

IRCJ receives payment in full for Misawa Homes Holdings, Inc. and group company debt

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

1. Names of companies concerned

Misawa Homes Holdings Inc. and 30 related group companies.

Note: Names of the 30 related group companies are listed separately.

2. Process to date

On December 28, 2004 the IRCJ approved an application for assistance by Misawa Group under Article 22, Clause 3 of the Industrial Revitalization Corporation Act of 2003. On March 25, 2005, under Article 25, Clause 1 of the same act, the IRCJ reached agreement with financial institutions on the purchase of the group's debts. Following this, in line with the business revitalization plan, a third-party capital increase was carried out in June 2005 with the three sponsor companies—Toyota Motor Corporation, NPF-MG Investment Limited Partnership, and Aioi Insurance Co., Ltd.—acting as underwriters, and revitalization was continued with the support of these sponsors.

3. Amount of debt

The principle value of Misawa Group's debt was ¥43,411 million, for which the IRCJ paid ¥14,274 million to financial institutions. Following debt forgiveness of ¥28,452 million in line with the revitalization plan, ¥4,502 million of the remaining balance of ¥14,960 million was handled through business income, disposal of collateral and other such methods. Following today's receipt by the IRCJ of loan repayment of ¥10,458 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 30 related group companies

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.