

IRCJ reaches agreement on purchase of Shikisai Hotel Co., Ltd. debt

Tokyo, July 30, 2004 – Following its approval on June 4, 2004 of an application for assistance by Shikisai Hotel Co., Ltd (“Shikisai”) 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 Shikisai.

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

Shikisai Hotel Co., Ltd

2. Amount of debt to be purchased

| | | |
|---|---------------|-------|
| | (Million yen) | |
| Principal value of total debt | 1,731 | (A) |
| Principal value of debt to be purchased as per note a) above | 1 | (B) |
| Principal value of debt for which financial support to be provided by financial institutions as per note b) above | 1,730 | (A-B) |

Notes:

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

3. Amount of financial assistance

1,135 million yen (unchanged from time of decision to support)

4. Schedule

It is planned that financial support and a capital injection from the IRCJ will be implemented by December 2004, at the same as moving to a new management structure.

5. Comment from the State Minister In Charge Of Industrial Revitalization And Administrative Reforms or other ministers relevant to the company being assisted

None expressed.

Note on comments from ministers: The IRCJ is a quasi-governmental organization. As such it is IRCJ policy to obtain comments about decisions to assist private-sector companies from the government ministries that regulate the industries in which these companies operate.

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

Corporate Planning Department
The Industrial Revitalization Corporation of Japan
Tel: 03-6212-6437

#

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 160 employees and is based in Tokyo. For more information please visit www.ircj.co.jp