

October 17, 2003

To whom it may concern

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Issuance of Yen Denominated Convertible Bonds

Nissho Iwai-Nichimen Holdings Corporation (“NNH”) has resolved to issue convertible bonds denominated in Japanese yen, at the meeting of its Board of Directors held on October 17, 2003.

Through the 50 billion yen capital-raising commitment facility established with Lehman Brothers’ group company in April 2003, NNH will issue convertible bonds in the amount of 5 billion yen.

Issuance of Yen Denominated Convertible Bonds

		Yen Denominated Bonds with Stock Acquisition Rights due November 7, 2005
Issue Amount		¥5 billion
Maturity		2 years
Coupon		0%
Conversion Feature		Convertible into NNH common stock
	Initial Conversion Price	¥740
	Conversion Price Reset	Conversion price will be revised on a monthly basis, on the trading day following the first Friday of every calendar month commencing with December 2003, to the lower of: ✓ prevailing conversion price ✓ 5-day average of closing prices (Floor: 75% of prevailing conversion price)
	Floor	Initial conversion price ×30%
130% Soft Call		130% soft call at par after 6 months, 20 business day trigger
Hard Call		102% after 6 months at the option of NNH

This document entitled “Issuance of Yen Denominated Convertible Bonds” is prepared in order to announce facts relating to NNH’s issuance of convertible bonds and does not constitute a solicitation of investments or any similar act, in or outside Japan

(For your reference)

1. Use of Proceeds:

The proceeds from the issue of the Yen Denominated Bonds with Stock Acquisition Rights will form loans to Nichimen Corporation and Nissho Iwai Corporation, which are wholly-owned subsidiaries of NNH.

2. Information on the Purchaser:

Purchaser:	Lehman Brothers Commercial Corporation Asia Limited
Address:	Level 38, One Pacific Place, 88 Queensway, Hong Kong
Capital:	Capital USD2, Additional Paid-in-capital USD39,650,000
Business Description:	Diversified financial services
Relationship with NNH:	Together with its affiliate company, the Purchaser holds a total of 1,500,000 shares of 1 st series Class III Preferred Stock issued by NNH