

July 10, 2003

To whom it may concern

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Notice of Transfer of Nichimen's Steel Products Business

Nissho Iwai-Nichimen Holdings Corporation (NNHC) resolved, at the meeting of its Board of Directors held today, to transfer steel products business of Nichimen Corporation (Nichimen), its wholly owned subsidiary, to Sumitomo Corporation (Sumitomo) on August 1, 2003.

1. Purpose of Business Transfer

Nichimen aims at rebuilding its business portfolio and advances concentrating management resources and operations in its strategic business fields by pursuing "selection and concentration".

As already announced, Nichimen and Sumitomo signed a basic agreement regarding the business transfer on December 5, 2002. In line with this basic agreement, Nichimen reached a final agreement with Sumitomo.

2. Contents of Business Transfer

(1) Business to be transferred by Nichimen

Domestic and overseas steel products (*) businesses at Nichimen, its subsidiaries and overseas offices.

(*) steel products: stainless steel, specialty steel, steel sheet for automobile use, other flat rolled steel products,
and coated steel sheet etc.

(2) Business results for FY2002 (ended March 2003) of transferred business

(Millions of Yen)

	Steel products businesses (a)	Nichimen (consolidated) (b)	Ratio (a)/(b)
Net sales	107,095	1,888,126	5.7%
Gross trading profit	6,802	111,422	6.1%

(Note) Figures for "Steel products businesses" are internal management base in Nichimen.

(3) Assets & Liabilities of transferred business (as of March 31, 2003)

(Millions of Yen)

Assets (book value)		Liabilities (book value)	
Current assets	33,722	Current liabilities	16,541
Fixed assets	9,431	Long-term liabilities	190
		Debt etc.	25,422
Total	42,153	Total	42,153

(Note) Figures in the above table are internal management base in Nichimen.

(4) Transfer price and settlement method

Transfer price: ¥12.9 billion

Settlement method: The value is received at each conclusion of the individual transfer agreements.

(5) Method of business transfer

- The businesses at Nichimen and its domestic regional subsidiaries, and Nichimen's shareholding of the subsidiaries to be transferred are sold to the headquarters of Sumitomo.
- The businesses at Nichimen's overseas offices in various regions are sold to the same regional overseas offices and/or subsidiaries of Sumitomo.

3. Outline of the transferee (Sumitomo)

- | | |
|--|---|
| (1) Company name: | Sumitomo Corporation |
| (2) Main business: | General Trading Company |
| (3) Date of incorporation: | December 24, 1919 |
| (4) Location of headquarters: | 8-11, Harumi 1-chome, Chuo-ku, Tokyo |
| (5) Representative: | Motoyuki Oka, President |
| (6) Paid-in capital: | ¥169.4 billion (as of March 31, 2003) |
| (7) Number of employees: | 4,772 people (as of March 31, 2003) |
| (8) Main shareholders and shareholdings:
(as of March 31, 2003) | Japan Trustee Services Bank, Ltd. 5.58%
The Master Trust Bank of Japan Ltd. 5.38%
Sumitomo Life Insurance Co. 4.17%
Mitsui Sumitomo Insurance Co., Ltd. 3.66%
Sumitomo Mitsui Banking Corporation 2.93% |

4. Schedule

- | | |
|---------------|---|
| July 10, 2003 | NNHC's corporate resolution for transfer of Nichimen's steel products business |
| July 14, 2003 | Conclusion of memorandum of understanding and a business transfer agreement between headquarters of Nichimen and Sumitomo (planned) |

July 15 ~ July 31, 2003 Conclusion of the individual transfer agreements except for the above mentioned (planned)
 August 1, 2003 Business transfer (planned)

5. Effect on Earnings forecast

The loss on this business transfer is approximately ¥5.0 billion on consolidated basis and approximately ¥3.6 billion on non-consolidated basis. However, Nichimen already recorded provisions for the anticipated loss incurred by the transfer in the previous fiscal year ended March 31, 2003, approximately ¥4.4 billion on consolidated basis and ¥3.0 billion on non-consolidated basis.

There is no change in the outlook of NNHC's business performance announced on May 15, 2003.

(For reference)

○ Outlook for current fiscal year ending March 31, 2004

(Consolidated)

	Year ending March 31, 2004
Net Sales	¥5,770,000 million
Recurring profit	¥48,000 million
Net income	(¥29,000 million)

(Non-consolidated)

	Year ending March 31, 2004
Net Sales	¥2,500 million
Recurring profit	¥120 million
Net income	¥70 million
Dividends	¥0.00

(end)

The original and official version of this notice is written in Japanese.

In case of any discrepancies between this notice and the original, the Japanese version shall govern.