

August 30, 2001

To whom it may concern

Nissho Iwai Corporation

President & CEO: Shiro Yasutake

Securities code: 8063

[First sections of the Tokyo, Osaka, and Nagoya  
Stock Exchanges]

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## Notice regarding transfer of LNG Business

At a meeting of the Board of Directors held on Aug.30, 2001, it was decided to transfer Nissho Iwai Corporation's LNG business to our 100% subsidiary, '*LNG Japan Corporation*' with effect from August 31, 2001. The details of the transfer are as follows.

### Notice

#### 1. Purpose of Transfer:

In order to get the leading company's position in the industry through the alliance with a long-term strategic partner, as well as to improve future profitability and aggressively exploit potential business opportunities, it has been decided to transfer Nissho Iwai Corporation's LNG operations to '*LNG Japan Corporation*', and thereafter to transfer 50% share of the company to Sumitomo Corporation (Securities code:8053).

#### 2. Details of the transfer:

##### (1) Scope of business

LNG (Liquefied Natural Gas) business, as well as related investments

##### (2) Financial performance of Nissho Iwai's LNG operations (as of March 2001)

(Millions of Yen)

	LNG Business	Company (Non-consolidated)	Proportion
Net Sales	468,967	4,515,095	10.4%
Gross Profit	3,383	87,405	3.9%
Recurring Profit	309	16,203	1.9%

(3) Assets and liabilities to be transferred ( as of 30 August, 2001 )

(Millions of Yen)

Assets (Book value)		Liabilities (Book value)	
Current assets	0	Current Liabilities	0
Fixed Assets	13,674	Non-current Liabilities	0
Total	13,674	Total	0

(4) Valuation and settlement method

Transfer price : Yen 53 billion

Method of settlement : Cash payment

**3. Outline of the new company:**

(1) Name : LNG Japan Corporation

(2) Business : LNG (Liquefied Natural Gas) business, as well as related investments

(3) Established : July 1967

(4) Location : Roppongi First Bldg., Roppongi 1-9-9, Minato-ku, Tokyo

(5) President : Kenichi Yonezawa

(6) Paid-in Capital : Yen 8 billion

(7) Employees : About 70 (About 110 on a consolidated basis )

(8) Main shareholders & Ownership : Nissho Iwai Corporation (100%)

**4. Schedule:**

August 30, 2001                      Board approval

August 31, 2001                      Conclusion of Transfer Agreement

August 31, 2001                      Transfer of business

**5. Effect on earnings forecast:**

While a profit of Yen 39.3 billion on a non-consolidated basis (and Yen 19.7 billion on a consolidated basis) will be appropriated in the current fiscal term's financial results, no change in the previous earnings forecast is anticipated.

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