



Reinforcement of Capital Strength Based on the Business Plan

Nissho Iwai-Nichimen Holdings Corporation
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Implementation of Equity Financing

- ◆ **Implemented a large scale equity financing resulting from efforts made by the entire Nissho Iwai-Nichimen Group**
 - Implemented a “320 billion yen” capital reinforcement plan
 - Approximately 7 billion yen of common stock, 268 billion yen of preferred stock and 50 billion yen of CB through a capital-raising commitment facility
 - Today, the Board resolved an issuance of approximately 278 billion yen in total as an initial step
 - Approximately 7 billion yen of common stock, 266 billion yen of preferred stock and 5 billion yen of CB through a capital-raising commitment facility
 - Financial strength (DER) greatly improved and secured flexibility for future capital policy
 - Will focus on improving profitability, the remaining management goal, through early realization of the integration effect and implementation of business strategies

“Financial Targets” → Achieve in 3 years

- ◇ **Recurring Profits: in excess of 100 billion yen**
- ◇ **Net DER: 5 times or less**

Outline of Equity Financing

<u>Type of Securities</u>	<u>Investors</u>	<u>Amount</u>	<u>Significance</u>
Preferred Stock	UFJ Bank Limited	150 bil. Yen	<ul style="list-style-type: none"> ◆ Implemented equity financing through support of our “Business Plan” from a number of financial institutions ◆ Established a “Financial Platform” necessary for pursuing our “Business Portfolio Strategies” ◆ Expect to effectuate “Business Plan” and secure stable growth Will offer on-going returns to investors over the medium to long term ◆ Lehman Brothers plans to purchase preferred stock 5 billion yen in total as well as first time issuance
	Mizuho Corporate Bank, Ltd.	45 bil. Yen	
	The Bank of Tokyo-Mitsubishi, Ltd.	35 bil. Yen	
	Resona Bank, Limited	18 bil. Yen	
	The Mitsubishi Trust and Banking Corporation	10 bil. Yen	
	The Norinchukin Bank	5 bil. Yen	
	Lehman Brothers	3 bil. Yen (5 bil. Yen)	
Sub Total		266 bil. Yen	
Convertible Bond (Commitment Facility)	Lehman Brothers	5 bil. Yen (50 bil. Yen)	<ul style="list-style-type: none"> ◆ Established a 10 year capital-raising commitment facility ◆ Can efficiently enhance our equity capital and raise funds as necessary ◆ Resolved to issue 5 billion yen CB today (Plan to raise 10 billion yen in the first year)
Common Stock	Business Partners Institutional Investors, etc.	Approx. 7 bil. Yen	<ul style="list-style-type: none"> ◆ Build an even stronger relationship with and provide services to our business partners ◆ Institutional investors make new capital investments trusting our potential earnings growth based on our “Business Plan”
Grand Total		Initial: 278 bil. Yen Maximum: (325 bil. Yen)	

Capital Policy after Equity Financing

- ◆ Additional Capital Reinforcement Plan
 - By utilizing a capital-raising commitment facility established with Lehman Brothers, who would purchase up to 50 billion yen in CB, we will enhance our equity capital and raise funds in an efficient way
 - We will determine each CB issuance in a timely manner, taking into consideration dilution factors such as the prevailing stock price (We plan to raise 10 billion yen in total in the first year)
- ◆ Dividend Policy
 - For further “Reinforcement of Financial Strength”, we will prioritize retaining earnings during the course of the “Business Plan” (3years)
 - With the full understanding of preferred stock investors, we plan to pay dividends after the 3 years
 - We plan to proactively return profits through a substantial dividends base after the 3 years