

Summary of Consolidated Financial Results

7th August 2003

for the first quarter ended June 30, 2003 (Unaudited)

Nissho Iwai-Nichimen Holdings Corporation

(URL <http://www.nn-holdings.com>)

Listed stock exchange : The first sections of Tokyo and Osaka

Headquarters : Tokyo

Securities Code : 2768

Company Representative : Hidetoshi Nishimura, President & Co-CEO

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1. Consolidated Financial Results for the 1st Quarter of Fiscal Year ending March 2004 (April 1, 2003 ~ June 30, 2003)

(1) Consolidated Operating Results

(Rounded to millions of Japanese Yen)

| | Net Sales | | Operating Income | | Recurring Profit | | Net Income | |
|---------------------|-----------------|---|------------------|---|------------------|---|-----------------|---|
| | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % | Millions of Yen | % |
| 1st Qtr. of FY 2003 | 1,523,136 | - | 10,660 | - | 6,078 | - | 721 | - |
| 1st Qtr. of FY 2002 | - | - | - | - | - | - | - | - |
| (Ref) FY 2002 | - | - | - | - | - | - | - | - |

| | EPS | Adjusted EPS | |
|---------------------|------|--------------|---|
| | Yen | Yen | |
| 1st Qtr. of FY 2003 | 4.25 | - | - |
| 1st Qtr. of FY 2002 | - | - | - |
| (Ref) FY 2002 | - | - | - |

Descriptive analysis of Consolidated Operating Results

Net sales for the 1st Qtr. of FY 2003 were JY 1,523.1 billion, logging a progress of 53.8% vis-a-vis the semi-annual forecast. The Gross profit was JY 58.6 billion and SG&A expenses JY 47.9 billion, resulting in an operating profit of JY 10.7 billion. A Recurring Profit of JY 6.1 billion was appropriated, marking a progress of 33.8% vis-a-vis the semi-annual forecast figure. With an extraordinary loss-net amounting to JY 4.6 billion, a net loss (after taxes) of JY 0.7 billion was registered in the first quarter.

(2) Financial Position (Consolidated)

| | Total Assets | Shareholders' Equity | Shareholders' Equity Ratio | BPS |
|---------------------|-----------------|----------------------|----------------------------|--------|
| | Millions of Yen | Millions of Yen | % | Yen |
| 1st Qtr. of FY 2003 | 3,480,796 | 340,624 | 9.8 | 392.61 |
| 1st Qtr. of FY 2002 | - | - | - | - |
| (Ref) FY 2002 | - | - | - | - |

Descriptive analysis of Financial Position (Consolidated)

Equity finance to the sum of JY 273.2 billion was raised in May 2003 (Preferred shares : JY 266.0 billion, Common shares: JY 7.2 billion), thus increasing the company's capital. In the same month, through the JY 50.0 billion capital-raising commitment facility, Convertible Bonds (Yen denominated CBs) amounting to JY 5.0 billion were issued. Of these, CBs amounting to JY 1.25 billion were converted to common stock, with the current balance standing at JY 3.75 billion (June 2003).

(3) Number of consolidated subsidiaries and companies accounted for by the equity method

| | |
|--|-----|
| Consolidated subsidiaries | 420 |
| Unconsolidated subsidiaries (accounted for by the equity method) | 27 |
| Unconsolidated affiliates (accounted for by the equity method) | 223 |

(Note) The 1st Quarter Financial results have not been audited.

2. Consolidated Earnings Forecast for Fiscal Year ending March 2004 (April 1, 2003 ~ March 31, 2004)

The consolidated forecast for Fiscal Year 2003 is as follows, and remains unchanged from the forecast announced earlier (May 15, 2003)

| | Net Sales (Forecast) | Recurring Profit (Forecast) | Net Income (Forecast) | EPS |
|-----------|----------------------|-----------------------------|-----------------------|--------|
| | Millions of Yen | Millions of Yen | Millions of Yen | Yen |
| Half-year | 2,830,000 | 18,000 | 19,000 | 99.96 |
| Annual | 5,770,000 | 48,000 | 29,000 | 152.57 |

This forecast is based on rational assumptions and beliefs in light of the information currently available to the management, and is subject to uncertainties that could cause actual results to differ materially from this information.

Consolidated Statements of Income
for the first quarter ended June 30, 2003

| | Millions of yen | Percentage of Net sales (%) |
|---|-----------------|-----------------------------------|
| Net sales | 1,523,136 | 100.00 |
| Cost of sales | (1,464,505) | (96.15) |
| Gross trading profit | 58,631 | 3.85 |
| Selling, general and administrative expenses | (47,970) | (3.15) |
| Operating profit | 10,660 | 0.70 |
| Interest income | 6,772 | 0.44 |
| Dividend income | 1,224 | 0.08 |
| Equity in gains of unconsolidated subsidiaries and affiliates-net | 617 | 0.04 |
| Other income | 4,057 | 0.27 |
| Non-operating profit | 12,671 | 0.83 |
| Interest expense | (14,497) | (0.95) |
| Interest expense on commercial papers | (275) | (0.02) |
| Other expense | (2,481) | (0.16) |
| Non-operating expense | (17,254) | (1.13) |
| Recurring profit | 6,078 | 0.40 |
| Extraordinary loss-net | (4,580) | (0.30) |
| Income before income taxes | 1,497 | 0.10 |
| Income taxes; Current | (2,651) | (0.17) |
| Deferred | 676 | 0.04 |
| Minority interests in consolidated subsidiaries | (244) | (0.02) |
| Net loss | (721) | (0.05) |

Consolidated Balance Sheets

As of June 30, 2003

Assets

| | Millions of yen |
|--|------------------|
| Current assets; | |
| Cash and deposits | 513,273 |
| Trade notes and trade accounts receivables | 809,184 |
| Securities | 11,442 |
| Inventories | 301,101 |
| Short-term loans receivables | 211,671 |
| Deferred tax assets-current | 14,214 |
| Other current assets | 201,642 |
| Allowance for doubtful receivables | (43,809) |
| Total current assets | 2,018,720 |
| Fixed assets; | |
| Tangible assets | 522,457 |
| Intangible assets; | |
| Goodwill | 47,872 |
| Other intangible assets | 31,350 |
| Investments and other fixed assets; | |
| Investments securities | 446,594 |
| Long-term loans | 247,568 |
| Deferred tax assets-non-current | 84,126 |
| Deferred tax assets-revaluation | 2,000 |
| Others | 198,657 |
| Allowance for doubtful receivables | (120,149) |
| Total fixed assets | 1,460,479 |
| Deferred assets | 1,596 |
| Total assets | 3,480,796 |

Consolidated Balance Sheets

As of June 30, 2003

Liabilities and shareholders' equity

Millions of yen

| Liabilities | |
|---|------------------|
| Current liabilities | |
| Trade notes and trade accounts payables | 559,568 |
| Short-term debts | 1,556,156 |
| Commercial paper | 46,470 |
| Current Portion of Long-term debt | 59,105 |
| Income taxes payable | 3,812 |
| Deferred tax liabilities-current | 417 |
| Allowance for restructuring loss | 5,033 |
| Other current liabilities | 208,382 |
| Total current liabilities | 2,438,946 |
| Non-current liabilities; | |
| Bonds, less current portion | 63,875 |
| Long-term borrowings | 561,088 |
| Allowance for retirement benefits | 19,714 |
| Deferred tax liabilities -non-current | 11,002 |
| Other non-current liabilities | 32,362 |
| Total non-current liabilities | 688,043 |
| Total liabilities | 3,126,989 |
| Minority Interest in consolidated subsidiaries | 13,182 |
| Shareholders' equity | |
| Common stock | 147,231 |
| Additional paid-in capital | 343,215 |
| Accumulated deficit | (49,041) |
| Loss on land revaluation | (6,086) |
| Unrealized losses on available-for-sale securities | (17,743) |
| Foreign currency translation adjustments | (75,726) |
| Treasury stock | (1,222) |
| Total shareholders' equity | 340,624 |
| Total liabilities and shareholders' equity | 3,480,796 |

Segment Information
for the first quarter ended June 30, 2003

Business Segments

Millions of yen

| | Machinery | Energy & Mineral Resources | Chemicals & Plastics | Housing & Consumer Products | Overseas Subsidiaries | Other | Total | Elimination | Consolidated |
|-------------------------|-----------|----------------------------|----------------------|-----------------------------|-----------------------|---------|-----------|-------------|--------------|
| Net sales | | | | | | | | | |
| Outside customers | 315,970 | 454,836 | 155,862 | 313,685 | 207,548 | 75,232 | 1,523,136 | - | 1,523,136 |
| Inter-segment | 8,061 | 15,792 | 1,900 | 5,585 | 63,357 | 12,586 | 107,283 | (107,283) | - |
| Total | 324,031 | 470,629 | 157,763 | 319,271 | 270,905 | 87,818 | 1,630,420 | (107,283) | 1,523,136 |
| Operating expense | 321,774 | 468,001 | 154,045 | 315,518 | 271,408 | 85,827 | 1,616,576 | (104,100) | 1,512,475 |
| Operating profit (loss) | 2,257 | 2,627 | 3,718 | 3,752 | (502) | 1,990 | 13,843 | (3,183) | 10,660 |
| Total assets | 479,968 | 342,962 | 455,777 | 828,461 | 885,735 | 459,278 | 3,452,184 | 28,611 | 3,480,796 |



IR Information Memo

Summary of Consolidated Financial Results

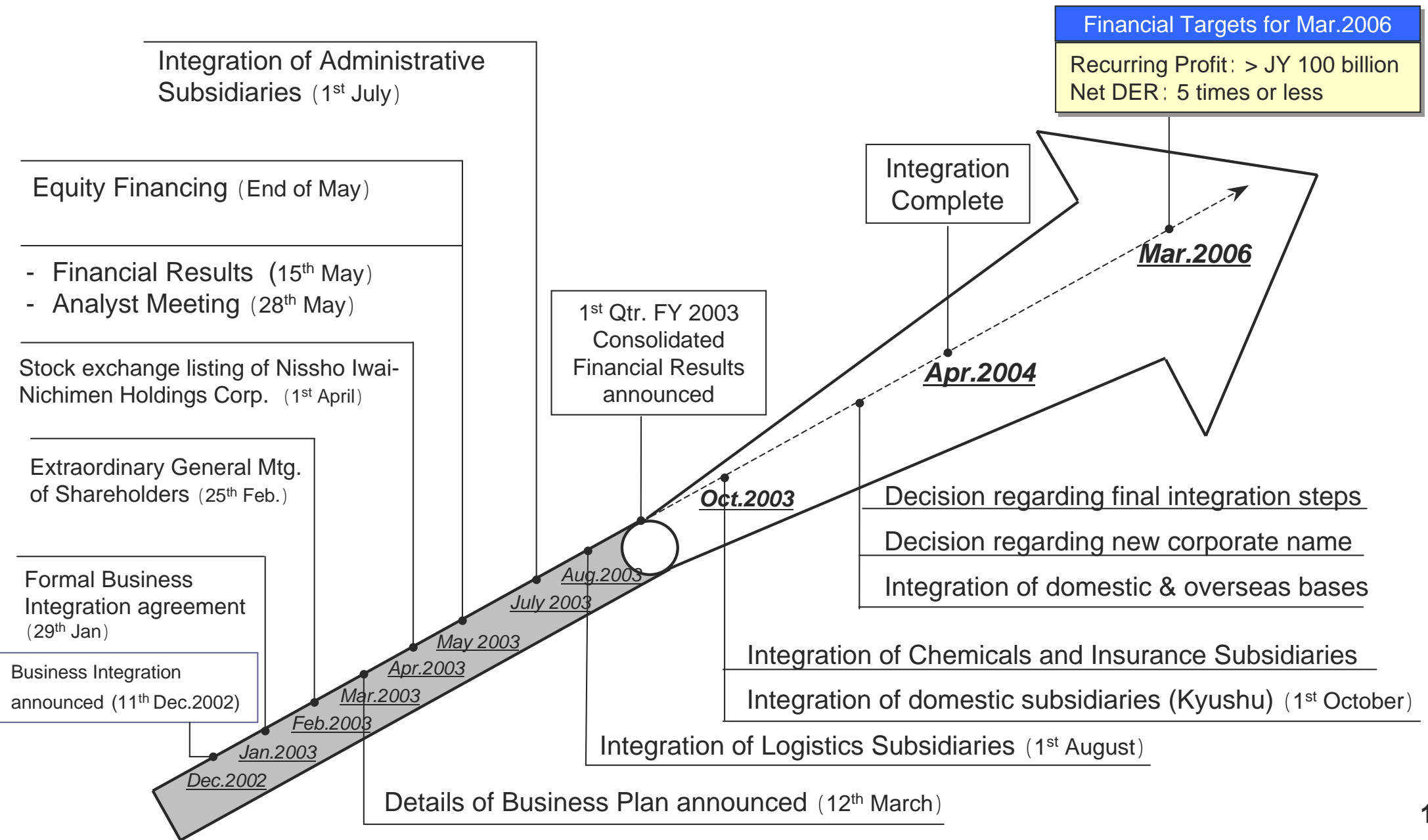
(For the First Quarter ended 30th June, 2003)

~ Speed & Action ~

Nissho Iwai - Nichimen Holdings Corporation

7th August 2003

Implementation and Future Action Plan



Policy for Current Fiscal Term

(Excerpt from Group Management Policy [15th May])

In the fiscal year ending March 31, 2004, the first year of the Business Plan, the Company will embark on necessary restructuring measures for the integration of duplicate functions and of domestic and overseas bases, the reorganization and streamlining of administrative functions, and business rationalization, including the merger of subsidiaries. The Company also will strive to make significant progress in reducing selling, general and administrative expenses through streamlining.

To take full advantage of restructuring effects from the second year of the business plan, the Company intends to achieve as early as possible all objectives of the Business Plan.

Consolidated Financial Results (1st Qtr.)

(In the First Quarter of the current Fiscal Year...)

Equity finance exceeding the initial target enumerated in the Business Plan has been raised, thus reinforcing the company's financial structure and leading to improvement in creditworthiness.

Rationalization measures (Integration of subsidiaries, reduction of redundant human resources, etc.) have also been implemented with a pace exceeding the initial plan.

Though effects of the above measures have yet to surface in the Income statement, they are expected to start appearing from the 2nd Quarter onwards.

Consolidated Financial Results (1st Qtr.)

< Operating Performance >

Progress vis-à-vis the Half-year forecast

Gross Profit : 43% Operating Profit : 40% Recurring Profit : 34%

Progress vis-à-vis the Annual forecast

Gross Profit : 20% Operating Profit : 15% Recurring Profit : 13%

Taking into consideration the fact that due to industry characteristics as well as seasonal factors, both Nissho Iwai as well as Nichimen have a tendency to appropriate profits in the second-half of any given fiscal year, as also the expected on-schedule implementation of the plan for new investments to be carried out in the second-half of the current fiscal year, the progress of the Business Plan is deemed to be satisfactory.

Operating Performance (Results & Forecast)

| (In billions of Yen) | 1 st Qtr. FY 2003 Results | 1 st -Half FY 2003 Forecast | (Progress vis-à- vis First half forecast) | FY 2003 Forecast |
|----------------------------------|---|---|---|---------------------|
| Net sales | 1,523.1 | 2,830 | 54 % | 5,770 |
| Gross trading profit | 58.6 | 136 | 43 % | 287 |
| SG&A expenses | 47.9 | 109 | 44 % | 215 |
| Operating profit | 10.7 | 27 | 40 % | 72 |
| Non-optg. profit/loss | 4.6 | 9 | - | 24 |
| Recurring profit | 6.1 | 18 | 34 % | 48 |
| Extraordinary profit/loss | 4.6 | 30 | - | 60 |
| Income/loss before taxes | 1.5 | 12 | - | 12 |
| Net income/loss | 0.7 | 19 | - | 29 |

Gross Trading Profit (by Operating Segments)

(In billions of Yen)

| | 1 st Qtr. (Results) | FY 2003 (Forecast) | Progress | Remarks |
|-----------------------------------|-----------------------------------|-----------------------|-------------|--|
| Machinery | 9.8 | 49.5 | 20 % | Satisfactory on the whole. (Appropriation of profits tends to concentrate at the end of the fiscal term) |
| Energy/Mineral resources | 7.3 | 27.0 | 27 % | Healthy progress, owing to increased profits related to Naptha transactions. |
| Chemicals/Plastics | 10.7 | 42.5 | 25 % | Chemicals business for both domestic as well as overseas subsidiaries quite healthy. Plastics business is not faring so well |
| Textiles | 4.5 | 20.5 | 22 % | In line with the initial business plan. |
| Foodstuffs | 3.2 | 17.0 | 19 % | On the whole, a subdued start. |
| Construction | 3.0 | 19.0 | 16 % | In accordance with the initial business plan. Appropriation of profits (NIC) would concentrate in the second-half of the current fiscal year, resulting in slow progress |
| Forest products | 2.2 | 12.0 | 18 % | Slow start owing to the prevailing adverse market conditions. |
| General merchandise/Retail | 3.3 | 17.0 | 19 % | Though partly affected by the adverse economic environment, this segment is healthy on the whole. |
| Overseas subsidiaries | 6.8 | 34.5 | 20 % | Business is slack in the US IT sector and some of the overseas subsidiaries. |
| Others | 7.8 | 48.0 | 16 % | Income pertaining to new investments will be appropriated on a consolidated basis in the second-half of the current fiscal year. |
| Total | 58.6 | 287.0 | 20 % | |

Progress of the Rationalization Plan

- ◆ Number of Employees (Consolidated) (Reduce around 6,200 employees by Mar. 2006 vs. Sept. 2002)

Sept. 2002

21,800

June 2003

(vs. Sept. 2002)

4,000

Mar. 2004

(vs. Sept. 2002)

5,200

- ◆ Number of Subsidiaries (Consolidated) (Reduce around 160 subsidiaries by Mar. 2006 vs. Sept. 2002)

Sept. 2002

430

June 2003

(vs. Sept. 2002)

67

Mar. 2004

(vs. Sept. 2002)

140 ~ 150

The above figures indicate progress made over the initial rationalization plan (except for the Steel sector)

< Concrete Measures >

[Implemented] Integration of Administrative Subsidiaries

(July 2003: Establishment of Nissho Iwai-Nichimen Shared Service Corporation)

[Implemented] Integration of Logistics Subsidiaries

(Aug.2003: Nissho Iwai-Nichimen Logistics Corp. starts business operations)

[Decided] Integration of Insurance Subsidiaries

(Oct.2003: Establishment of Nissho Iwai-Nichimen Insurance Agency Corp.)

[Decided] Reorganization of Chemicals business (Oct.2003: Merger of the 4 GCH subsidiaries into NN Chemical)

[In progress] Reorganization of Plastics business (Jan.2004: Reorganization focused on PLA-NET HD)

Progress of the Rationalization Plan

| | | | |
|----------------------------|---|-------------------------------|--|
| ◆ Domestic Branches | (Reduce 4 branches by Mar. 2006 vs. Sept. 2002) | | |
| Sept. 2002 | June 2003 (vs. Sept. 2002) | Mar. 2004 (vs. Sept. 2002) | |
| 8 | 1 | 2 | |
| ◆ Overseas Operating Bases | (Reduce 120 bases by Mar. 2006 vs. Sept. 2002) | | |
| Sept. 2002 | June 2003 (vs. Sept. 2002) | Mar. 2004 (vs. Sept. 2002) | |
| 187 | 35 | 90 ~ 100 | |

< Concrete Measures >

Domestic branches: Integration of Kyushu region subsidiaries (Declared on 1st August 2003)
 Accelerating the initial plan by six months, Nissho Iwai-Nichimen Kyushu Corporation will be established w.e.f. October 2003.

Overseas offices: Integration of overseas subsidiaries, branches and liaison offices
 Merger schedule will be implemented through to March 2004.

Balance Sheets (Results & Forecast)

| (In billions of Yen) | Mar. 2003 (For ref.)* | June 2003 (Results) | Mar. 2004 (Forecast) |
|---|---------------------------------|--------------------------------------|---------------------------------------|
| Cash and deposits | 340 | 513 | 374 |
| Operating assets | 1,320 | 1,271 | 1,200 |
| Investments & loans | 910 | 925 | 890 |
| Fixed assets | 760 | 772 | 740 |
| Total assets | <u>3,330</u> | <u>3,481</u> | <u>3,204</u> |
| Operating liabilities | 850 | 854 | 655 |
| Interest-bearing debt | 2,430 | 2,286 | 2,255 |
| Total liabilities | <u>3,280</u> | <u>3,140</u> | <u>2,910</u> |
| Shareholders' equity | 50 | 341 | 294 |
| Total liabilities & shareholders' equity | <u>3,330</u> | <u>3,481</u> | <u>3,204</u> |
| Net Interest-bearing debt | 2,090 | 1,773 | 1,881 |
| Net DER (times) | 41.4x | 5.2x | 6.4x |

* The Holding Company's reference figures are pro forma of FY2002 results of Nichimen and Nissho Iwai, and certain subsidiaries to be newly consolidated.

Forward-Looking Statements

All forward-looking information in this document is subject to uncertainties that could cause actual results to differ materially from this information, which is based on assumption and beliefs in light of the information currently available to the management.