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FOR IMMEDIATE RELEASE

Mitsubishi Corporation
Nissho Iwai Corporation

Mitsubishi Corporation and Nissho Iwai Corporation Considering Full-Scale Consolidation of Metals Operations

Mitsubishi Corporation (Hdqrs.: Chiyoda-ku, Tokyo; President: Mikio Sasaki) and *Nissho Iwai Corporation* (Hdqrs.: Minato-ku, Tokyo; President: Shiro Yasutake) have agreed to explore the possibility of an across-the-board consolidation of their metals operations. Based on a preliminary study conducted jointly, both trading companies agree that as far as the steel products sector is concerned, a consolidation of their operations would allow them to devise a viable growth strategy by offering highly specialized distribution functions to both users and manufacturers. The two companies have thus agreed to study the possibility of a consolidation, commencing with steel products operations.

As regards the consolidation scheme, a thorough assessment will be made of the various options, including the new corporate spin-off scheme that will come into effect legally from April 2001. A decision on the most appropriate scheme will be made within the next few months. Both companies will begin implementation of the plan in some form by October 2001.

Mitsubishi Corp. and Nissho Iwai Corp. have gained extensive know-how and developed business models and networks in Japan and overseas. The consolidated operations will capitalize on the strengths of both parties as *general trading companies* to deliver value-adding services and maximize corporate value on a consolidated basis. To this end, both companies have agreed to maintain a framework in their respective headquarters to enhance the functions of the new company such as new business development. This will also facilitate consolidated management.

Details regarding the exact scale and scope of the new company's business operations will depend on further due diligence. However, if the steel products operations of the two companies are consolidated, the new company is expected to have annual trading transactions approximating ¥2.2 trillion, gross profit of ¥100 billion, total assets of ¥1 trillion and a headcount of 1,100 on a consolidated basis.

By strengthening competitiveness through the enhancement of functions and streamlining efforts, the new company will seek to bolster its ability to generate earnings from operating activities.

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