

## **IRCJ reaches agreement on purchase of Misawa Homes Holdings, Inc. and group companies debt**

**Tokyo, March 25, 2005** – Following its approval on December 28, 2004 of an application for assistance by Misawa Homes Holdings, Inc and related group companies (“Misawa Group”) under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003, the Industrial Revitalization Corporation of Japan (“the IRCJ”) today, under Article 25, Clause 1 of the same act, reached agreement with financial institutions on the purchase of debt owed by Misawa Group.

Note: This agreement on the purchase of debt means that agreement has been reached between the necessary financial institutions and the IRCJ in respect of either a) sale of debt by the financial institutions concerned to the IRCJ at market price or b) financial support by the financial institutions concerned (for example debt forgiveness while continuing to hold the balance of debt, debt equity swaps, etc.). Any decision by the IRCJ to purchase the debt of companies it has approved for assistance is only made at a point when it is evident that the revitalization plan of the business concerned can be progressed as planned.

### **1. Name(s) of company concerned**

Misawa Homes Holdings, Inc. and 30 related group companies (see attached)

### **2. Amount of debt to be purchased**

	(Million yen)	
Principal value of total debt	294,152	(A)
Principal value of debt to be purchased as per note a) above	48,480	(B)
Principal value of debt for which financial support to be provided by financial institutions as per note b) above	245,672	(A-B)

**Note:**

The actual amount of debt purchased may change between this announcement and completion of the purchase.

### **3. Amount of financial assistance**

Debt forgiveness: 120.0 billion yen  
 DES total: 20.0 billion yen  
 Cancellation of preferred shares: 108.0 billion yen of preferred shares

**Notes:**

1. Unchanged from time of decision to support
2. The above figure may change between this announcement and completion of the debt purchase due to factors such as the sale of collateral.

### **4. Schedule**

There will be an extraordinary general meeting of shareholders in April 2005.

### **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 government ministers in charge of the IRCJ.

## **6. Treatment of trade and other creditors**

The agreement on the purchase of debt as outlined above is an agreement between relevant financial institutions and the IRCJ; there will continue to be no effect on the claims of trade and other creditors.

### **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](http://www.ircj.co.jp)

**List of 31 companies included in application for support**

Misawa Homes Holdings, Inc.  
Misawa Homes Co., Ltd.  
Misawa Homes Hokkaido Co., Ltd.  
Misawa Homes Kitanihon Co., Ltd.  
Tohoku Misawa Homes Co, Ltd.  
Misawa Homes Fukushima Co., Ltd.  
Misawa Homes Shin-Etsu Co., Ltd.  
Misawa Homes Higashi-kanto Co., Ltd.  
Misawa Homes Nishi-Kanto Co., Ltd.  
Homing Saitama Co., Ltd.  
Misawa MG Kensetsu Co., Ltd.  
Misawa Homes Tokyo Co., Ltd.  
Misawa Homes Shizuoka Co., Ltd.  
Misawa Homes Toukai Co., Ltd.  
Mie Misawa Kensetsu Co., Ltd.  
Misawa Homes Kinki Co., Ltd.  
Awaji Misawa Homes Co., Ltd.  
Misawa Homes Chugoku Co., Ltd.  
Misawa Homes San-in Co., Ltd.  
Misawa Homes Kyushu Co., Ltd.  
K.K. Misawa Techno  
Toyama Jyutaku Kogyo K.K.  
Shikoku Jyutaku Kogyo K.K.  
Mother Earth K.K.  
Techbuild K.K.  
Misawa Real Estate Co, Ltd.  
K.K. Biruzugaden Sapporo  
K.K. Kokusai Koutou Kenkyujyo  
Kyushu Land Kaihatsu Co., Ltd.  
Setouchi Resort K.K.  
Misawa Finance K.K.