

Transfer of debt held in Phenix Co., Ltd.

Tokyo, December 27, 2005 – Today following a decision by the Industrial Revitalization Committee of the Industrial Revitalization Corporation of Japan (“the IRCJ”) the transfer of the debt held by Phenix Co., Ltd. (“Phenix”) was completed. As a result of this, the IRCJ no longer holds any debt or other obligations of Phenix.

1. Name of company concerned

Phenix Co., Ltd.

2. Process to date

On August 30, 2004 the IRCJ approved an application for assistance by Phenix under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003 and on October 5, 2004, under Article 25, Clause 1 of the same act, the IRCJ reached agreement with financial institutions on the purchase of this company's debts. Following this, in accordance with the business revitalization plan, on December 1, 2004, effectively all of the operations of Phenix were incorporated into a new company, Orix PE 2 Co., Ltd., wholly-owned by the sponsor, Orix Corporation (“Orix”). At this time Orix PE 2 Co., Ltd. changed its name to Phenix Co., Ltd. Following the implementation of a third-party capital increase underwritten by the OPI2002 Investment Association, which is wholly-owned by Orix, Phenix became a subsidiary of Orix and business revitalization is being carried out with the support of Orix.

3. Amount of debt

The principal value of Phenix's debt was ¥3,434 million, for which the IRCJ paid financial institutions ¥1,351 million. In accordance with the business revitalization plan, ¥2,011 million was handled in a debt forgiveness scheme. Of the remaining ¥1,423 million, ¥555 million was handled through business income of Phenix, disposal of collateral, and other such methods. The transfer of ¥868 million today represents the completion of debt transfer to financial institutions.

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 from the government ministers in charge of the IRCJ about decisions to assist or engage in other initiatives relating to private sector companies.

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