

IRCJ reaches agreement on purchase of Miyazaki Kotsu Co., Ltd. debt

Tokyo, March 25, 2005 – Following its approval on January 18, 2005 of an application for assistance by Miyazaki Kotsu Co., Ltd. (“Miyazaki Kotsu”) under Article 22, Clause 3 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 Miyazaki Kotsu.

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

Miyazaki Kotsu Co., Ltd.	Miyazaki Chuo Unrin Co., Ltd.
Miyazaki Taxis Co., Ltd.	Miyazaki Kanko Hotel Co., Ltd.
Miyazaki Air-Line Hotel Co., Ltd.	Aoshima Resort Co., Ltd.
Miyazaki City	Miyazaki Trading Co., Ltd.
Miyazaki Building Service Co., Ltd.	Miyazaki Restaurants Co., Ltd.
Miyazaki Tourism Development Business Cooperative	

2. Amount of debt to be purchased

	(Million yen)	
Principal value of total debt	50,606	(A)
Principal value of debt to be purchased as per note a) above	33,250	(B)
Principal value of debt for which financial support to be provided by financial institutions as per note b) above	17,356	(A-B)

Note:

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

3. Amount of financial assistance

Debt forgiveness: 24,267 million yen
DES total: 500 million yen

Note:

Due to factors such as greater gains than expected from the sale of assets, this figure has decreased slightly from the amount of approximately 24.4 billion yen announced at the time of decision to support.

4. Schedule

Debt purchase will be implemented in May 2005 and a capital increase is scheduled for June 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 government ministers in charge of the IRCJ.

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