

December 6, 2001

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### **Nichimen and Chori integrate their plastic businesses**

Nichimen Corporation (Nichimen) announced that the meeting of its Board of Directors, today, resolved on signing a basic agreement with Nissho Iwai Corporation (Nissho Iwai) and Chori Co., Ltd. (Chori), of which the main points are as follows:

- 1) Chori will invest in PLA-NET HOLDINGS, INC. (PLA-NET), a subsidiary of Nichimen and a joint holding company of the plastics operations of Nichimen and Nissho Iwai.
- 2) Chori's plastics operations will be transferred to PLA-NET

#### **1. Reasons for Transfer**

Under its NP2002 medium-term management plan, Nichimen has designated its plastics segment as strategic business field and is striving to expand its profit scope and to improve its industry position.

As previously announced, PLA-NET, which was established in March 2001 with 65% ownership by Nichimen and 35% by Nissho Iwai, is a holding company of Nichipac Co., Ltd. (Nichipac), N&L Marble Co., Ltd. (N&L Marble), and Nissho Iwai Plastic Co., Ltd. (Nissho Iwai Plastic).

By affiliating Chori's plastics operations, PLA-NET is aiming at pursuing synergies through the addition of Chori's products to its lineup, expanding its business scope, and its industry position.

Originally, Nichimen, Nissho Iwai, and Chori possess unique advantages in different plastic businesses respectively. While the core businesses of Nichimen's plastics operations are general purpose plastics, compounds, electronic materials, and high performance films, Nissho Iwai has unique operations in such areas as LCD panel loading system and semiconductor manufacturing and processing apparatus, in addition to general purpose plastics. Adding the plastics operations of Chori, which is one of Japan's largest importers and whole-sellers of polyethylene bags for consumers and is also prominent in engineering plastics, PLA-NET will be able to further expand its product lineup, and all the three parties will benefit from complementing each other.

Projected consolidated net sales for Chori's plastics operations for the fiscal year ending March 31, 2002, is approximately ¥88.0 billion. This contributes to the simply totaled net sales of ¥398.0 billion, with the addition of the approximate ¥310.0 billion consolidated net sales for Nichimen's plastics segment for the same fiscal year. Looking ahead, Nichimen will strive to achieve the top position in terms of both quality and quantity among plastics segments of general trading companies by pursuing synergies, promoting efficient use of business facilities, and building supply-chain jointly among the subsidiaries of PLA-NET.

## 2. Transferring Contents

- (1) Businesses to be transferred  
Chori's Plastic Division and its affiliates.

- (2) Consolidated business results for the transferee

	Year ended March 31, 2001
Net sales	¥86,200 million
Gross trading profit	¥4,500 million
Operating income	¥950 million

- (3) Consolidated assets and liabilities of the transferee and its worth (as of March 31, 2001)

<u>Item</u>	<u>Book Value</u>
Assets	
Current assets	¥33,500 million
Fixed assets	¥3,000 million
<u>Total Assets</u>	<u>¥36,500 million</u>
Liabilities	
Current liabilities	¥35,100 million
Fixed liabilities	¥400 million
Minority interest	¥300 million
<u>Capital &amp; Reserve</u>	<u>¥700 million</u>
<u>Liabilities &amp; Equity</u>	<u>¥36,500 million</u>

- (4) Transferring Method

Chori will transfer its plastics business operations to its subsidiary, Chori Pla-Techno Co., Ltd. (Chori Pla-Techno), in February 2002. In March 2002, PLA-NET will acquire all shares of Chori Pla-Techno from Chori.

- (5) Purchase price and Settlement Method

To be announced, following the signing of a stock transfer agreement scheduled in March 2002.

## 3. Summary of Chori

- (1) Company name: Chori Co., Ltd.  
(2) Main businesses: Textiles, Chemicals, IT, etc.  
(3) Established: September 1948  
(4) Headquarters: Osaka  
(5) Company representative: Toshio Toura, President  
(6) Capitalization: ¥19,065 million (\*)  
(7) Employees: 3,810 (Consolidated), 855 (Non-consolidated) (\*)  
(8) Major shareholders (%): Asahi Chemical Industry Co. (28.5%),  
Toray Industries, Inc. (22.8%), et al. (\*)  
(9) Relationship to Nichimen: No previous relationship  
(\* ) The figures of (6), (7), and (8) above are as of March 2001.

#### 4. Summary of PLA-NET

- (1) Company name: PLA-NET HOLDINGS, INC.  
(2) Main businesses: Holding company of Nichipac, N&L Marble and Nissho Iwai Plastic. The main businesses of these companies are as follows:  
① Nichipac: Manufacturing, processing, and sale of paper and plastic bags, etc., printing.  
② N&L Marble: Manufacturing and sale of artificial marble and related fittings, etc.  
③ Nissho Iwai Plastic: Sale of plastic raw materials and products; machinery, dies, semiconductor equipment, and peripheral components related to plastics.  
(3) Established: March 2001  
(4) Headquarters: Minato-ku, Tokyo  
(5) Company representative: Atsumi Shirai, President (Senior Managing Director of Nichimen)  
(6) Capitalization: Paid-in capital of ¥3,600 million  
(7) Major shareholders (%): Nichimen (65%), Nissho Iwai (35%)

#### 5. Schedule

- December 6, 2001: Signing of a basic agreement  
March 2002: Signing of a share transfer agreement

#### 6. Outlook of performance

There have been no changes in the projections announced in the November 15, 2001, interim report.

##### Projected post-transfer consolidated results

	Year ending March 31, 2002
Consolidated net sales	¥2,100 billion
Consolidated operating income	¥29 billion
Consolidated recurring profit	¥21 billion
Consolidated net income	¥10 billion

(For reference)

##### Projected non-consolidated results

	Year ending March 31, 2002
Non-consolidated net sales	¥1,500 billion
Non-consolidated operating income	¥10 billion
Non-consolidated recurring profit	¥10 billion
Non-consolidated net income	¥3.5 billion
Annual dividend per share	Undecided

#### 7. Other

The details for Chori's investment in PLA-NET will be announced as soon as they are determined.