

24th July 2003

To Whom It May Concern

Nissho Iwai-Nichimen Holdings Corporation
President & Co-CEO: Hidetoshi Nishimura
Securities Code: 2768 TSE 1st Section / OSE 1st Section
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Notice Regarding Integration of Logistics Subsidiaries

As part of the Nissho Iwai-Nichimen Group's organizational restructuring and rationalization drive, the Logistics subsidiaries of Nissho Iwai Corporation and Nichimen Corporation respectively will be merged into a single corporate entity '*Nissho Iwai-Nichimen Logistics Corporation*', with business operations scheduled to commence from 1st August 2003. The two companies to be merged are *Nissho Iwai Logistics Corporation* (Daiba, Minato-ku, Tokyo) and *Nichimen Logistics Co., Ltd.* (Shiba, Minato-ku, Tokyo).

The above-mentioned merger is expected to result in improved administrative efficiency as well as a leaner organization due to the streamlining of duplicate functions and reduction of redundant personnel. The combined business volume will also lead to augmented 'bargaining power', an overwhelmingly important advantage in the Logistics industry, which in turn will contribute to increased customer satisfaction.

Through the introduction of advanced Logistics functions, *Nissho Iwai-Nichimen Logistics Corporation* will not only be able to continue offering existing services, but also improve profitability by offering Contract Logistics services (3PL services based on extensive use of Information Technology). In addition, the new entity will operate in various industries, including Machinery, Automobiles, Steel, Non-ferrous Metals, Coal, Chemicals, Plastics, Textiles, Foods and Consumer Products, etc., serving both domestic markets as well as overseas markets centering on the Asian region (such as China, Vietnam, Thailand, Indonesia, etc.). This will enable it to capitalize on the strengths of a General Trading company's comprehensive Logistics functions as well as merger synergies and thus differentiate itself from specialized Logistics firms.

It is estimated that the total sales will be around JY 7.6 billion in FY 2004 and JY 8.6 billion in FY 2005.

Company : Nissho Iwai-Nichimen Logistics Corporation

Directors & Auditors
President : Sekio Hara
Vice-President : Masanori Daikuhara
Senior Managing Director : Shojiro Ogino
Managing Director : Tsuneo Senzoku
Auditor : Masanori Mizobuchi
Auditor : Kentaro Watanabe

Headquarters : 2-3-1 Daiba, Minato-ku, Tokyo

Business Network :
Branch Office : Osaka
Field offices : - Tachiaigawa (Shinagawa-ku, Tokyo)
- Mita

Overseas liaison offices : Beijing, Shanghai, Hong Kong, Ho Chi Minh

Capital : JY 143.9 million

Accounting Period : April to March

Major Shareholders : Nissho Iwai Corporation (58%)
Nichimen Corporation (42%)

Number of Employees : 127