

IRCJ to sell equity in Miyano Machinery Japan Inc.

Tokyo, August 22, 2006—The Industrial Revitalization Committee of the Industrial Revitalization Corporation of Japan (“the IRCJ”) has decided to sell the equity it holds in Miyano Machinery Japan Inc. (“Miyano”). As a result of this sale, the IRCJ will no longer hold any debt or other obligations of Miyano.

1. Name of company concerned

Miyano Machinery Japan Inc.

2. Process to date

On June 4, 2004 the IRCJ approved an application for assistance by Miyano under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On July 13 of the same year, the IRCJ reached agreement on the purchase of Miyano’s debt under Article 25, Clause 1 of the same act. In September 2004 a capital decrease and subsequent recapitalization was carried out in accordance with the revitalization plan.

In June 2005, the IRCJ sold part of its shares in Miyano to Nikko Antfactory K.K. (the shares were acquired by the Ant Catalyzer No.2 investment operation limited partnership managed by Nikko Antfactory) and Kuroda Electric Co., Ltd. At the same time, part of the preferred shares held by Sumitomo Mitsui Banking Corporation (“Sumitomo Mitsui”) were transferred to the former Japan Endeavor Fund Yugen Kaisha (“Japan Endeavor Fund”), which then converted them into ordinary shares and transferred them to CBC Co. Ltd.

Following this, in conjunction with the revitalization program, preparation began for a public offering of Miyano’s shares, and approval was recently gained for the company to be listed on the Second Section of the Tokyo Stock Exchange. As a result of this decision, the IRCJ will sell all of the shares it currently holds in Miyano at the time of the public offering of Miyano’s shares, scheduled to take place in mid-September 2006.

3. Capital amounts, etc.

Through a capital investment of ¥2 billion, the IRCJ acquired ordinary shares in Miyano corresponding to 89.2% of the voting rights. The IRCJ sold 22.3% of this (equivalent to ¥5.0 billion of the original capital injection) in June 2005, while the preferred shares held by Sumitomo Mitsui were all transferred to Japan Endeavor Fund and converted by Japan Endeavor Fund to ordinary shares. As a result, the IRCJ currently holds shares corresponding to 57.3% of the total voting rights. The IRCJ plans to sell, through the public offering, all of these remaining shares it holds in Miyano.

4. Debt amounts, etc.

The principal value of Miyano’s debt was ¥6,298 million, for which the IRCJ paid ¥4,750 to financial institutions. Following debt forgiveness of ¥1,401 million in accordance with the revitalization plan, payment was received in full for the remaining debt of ¥4,897 million as of April 2005.

5. 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. Based in Tokyo, the IRCJ had approximately 200 employees at the peak of its operations and the number is now down to about 100.