



June 8, 2004

To whom it may concern

Nissho Iwai - Nichimen Holdings Corporation

**Comments on Standard and Poor's Rating Action on
NNH Consolidated Subsidiary**

On June 8, 2004, Standard and Poor's Ratings Services (S&P) lowered its long-term corporate credit rating on Sojitz Corporation to 'B-' from 'B', and its rating on the company's senior unsecured debt to 'B+' from 'BB-'. Sojitz Corporation is a consolidated subsidiary of Nissho Iwai - Nichimen Holdings Corporation (NNH). At the same time, S&P placed all its ratings on Sojitz Corporation on CreditWatch with negative implications.

According to S&P, the downgrade and CreditWatch listing reflect the possibility that the Business Plan (S&P refers to it as a restructuring plan) for the Sojitz Group may be reviewed. S&P stated "a thorough corporate restructuring of Sojitz could involve some form of debt forgiveness by the company's creditors, heightening concerns over timely payment of all debt obligations." At this time, however, neither NNH nor Sojitz has been contacted regarding a review of its Business Plan, and continues to conduct regular transactions as before with its primary financial institutions including UFJ Bank. For this reason, we believe that conditions have not changed to warrant heightened concerns over debt obligations as pointed out by S&P. We regret that our repeated explanations of this matter were not fully understood by S&P.

The NNH Group remains in position to make steady progress on its Business Plan with the cooperation of its customers, shareholders and financial institutions.