

Ex-NOVA president, family sold off majority of stake in failed school

<http://mdn.mainichi.jp/national/news/20071029p2a00m0na018000c.html>

Section A: Warm up

Answer the following questions based on your own experience.



- ◇ Do you know the English school Nova?
- ◇ What happened this week in the news?
- ◇ Are you surprised by what happened?
- ◇ What should the Nova Company do for students and teachers?
- ◇ What are 'Shares' of a company?

Section B: Vocabulary

Match the word on the left with its definition/synonym on the right.

- | | |
|------------------|---------------------------------------|
| 1. Stake | (a) venture |
| 2. Operator | (b) somebody who owns a business |
| 3. Legally | (c) lawfully |
| 4. Emerged | (d) appear |
| 5. Complaint | (e) grievance |
| 6. Law enforcers | (f) people like the police. |
| 7. Authorities | (g) group in command |
| 8. Acquisition | (h) getting/taking hold of |
| 9. Submit | (i) put forward; to give in |
| 10. Sack | (j) kick out; discharge; fire someone |

Section C: Reading

Read the following article from the Mainichi newspaper.

OSAKA

-- Former NOVA Corp. President Nozomu Sahashi and his family's **stake** in the failed language school **operator** declined from over 70 percent to less than 20 percent over a two-week period in September without a **legally** required report, it **emerged** on Monday.

Receivers for NOVA are considering filing a criminal **complaint** with **law enforcers** against Sahashi if it is proven that he sold the shares without filing a report with authorities.

The law regulating transactions in financial organizations requires a major shareholder with a 5 percent stake in a firm or more to report to **authorities** within five business days any sale and **acquisition** of its shares.

As of Sept. 14, NOVA Kikaku, run by a relative of Sahashi, owned 36.03 percent of shares in NOVA Corp and Sahashi held a 35.56 percent in the group, totaling 71.59 percent, according to a report the former president **submitted** to the Kinki Financial Bureau on Sept. 25.

It has emerged that the stake held by NOVA Kikaku and Sahashi had **declined** to 3.69 percent and 16.02 percent, respectively, by Sept. 30, totaling 19.71 percent. Neither Sahashi nor NOVA Kikaku has submitted a report on the sale of the shares.

Sahashi, who was **sacked** as president of the company late last week and demoted to a board director, may have sold the shares in a desperate bid to secure operating funds, sources close to the company said.

Section D: Comprehension

Write your answers to the following questions, then discuss with a partner...

1. Who was the president of Nova Corp.?
2. How much did Nozomu Sahashi own of Nova?
3. Who owned 36.03 percent of shares?
4. What didn't Nozomu Sahashi do?
5. What happened to Nozomu Sahashi?
6. What did Nozomu Sahashi do with shares?

Section D: Gap Fill

Fill in the spaces below with the words from the box

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-- Former NOVA Corp. President Nozomu Sahashi and his family's stake in the failed language school operator declined from over 70 percent to less than 20 percent over a two-week period in September without a legally required report, it emerged on Monday. Receivers for NOVA are considering filing a criminal complaint with law enforcers against Sahashi if it is proven that he (1)_____ the shares without filing a report with authorities. The law regulating transactions in financial organizations requires a major shareholder with a 5 percent stake in a firm or more to report to authorities within five business days any sale and acquisition of its shares. As of Sept. 14, NOVA Kikaku, (2)_____ by a relative of Sahashi, owned 36.03 percent of shares in NOVA Corp and Sahashi (3)_____ a 35.56 percent in the group, totaling 71.59 percent, according to a report the former president submitted to the Kinki Financial Bureau on Sept. 25. It has emerged that the stake (4)_____ by NOVA Kikaku and Sahashi (5)_____ declined to 3.69 percent and 16.02 percent, respectively, by Sept. 30, totaling 19.71 percent. Neither Sahashi nor NOVA Kikaku has submitted a report on the sale of the shares. Sahashi, who was sacked as president of the company late last week and demoted to a board director, may (6)_____ (7)_____ the shares in a desperate (8)_____ to secure operating funds, sources close to the company (9)_____ .

Receivers want NOVA to be back offering classes soon

OSAKA -- Failed English conversation school chain NOVA Corp. could be back in operation within a month with the support of companies willing to help it rebuild, its receivers said.

Court-appointed receivers for NOVA, Toshiaki Higashibatake and Noriaki Takahashi, said they plan to start looking for backers for the failed chain, with current candidates including retail giants Marui Co. and Aeon Co. and the IT sectors' Yahoo and Rakuten, with other companies also having put their names forward.

Whether NOVA can actually be rehabilitated remains another matter, as it is mired in debts of tens of billions of yen, including about 4 billion yen in unpaid wages to teachers and other staff.

Ousted NOVA president Nozomu Sahashi's fate also remains unclear. "We'll look at the case first before deciding what legal measures to take," one of the receivers said.

NOVA collected over 40 billion yen from students as advance payments for English language conversation classes, more than it had gathered at the end of March. It owes some 4 billion yen in unpaid wages.

Receivers said they want to maintain NOVA's nationwide network, and are willing to make it a condition that any company stepping in to help the chain allow students who paid the failed chain for lessons to be able to receive them.

NOVA's roughly 4,900 employees have been told to wait and the chain's schools have all been suspended from operating. The tens of billions of yen in debt that NOVA accumulated has made selection of a backer to save it essential, but if a rescue plan can't be worked out, NOVA will have to file for bankruptcy.

NOVA's student numbers have plummeted from about 418,000 at the end of March to around 300,000. During the same time, it has gone from 925 schools to 669. The 300,000-plus students, staff and teachers are all NOVA creditors and receivers' negotiations with them are expected to be prickly.