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To whom it may concern

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### **Notice regarding status of 0.65% Convertible Bonds due 2003 of Nissho Iwai Corporation**

As reported earlier, Nissho Iwai Corporation (“NIC”) and Nichimen Corporation have agreed to establish **Nissho Iwai-Nichimen Holdings Corporation**, a joint holding company, with effect from 1<sup>st</sup> April 2003, by transferring all of their outstanding shares of common stock (“Shares” or “shares”) to this new entity, respectively, (“Kabushiki-Iten”) under the provisions of the Japanese Commercial Code and to integrate the businesses of the two companies. After obtaining approvals of both companies’ shareholders at the Extraordinary General Meeting of Shareholders scheduled on 25<sup>th</sup> February 2003, the 0.65% Convertible Bonds (CBs) will be de-listed from the Tokyo Stock Exchange (“TSE”), the Osaka Securities Exchange (“OSE”), and the Nagoya Stock Exchange (“NSE”) on 26<sup>th</sup> March 2003 in accordance with the Criteria for De-listing of each stock (or securities) exchange.

The company has been discussing the issue of the future status of the above-mentioned CBs with the relevant parties, giving utmost priority to safeguarding the rights and convenience of the concerned CB holders in accordance with the terms and conditions of the CBs and related regulations. At a meeting of the Board of Directors held today, the following decision has been reached with regard to the CBs’ future status (subject to approval of the business integration at the forthcoming Extraordinary General Meeting of Shareholders):

#### **1. Details of the Convertible Bonds**

0.65% Convertible Bonds due 2003 of NIC

- Date of Issue: 22<sup>nd</sup> August 1996
- Issue size: JY 50 billion
- Coupon: 0.65% annually
- Request period for conversion: 1<sup>st</sup> October 1996 to 29<sup>th</sup> September 2003
- Current Conversion Price: JY 441 per share
- Unredeemed balance: JY 29,437 million (as of 21st Feb.2003)
- Date of Maturity: 30<sup>th</sup> September 2003

## 2. Future status of the CBs

(1) Prior to de-listing from TSE, OSE and NSE (i.e. till the close of trading on one business day before the scheduled de-listing date):

- Maintain the status quo, with normal trading at TSE, OSE and NSE.
- In case of conversion requests, the CBs would be convertible into NIC's Shares in accordance with the terms and conditions of the CBs. If the converted Shares are held by a party till the close of the business hours on 31<sup>st</sup> March 2003, then 100 shares of the newly established **Nissho Iwai-Nichimen Holdings Corporation** will be apportioned against each 1,000 shares of NIC.

(2) After de-listing from TSE, OSE and NSE:

### [1] Liquidity as CBs

- UFJ Tsubasa Securities Co., Ltd. ("UFJ Tsubasa") will notify the Japan Securities Dealers Association ("JSDA") that it plans to post quotations for the CBs as "Issued for Which Quotations Are Published", pursuant to the provisions of Fair Business Practice Regulations No.2 "Regulations Concerning Over-the-Counter Securities Trading and Other Transactions" of JSDA ("Regulations"). We will agree with UFJ Tsubasa on Timely Disclosure of Company Information, pursuant to the provisions of the Regulations. (Quotations and trading of the CBs may be viewed on the Green Sheet's web site of JSDA.)

### [2] Conversion into Shares

- If a party requests conversion in the period between 26<sup>th</sup> March 2003 and 31<sup>st</sup> March 2003, the request will be dealt with in accordance with the terms and conditions of the CBs and de-listed Shares of the company will be issued. If the converted Shares are held by the party till the close of the business hours on 31<sup>st</sup> March 2003, then 100 shares of the newly established **Nissho Iwai-Nichimen Holdings Corporation** will be apportioned against each 1,000 shares of Nissho Iwai Corporation.
- If a party requests conversion in the period between 1<sup>st</sup> April 2003 and 29<sup>th</sup> September 2003, the request will be dealt with in accordance with the terms and conditions of the CBs and de-listed Shares of the company will be issued. After the date of maturity on the CBs, the same would ultimately be exchanged for Shares of the newly established **Nissho Iwai-Nichimen Holdings**

**Corporation** in accordance with the Procedure for Simple Exchange of Shares (“Kani-Kabushiki-Kokan”) under the provisions of the Japanese Commercial Code.