

IRCJ receives payment in full for Kyushu Transportation debt

Tokyo, December 20, 2005 –The Industrial Revitalization Corporation of Japan (“the IRCJ”), with the approval of the Industrial Revitalization Committee, receives payment in full from Kyushu Industrial Transportation Co., Ltd. for the remaining debt held by the IRCJ in Kyushu Transportation group. The payment received by the IRCJ means that it no longer holds any debt or other obligations of Kyushu Transportation group companies.

1. Names of companies concerned

(Main companies)

Kyushu Industrial Transportation Co., Ltd.

Kyushu Industrial Transportation Logistics

Note: Names of the companies other than the main companies are listed separately.

2. Process to date

On August 28, 2003 the IRCJ approved an application for assistance by Kyushu Industrial Transportation under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On November 27, 2003, under Article 25, Clause 1 of the same act, the IRCJ reached agreement with financial institutions on the purchase of the company's debts. Following this, a capital decrease and recapitalization was carried out in February 2004. Since then the IRCJ has been involved in various aspects of the company's business revitalization.

On October 14, 2005, all of the ordinary shares (representing 67.03% of voting rights) held by the IRCJ in Kyushu Transportation concomitant with the capital increase were transferred to H.I.S.—H.S. Kyushu Industrial Transportation Investment Partnership (“H.I.S. —H.S. Kyushu”), the recipient company capitalized principally by H.I.S. Co., Ltd. and H.S. Securities Co., Ltd.

On December 10, 2004, all of the ordinary shares (representing 96.0% of voting rights) held by the IRCJ in Kyushu Logistics were transferred to Footwork Express Co., Ltd., and on February 28, 2005 payment was received in full for the outstanding debt.

3. Amount of debt

The principle value of Kyushu Transportation's debt was ¥36,182 million, for which the IRCJ paid ¥18,733 million from financial institutions. Following financial support in line with the revitalization plan of ¥16,187 million (debt forgiveness of ¥15,590 and debt-equity swap of ¥597 million), the remaining balance of ¥21,495 million (¥19,995 million following financial support and new loans of ¥1,500 million) was handled through business income, loan conversions through Kyushu Logistics, disposal of collateral and other such methods. Following today's receipt by the IRCJ of loan repayment of ¥8,491 million, payment has been received in full for all outstanding debt.

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 200 employees and is based in Tokyo. For more information please visit www.ircj.co.jp

Names of other companies in target company group:

Sanko Kanko Bus K.K. (currently Sanko Bus K.K. following merger)
O Aso Kanko Bus K.K. (currently Kyushu Sanko Kanko Bus K.K. following merger)
Kyushu Industrial Transportation Facilities
Amakusa Tourist Development K.K.
Sanko Agency (business liquidation completed according to revitalization plan)
Sanko Taxi K.K. (business liquidation completed according to revitalization plan)
Sanko Pony Taxi K.K. (disposal completed according to revitalization plan)
Sanko Industrial Transportation Logistics Services K.K.
Southern Kyushu Sanko Distribution K.K.
Sanko Mikku K.K.