

IRCJ announces completion of transfer and payment in full for Kimmon Manufacturing Co., Ltd. debt

Tokyo, March 31, 2006 – The Industrial Revitalization Corporation of Japan (“IRCJ”) with the approval of the Industrial Revitalization Committee, today received payment in full from Kimmon Manufacturing Co., Ltd. and related companies (collectively “Kimmon”) for the remaining debt held by the IRCJ in Kimmon. The payment received by the IRCJ means that it no longer holds any debt or other obligations of Kimmon.

1. Names of companies concerned

Kimmon Manufacturing Co., Ltd.

Note: the full list of target companies is shown below

2. Process to date

On January 28, 2004 the IRCJ approved an application for assistance by Kimmon under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On March 30, 2004, under Article 25, Clause 1 of the same act, the IRCJ reached agreement with financial institutions on the purchase of the company's debts, and in September of the same year a third-party capital increase was carried out.

Following this, in conjunction with the progression of the revitalization plan, in December 2005 the IRCJ transferred all of the equity that it held in Kimmon (shares with voting rights totaling 14.95% of voting rights acquired through a ¥3.0 billion capital investment) to Yamatake Co., Ltd.

3. Amount of debt

The principal amount of Kimmon debt was ¥15,878 million, for which the IRCJ paid ¥11,990 million to financial institutions. Following debt forgiveness of ¥3,517 million in line with the revitalization plan, ¥1,281 million of the remaining ¥12,361 million was handled through operating revenue, asset disposals and other such methods. Following today's receipt by the IRCJ of loan repayment of ¥11,080 million, payment has been received in full for all outstanding debt.

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

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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

Names of companies in target company group:

Kimmon K.K.

Kimmon Electric Co., Ltd.

Iwase Denshi Co., Ltd.

Kimmon Quartz K.K.

Shirakawa K.K.

Nango K.K.

Inana K.K.

Kanayama K.K.

Tobukimmon Gas Service K.K.

Mizu Hoseiki Co., Ltd.

Karatsu Hoseiki Co., Ltd.

Kimmon Metal Co., Ltd.

Futaba Hoseiki Co., Ltd.

Kimmon Environmental Systems K.K.

Hokkaido Kimmon Koji Co., Ltd.

Tohoku Kimmon Serubisu K.K.