

IRCJ to sell all equity held in The Daiei Inc.

Tokyo, July 28, 2006 – The Industrial Revitalization Corporation of Japan (“the IRCJ”) has resolved to sell the equity it holds in The Daiei Inc (“Daiei”).

1. Name of company concerned

The Daiei, Inc.

2. Background

On December 28, 2004 the IRCJ approved an application for assistance by Daiei under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On February 28, 2005 the IRCJ reached agreement under Article 25, Clause 1 of the same act on the purchase of debt owed by Daiei. In March 2005, a sponsoring group comprising Marubeni Corporation (“Marubeni”) and Advantage Partners, Inc. (“Advantage Partners”; now Advantage Partners, LLP) was selected. In May 2005, a third-party capital increase was carried out with the IRCJ, Marubeni Retail Investment, the wholly-owned Marubeni subsidiary and DRF Limited as recipients. DRF Limited is the operator of an anonymous partnership invested in by a fund established by Advantage Partners, as well as both overseas and domestic institutional investors.

Following this, the IRCJ has supported the revitalization along with the sponsor group and a measurable degree of progress has been made, enabling the IRCJ to make preparations for, and reach agreement on, the sale of its equity to the sponsor company Marubeni. The IRCJ plans to conclude a sales contract with Marubeni and effect sale as soon as possible.

Note: An overview of Marubeni is provided on the separate sheet

3. Capital amounts, etc.

Through a capital investment of ¥10.0 billion and a debt-equity swap of ¥40.0 billion the IRCJ acquired shares corresponding to 33.67% of voting rights in Daiei. The IRCJ will sell all of the equity it holds in Daiei.

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 from the government ministers in charge of the IRCJ about decisions to assist or engage in other initiatives relating to private sector companies.

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

Separate sheet

Overview of Marubeni Corporation

Location	4-2, Otemachi 1-chome, Chiyoda-ku, Tokyo
Representative	President and CEO Nobuo Katsumata
Established	December 1, 1949
Paid-in capital	¥262,686 million
Listed exchanges	Tokyo, Osaka, Nagoya
Number of employees:	27,377 (Consolidated, as of end March 2006)
Main business:	Sales and trading of various goods