

IRCJ to sell equity and convertible bonds in K.K. Asaya Hotel

Tokyo, April 28, 2006 – The Industrial Revitalization Committee of the Industrial Revitalization Committee of Japan (“IRCJ”) has decided to sell the equity and convertible bonds with warrants attached it holds in K.K. Asaya Hotel (“Asaya Hotel”). As a result of this sale, the IRCJ will no longer hold any debt or other obligations of Asaya Hotel.

1. Name of company concerned

K.K. Asaya Hotel

2. Process to date

On December 8, 2004, the IRCJ approved an application for assistance by Asaya Hotel under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On January 26, 2005, the IRCJ reached agreement on the purchase of Asaya Hotel’s debt from financial institutions under Article 25, Clause 1 of the same act.

In April 2005, in accordance with the revitalization plan, Asaya Hotel was wound up and its assets and liabilities were separated into a new company (“New Asaya Hotel”), and the IRCJ acquired ordinary shares corresponding to 40% of the voting rights through a capital investment of ¥160 million. In addition, in June 2005, the IRCJ underwrote the issuance by Asaya Hotel of convertible bonds with attached warrants, with a face value of ¥400 million.

Following this, a measurable degree of progress has been made towards revitalization, enabling the IRCJ to make preparations for, and reach agreement on, the sale of its equity to the sponsor company Daiwa Securities SMBC Principal Investments Co., Ltd. (“Daiwa PI”) and several employees of Asaya Hotel. A sale contract has been concluded and the sale is scheduled to take place at the end of May 2006. The IRCJ also plans to sell the convertible bonds to Daiwa PI.

Note: An overview of the recipient company is provided in the attached document.

3. Capital amounts, etc.

Through a capital investment of ¥160 million, the IRCJ acquired ordinary shares of New Asaya Hotel corresponding to 40% of the voting rights. The IRCJ will sell all of its ordinary shares in New Asaya Hotel.

4. Convertible bonds

The IRCJ underwrote at face value convertible bonds of ¥400 million yen issued by Asaya Hotel. The IRCJ will sell at face value all of the convertible bonds to Daiwa PI.

5. Debt amounts, etc.

The principal value of Asaya Hotel’s debt was ¥1,000,000, for which the IRCJ paid ¥22,000 from financial institutions. Following debt forgiveness of ¥977,000 in line with the industrial revitalization plan, payment was received in full for the remaining debt of ¥23,000 as of June 2005.

6. Comment from the State Ministers in charge of the Industrial Revitalization Corporation of Japan

None expressed

Note on comments from ministers: The IRCJ is a quasi-governmental organization. As such, the IRCJ is required to obtain comments about decisions to assist private-sector companies from the three government ministers in charge of the IRCJ.

For more information, please contact

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About the IRCJ

The IRCJ was established jointly by the public and private sector on April 16, 2003, with the aim of providing revitalization assistance beneficial to both the industrial and the financial sectors in Japan. It targets assistance at companies that have sound business fundamentals but are unable to thrive because of excessive debt levels or other factors. The IRCJ has approximately 200 employees and is based in Tokyo. For more information please visit www.ircj.co.jp

Overview of recipient company

Daiwa Securities SMBC Principal Investments Co., Ltd.

Location:	1-8-1 Marunouchi, Chiyoda-ku, Tokyo
Representative:	Hideo Watanabe
Established:	October 1, 2001
Paid-in capital:	¥2.0 billion
No. of employees	90
Main businesses	Private equity investments, real estate investments, debt investments, formation and management of various funds (such as regional revitalization funds, corporate revitalization funds), emission rights related investments, and others