million is set to be transferred to Phoenix Capital.

4. Comments from State Ministers in charge of REVIC

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.

ENDS

Appendix: Outline of the Share Transferee

Phoenix Capital Co., Ltd.

Head office: 9th Floor Kishimoto Building
2-2-1 Marunouchi, Chiyoda-ku, Tokyo, Japan

President: Toshihiko Mimura

Date established: January 21, 2002

Paid-in Capital: ¥10,000,000

Shareholders: Own board members and PricewaterhouseCoopers Co., Ltd.