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ニチメン・日商岩井ホールディングス株式会社
Nissho Iwai-Nichimen Holdings Corporation



On April 1, 2003, Nichimen Corporation and Nissho Iwai Corporation completed an integration of their management, establishing the holding company Nissho Iwai - Nichimen Holdings Corporation. With the launch of the new Nissho Iwai - Nichimen Group, we have formulated the following four points as our management vision. To realize the ideal form of a *sogo shosha* (general trading company), management and employees are combining their efforts to create a company with unrivaled vitality.

- Establish a multi-faceted business, which has both top-tier competitiveness and strong earning power in specific industries and markets, by continuously pursuing profitability and growth in core business areas.
- Establish an innovative trading company, to actively respond to environmental changes and market globalization, and continuously develop new business fields through entrepreneurship.
- Establish a functional trading company, to understand multiple customer needs and provide sophisticated, tailor-made services as a customer's business partner.
- Establish an open company, where each employee is given a chance to realize his or her own personal goals and ambitions.

As structural change continues in the global economy, *sogo shosha* have reached a crossroads, where some will flexibly adapt to these structural changes and turn them into business opportunities, and where others will lose their vision of the future, blinded by the glory of their past achievements. We believe that we have discovered our true path, and will stay the course with innovative thinking backed by our credibility, marketing networks and familiarity with various markets.

Nissho Iwai - Nichimen Holdings is taking its first major step forward in its aim of becoming a leading *sogo shosha* along with the operating companies Nichimen Corporation and Nissho Iwai Corporation.

We ask for the support and understanding of our stakeholders as we embark on this endeavor.


TORU HAMBAYASHI
Chairman and Co-CEO


HIDETOSHI NISHIMURA
President and Co-CEO

Objectives of Business Integration

Nichimen Corporation and Nissho Iwai Corporation have established a joint-holding company, Nissho Iwai - Nichimen Holdings Corporation, to integrate the businesses of each company on the basis of an equal partnership. The objectives of the integration are to enhance profitability through synergies, strengthen business franchises by pursuing management rationalization and efficiency, and improve financial strength through equity financing.

Philosophy of Business Integration

The integration between Nichimen and Nissho Iwai is based on the fundamental philosophy of creating a more dynamic group borne of a spirit of mutual cooperation and the comprehensive review of existing company structures and systems.

PROGRESS OF BUSINESS INTEGRATION

Speed & Action

December 11, 2002	Basic agreement signed with regard to business integration
January 29, 2003	Definitive agreement signed with regard to business integration by stock transfer. Announcement of outline of business plan
January 31, 2003	Application for listing of Nissho Iwai - Nichimen Holdings Corporation on the TSE and OSE
February 25, 2003	Extraordinary general shareholders' meetings of both Nichimen and Nissho Iwai
February 28, 2003	Listing of Nissho Iwai - Nichimen Holdings Corporation approved by the TSE and OSE
March 12, 2003	Announcement of business plan of Nissho Iwai - Nichimen Holdings Corporation
March 26, 2003	Both companies' stocks de-listed from stock exchanges (TSE, OSE, NSE)
April 1, 2003	Listing, stock transfer and registration of Nissho Iwai - Nichimen Holdings Corporation
April 25, 2003	Implemented a ¥320 billion capital reinforcement plan. Resolution of an issue of approximately ¥278 billion in total equity as an initial step (common stock, preferred stock and CBs)
May 15, 2003	Announcement of financial results for the fiscal year ended March 31, 2003
July 1, 2003	Integration of administrative subsidiaries into Nissho Iwai - Nichimen Shared Service Corporation
August 1, 2003	Integration of logistics subsidiaries into Nissho Iwai - Nichimen Logistics Corporation
August 7, 2003	Announcement of financial results for the first quarter ended June 30, 2003

BUSINESS PLAN (MEDIUM-TERM STRATEGY)

FUNDAMENTAL POLICIES

The following are the fundamental policies of the Three-Year Business Plan that began on April 1, 2003:

a. Improvement in Profitability through Business

Portfolio Strategies

With selection and focus as the basic policies for managing its business portfolios, the Company aims to improve profitability by analyzing each business based on its profitability and strategic importance alongside the reallocation of management resources.

In addition, the Company will strongly promote substantial reductions in selling, general and administrative expenses by pursuing its restructuring plan, while aiming to create new businesses to maximize synergies.

b. Reinforcement of Financial Strength by Increasing Shareholders' Equity and Reducing Interest-Bearing Debt

The Company aims to increase shareholders' equity by accumulating periodic income each term and through equity financing of more than ¥200 billion. The Company aims

to build a sounder financial structure by paring down interest-bearing debt with free cash flow.

FINANCIAL TARGETS

Financial targets for the final year (the fiscal year ending March 31, 2006) of the Business Plan are as follows:

- Recurring profit: More than ¥100 billion
- Net DER (net interest-bearing debt / shareholders' equity): 5 times or less

KEY POINTS

- Term: April 1, 2003 to March 31, 2006 (Three-Year Business Plan)
- Bold and efficient restructuring:

In the first year, the Company will implement all necessary restructuring, and as a result expects losses due to the restructuring costs.

From the second year, the Company expects a significant rise in profitability through restructuring and synergistic effects.

BOOSTING SHAREHOLDERS' EQUITY BASED ON THE BUSINESS PLAN

IMPLEMENTATION OF EQUITY FINANCING

At the meeting of the Board of Directors held on April 25, 2003, the Company resolved to issue preferred and common stock by allocation to third parties, and convertible bonds denominated in Japanese yen. As a result, proceeds received as of May 31, 2003 totaled ¥278 billion. In the Business Plan, the Company previously stated that it would implement equity financing in the amount of over ¥200 billion soon after its establishment. However, the Company has successfully raised capital by issuing preferred and common stock in the amount of approximately ¥273 billion, which exceeds the initial plan. This increase is a result of the full understanding of the purposes of the business integration between Nichimen and Nissho Iwai, and trust in our business plan by financial institutions and business partners.

Also, through the ¥50 billion capital-raising commitment facility established with Lehman Brothers Commercial Corporation Asia Limited (hereinafter Lehman Brothers), the Company issued ¥5 billion in convertible bonds.

ADDITIONAL MEASURES TO INCREASE CAPITAL

The Company plans to flexibly implement appropriate measures to increase equity and to raise capital by utilizing a capital-raising commitment facility established with Lehman Brothers (commitment by Lehman Brothers to purchase convertible bonds up to a total of ¥50 billion). The issuance of convertible bonds shall be decided by the Company after due consideration of prevailing share prices. In the first year, the Company plans to raise a total of ¥10 billion through the issue of convertible bonds, including the initial ¥5 billion mentioned above.

Lehman Brothers plans to purchase ¥2 billion of the Company's preferred stock in addition to the ¥3 billion it already owns.

BASIC POLICY ON DIVIDENDS

The Company has positioned the return of profits to shareholders as a top management priority. In addition, the Company aims to increase shareholders' value and provide dividends stably in the medium-term while accumulating sufficient retained earnings to improve its financial structure and strengthen the management foundation of the Group.

Specifically, the Company will efficiently implement substantial restructuring based on the Business Plan. At the same time, during the Three-Year Business Plan, the Company intends to accumulate the retained earnings necessary to reinforce its financial structure to quickly realize a net DER of 5 times or less within three years, one of its financial targets.

CORPORATE GOVERNANCE AND HOLDING COMPANY MANAGEMENT STRUCTURE AND FUNCTION

MANAGEMENT STRUCTURE

The Company plans to invite outside directors to the corporate board and establish a Nomination Committee and a Remuneration Committee, each chaired by an outside director.

The Company introduced an Executive Officer system and established a Group Executive Committee as the chief decision-making organization for business execution. Members of the Group Executive Committee are directors/executive officers of the Company and executive officers in charge of business divisions of Group subsidiaries (Nichimen Corporation and Nissho Iwai Corporation).

FUNCTIONS OF THE HOLDING COMPANY

a. Planning and Promotion of Group Strategy and Supervision of its Execution

The Group's management strategy; business strategy (selection and focus/mergers & acquisitions and divestiture); financial strategy

b. Risk Control for the Entire Group

Integrated risk management for the entire Group; monitoring of business divisions

c. Early Realization of Group Integration Effects

Planning and promotion of restructuring strategies and rationalization measures concerning Group companies and businesses

BOLSTERING IR ACTIVITIES

The Company will step up its IR activities through bidirectional communications with markets and will strengthen corporate governance by using market opinion in its management activities.

COMPLIANCE

Nichimen formulated the 10 Principles of the Nichimen Group Code of Conduct in November 1999. In April 2001, Nichimen added compliance duties to its Business Supervising Committee and reorganized it into the Ethics Compliance Committee. In October 2002, Nichimen established the Ethics Compliance Department, which is charged with distributing to Group directors and employees the Nichimen Group Code of Conduct Handbook, which contains the aforementioned 10 Principles of the Nichimen Group Code of Conduct and describes laws and regulations that must be strictly observed in business execution. The Ethics Compliance Department also holds training seminars periodically to increase awareness of compliance issues throughout the Group.

Nissho Iwai formulated its Directors' Code of Conduct in December 2000. In September 2001, Nissho Iwai added compliance functions to the Crisis Management Committee and organized the Compliance and Crisis Committee (C&C Committee). At the same time, Nissho Iwai introduced and enacted the Code of Ethics and Business Conduct, and established the C&C Committee's Committee-Website on the Company's intranet to strengthen compliance through the entire Group. Further, Nissho Iwai installed hotlines to the CCO (a direct phone to the director in charge of compliance) and to lawyers for all employees to directly report. In this way, Nissho Iwai is making efforts to quickly discover and prevent any illegal behavior, misconduct and suspicious activity.

Building on and integrating the efforts and initiatives of Group companies, the Nissho Iwai - Nichimen Group makes all its employees thoroughly aware of the importance of compliance as a key to becoming an excellent group.

CORPORATE OFFICERS

As of October 1, 2003

DIRECTORS



Katsuhiko Kobayashi
*Director and Senior
Managing Executive
Officer*

Hiroshi Takeda
*Director and Senior
Managing Executive
Officer*

Hidetoshi Nishimura
President and Co-CEO

Toru Hambayashi
Chairman and Co-CEO

Masaki Hashikawa
Executive Vice President

Kenichi Minami
*Director and Senior
Managing Executive
Officer*

EXECUTIVE OFFICERS



Katsuyuki Sumida

Hiroyuki Tanabe

Kunihide Izumi

Akio Dobashi

Shinichi Taniguchi

ORGANIZATION

As of October 1, 2003

DIRECTORS

CHAIRMAN AND CO-CEO

TORU HAMBAYASHI

PRESIDENT AND CO-CEO

HIDETOSHI NISHIMURA

EXECUTIVE VICE PRESIDENT

MASAKI HASHIKAWA

DIRECTORS AND SENIOR MANAGING

EXECUTIVE OFFICERS

HIROSHI TAKEDA

KENICHI MINAMI

KATSUHIKO KOBAYASHI

CORPORATE AUDITORS

SHUNICHI NAKAO

TOMA MASAOKA

TERUO NAKAMURA

MASAJI SHINAGAWA

EXECUTIVE OFFICERS

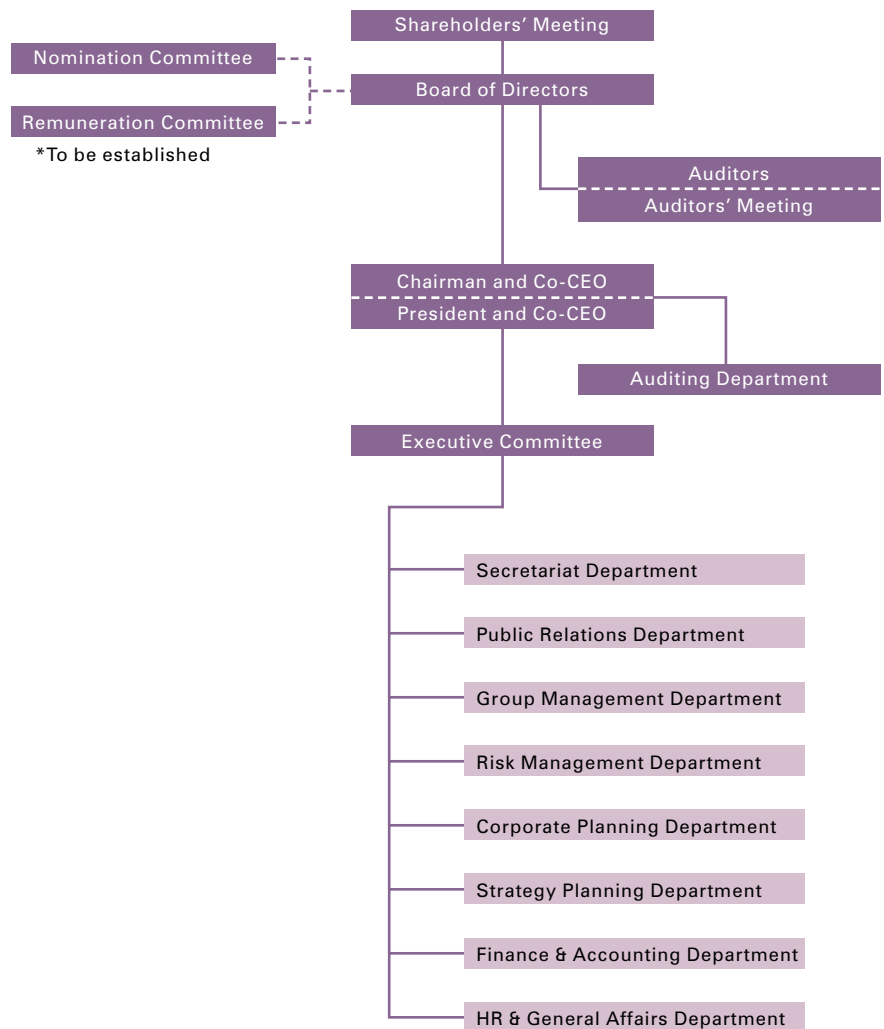
KUNIHIDE IZUMI

AKIO DOBASHI

HIROYUKI TANABE

KATSUYUKI SUMIDA

SHINICHI TANIGUCHI



CORPORATE DATA

As of October 1, 2003

Company Name	Nissho Iwai - Nichimen Holdings Corporation
Established	April 1, 2003
Paid-in Capital	148,306 million yen (As of September 30, 2003)
Head Office	1-23, Shiba 4-chome, Minato-ku, Tokyo, 108-8408, Japan Tel : +81-3-5446-3600 Fax : +81-3-5446-1542
Main Subsidiaries	Nichimen Corporation, Nissho Iwai Corporation, Nissho Iwai - Nichimen Shared Service Corporation
Major Business Lines	Holding of stocks in general trading companies & other businesses, and administration & management of the companies owned by this company
Stock Exchange Listings	Tokyo, Osaka
Transfer Agent of Common Stock	UFJ Trust Bank Ltd. 4-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-0005, Japan

Additional copies of this corporate guide and other information may be obtained from:
NISSHO IWAI - NICHIMEN HOLDINGS CORPORATION
Public Relations Department
1-23, Shiba 4-chome, Minato-ku, Tokyo, 108-8408, Japan
Tel: +81-3-5446-1061
Fax: +81-3-5442-7440
<http://www.nn-holdings.com>