

IRCJ reaches agreement on purchase of Amex Kyohan K.K. and related companies debt

Tokyo, October 12, 2004 – Following its approval on July 13, 2004 of an application for assistance by Amex Kyohan K.K. and related companies (“Amex”) under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003, the Industrial Revitalization Corporation of Japan (“the IRCJ”) today, under Article 25, Clause 1 of the same act, reached agreement with financial institutions on the purchase of debt owed by Amex.

Note: This agreement on the purchase of debt means that agreement has been reached between the necessary financial institutions and the IRCJ in respect of either a) sale of debt by the financial institutions concerned to the IRCJ at market price or b) financial support by the financial institutions concerned (for example debt forgiveness while continuing to hold the balance of debt, debt equity swaps, etc.). Any decision by the IRCJ to purchase the debt of companies it has approved for assistance is only made at a point when it is evident that the revitalization plan of the business concerned can be progressed as planned.

1. Name(s) of company concerned

Amex Kyohan K.K.; Sekishu Tile Sales Co.; Kyohan Transportation Center; Maruhachi Furnace; Imazaki Furnace; Sasaki Tile Industries; Tsuno Furnace Co.; Uka Furnace; Tsurumoto Furnace; Kaorin; Sekishu Touro; Youken; Sekishu Roof Tile Technical Development.

2. Amount of debt to be purchased

	(Million yen)	
Principal value of total debt	6,706	(A)
Principal value of debt to be purchased as per note a) above	2,281	(B)
Principal value of debt for which financial support to be provided by financial institutions as per note b) above	4,425	(A-B)

Note:

1. The actual amount of debt purchased may change between this announcement and completion of the purchase.

3. Amount of financial assistance

Debt forgiveness	3,116 million yen
Debt equity swap	200 million yen

Note: This differs from the total figure of approximately 3,700 million yen announced at the time of decision to support, due to factors such as the confirmation of private resources being provided to the business and a change to the calculation date for outstanding debt. The amounts shown above may change between this announcement and completion of the debt purchase.

4. Schedule

By mid-December 2004	Completion of company mergers
Mid-December 2004	Shareholders' meeting to approve reduction and increase of capital and elect new directors
After late January 2004	Implementation of debt purchase and debt forgiveness; and reduction and increase of capital

5. Comment from the state ministers in charge of the Industrial Revitalization Corporation of Japan

None expressed.

Note on comments from ministers: The IRCJ is a quasi-governmental organization. As such the IRCJ is required to obtain comments about decisions to assist private-sector companies from the government ministers in charge of the IRCJ.

6. Treatment of trade and other creditors

The agreement on the purchase of debt as outlined above is an agreement between relevant financial institutions and the IRCJ; there will continue to be no effect on the claims of trade and other creditors.

For more information, please contact

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About the IRCJ

The IRCJ was established jointly by the public and private sector on April 16, 2003, with the aim of providing revitalization assistance beneficial to both the industrial and the financial sectors in Japan. It targets assistance at companies that have sound business fundamentals but are unable to thrive because of excessive debt levels or other factors. The IRCJ has approximately 160 employees and is based in Tokyo. For more information please visit www.ircj.co.jp