

March 26, 2002

Company Name: Nichimen Corporation (Security Code 8004)
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Notice of transfer of Petroleum & Carbon business and Coal & Ore business

Nichimen Corporation (Nichimen) resolved, in the meeting of its Board of Directors on March 26, 2002, to transfer all shares of two subsidiaries, which engage in petroleum & carbon business and coal & ore business respectively, to Nissho Iwai Corporation (Nissho Iwai) on March 26, 2002.

1. Reason for business transfer

Nichimen is rebuilding its business portfolio under its medium term management plan "NP2002" and is concentrating management resources and operations on its strategic business fields by pursuing "selection and concentration" strategy. In line with this, it decided to transfer its petroleum & carbon business and coal & ore business to Nissho Iwai.

2. Scheme for business transfer

(1) Petroleum & Carbon Business

Nichimen already transferred its petroleum & carbon business to JECT Corporation (JECT), which is a 100% subsidiary of Nichimen, on March 25, 2002. Nichimen transfers all issued shares of JECT to Nissho Iwai on March 26, 2002.

(2) Coal & Ore Business

Nichimen already transferred its coal & ore business to Sun Resources Corporation (Sun Resources), which is a 100% subsidiary of Nichimen, on March 25, 2002. Nichimen transfers all issued shares of Sun Resources to Nissho Iwai on March 26, 2002.

3. Business to be transferred

(1) Petroleum & Carbon Department

Main operations

Import, export, offshore trade and domestic sales of petroleum products. Domestic sales of LP gas and general high-pressure gas. Export of equipment related to gas. Import, export, offshore trade and domestic sales of various kinds of cokes, carbon products, raw materials for making foundry and cement, etc.

Business results for FY2000 (ended March 2001)

(Millions of Yen)

	Petroleum & Carbon Department only (a)	Reference	
		Nichimen (non-consolidated) (b)	Ratio (a) / (b)
Net Sales	45,127	1,753,307	2.6%
Recurring Profit	694	8,069	8.6%

(Note) Figures for Petroleum & Carbon Department are internal management base.

Assets & Liabilities (as of March 31, 2001)

(Millions of Yen)

Assets	book value
Current assets	8,506
Fixed assets	695
Total	9,201

Liabilities	book value
Current liabilities	6,513
Internal debt	2,688
Total	9,201

(Note) Figures in the above table are internal management base.

Number of employees (non-consolidated base, as of September 30, 2001)

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(2) Coal & Ore Department

Main operations

Import of raw materials such as coking coal, thermal coal, metallurgical cokes, iron ore/sand and gypsum from Australia, Indonesia, China, Russia etc. Export of raw materials for making cement etc.

Business results for FY2000 (ended March 2001)

(Millions of Yen)

	Coal & Ore Department only (a)	Reference	
		Nichimen (non-consolidated) (b)	Ratio (a) / (b)
Net Sales	19,508	1,753,307	1.1%
Recurring Profit	234	8,069	2.9%

(Note) Figures for Coal & Ore Department are internal management base.

Assets & Liabilities (as of March 31, 2001)

(Millions of Yen)

<u>Assets</u>	<u>book value</u>
Current assets	2,963
Fixed assets	351
Total	3,314

<u>Liabilities</u>	<u>book value</u>
Current liabilities	2,422
Internal debt	892
Total	3,314

(Note) Figures in the above table are internal management base.

Number of employees (non-consolidated base, as of September 30, 2001)

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4. About the subsidiaries to be transferred to Nissho Iwai

	Subsidiary transferred the petroleum & carbon business	Subsidiary transferred the coal & ore business
Company name	JECT Corporation	Sun Resources Corporation
Date of incorporation	March 29, 1991	December 22, 1998
Location of headquarters	1-23, Shiba 4-Chome, Minato-ku, Tokyo	1-23, Shiba 4-Chome, Minato-ku, Tokyo
President and representative director	Etsunari Ishitobi	Yutaka Takemura
Capital amount	Capital stock ¥10 million	Capital stock ¥10 million
Major shareholders and shareholdings	Nichimen Corporation 100%	Nichimen Corporation 100%

5. Nichimen's shareholding before and after transfer

(1) Petroleum & Carbon Business

Issuer of shares: JECT Corporation
Shares owned by Nichimen before transfer: 200 shares (possession ratio 100%)
Shares to be transferred: 200 shares (transfer price ¥7,510 million)
(transfer profit approximately ¥7.5 billion)
Shares owned by Nichimen after transfer: 0 shares (possession ratio 0%)

(2) Coal & Ore Business

Issuer of shares: Sun Resources Corporation
Shares owned by Nichimen before transfer: 200 shares (possession ratio 100%)
Shares to be transferred: 200 shares (transfer price ¥4,410 million)
(transfer profit approximately ¥4.4 billion)
Shares owned by Nichimen after transfer: 0 shares (possession ratio 0%)

6. Transferee

Company Name: Nissho Iwai Corporation
Representative: Shiro Yasutake, President
Location of headquarters: 3-1, Daiba 2-Chome, Minato-ku, Tokyo
Main Business: General Trading Company

7. Schedule

March 25, 2002 Business transfer to the subsidiaries of Nichimen
March 26, 2002 Corporate resolution for conclusion of share transfer agreement with
(planned) Nissho Iwai
Signing of share transfer agreement with Nissho Iwai
Share transfer to Nissho Iwai

8. Outlook of performance

The capital gain on these share transfers is approximately ¥11.9 billion. However, depending on stock prices at the end of March 2002, there is a possibility that substantial devaluation loss would be incurred on some listed stocks held by Nichimen. Therefore, at present, there have been no changes in the outlook announced on November 15, 2001.

(For reference)

○ Outlook for current fiscal year ending March 31, 2002 (announcement on November 15, 2001)

(Consolidated)

	Year ending March 31, 2002
Net Sales	¥2,100 billion
Operating income	¥29 billion
Recurring profit	¥21 billion
Net income	¥10 billion

(Non-consolidated)

	Year ending March 31, 2002
Net Sales	¥1,500 billion
Operating income	¥10 billion
Recurring profit	¥10 billion
Net income	¥3.5billion
Year-end dividends	Undecided

(end)

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