

ETIC Completes Share Transfer and Receipt of Debt Settlement with Senoh / the other

June 21st, 2012

Enterprise Turnaround Initiative Corporation of Japan

The Enterprise Turnaround Initiative Corporation of Japan (“ETIC”), following a decision by the ETIC Committee, has resolved to implement a transfer of shares and receive a debt settlement pertaining to Senoh Corporation and related companies listed below. As a result, ETIC no longer holds any stock, debt or any other interests in the Senoh Companies.

1. Name of companies concerned

Senoh Corporation (hereafter “Senoh”)

Senotech Corporation (hereafter “Senotech”)

Senoh Maintenance Service Corporation (hereafter “Senoh Maintenance”)

Upsen Corporation (hereafter “Upsen”)

(With 4 companies mentioned above, collectively “Senoh Companies”)

2. Background

ETIC resolved to provide support to the Senoh Companies on March 26th, 2010, under Article 25, Clause 4 of the Enterprise Turnaround Initiative Corporation of Japan Act (Act 63, of 2009; includes changes to the Act thereafter; hereafter “the ETIC Act”), and subsequently on June 1st of the same year resolved to implement a purchase of debt under Article 28, Clause 1 of the Act, and a capital increase under Article 31, Clause 1 of the Act.

In September of the same year, a company separation was implemented at Senoh (former company) in line with the business revitalization plan, through which ETIC acquired the shares which represented 100% of the voting rights in Senoh (new company) with a ¥400 million cash injection.

Since the time of the decision to provide support, Senotech and Senoh Maintenance have become 100% subsidiaries of Senoh, and they remain this way up to today. Upsen and the former company after company the separation (Matsuhidai K.K.) have been subject to liquidation in accordance with the business revitalization plan.

ETIC then proceeded with the business revitalization of the Senoh Companies. Having reached a certain level of progress with regard to the revitalization, ETIC moved forward with the process of transferring shares held in Senoh, and has reached an agreement to transfer shares to Mizuno Corporation. In response to this decision, ETIC promptly completed an agreement with the transferee regarding the share transfer, and is scheduled to transfer all shares by the end of June this year. Debt settlement is also scheduled to be completed at the same time.

Note: Please refer to the appendix for an outline of the share transferee.

3. Amount of capital increase

ETIC made a capital increase at Senoh of ¥400 million, through which it acquired 8,000 shares equivalent to a 100% share allocation. All of these shares will now be transferred.

4. Amount of debt

Of the ¥7,787 million owed to the Senoh Companies, after the company separation proceedings ETIC purchased ¥1,031 million from the financial institutions, and received partial repayment (¥336 million) through business revenue. With repayment of the remaining debt amount of ¥665 million being now scheduled the total delat repayment is to be completed.

Note: The abovementioned debt purchase includes the purchase of debt assumed by the continuing company in accordance with the company separation, and alternatively, cases where loans were provided by ETIC to the continuing company, which were then used to repay the debt owed to related financial institutions that was transferred from the former company to the continuing company.

5. Comments from State Ministers in charge of ETIC

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

Appendix: Outline of the Share Transferee

Mizuno Corporation

Head office:	1-12-35 Nanko Kita, Suminoe-ku, Osaka, Japan (Registered address: 4-1-23 Kitahama, Chuo-ku, Osaka, Japan)
President:	Akito Mizuno
Date established:	July 19, 1923 (Founded: April 1, 1906)
Paid-in Capital:	¥26,137,410,000 (as of the end of March 2012)
Listing:	Tokyo Stock Exchange, Osaka Securities Exchange
Employees:	5,238 employees (as of the end of March 2012; consolidated)
Main business:	Manufacture and sale of sports-related products including baseball products, sportswear, sports shoes, golf products; operation and contracted operation of sports facilities; school program business; other