

ETIC Reaches Agreement on Purchase of Debt from Keijinkai Medical Corporation

May 31st, 2012

Enterprise Turnaround Initiative Corporation of Japan

The Enterprise Turnaround Initiative Corporation of Japan (“ETIC”), following its decision on March 29th, 2012 to provide support to Keijinkai Medical 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 Keijinkai.

1. Name of company concerned

Keijinkai Medical Corporation (hereafter “Keijinkai”)

2. Amount of debt to be purchased

	(Million yen)	
Principal value of total debt, etc.	2,207	(A)
Principal value of debt to be purchased	1,371	(B)
Principal value of debt for which financial support has been agreed by financial institutions in accordance with revitalization plan	836	(A - B)

Note: 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 and 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 Keijinkai complies with related laws and regulations, and that Keijinkai 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: ¥1,148 million

Note: The above amount may change due to the sale of assets or other such factors.

5. Treatment of trade and general creditors

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

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