

IRCJ reaches agreement on purchase of Kyushu Industrial Transportation debt

Tokyo, November 27, 2003 – Following its approval on August 28, 2003 of an application for assistance by Kyushu Industrial Transportation Co., Ltd. ("Kyushu Transportation") under Article 23, Clause 1 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 Kyushu Transportation.

Note: This agreement on the purchase of debt means that agreement has been reached between the financial institutions concerned 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 progress as planned.

1. Name(s) of companies concerned

Kyushu Industrial Transportation Co., Ltd	Sanko Pony Taxi K.K.
Sanko Kanko Bus K.K.	Kyushu Industrial Transportation Logistics
O Aso Kanko Bus K.K.	Sanko Transportation and Logistics Services
Kyushu Industrial Transportation Facilities	K.K.
Amakusa Tourist Development K.K.	Southern Kyushu Sanko Distribution K.K.
Sanko Agency K.K.	Sanko Mik K.K.
Sanko Taxi K.K.	

2. Principal value of debt to be purchased

Principal value of debt owed by Kyushu Industrial Transportation	¥52.598 billion
Principal value of debt to be purchased as per note a) above:	¥39.227 billion
Principal value of debt for which financial support to be provided by financial institutions as per note b) above	¥13.371 billion

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

3. 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.

4. Treatment of trade and other creditors

As noted above, the agreement on the purchase of debt means that agreement has been reached between the financial institutions concerned and the IRCJ. Claims of trade and other creditors other than the financial institutions concerned are not affected.

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