April 27, 2004

To whom it may concern

Nissho Iwai - Nichimen Holdings Corporation
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Notice of Earnings Revision of Subsidiary Nissho Electronics Corporation

Nissho Electronics Corporation (9865), a consolidated subsidiary of Nissho Iwai - Nichimen Holdings Corporation, has revised its earnings forecast for the fiscal year ended March 31, 2004.

Nissho Electronics became one of the consolidated subsidiaries of Nissho Iwai - Nichimen Holdings on April 16, 2004, so there will be no effect on Nissho Iwai - Nichimen Holdings' earnings forecasts for the fiscal year ended March 31, 2004.

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To whom it may concern

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Parent Company:
Nissho Iwai - Nichimen Holdings Corporation
President & Co-CEO: Hidetoshi Nishimura
Securities Code: 9865 TSE 1st Section

Notice of Earnings Revision

In accordance with recent trends in business performance and other factors, earnings forecasts for the fiscal year from April 1, 2003 through March 31, 2004, originally announced at the interim closing on November 12, 2003, have been revised as follows.

1. Non-consolidated revision of forecasts for the fiscal year ended March 31, 2004

(Millions of yen; %)

	Net Sales	Recurring Profit (Loss)	Net Income (Loss)
Previous estimate (A)	60,700	1,850	750
Current estimate (B)	52,300	1,000	300
Difference (B-A)	(8,400)	(850)	(450)
Percentage change (%)	(13.8)	(45.9)	(60.0)
(Reference) Previous result (FY to 3/03)	59,967	1,901	10

2. Consolidated revision of forecasts for the fiscal year ended March 31, 2004

(Millions of yen; %)

	Net Sales	Recurring Profit (Loss)	Net Income (Loss)
Previous estimate (A)	92,400	(100)	(330)
Current estimate (B)	82,600	(1,400)	(4,400)
Difference (B-A)	(9,800)	(1,300)	(4,070)
Percentage change (%)	(10.6)	(1,300.0)	(1,233.3)
(Reference) Previous result (FY to 3/03)	85,552	(5,026)	(2,305)

3. Reasons for the revision

Non-consolidated

During the latter half of the fiscal year, Nissho Electronics undertook a sales strategy to limit its business with low earning potential as part of a shift to a high-added-value business. Accordingly, although sales of ultra-high-speed Internet backbone routers to telecommunications carriers and ISP providers remained strong throughout, several other factors combined to have a negative impact on full year sales. Sales in the other communications network equipment business were down overall. Major electronics manufacturers temporarily suspended delivery of hard disk drives, which were previously selling well, to accommodate their adjustments in production; sales of electronic components such as micro-displays and semiconductor chips slowed due to delays in new product development among foreign manufacturers; and intensified competition for system sales, the foundation for PC servers and workstations, led to a marked fall in sales prices.

As a result, the full year forecast for net sales has been revised downward approximately ¥8,400 million to ¥52,300 million. In terms of earnings, as a result of the decline in net sales, recurring profit is estimated at ¥1,000 million, and net income of ¥300 million.

Consolidated

Sales estimates for IT Solution/Service Operations were revised for reasons outlined in the non-consolidated section above. In IP Communication Service Operations, competition to provide IP telephone service intensified markedly with the flood of telecommunication carriers and ISP providers into the market, causing sales of IP relay phone services to lag and pushing down estimates for full year sales approximately ¥1,500 million. As a result, consolidated sales for the full fiscal year have been revised downward to ¥82,600 million.

In terms of profitability, due to the fall in sales a recurring loss of ¥1,400 million is estimated for the fiscal year. The net loss is estimated to be ¥4,400 million, due mainly to a reversal of the total amount of deferred tax assets during the fiscal year under review by the Company's consolidated subsidiary Fusion Communications Corporation.

Fusion Communication's reversal of the total amount of deferred tax assets was previously announced in a press release on March 25, 2004. Fusion Communications assumed the telephone business of Poweredcom, Inc. as of July 1, 2004, the date of the subsidiaries' separation. In order to increase competitiveness and establish an earnings base in the telecommunications industry, as well as expand the scale of business operations, significant resources will be shifted to IP telephone service during the first year following the integration, with accompanying investments and strategic expenditures such as capital investment and sales promotion activities anticipated under a deficit business plan for the next fiscal year. Accordingly, it was decided to enact the reversal during the fiscal year under review.