

ETIC Reaches Agreement on Purchase of Debt from Corona Industries Ltd.

July 21st, 2011

Enterprise Turnaround Initiative Corporation of Japan

The Enterprise Turnaround Initiative Corporation of Japan (“ETIC”), following its decision on May 20th, 2011 to provide support to Corona Industries Ltd. under Article 25, Clause 4 of the Enterprise Turnaround Initiative Corporation of Japan Act (Act 63, of 2009, hereafter “the ETIC Act”) today, under Article 28, Clause 1 of the same Act, reached agreement on the purchase of debt owed by Corona Industries.

1. Name(s) of persons or companies concerned

Corona Industries Ltd. (hereafter “Corona Industries”)

2. Amount of debt to be purchased

	(Million yen)	
Principal value of total debt, etc.	4,557	(A)
Principal value of debt to be purchased	656	(B)
Principal value of debt for which financial support has been agreed by financial institutions in accordance with revitalization plan	3,902	(A - B)

Notes:

1. The amount in (B) above includes 1. the purchase of debt planned to be transferred from Corona Industries to a Continuing Company after implementation of a company separation in accordance with the business revitalization plan, and 2. any amounts arising from the provision by ETIC of financing which is used by Corona Industries to repay debt owed to financial institutions, instead of ETIC purchasing the debt.

2. The amounts listed above may change during the course of proceedings up to the time of actual debt purchase.

3. Comments from State Ministers in charge of ETIC

Prime Minister, Minister of Internal Affairs and Communications, Minister of Finance, Minister of Economy, Trade and Industry: No opinion expressed

Minister of Health, Labour and Welfare: “I have no objection to the decision. However, I ask that in advising on and guiding the implementation of the corporate revitalization plan, ETIC should aim to ensure that Corona Industries complies with related laws and regulations, and that Corona Industries also provides adequate opportunities for substantive discussions with the workforce with due consideration of employment stability and other such factors.”

4. Amount of financial support

Debt forgiveness: Approx. 2,337 million yen

Note:

This figure includes both a), debt forgiveness, assuming that the disposal of collateral assets achieves sales proceeds in line with estimated amounts, and b) subordination, via a debt debt swap, of a portion of the total amount of debt for which financial support was originally requested.

5. Treatment of trade and general creditors

This agreement on the purchase of debt involves agreement between ETIC and financial

institutions providing loans to Corona Industries. There will continue to be no impact on trade and general creditors.

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