

## Concerning 'Support measures for Chisso Corporation from 2000'

( February 8, 2000  
Cabinet understanding )

1. Support measures for Chisso Corporation (hereafter referred to as Chisso), were decided from a medium- to long-term perspective, and considering the company's financial condition. As a result, according to 'Support measures for Chisso Corporation from 2000' (an agreement made by Minamata disease-related cabinet ministers on June 9, 1999, hereafter referred to as 'the agreements'), the government presented to those concerned a proposal of appropriate drastic measures.

Following this, Chisso formulated the 'Chisso Rejuvenation Plan', and thanks to its own radical downsizing, and appropriate support from related financial institutions, it has been able to secure an ordinary profit of over 5.3 billion yen per year from the year 2000. The following recommendations from agreement 2 have also been fulfilled by related parties other than the national government.

(1) Independent effort by Chisso; securement of repayment resources; clarification of shareholders' responsibilities:

By steadily enacting the 'Chisso Rejuvenation Plan', Chisso will achieve the above aims.

(2) In-depth assistance measures for related financial institutions regarding past finances for financial support:

Related financial institutions are complying with requirements in the 'Chisso Rejuvenation Plan'.

(3) Assistance from the community:

The community has provided its support through the Prefecture-funded Minamata Ashikita Regional Promotion Foundation, the Minamata Disease Issues Settlement Aid Foundation, the Minamata Ashikita Environmental Technology Research Foundation as the safety net function in agreement 3. (3)

2. In order to support Chisso in payment of compensation to patients using its working profit without recourse to prefectural patient bonds, the national government has taken the following measures with regard to past public debt.

(1) Each fiscal year, after Chisso has made patient compensation payments from its working profit, Kumamoto Prefecture will grant an appropriate extension on repayment of prefectural loans.

(2) In order that the repayment of prefectural bonds is not interrupted in the event of the above measures being taken, the national government will provide adequate subsidies from general finance (80%) and local finance (20%). In addition, as a local finance measure, Kumamoto Prefecture will issue special prefectural bonds, whose proceeds will come from local tax allocation. Special prefectural bonds will be funded by government finance. Future repayments of Chisso's deferred loans will be allocated to general and local finance at the above-mentioned ratio.

(3) Kumamoto Prefecture will request the Minamata Disease Issues Settlement Aid Foundation to exempt Chisso from repaying 85% of the lump-sum loan provided by the national treasury. In this case, the national government will not require Kumamoto Prefecture to repay the aforementioned loan to the national treasury.

3. Other:

(1) In the event that the above financial assistance measures for Chisso do not suffice, and that it becomes difficult to secure the funds required to repay local bonds, the national government will take appropriate measures as decided by cabinet council.

(2) In the event that, despite these drastic support measures, patient compensation payments are hindered in any way, the government ministries and agencies concerned will discuss and decide upon suitable measures.

(3) The relevant ministries and agencies and Kumamoto Prefecture will establish 'Chisso Support Measures Liaison Association' as a contact point with regard to the above radical support measures.