

REVIC Completes Debt Settlement with ARRK Corporation and Others.

March 28th, 2014
Regional Economy Vitalization Corporation of Japan

The Regional Economy Vitalization Corporation of Japan (“REVIC”; formerly “Enterprise Turnaround Initiative Corporation of Japan”), following a decision by the REVIC Committee, has resolved to receive a debt settlement pertaining to ARRK Corporation and related companies (hereafter collectively “the ARRK Companies”). As a result, REVIC no longer holds any debt interests in the ARRK Companies.

1. Names of companies concerned

ARRK Corporation (“ARRK”) and its subsidiaries Yasuda Inc., Showa Seiki Kogyo, Co., Ltd., Gifu Die & Mold Engineering Co., Ltd., Sol-Plus Co., Ltd., Sagamihara-Buhin Co., Ltd., Clover Electronics Co., Ltd., Toho System Co., Ltd. (hereafter collectively “the ARRK Companies”)

2. Background

A decision was made to provide support to the ARRK Companies on March 31, 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 Act”), and subsequently on June 23rd of the same year it was resolved to implement a purchase of debt under Article 28, Clause 1 of the Act.

REVIC then proceeded with the business revitalization of the ARRK Companies. Having reached a certain level of progress with regard to the revitalization, REVIC resolved to receive a debt settlement pertaining to the ARRK Companies. As a result, REVIC has completed the receipt of all debt pertaining to the ARRK Companies.

3. Amount of debt

Of the ¥57,527 million owed by the ARRK Companies, REVIC purchased debt equivalent to the value of ¥30,395 million from financial institutions. In accordance with the business revitalization plan, REVIC received debt forgiveness from financial institutions for ¥1,419 million of the face value of this amount, and implemented a partial debt equity swap. Debt was also subsequently repaid through disposal of collateral. Now, with the receipt of the remaining debt amount of ¥5,267 million, repayment has been completed.

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