

IRCJ to sell equity in Kanaya Hotel Kanko K.K.

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

1. Name of company concerned

Kanaya Hotel Kanko K.K.

2. Process to date

On February 3, 2005 the IRCJ approved an application for assistance by Kanaya Hotel Kanko under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On March 25 of the same year the IRCJ reached agreement on the purchase of Kanaya Hotel Kanko’s debt from financial institutions under Article 25, Clause 1 of the same act.

In May 2005, according to the revitalization plan, a capital decrease and subsequent recapitalization was implemented and the IRCJ acquired ordinary shares corresponding to 40% of voting rights through a capital investment of ¥60 million.

Following this, a certain amount 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 the target company. Furthermore, following this decision, a sale contract has been formed and the sale is scheduled to take place at the end of May 2006.

Note: an overview of the recipient company has been included on a separate sheet.

3. Capital amounts, etc.

Following a capital investment of ¥60 million, the IRCJ holds ordinary shares of Kanaya Kanko Hotel corresponding to 40% of voting rights. The IRCJ will sell all of its ordinary shares in Kanaya Kanko Hotel.

4. Debt amounts, etc.

The principal value of Kanaya Hotel Kanko’s debt was ¥43.5 million, for which the IRCJ paid ¥41.325 million from financial institutions. As of March 2006, the IRCJ has now received payment for the full ¥43.5 million.

5. 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