

## **IRCJ reaches agreement on purchase of Matsuya Denki K.K. debt**

**Tokyo, December 1, 2003** – Following its approval on September 26, 2003 of an application for assistance by Matsuya Denki K.K. (“Matsuya Deniki”) under Article 22, 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 Matsuya Denki. This agreement is subject to court approval for the transfer of the operations of Matsuya Denki, which is currently undergoing civil rehabilitation proceedings

(The IRCJ has deemed that, because applications have been received from the relevant financial institutions, the conditions that allow a decision to purchase debt from Matsuya Denki under the Industrial Revitalization Corporation Act have been fulfilled. However, this decision will come into effect after receiving court approval.)

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) transfer of debt to the new company, to which Matsuya Denki will transfer its operations, by the financial institutions concerned.

### **1. Name of company concerned**

Matsuya Denki K.K.

### **2. Principal value of debt to be purchased**

Principal value of debt (with exclusion rights) transferred to the new company from Matsuya Denki:

¥3.616 billion

Principal value of debt to be purchased as per note a) above:

¥2.243 billion

Principal value of debt to be transferred as per note b) above:

¥1.372 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. Amount of financial assistance**

Because this case involves civil rehabilitation proceedings, it differs from other financial assistance cases being handled by the IRCJ, in that the burden on the financial institutions concerned (the book value of debt to be written off) will be ascertained during the civil rehabilitation proceedings. The amount of financial assistance therefore cannot be ascertained at the present time.

### **5. Future plans**

At a later stage, the necessary procedures will be undertaken to allow the transfer of operations from the former company to a new company. Revitalization of the business will then take place under the new company.

### **6. 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. Because Matsuya Denki is undergoing civil rehabilitation proceedings, part or all of the claims of trade or other

creditors—which are separate from the debt purchase agreement with the IRCJ—may be discharged or handled otherwise during civil rehabilitation proceedings.

**For more information, please contact**

Corporate Planning Department  
The Industrial Revitalization Corporation of Japan  
Tel: 03-6212-6437

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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)