

IRCJ announces completion of transfer and payment in full for DIA KENSETSU CO., Ltd. debt

Tokyo, August 10, 2005 – The Industrial Revitalization Committee of the Industrial Revitalization Corporation of Japan (“the IRCJ”) today approved the transfer of debt and receipt of repayment in full for debt the IRCJ had purchased from financial institutions as part of a business revitalization plan for DIA KENSETSU Co., Ltd. (“Dia Kensetsu”). The payment received by the IRCJ means that it no longer holds any debt or other obligations of Dia Kensetsu.

1. Names of companies concerned

DIA KENSETSU Co., Ltd.

2. Process to date

On August 28, 2003 the IRCJ approved an application for assistance by Dia Kensetsu under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On September 30, 2003, under Article 25, Clause 1 of the same act, the IRCJ reached agreement with financial institutions on the purchase of the company’s debts.

Following this, in accordance with the revitalization plan, a capital alliance contract was signed with sponsor Leopalace 21 Corporation (“Leopalace 21”) and on January 14, 2004 Dia Kensetsu carried out a third party allocation of shares and issued bonds with attached warrants to Leopalace 21.

3. Amount of debt

The principal value of Dia Kensetsu’s debt was ¥18,397 million*, for which the IRCJ paid ¥9,476 million to financial institutions. Following debt forgiveness of ¥8,507 million, and in accordance with the business revitalization plan, a total of ¥7,256 million was received through operating revenue and the sale of collateral assets. The IRCJ has now transferred to the target company the debt of subsidiaries of the target company that it had assumed during the course of the revitalization process, and has received payment in full for the remaining ¥2,634 million.

*Note: The change in amount from the time of the decision to support is due to such factors as revenue gained from the sale of collateral.

4. 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

Corporate Planning Department
The Industrial Revitalization Corporation of Japan
Tel: 03-6212-6437

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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