

July 29, 2003

To whom it may concern

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Notice Regarding the Corporate Separation of Nichimen's Plastics Business

On July 29, 2003, Nichimen Corporation ("Nichimen"), a wholly owned subsidiary of Nissho Iwai-Nichimen Holdings Corporation ("NNH"), resolved at the meeting of board of directors to separate its plastics business and transfer it to its subsidiary.

1. *Purpose of the corporate separation*

Aiming at building an optimal business portfolio and quick realization of integration effects, NNH Group accelerates rationalization and increases profitability by organizational and business restructuring.

In the plastics business field, NNH plans to advance business integration under the umbrella of PLA-NET HOLDINGS, INC. ("PNH"), the Group's joint holding company of the plastics operation. In line with this policy, Nichimen decided to spin off its plastics business to its wholly owned subsidiary, Pla-Net Corporation ("Pla-Net") on September 1, 2003.

Following to the corporate separation, PNH will acquire all the shareholding of Pla-Net from Nichimen and make Pla-Net its wholly owned subsidiary, in November 2003.

Furthermore, in January 2004, Pla-Net will be merged with the two other major subsidiaries of PNH, Nissho Iwai Plastics Corporation and Chori Pla-Techno Co., Ltd.

The series of the aforementioned reorganization will maintain and further strengthen the Group's solid business platform as well as accelerate streamlining operations. To this end, it will lead NNH Group to become a top-tier player in the plastics business field.

The consolidated sales and operating income of PNH will be ¥ 350 billion and ¥ 7 billion respectively in the second fiscal year after the reorganization, the year ending March 2005.

2. Details of the corporate separation

1) Method

Nichimen spin-off its plastics business and transfer it to Pla-Net.

The method was selected because it will allow the succession of rights and obligations smoothly.

2) Schedule

July 29, 2003 Nichimen's Corporate resolution for conclusion of the corporate separation agreement

July 29, 2003 Conclusion of the corporate separation agreement

September 1, 2003 Date of the corporate separation (planned)

September 1, 2003 Registration of the corporate separation (planned)

* Pursuant to Commercial Code § 374-22, Nichimen will be able to execute the corporate separation without approval of Nichimen's shareholders' meeting, while Pla-Net held a shareholders' meeting on July 29, 2003.

3) Share allocation

At the point of the corporate separation, Pla-Net will issue 199,400 ordinary shares and allocate them to Nichimen.

4) Amount of money delivered due to the corporate separation

None

3. Profile of transferor and transferee

Company name	Nichimen Corporation (transferring company)	Pla-Net Corporation (transferee company)
Business	General trading company	Trading company of plastic materials and products
Date of incorporated	November 10, 1892	June 2, 1988
Registered address	2-2, Nakanoshima 2 chome, Kita-ku Osaka	2-2, Nakanoshima 2 chome, Kita-ku Osaka
Representative	Hiroshi Takeda, President	Katsuyuki Sumida, President
Capital (*1)	¥ 52,179 million	¥ 1,000 million (planned)
Number of shares issued (*1)	434,511,179	200,000 (planned)
Shareholders' equity (*1)	¥ 30,109 million	¥ 18,301million (planned)
Total assets (*1)	¥ 1,174,634 million	¥ 19,169 million (planned)
Accounting year-end	March	March
Number of employees	Consolidated: 7,626 Non-consolidated: 1,012	Approximately 60 (planned)
Major business connections	With large number of customers and suppliers both in domestic and overseas	With large number of customers and suppliers both in domestic and overseas

Major shareholders and ownership (As of April 1, 2003)	Nissho Iwai-Nichimen Holdings Corporation (100%)	Nichimen Corporation (100%)
Main banks	UFJ Bank Ltd. The Bank of Tokyo-Mitsubishi, Ltd.	-
Relation of the two companies	Capital: Pla-Net is a wholly owned subsidiary of Nichimen Personnel: Nichimen will send directors and auditors to Pla-Net Nichimen will loan its employees to Pla-Net	

(*1) The figures relating to Nichimen are as of March 31, 2003. The planned figures relating to Pla-Net are at the point of the corporate separation. As a result of capital increase executed in May 2003, as of today, Nichimen's capital and number of shares issued are ¥ 107,184 million and 874,551,179 shares, respectively.

Financial results for the last three accounting periods (Unit: million yen)

Accounting period	Nichimen Corporation			Pla-Net Corporation (*2)		
	FY2000	FY2001	FY2002			
Net sales	2,419,340	2,055,240	1,888,126			
Operating income	23,079	33,054	21,567			
Recurring profit	17,402	26,788	13,214			
Net income	(21,142)	1,340	(48,532)			
EPS (Unit: 1yen)	(50.62)	3.21	(114.14)			
DPS (Unit: 1yen)	-	-	-			
BPS (Unit: 1yen)	212.20	195.05	70.22			

(*2) Since Pla-Net was re-activated for the corporate separation, its financial results for the dormant period are not available.

4. Business to be separated

1) Major products handled by Nichimen's Plastics Division

- Polypropylene resins
- High-performance resins (i.e. plastic compounds)
- Wrapping materials (i.e. BOPA film, shrink label)
- Electronic materials (i.e. electrodeposited copper foil, glass fiber products, liquid crystal)

2) Business results for FY2002 of Nichimen's Plastics Division

(non-consolidated and internal base)

Net sales	Approximately	¥ 120 billion
Operating income	Approximately	¥ 1.3 billion

3) Assets & Liabilities to be separated (internal base) (as of March 31, 2003)

Assets	Book value	Liabilities	Book value
Current assets	¥ 2,467 million	Current liabilities	¥ 793 million
Fixed assets	¥ 16,683 million	Fixed liabilities	¥ 75 million
Total	¥ 19,150 million	Total	¥ 868 million

5. *Status of Nichimen after the corporate separation*

- 1) Changes in name, categories of business, registered address, representative, capital, accounting period

None

- 2) Changes in assets and business performance

On non-consolidated basis, Nichimen's assets will be decreased by the amount of those transferred. On the other hand, there will be no effects on Nichimen's consolidated assets and consolidated business performance.

6. *Effect on Earnings forecast*

There is no change in the outlook of NNH's business performance announced on May15, 2003.

(For reference) Outlook for current fiscal year ending March 31, 2004

Consolidated

Net sales	¥ 5,770,000 million
Recurring profit	¥ 48,000 million
Net income	(¥ 29,000 million)

Non-consolidated

Net sales	¥ 2,500 million
Recurring profit	¥ 120 million
Net income	¥ 70 million

(end)

The original and official version of this notice is written in Japanese.

In case of any discrepancies between this notice and the original, the Japanese version shall govern.

Supplemental Information: Outline of Plastics Business Reorganization

