

IRCJ receives payment in full for Fre'c Corporation debt

Tokyo, August 31, 2004 – The Industrial Revitalization Committee of the Industrial Revitalization Corporation of Japan (“the IRCJ”) today approved the receipt of repayment in full for debt the IRCJ had purchased from financial institutions as part of a business revitalization plan for Fre'c Corporation (“Fre'c”). The payment received by the IRCJ means that it no longer holds any debt or other obligations of Fre'c.

Note: Under the Industrial Revitalization Corporation Act of 2003, the IRCJ is required to seek the approval of the Industrial Revitalization Committee when debt that has been purchased in a target company is repaid in full. Under Article 29, Clause 1 of the same act, the IRCJ is also required to seek comment from the State Ministers In Charge Of Industrial Revitalization and Administrative Reforms on such occasions.

1. Name of company concerned

Fre'c Corporation

2. Process to date

On April 27, 2004 the IRCJ approved an application for assistance by Fre'c under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On August 31, 2004, under Article 25, Clause 1 of the same act, the IRCJ reached agreement with financial institutions on the purchase of this company's debts. On August 16, 2004 Fre'c was merged with its sponsor C TWO-NETWORK, in accordance with the business revitalization plan outlined for the company. The debt repayment being announced in this document has been received from C TWO-NETWORK.

3. Amount of debt

The principal value of Fre'c debt purchased from financial institutions by the IRCJ was ¥2,182 million*, for which the IRCJ paid ¥926 million yen. In accordance with the business revitalization plan outlined for the company, financial institutions forgave ¥1,238 million of debt. The remaining ¥944 million of debt owed to the IRCJ has now been repaid in full.

* On August 31, 2004 the IRCJ announced that the principal value of debt to be purchased would be ¥2,267 million. The difference between the previously announced figure and the actual amount of debt purchased results from debt repaid through the appropriation of collateral deposits, etc.

4. 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 three government ministers in charge of the IRCJ.

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