

12/24/1999

## **Basic Agreement on Acquisition of LTCB**

December 24, 1999 - The Long-Term Credit Bank of Japan, Limited ("LTCB") was notified today by the Financial Reconstruction Commission ("FRC") that the contents of the basic agreement ("Basic Agreement") with respect to the acquisition of LTCB by New LTCB Partners ("Partners"), who have been nominated as the most preferred candidate, was approved by FRC.

Upon the approval, the Basic Agreement was signed among Mr. Masamoto Yashiro, Mr. Timothy C. Collins and Mr. J. Christopher Flowers all representing the Partners, Deposit Insurance Corporation of Japan ("DIC") and LTCB.

Since the memorandum of understanding ("MOU") was signed on September 28, 1999, DIC and the Partners have negotiated on the transactions defined in the Summary of Conditions for the Acquisition attached thereto in a sincere and earnest manner aiming at reaching the Basic Agreement in a shortest timeframe. Based on such negotiations, FRC approved the contents of the Basic Agreement.

In the Basic Agreement, all the agreements necessary to formulate the basis of the definitive agreement to be signed, including the discussions among the parties based on the MOU, are described.

LTCB will fully cooperate to reach the definitive agreement as early as possible while further negotiations are being made.

LTCB expresses appreciation to those who have supported to lead to today's agreement and it intends to contribute to the stabilization of financial system by early emergence from the temporary nationalization.