

## IRCJ reaches agreement on purchase of Kimmon K.K. and related companies' debt

**Tokyo, March 30, 2004** – Following its approvals on January 28, 2004 and March 10, 2004 of applications for assistance by Kimmon K.K. (“Kimmon”) and associated companies under Article 22, Clause 3 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 those companies' debts.

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

As approved on January 28, 2004:

Kimmon K.K.  
 Kimmon Electric Co., Ltd.  
 Iwase Denshi Co., Ltd.  
 Kimmon Quartz K.K.  
 Shirakawa K.K.  
 Nango K.K.  
 Inana K.K.  
 Kanayama K.K.  
 Tobukimmon Gas Service K.K.  
 Mizu Hoseiki Co., Ltd.  
 Karatsu Hoseiki Co., Ltd.  
 Kimmon Metal Co., Ltd.  
 Futaba Hoseiki Co., Ltd.  
 Kimmon Environmental Systems K.K.  
 Hokkaido Kimmon Koji Co., Ltd.  
 Tohoku Kimmon Serubisu K.K.

As approved on March 10, 2004

Aoyama K.K.  
 Wakayama Precision Machinery K.K.

### 2. Amount of debt to be purchased

	(Million yen)	
Principal value of total debt	30,010	(A)
Principal value of debt to be purchased as per note a) above	15,878	(B)
Principal value of debt for which financial support to be provided by financial institutions as per note b) above	14,132	(A-B)

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

### **3. Amount of financial assistance**

¥10,727 million (Unchanged from time of decision to support. This figure includes an as-yet-to-be-determined portion of debt forgiveness.)

### **4. Schedule**

At a Kimmon general shareholders' meeting in June of this year approval will be sought for restructuring measures contained in the business revitalization plan, and for measures having implications for management and shareholders. The implementation of financial support is planned to take place before September of this year.

### **5. Comment from the State Minister In Charge Of Industrial Revitalization And Administrative Reforms**

None expressed.

Note on comments from ministers: The IRCJ is a quasi-governmental organization. As such it is IRCJ policy to obtain comments about decisions to assist private-sector companies from the government ministries that regulate the industries in which these companies operate.

### **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 130 employees and is based in Tokyo. For more information please visit [www.ircj.jp](http://www.ircj.jp)