

## **IRCJ completes transfer and payment in full for Sankei Co., Ltd. debt**

**Tokyo, December 30, 2005** – The Industrial Revitalization Committee of the Industrial Revitalization Corporation of Japan (“the IRCJ”) today approved the transfer of debt and receipt of payment in full for debt the IRCJ had purchased as part of a business revitalization plan for Sankei Co., Ltd. (“Sankei”). The payment received by the IRCJ means that it no longer holds any debt or obligations of Sankei.

### **1. Names of companies concerned**

Sankei Co., Ltd. and 15 Group companies (see separate sheet)

### **2. Process to date**

On November 30, 2004 the IRCJ approved an application for assistance by Sankei under Article 22, Clause 3 of the Industrial Revitalization Act of 2003. On February 14, 2005, 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, in June 2005, in accordance with the revitalization plan, following a third-party capital increase underwritten by the sponsor company Sankei Holdings Co., Ltd. (formerly MKS Apparel Co., Ltd.), Sankei became a subsidiary of Sankei Holdings and revitalization is being carried out with the support of that company.

### **3. Amount of debt**

The principal value of Sankei’s debt was ¥27,104 million, a portion of which was handled by the disposal of collateral. The IRCJ paid financial institutions ¥18,176 million for the remaining ¥25,844 million, and ¥6,722 million was handled in a debt forgiveness scheme according to the business revitalization plan. Part of the balance of ¥19,122 million was settled through business income of Sankei and disposal of collateral. Of the remaining ¥9,445 million, ¥3,510 million was transferred to financial institutions and the IRCJ has now received payment in full of the final ¥5,935 million.

### **4. Comment from the 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](http://www.ircj.co.jp)

Separate Sheet

## 16 Target Companies

Sankei Co., Ltd.  
Daiki K.K.  
Sankei Phoenix K.K..  
Taiju K.K.  
Sanjeru K.K.  
Santekku Iwaki K.K.  
Fukusen K.K.  
Sansho Textile K.K.  
Sankei San Textile K.K.  
Daikei K.K.  
Sankei Fabric K.K.  
Sankei Butsuryu K.K.  
Tokyo Casual K.K.  
Alpha Kikaku K.K.  
Oshima K.K.  
Kyoudou Kumiai Sanrain Seni Group  
(16 companies in total)