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All forward-looking information in this annual report is subject to risks and uncertainties that could cause actual results to differ materially from this information, which is based on assumptions and beliefs in light of the information currently available to the management.

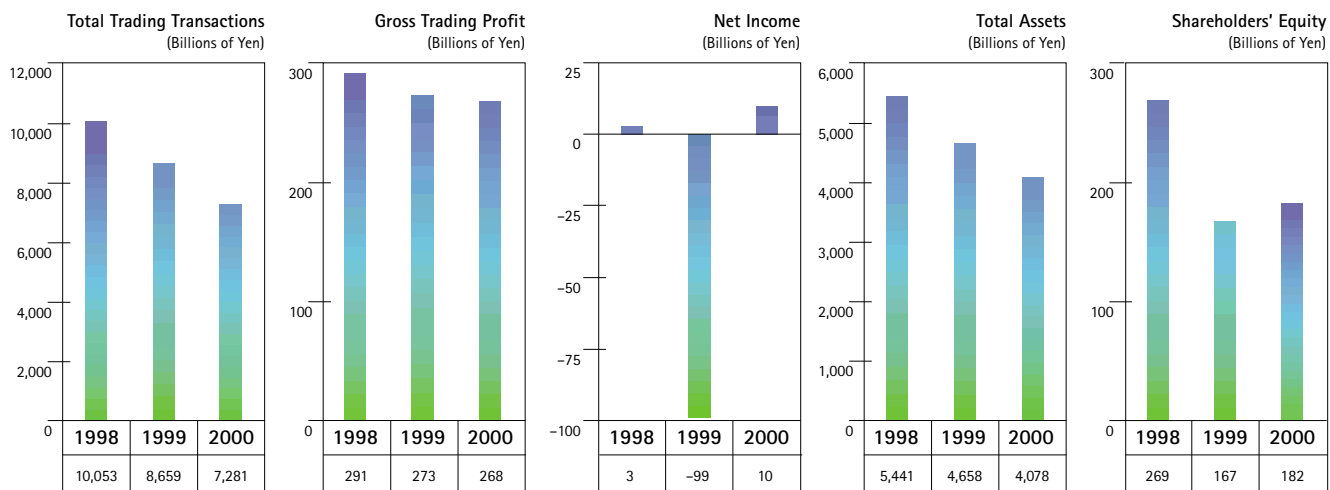
FINANCIAL HIGHLIGHTS

NISSHO IWAI CORPORATION AND CONSOLIDATED SUBSIDIARIES

	Millions of yen			Thousands of U.S. dollars
	2000	1999	1998	2000
For the years ended March 31:				
Total trading transactions	¥7,281,304	¥8,658,906	¥10,052,747	\$68,691,547
Gross trading profit.....	267,719	272,899	291,332	2,525,651
Operating income.....	49,088	44,982	59,023	463,094
Net income (loss).....	10,220	(98,542)	3,038	96,415
As of March 31:				
Total assets	¥4,078,286	¥4,658,033	¥ 5,440,638	\$38,474,396
Shareholders' equity.....	182,446	166,834	269,310	1,721,189
<hr/>				
Per share amounts:				
Net income (loss).....	¥ 11.69	¥ (112.69)	¥ 3.47	11.03¢
Cash dividends.....	—	—	5.00	—

Notes: 1. Yen amounts have been translated for convenience only, at ¥106=US\$1.

2. Amortization of goodwill recognized on consolidation has been included in operating income in conformity with the consolidated financial statement according to the revised Japanese GAAP. Compared with the method used in prior years, operating income has been reduced by ¥2,872 million (\$27,094 thousand) as a consequence of the change in presentation. Operating income in prior years have been restated.





The fiscal year ended March 31, 2000, was a significant year in the corporate history of Nissho Iwai. We maintained and reinforced our business franchise amid a highly challenging operating environment. We implemented a dramatic reorganization program to support future growth and corporate value. And we achieved a considerable improvement in our cost structure.

The fiscal year marked the introduction of our new Division Company System, which is designed to accelerate decision making and improve performance based on such management benchmarks as return on assets (ROA) and return on equity (ROE). Further, as a first step toward creating a holding company structure, we spun off our Information Business Division into ITX Corporation, an independent subsidiary.

Performance

Although consolidated net sales declined 15.9% to ¥7.28 trillion, gross trading profit declined only 1.9% to ¥267.7 billion, reflecting improved profitability on our business portfolio. Operating income grew 12.7% to ¥52.0 billion.

On the nonoperating level, management recorded a gain on sale of securities of ¥101.3 billion, which included gains on the spin off of the Information Business Division. This gain, however, was offset by special charges, including a provision for overseas doubtful receivables of ¥34.6 billion and losses related to the dissolution of subsidiaries and affiliates of ¥20.6 billion. These factors reflected ongoing measures to raise the quality and efficiency of our asset base, improve the overall strength of Group companies and concentrate resources into core business areas.

As a result, Nissho Iwai recorded consolidated net income of ¥10.2 billion, and with strong cash flows from operating activities and proceeds from the sale of assets, management slashed interest-bearing debt by ¥465.0 billion to ¥2,911.1 billion.

Efficient Business Portfolio

To build a strong base for future performance, we are reorganizing our business portfolio by reinforcing our market position in core areas and reducing exposure to non-core businesses. The establishment of ITX Corporation to take over the Information Business Division of the parent company was a significant move to raise our profile in the strategically crucial area of information technology (IT). As an independent company, ITX will be better able to respond to opportunities in this fast-paced sector. In July 2000, ITX expanded its operating base with the acquisition of five IT-related subsidiaries of Nichimen Corporation. We intend to explore the possibility of an initial public offering (IPO) in the future.

After the close of the fiscal year, we merged Nissho Iwai Building Materials Corp. with Nichimen Materials Corp., a subsidiary of Nichimen Corporation, to form Sun Building Materials Corp. By combining the strengths of the two companies, we have created the second ranked company in the construction materials industry, which we consider a core business area.

On the other hand, we transferred 66% ownership of Nissho Iwai Paper and Pulp Corp., which had previously been a wholly owned subsidiary, to several Japanese paper manufacturers and merged the remainder with the paper operations of Kanematsu Corporation on April 1, 2000. This was a highly effective means to conserve and reallocate corporate resources.

New Growth Opportunities

We have taken significant steps in the current fiscal year to build a foundation for expansion in eCommerce, an area of vital strategic importance. Through the following three ventures, we aim to make full use of our advantages as a major trading company to exploit the vast potential of the business-to-business (B2B) market.

To create industry-specific portal sites and provide an integrated platform targeting Japanese companies, we established eBisTrade, Inc. in March 2000 with NTT-ME Information Xing, Inc. For international business, in March 2000 we joined with the Sinar Mas Group and Commerce One Inc. of the United States to form Asia Trade Alliance, which aims to build one of the world's largest business hubs centered in Asia. And to provide integrated multiple support functions for worldwide Internet trading exchanges (eMarketplaces), we partnered with Computer Associates International Inc. to form Cynomix™ Corporation in May 2000. Cynomix™ helps eMarketplaces differentiate themselves by offering a complete package of post-transaction services, including credit control, logistics, insurance and account settlement.

Strategic Direction

Our business plan will only succeed through effective implementation. To ensure responsive and flexible management, we will continue to refine and expand our Division Company System, and move toward a true holding company structure. Our new system includes incentive-based employee compensation, represented by a broad-based stock option program, and strict benchmarks for executive performance. As part of these initiatives, we have reduced the term-of-office for directors and executive officers from two years to one.

There has never been a more challenging time to run a business. Advancements in IT and the creation of a borderless world economy are driving intense competition for customers, capital and human resources. And the speed of change and business innovation is breathtaking. To succeed, we must embrace change and adapt our expertise to the needs of today.

The same forces that pose a threat to established business models also provide unprecedented opportunities to create value using our knowledge of product markets and commerce. This belief forms the basis for our entry into eCommerce ventures and the development of Internet-focused trading functions.

Of course some things should never change-namely our commitment to creating value through the flow of goods and services. By fusing the latest methods of eCommerce with our well-established business ideals, we intend to create new value for our customers and shareholders in the years ahead.



A handwritten signature in black ink, appearing to read 'Shiro Yasutake', written in a cursive style.

Shiro Yasutake
President and Chief Executive Officer
July 2000

The fiscal year under review marked the first year of our new three-year management plan to strengthen our financial position and build a solid operating base to realize improved returns. The plan builds on decisive steps taken during the previous fiscal year to reinforce our balance sheet and slash nonperforming financial assets.

By March 31, 2002, management aims to reduce assets and interest-bearing debt by ¥1,200 billion each (from March 1999 levels), while building a portfolio of profitable core businesses.

Progress during the first year of the plan is demonstrated in results: we achieved 50% of our three-year target for asset reduction and 39% for debt reduction. Profitability also improved sharply, with SG&A expenses ¥9.3 billion below the previous term's level and the gross trading profit ratio up more than half a percentage point.

We are targeting further improvements based on the following six initiatives:



1. Concentrate Resources in Strategic Core Businesses

2. Rebuild our Balance Sheet

3. Reform our Cost Structure

4. Restructure Group Companies

5. Reinforce Risk Management Capabilities

6. Strengthen Corporate Governance

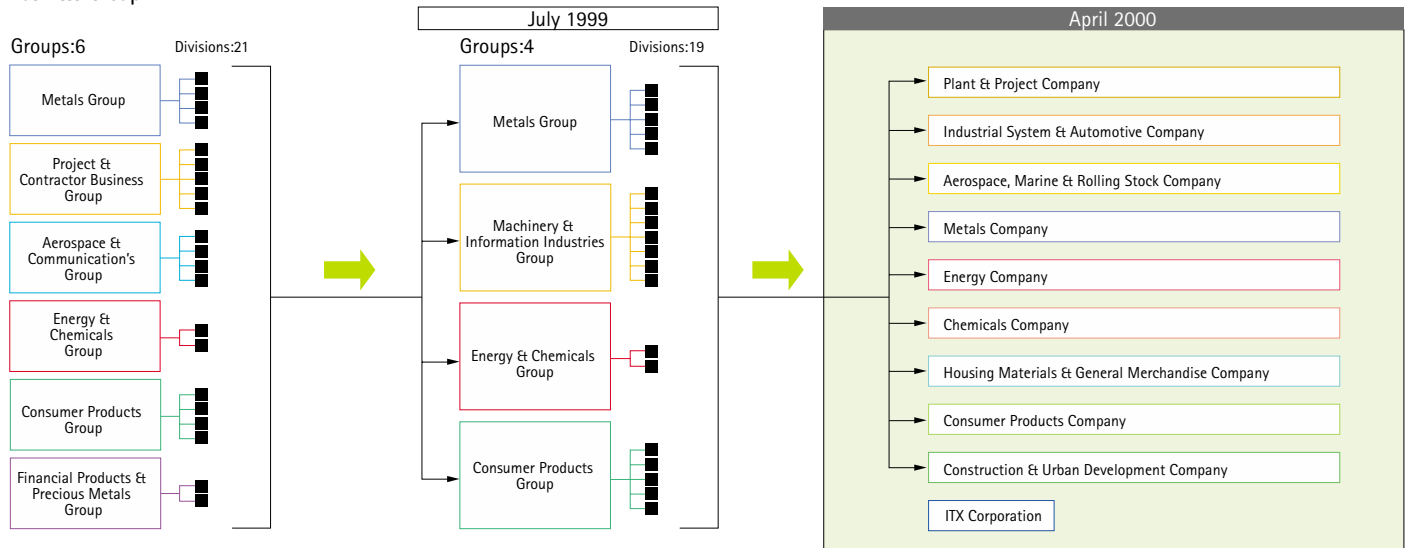
1. Concentrate Resources in Strategic Core Businesses

To build an organizational framework able to flexibly respond to new opportunities and to effectively allocate resources to established businesses with sound potential, we streamlined the operating structure in July 1999. This organizational reform was followed in November 1999 by the formal selection of 5 core business areas: Steel & Ferrous Metals, Plants & Projects, Information Industries & Aerospace Industries, Energy, and Consumer Products. Selection criteria included such external factors as market growth potential and business risk, as well as such Group-specific considerations as our industry position, capital efficiency and ability to create added value for customers and shareholders.

In April 2000, following the close of the fiscal year, to focus on these 5 core business areas, we reorganized our previous 4 Groups and 19 divisions into 9 virtual companies and ITX Corp. Management considers this new Division Company System to be a significant turning point in the corporate history of Nissho Iwai. We expect it to accelerate decision making and contribute to higher ROA and ROE by ensuring that each business is operated as an autonomous business unit responsible for earning a return on allocated capital.

We are also reorganizing administrative functions by replacing the Group and division system with a more horizontal organization. Corporate administration is divided into two areas: 1) Staff functions handling corporate group planning, management and central control, and 2) Service functions providing services to the virtual companies and Group companies. We will consider company spin-offs in the second category to produce a slimmer headquarters organization.

Business Group



Administration Group

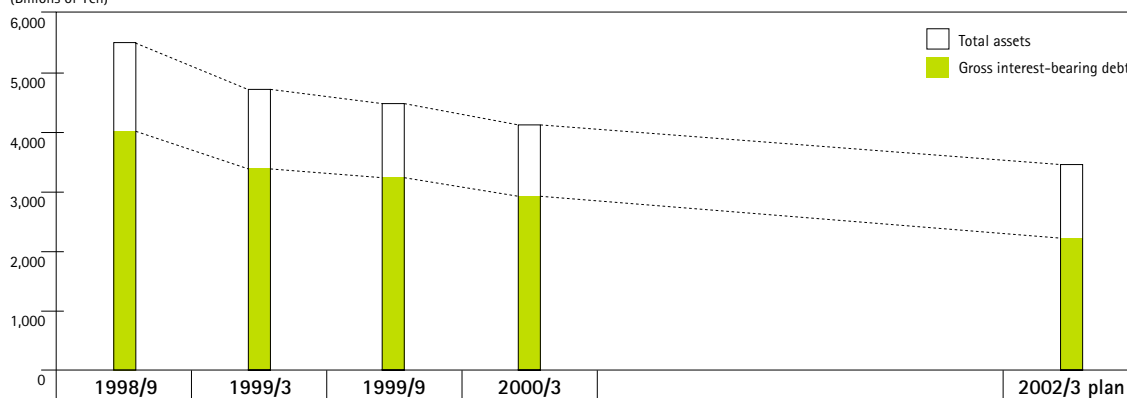


2. Rebuild our Balance Sheet

A central component of our three-year plan is to build a sound balance sheet and reinforce our financial position. From March 1999 levels, we aim to reduce consolidated total assets by ¥1,200 billion to ¥3,400 billion, while slashing gross interest-bearing debt by ¥1,200 billion to ¥2,200 billion. During the fiscal year under review, we reduced nonessential assets by ¥579.7 billion and cut interest-bearing debt by ¥465.0 billion (including the effects of exchange rate movements)-or 48% and 39% of our three-year targets, respectively.

Asset and Interest-Bearing Debt Reduction—Targets and Results

(Billions of Yen)



3. Reform our Cost Structure

Through organizational reform and workforce reductions, we are targeting significant savings in administrative costs. In addition to the April 2000 introduction of the new Division Company System, during the fiscal year under review, we merged or discontinued operations at 22 overseas offices and consolidated local branch operations in Japan into 6 local subsidiaries without reducing marketing power or earnings. At the same time, we have reduced our non-consolidated workforce from 3,871 in April 1999 to 3,187 employees as of April 2000.

During the fiscal year ended March 31, 2000, cost cutting measures reduced SG&A expenses by ¥9.3 billion, following a ¥4.4 billion reduction in the previous term.

4. Restructure Group Companies

To realize the comprehensive strength and efficiency of Group operations, we have set profitability targets for Group companies and aim to reduce the overall number of consolidated subsidiaries.

Based on exit rules established in October 1998, the three-year plan calls for the liquidation of 60 Group companies by March 2002 and a further reduction of 70 companies through consolidation. We also intend to raise cash and realize profits through IPOs of promising companies. Although the actual number of consolidated subsidiaries has risen in recent years owing to an expanded scope of consolidation in line with new accounting standards in Japan that went into effect in April 2000, we aim to reduce total consolidated subsidiaries by 200 companies by March 2002.

By liquidating and merging unprofitable companies and other measures, we succeeded in raising the ratio of profitable companies from 63.4% as of March 1999 to 71.2% as of March 2000. Although a certain portion of Group companies will always be represented by startups that have yet to turn a profit, management aims to achieve an 85% ratio of profitable Group companies by March 2002.

5. Reinforce Risk Management Capabilities

The Risk Management Committee and the Risk Management Department are responsible for integrating risk management on a Group-wide basis, including country risk, market risk and regulatory risk. The functions of the Internal Auditing Office, which oversees a self-evaluation system for internal examination of everyday business procedures, have also been strengthened. Further, lending and investment activities are guided by strict entry and exit guidelines, and country-wise exposure ceilings are in place to control country risk exposure.

6. Strengthen Corporate Governance

In July 1999, the role of the Board of Directors was expanded to strengthen corporate governance and support rapid, transparent decision making, with the number of directors reduced from 37 to 10. We also introduced an Executive Officer system to clearly demarcate the roles of policy formulation and execution. Based on this system, we have assigned 22 Executive Officers to the front lines of business operations. In April 2000, together with the establishment of the Division Company System, a president for each company was appointed with wide executive powers. The terms of office for these directors, executive officers and company presidents have been reduced from two years to one, with strict performance benchmarks in place.

Other important measures involve reform of our personnel system and the introduction of incentive-based employee compensation, including a broad-based stock option program open to nearly all executives and employees.

Progress of Three-Year Management Plan

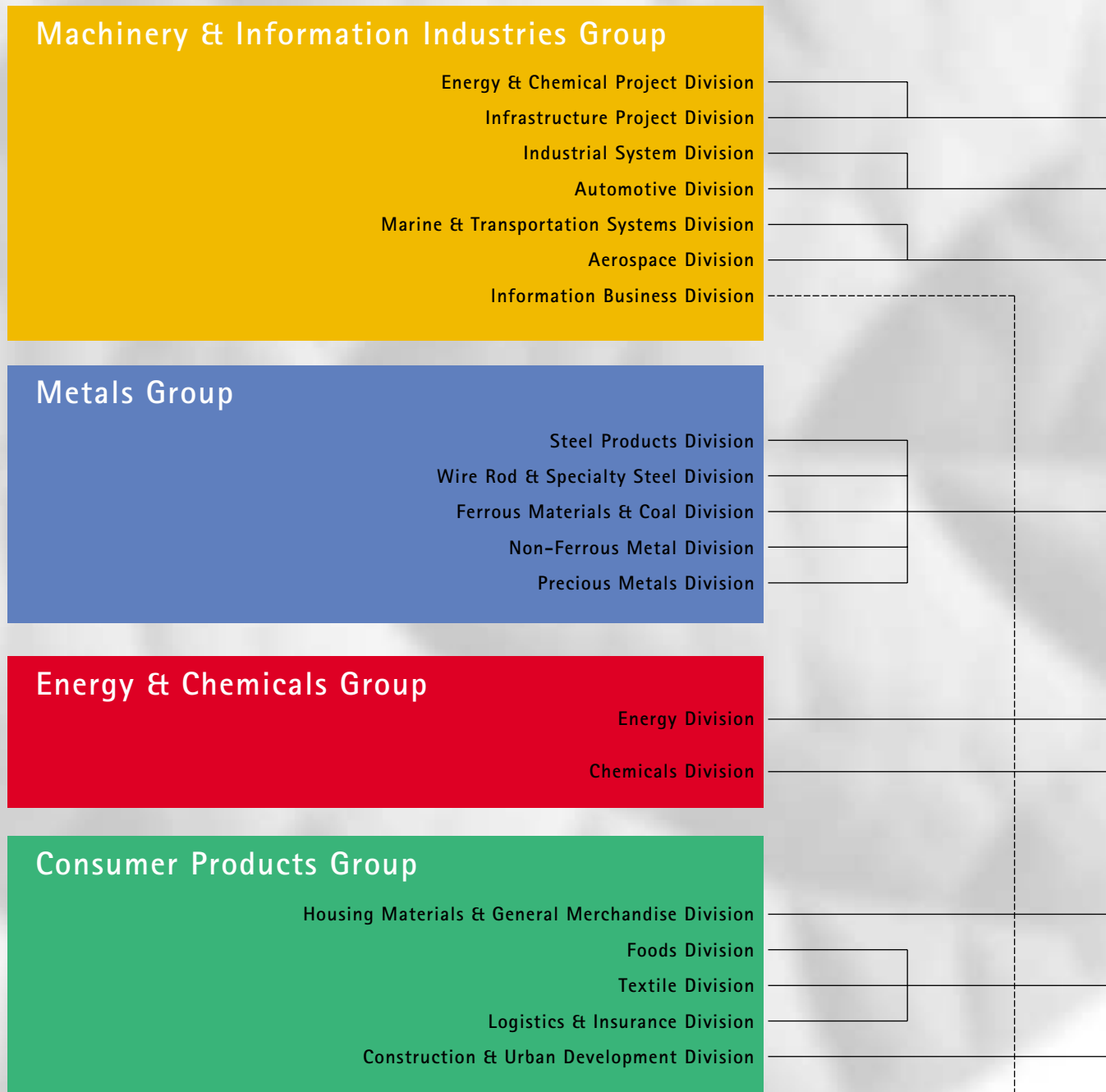
(Billions of yen)

	1999/3	1999/9	2000/3	2002/3 (plan)
Improvement in financial position				
Total assets	4,658.0	4,451.9	4,078.3	3,400.0
Net interest-bearing debt	3,105.1	2,910.3	2,584.2	1,900.0
Shareholders' equity	166.8	164.8	182.4	220.0*
Net debt-equity ratio (times)	18.61	17.66	14.16	less than 9*
Reformation of the earnings structure				
Gross trading profit	272.9	128.6	267.7	321.0
Net income (loss)	(98.5)	(2.3)	10.2	24.0
Gross profit margin (%)	3.15	—	3.68	3.75
SG&A expenses (millions of yen)	227.9	—	218.6	240.0
Number of employees (non-consolidated)	4,041	3,631	3,467	3,236
Strengthening of consolidated management				
Consolidated/non-consolidated ratio				
Total assets (%)	1.68	1.68	1.64	1.79
Gross trading profit (%)	2.23	2.56	2.65	2.59
Recurring profit (%)	0.52	1.47	1.33	1.83
Net income (%)	—	—	1.82	2.00
Group companies				
Ratio of profitable companies (%)	63.4	63.3	71.2	Over 85.0
Net income (loss) (%)	(1.8)	7.1	4.7	—

*Targets for shareholders' equity and net debt-equity ratio in the three-year management plan were formulated in August 1999 based on accounting standards in effect at the time. Targets may be modified to account for the reclassification of foreign currency translation adjustments from assets to shareholders' equity in accordance with new accounting standards in Japan effective on April 2000.

To accelerate business implementation, Nissho Iwai introduced its Company Division System. The former organization of four operational groups and 19 divisions was replaced with a new Division Company System of nine companies, and the former Information Business Division was spun off into an independent subsidiary, ITX Corporation.

FORMER ORGANIZATION



NEW DIVISION COMPANY SYSTEM

▶ Plant & Project Company

▶ Industrial System & Automotive Company

▶ Aerospace, Marine & Rolling Stock Company

▶ Metals Company

▶ Energy Company

▶ Chemicals Company

▶ Housing Materials & General Merchandise Company

▶ Consumer Products Company

▶ Construction & Urban Development Company

▶ ITX Corporation

Plant & Project Company

"The Plant & Project Company aims to participate in a range of industries and engage in complex transactions with Nissho Iwai Companies."



Hiroshi Kanematsu
President



All the members of the PL-TCM Construction Team at Tata Iron and Steel Co., Ltd. in Jamshedpur, India attend the first coil-rolling ceremony on April 24, 2000.

Overview of Operations

Operations in the Plant & Project Company are centered on plant construction for a full range of basic industries—oil, gas, petrochemical, cement, power generation, steel and paper—and investment in infrastructure projects, including electric power, water supply, harbors and highways. Future strategy includes raising the volume of complex transactions involving Nissho Iwai Companies.

To establish new commercial rights, plans call for full use of financial technology and public funding, including Official Development Assistance (ODA) projects, and expansion of frontiers in the areas of logistics, operations and finance. The company has accumulated sophisticated expertise, including hedging to reduce the various risks inherent in large-scale projects and financing schemes that combine a variety of methods.

Strategy

Asia is both an enormous market emerging from an economic crisis and the region with the greatest need for infrastructure investment. Developing and oil-producing regions such as Latin America and the Middle East are also major markets with strong potential. The company aims to capitalize on these opportunities to create new business.

The company will fully utilize the individual talents of each employee and the advantages of its organization to take a position of leadership in the industry without relying on previously established commercial rights. To achieve these aims, the company will develop its business portfolio using a full range of information, provide concrete solutions by stressing action, and pursue stable profits.

Industrial System & Automotive Company

"We are building a profitable company with high corporate value by providing a wide range of items, advanced technologies and value-added services."



Welding assembly process for car bodies



Kazuo Sekikawa
President

Overview of Operations

The Industrial System & Automobile Company is engaged in a wide range of industrial fields including automotive, electronics and home electric appliances, medical equipment, food and foodstuff processing, as well as metal processing. Broad-based activities in the automotive field include the export of completed cars and participation in automobile manufacturing by assembling knockdown kits overseas, as well as the sale of related manufacturing technology and equipment. As for electronics and home electric appliances, the company provides a variety of manufacturing technology, equipment and components, headed by a semiconductor manufacturing line. In the medical equipment field, products range from diagnostic devices such as magnetic resonance imaging (MRI) to equipment for liver cancer treatment. The company is also targeting new pharmaceutical development and medical-related Official Development Assistance (ODA) projects. In the metal processing field, the company has the top market share in marketing and technological services for the CO₂ laser-processing machines manufactured by Yamazaki Mazak Corp. in the United States and Europe.

Strategy

With operations that span a broad range of industries, it is essential to concentrate resources into core businesses based on a variety of criteria. We are pursuing stable, high-margin transactions by creating new business opportunities and offering value-added services. Improving cash flow management, implementing thorough risk management and making headway in e-commerce are the key elements of our future vision. We are also taking measures in line with the move toward the Division Company System, Nissho Iwai's "Third Foundation," which include improving its financial position, raising profitability and establishing management focused on a return on equity and shareholders' interests in preparation for independent operations as a newly established holding company.

Aerospace, Marine & Rolling Stock Company

"We will create growth opportunities by fostering new businesses from a foundation built on history and tradition."



Kunihide Izumi
President



The Boeing 777 has set a new standard in twinjet aircraft for the 21st century.

MAERSK SENTOSA, 73,500 DWT bulk carrier with cranes

Overview of Operations

With annual sales between ¥500 billion and ¥600 billion, the business scale of Aerospace, Marine & Rolling Stock Company is comparable to a major corporation.

The company's aircraft business includes both commercial and defense areas, with a focus on importing airliners produced by The Boeing Company, and the operating lease business, which has recorded steady performance. Recently, the company is obtaining strong results from the sale of Bombardier, Inc. commuter planes.

In the marine business, the company is an industry leader in a broad range of fields. Business focuses on new construction orders for bulk carriers, container ships, tankers and liquefied natural gas (LNG) carriers, and also includes brokerage and trading of chartered and used ships, marketing of shipboard machinery and equipment and ship ownership, operation and management.

In the traditional fields of transportation and welding equipment, the company is making efforts to steadily expand operations by anticipating customer needs.

Strategy

While maintaining favorable commercial rights established in the past, measures are focused on raising capital efficiency and productivity to pursue earnings growth and improve operating efficiency. The company's major affiliates have already established profitable operations, and future plans call for strengthening consolidated management to realize synergies through close cooperation among Group companies. To boost growth, management will reorganize to raise efficiency within existing business areas while seeking and cultivating new business opportunities in various fields with strong future prospects.

Transformation to a holding company structure defines our challenge for the new age. As we recognize the importance of information to the functions of a *sogo shosha*, we will raise our capability to gather and interpret information while pursuing aggressive marketing activities.

Metals Company

"The Metals Company will reappraise various aspects of management and fulfill customer expectations by ensuring high profitability."



Wire rod coming off a rolling line

Masashi Mizutani
President



Overview of Operations

The Metals Company handles steel, wire rods, specialty steel, ferrous materials, coal, non-ferrous metals and precious metals. With consolidated total trading transactions expected to reach ¥1,500 billion, we are Nissho Iwai's largest company. Strong customer trust amid a harsh operating environment has supported one of the top trading levels in the industry. We will redouble efforts to fulfill high customer expectations.

Strategy

The company has identified four important tasks:

1. *Reviewing All Aspects of Management*

While concentrating resources of the company and its affiliates into highly profitable products, customers, markets and businesses, we will review all aspects of operations, including the consideration of mergers and consolidations.

2. *Building a New Business Portfolio*

By thoroughly restructuring low-margin businesses and concentrating resources on investment in such strategic fields as information technology (IT), the company is targeting a ¥10 billion recurring profit on a consolidated basis by the fiscal year ended March 31, 2002.

3. *Raising Productivity and Labor Efficiency*

Concerted efforts will be made to rationalize and streamline operations and shift to a low-cost operational structure.

4. *Ensuring Thorough Risk Management*

We will redouble efforts to ensure sound operations of subsidiaries, respond early to bad debt situations and strengthen credit management capabilities.

We established the e-Business Promotion Team within the company and are participating in Smart Online, a steel-related Internet site established in Japan by the U.S. company e-STEEL Corporation, Mitsui & Co., Ltd. and Mitsubishi Corporation. With Nissho Iwai's participation, Smart Online became the largest electronic market for steel trading in Japan. We intend to apply our traditional strengths as Nissho Iwai's metals trading company to meet coming challenges in electronic commerce.

Energy Company

"The Energy Company embraces the challenge of creating new business opportunities with an eye on the 21st century, and aims to be a successful company as it develops a diverse array of trading company capabilities."



Takaharu Tanabe
President



LNG tanker en route from Indonesia to Japan

Overview of Operations

To fulfill its mission of providing a stable energy supply, the Energy Company is involved in the four major fields of liquefied natural gas (LNG), nuclear fuel, oil and thermal coal.

In the LNG business, the company has conducted trade with Indonesia, a major source of LNG for Japan, for approximately 30 years. Handling more than 30% of Japan's total annual imports of LNG, we are the second largest player in the industry. We are pursuing various measures to ensure future supply sources, such as obtaining new interests in Indonesia and investing in Qatar, which owns the world's largest gas field.

In the nuclear field, we led the industry by importing the first commercial nuclear power plant to Japan. In response to changing needs, we are currently devoting energies to all stages of the nuclear fuel cycle, from uranium concentrate to conversion, enrichment and reprocessing, as a commercial agent for the Cogema Group (a French nuclear fuel cycle company).

In the oil business, the company conducts a broad range of business from upstream to downstream areas, including overseas development. In Japan, over 20 domestic affiliates are contributing to detailed services for major domestic users and retail consumers.

In the thermal coal business, the company handles 10% of Japan's thermal coal needs with imports predominately from Australia, China and Indonesia. We expect the economic advantages of coal to support demand growth in the future and are working to secure new supply sources.

Strategy

Of the following keywords for the 21st century—sustainable economic growth, energy and the environment—we believe that energy will play a fundamental role in every aspect of economic activity and human life. As a skilled professional organization, the company will respond promptly to changes in market conditions, develop new businesses, and aggressively expand operations domestically and abroad, including business in fields that utilize information technology (IT).

Chemicals Company

"Amid a severe operating environment, the Chemicals Company aims to become the leading chemical trading company by strengthening its earnings power and financial position."



Hiroshi Hamano
President



Capital was invested in this fully operational plant owned by the methanol manufacturer P.T. Kaltim Methanol Industri (KMI).

Overview of Operations

The Chemicals Company was founded in April 2000 to replace the eight departments and one office of the former Chemicals Division, and handles a wide range of products including plastics, organic and inorganic chemicals, fine chemicals, chloroalkali, vinyl, fertilizers, minerals and cement for construction. In the fiscal year ended March 31, 2000, the company increased capital in the Indonesian methanol manufacturer, P.T. Kaltim Methanol Industri (KMI). The manufacturer will effectively enter global markets under the company's leadership and develop acetyl chain products in the future. With equity participation in a Purified Terephthalic Acid (PTA) business in India, the company has established a business presence in both acetyl chain products and PTA from raw materials to the final products. In the United States, we will focus on new markets by entering the agrochemical business and establishing an electronic marketplace for chemicals.

Strategy

The company aims to become the leading chemical trading company through a basic plan to enhance profitability and strengthen the financial position of the group, including subsidiaries and affiliates. Rapidly reforming the mind-set of each employee and refining newly created functions will be essential as we raise the level of the group by integrating operations of the company and its subsidiaries and affiliates. Specific themes include concentrating resources in strategic core businesses and the early listing of our four marketing subsidiaries: Nissho Iwai Chemical Ltd., Nissho Iwai Plastic Corp., Nissho Iwai Ceramics Corp. and Nissho Iwai Cement Corp.

The Chemicals Company will lead its group companies in addressing the demands of the 21st century and will acquire the capabilities, knowledge and financial stability that customers demand. We will continue efforts to be the industry leader.

Housing Materials & General Merchandise Company

"We are integrating subsidiaries and introducing outside capital, while embracing the challenges of the new era with a management stance that reflects the viewpoints of investors, customers and employees."



Mitsushi Kishimoto
President



Planting trees for wood chip production

Overview of Operations

With a lineup including lumber, wood products and engineered wood from around the world, Nissho Iwai is the industry leader in housing materials. Our competitive strength is built on strong relationships with suppliers in each country and customers in Japan. By maximizing group strengths and responding flexibly to demand trends, our marketing affiliates aim to be the top corporate group—not only in volume but also in profitability. To further strengthen our position and build a self-sufficient business base, we merged with Nichimen Corporation's building materials affiliate, combining two strong core operations. We are targeting an initial public offering by 2002.

In general merchandise, we plan to promote the infusion of outside capital in subsidiaries, including Nissho Iwai Paper and Pulp Corp., and continuous overseas development projects with Oji Paper Co., Ltd. in forestry and wood chip production. Other important initiatives involve the development of new commercial rights, building on our current portfolio of profitable rights for such companies as Phillip Morris Companies, Inc., NIKE, Inc. and Funai Electric Co., Ltd.

Strategy

Our management base is built on three viewpoints:

1. Investors' Viewpoint

We will constantly reflect the interests of investors by introducing market value accounting, streamlining assets, enhancing efficiency and launching e-commerce operations.

2. Customers' Viewpoint

To win the trust of customers, we aim to be a company whose value-added services respond to customer needs in a timely manner.

3. Employees' Viewpoint

We will create an open corporate culture that fosters dynamism and vision.

With operations founded on these three viewpoints, the company believes that its global network, expertise and use of IT will be major advantages in the future.

In e-commerce, we are promoting and implementing projects in the paper-related and building materials fields.

Consumer Products Company

"We aim for group management to secure a stable supply of resources and meet diverse customer needs."



On-board quality inspection of Canadian grain within a ship's hold

Teruo Matsumura
President



Overview of Operations

The Consumer Products Company provides products that are closely connected to daily life, such as foodstuffs, textiles and other necessities, as well as logistics and insurance services.

With an eye toward the future problems of overpopulation and food scarcity, we are engaged in a full range of "food" operations from such raw materials as grain, sugar, marine products and livestock to processed foods and ingredients that meet customer demands. We are making concerted efforts to expand imports of organic foods and items free from genetically modified organisms (GMOs) to promptly address the rising concern among customers for safe and healthy foods.

In textiles, operations cover the entire supply chain from production to marketing, including licensing, brand building and business development for BALENCIAGA and other premier brands, in addition to import transactions of apparel from Vietnam and China. We are also expanding the presence of our French-made retail brand LA CITY.

We make full use of Nissho Iwai's expertise as a *sogo shosha* in product management and distribution of a wide range of products to provide optimum logistics solutions to customers by way of supply chain management (SCM). In Japan, we provide Third Party Logistics to efficiently manage and control information and distribution activities for chain stores. Overseas, we provide a wide range of services, such as AUTRANS, which realizes just-in-time delivery of automobile parts in the U.S.A, Canada, the U.K., the Philippines and Thailand, and transportation that uses combined, integrated systems.

In the insurance field, we provide customers with insurance needed in the course of logistics and all types of insurance as a part of risk management services in connection with *sogo shosha* activities. We also operate HOKEN NAVI (Insurance Navigation), an automobile and life insurance web site, and developed insurance for importing GMOs. GMO insurance provides coverage to companies in the food industry for cost damages or losses resulting from false indications of the use or non-use of GMOs in food products.

Strategy

The Consumer Products Company intends to go beyond the traditional commercial rights of the *sogo shosha* to create new businesses that answer the needs of our times through the fusion of information technology (IT) with logistics technology (LT). We have already established Cynomix Corporation to provide complex trade support services in the business-to-business (B2B) e-commerce market as well as an eBusiness infrastructure and PT Asia Trade Logistics, the core Group player for e-commerce in Asia. We will also aggressively respond to opportunities in the business-to-consumer (B2C) market, where products must have an increasingly greater relevance to consumers' lives.

We will transform each division into an autonomous company unit and develop diversified upstream to downstream businesses with strategic partners to respond rapidly to diverse customer needs.

Construction & Urban Development Company

"It is important to complete restructuring quickly and build a balanced business portfolio encompassing IT-related operations."



Akitoshi Ueno
President



Large-scale urban condominium development (G-square) supports a comfortable lifestyle with an attractive community space.

Overview of Operations

The Construction & Urban Development Company utilizes a balanced approach for domestic operations centered on the housing business, and aims to be a sound developer with a wide range of expertise. The Urban Development Division focuses on direct business to end-users, such as condominiums, through joint ventures with Nissho Iwai Real Estate Corporation. The division also provides corporate brokerage and consulting. The Housing and Regional Development Division develops land for housing, shopping centers and outlet malls. A joint redevelopment project is underway for the construction of the Kajoh Central Building in cooperation with Yamagata City and Yamagata Prefecture. We established a Promotion Center for Construction Material & Equipment within the Construction Materials System Division with the aim of achieving a ripple effect for materials transactions throughout the company. The Osaka Urban Development Division covers the Osaka market.

Strategy

With such major affiliates as Nissho Iwai Real Estate, Nissho Iwai Realnet Corp. and NI Community Corp., development capabilities extend from upstream to downstream areas. We aim to have our affiliates listed on the stock exchange in the future. Our three-year restructuring plan was accelerated to reach our objectives in one year. This has dramatically transformed operations to conserve capital, including utilizing outside funding through joint projects with general contractors and local governments.

IT holds an important key to the future. We have a track record of residential sales on our web site and, in addition to the construction of a comprehensive system for real estate that integrates the management of property and client data, a task force is currently conducting feasibility studies for expansion into IT-related businesses. At the same time, we believe it is essential to build a balanced business portfolio and reduce reliance on our mainstay condominium business.

ITX Corporation

"ITX Corporation is the forerunner of management's policy to spin off companies. ITX aims to be a key player in the IT industry by leveraging its unique characteristics as a *sogo shosha*."



Shintaro Hirata
CEO



Overview of Operations

ITX Corporation was formed when Nissho Iwai spun off its Information Business Division, and marks the Company's first venture as a holding company. While harnessing synergies generated through the use of investment capital of the former Information Business Division and logistics and mediation businesses, ITX plans to aggressively incubate and invest in new businesses that emphasize mobile, Internet and service platform operations. ITX possesses a flat organizational structure to facilitate prompt response to sudden changes in the IT industry, and comprises four functional divisions: Business Solution Group, Business Development Group, Asset Management Group and Investment Management Group, as well as a Corporate Administration Division.

Strategy

In the IT industry, venture capital "click" companies are combining with traditional "brick and mortar" companies to form "click and mortar" companies. ITX will take on the challenge of the new "click and mortar" company structure, taking advantage of its unique characteristics as a *sogo shosha* in the IT industry backed by such capabilities as logistics and overseas development. With the aim of becoming a major player in the exciting IT industry, ITX plans to build a solid management foundation and consistently invest management resources by procuring capital independently on the market and listing its shares on stock exchanges in the near future.



A sign made of recyclable steel promotes sound environmental practices.



Nissho Iwai uses leftover biomass from harvested fields to produce ethanol and citric acid.



Nissho Iwai's afforestation projects help to preserve the environment.

Nissho Iwai established "Environment 21" in January 1990 as an organization specializing in environmental management based on an awareness of the crucial importance of environmental stewardship as a corporate activity. We are engaged in a range of efforts to alleviate environmental problems.

Nissho Iwai's environmental management is distinguished by contributions to improve the environment through business activities. These include scrap metal recycling, the production of ethanol and citric acid from agricultural waste, development and importation of LNG as a clean energy source, and afforestation projects.

The creation of a management system in 1998 that conforms to ISO 14001, the international standard for environmental management systems, has improved the effectiveness of our environmental activities. Upon assessment by a third-party certification body, Nissho Iwai obtained ISO 14001 certification in November 1998 as a result of its sound environmental management system and active environmental efforts. Ongoing surveillance is performed biannually to confirm that sound environmental management is maintained. Nissho Iwai has continually passed these rigorous standards.

We believe that environmental problems should be aggressively addressed on a Groupwide basis and have initiated activities in 1999 that will extend ISO 14001 certification to Group companies. In March 2000, five Group companies acquired ISO 14001 certification: Nihon Seiko Co., Ltd., Suzuyasu Corp., Hamamatsu Kohan Kako Co., Ltd., Nissho Iwai Infocom Co., Ltd. and NI High-Technology Inc. We will make further contributions to alleviating environmental problems through expansion of such activities to other Group companies.

Nissho Iwai also contributes to environmental preservation through donations to environmental non-governmental organizations (NGOs), including the Nature Conservation Fund of the Japan Federation of Economic Organizations (*Keidanren*). In addition to corporate efforts, Tradepia Club, a volunteer organization of Nissho Iwai employees, has made donations to Conservation International, a Washington D.C.-based NGO, since 1994.

FIVE-YEAR FINANCIAL SUMMARY

	Millions of yen				
	2000	1999	1998	1997	1996
Results of operations:					
Total trading transactions					
Export	¥ 957,276	¥ 1,188,362	¥ 1,383,166	¥ 1,178,414	¥ 1,026,273
Import.....	1,324,496	2,066,224	2,128,799	1,958,100	1,793,886
Offshore.....	1,785,104	1,980,061	2,632,017	2,088,886	2,097,469
Domestic.....	3,214,428	3,424,259	3,908,765	3,664,019	4,530,367
Total	7,281,304	8,658,906	10,052,747	8,889,419	9,447,995
Gross trading profit	267,719	272,899	291,332	278,538	255,683
Net income (loss).....	10,220	(98,542)	3,038	15,421	(25,046)
Financial position at year-end:					
Total assets	¥ 4,078,286	¥ 4,658,033	¥ 5,440,638	¥ 5,414,490	¥ 5,002,657
Long-term debt, less current portion.....	1,182,109	1,790,741	1,483,414	1,617,304	1,493,967
Total shareholders' equity	182,446	166,834	269,310	270,937	213,806
Yen					
Per share amounts					
Net income (loss).....	¥ 11.69	¥ (112.69)	¥ 3.47	¥ 18.38	¥ (31.94)
Cash dividends.....	—	—	5.00	5.00	5.00

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All forward-looking information in this annual report is subject to risks and uncertainties that could cause actual results to differ materially from this information, which is based on assumptions and beliefs in light of the information currently available to the management.

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

During the fiscal year ended March 31, 2000, Nissho Iwai Corporation ("the Company") recorded consolidated net sales of ¥7,281.3 billion, a decline of 15.9% reflecting the impact of the yen's appreciation and the withdrawal from low-margin businesses. However, with a business portfolio concentrated in higher-margin areas, gross trading profit declined just 1.9% to ¥267.7 billion and operating income grew 9.1% to ¥49.1 billion. The Company returned to profitability on the net income level, recording net income of ¥10.2 billion.

The fiscal year under review was the first year of a three-year management plan aimed at streamlining assets and liabilities while reforming the revenue base to emphasize earnings contributions. Targets for the first year were mainly achieved, and management intends to continue to implement the plan, which has set concrete targets to be achieved by the fiscal year ending March 31, 2002. The plan's targets and progress during the year are discussed in more detail following a review and analysis of results for the year.

RESULTS OF OPERATIONS

Analysis of Net Sales

Net sales (total trading transactions) fell 15.9%, or ¥1,377.6 billion, to ¥7,281.3 billion. Net sales declined in each trade category. Management estimates that the withdrawal from low-margin transactions at the parent company had an adverse effect on net sales of approximately ¥639 billion, and that the appreciation of the yen from ¥128.05 to ¥111.60 per U.S. dollar (average rates) had an adverse effect on net sales of approximately ¥490 billion.

By commodity category, sales of the machinery & information industry category declined 18.4% to ¥1,984.4 billion, reflecting a falloff in sales of aircraft and ships.

Transactions in the metals category were down 12.4% to ¥1,626.2 billion, owing mainly to declines in steel pipes and steel plates.

In the energy category, sales dropped 30.6% to ¥839.7 billion, as the Company decreased its imports and offshore transactions of crude oil and petroleum products.

Sales grew 11.0% in the chemicals category to ¥579.5 billion, due mainly to contributions from newly consolidated subsidiaries in accordance with new accounting standards for determining the scope of consolidation.

Sales of housing materials & general merchandise fell 14.7% to ¥1,014.3 billion. Within the category, general merchandise declined 14.5% to ¥757.6 billion owing to reduced business in cement, miscellaneous commodities and mining resources. Sales of wood products declined 15.3% to ¥256.6 billion, with lower imports of unprocessed lumber from North America.

Sales of consumer products declined 21.2% to ¥654.5 billion. Of this, foodstuffs declined 23.6% to ¥434.1 billion, with lower transactions in seafood and raw sugar. Sales of textiles were down 16.2% to ¥220.4 billion.

In the construction and urban development category, sales grew 21.8% to ¥294.0 billion, reflecting brisk domestic business in condominiums.

Sales of domestic and overseas branches fell 23.2%, owing primarily to the withdrawal from selected businesses by domestic branches.

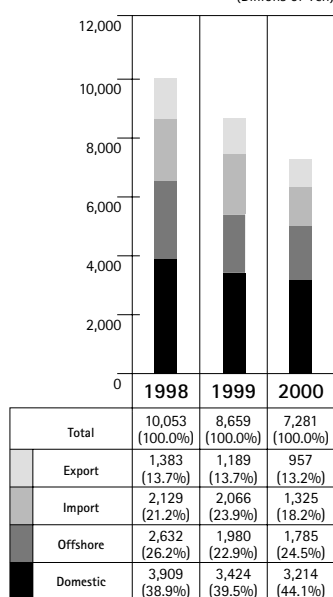
Analysis of Net Income

Operating Income

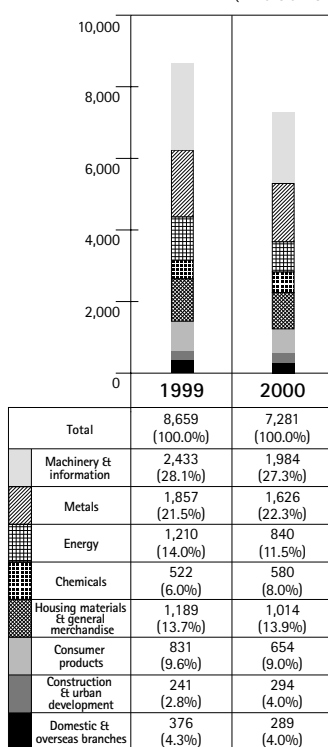
Cost of sales decreased 16.4% to ¥7,013.6 billion, holding the decline in gross trading profit to just 1.9% to ¥267.7 billion. The gross trading profit ratio improved 0.53 percentage point to 3.68%.

By commodity, gross trading profit declined 6.5% in the machinery & information industry category to ¥82.2 billion; 0.7% in metals to ¥56.2 billion; 1.8% in energy to ¥21.3 billion; 1.4% in housing materials & general merchandise to ¥27.7 billion, owing mainly to declines in gross profit on general merchandise at U.S. and other overseas subsidiaries, despite higher profits on wood products; 8.8% in consumer products to ¥26.8

Transactions by Type of Trade
(Billions of Yen)

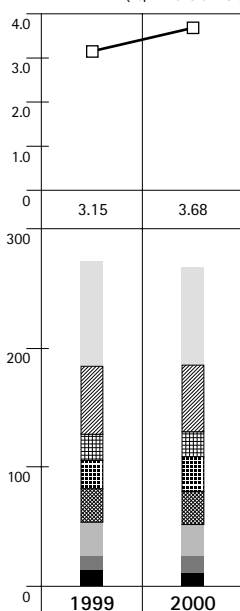


Transactions by Type of Commodity
(Billions of Yen)



Note: Sales of overseas trading subsidiaries have been allocated to the appropriate commodity type.

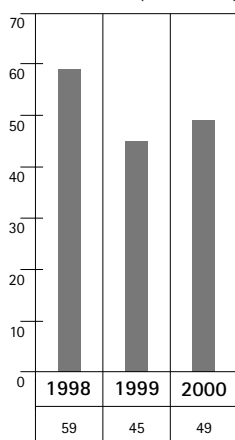
Gross Trading Profit Ratio/
Gross Trading Profit by
Type of Commodity
(%, Billions of Yen)



	1999	2000
Total	273 (100.0%)	268 (100.0%)
Machinery & information	88 (32.2%)	82 (30.7%)
Metals	57 (20.7%)	56 (21.0%)
Energy	22 (8.0%)	21 (8.0%)
Chemicals	24 (8.7%)	29 (10.8%)
Housing materials & general merchandise	28 (10.3%)	28 (10.4%)
Consumer products	29 (10.8%)	27 (10.0%)
Construction & urban development	11 (4.1%)	14 (5.2%)
Domestic & overseas branches	14 (5.2%)	11 (3.9%)

Note: Gross trading profit of overseas trading subsidiaries have been allocated to the appropriate commodity type.

Operating Income
(Billions of Yen)



billion, mainly due to lower profits on seafood, raw sugar, clothing and textiles; and 26.6% at domestic and overseas branches to ¥10.5 billion, primarily the result of lower transactions at domestic branches. Gross trading profit rose 22.9% in chemicals to ¥29.0 billion, including the effect of newly consolidated subsidiaries, and 23.9% in construction and urban development to ¥14.0 billion, reflecting active condominium sales in Japan.

Selling, general and administrative (SG&A) expenses declined ¥9.3 billion, or 4.1%, to ¥218.6 billion, or 3.0% of net sales. Within SG&A expenses, the largest declines were recorded in personnel expenses, which fell ¥5.7 billion to ¥112.1 billion owing to a 1,015 decline in the consolidated workforce to 18,446 employees at fiscal year-end, and in administrative expenses, which were down ¥5.8 billion to ¥84.4 billion due mainly to cuts in travel expenses and outsourcing fees. The allowance for doubtful accounts declined ¥1.8 billion to ¥9.5 billion, whereas depreciation increased ¥2.2 billion to ¥9.7 billion and amortization of goodwill rose ¥1.8 billion to ¥2.9 billion.

Improved profitability on transactions and lower SG&A expenses supported 9.1% growth in operating income to ¥49.1 billion.

Income before Income Taxes

Interest and dividend income decreased ¥5.2 billion to ¥89.8 billion, and interest expense rose ¥4.5 billion to ¥116.5 billion. An increase in the number of consolidated subsidiaries in accordance with new accounting standards for determining the scope of consolidation accounted for a ¥4.4 billion increase in net interest expense.

Equity in losses of unconsolidated subsidiaries and affiliates declined ¥1.6 billion to ¥2.0 billion.

The Company recorded other, net expenses of ¥2.1 billion, a sharp decline from the ¥132.6 billion recorded in the previous fiscal year, which reflected special measures to reduce nonperforming assets. In the fiscal year under review, other, net expenses included a gain on sale of securities of ¥101.3 billion. Of this amount, ¥64.2 billion was represented by the sale of shares in ITX Corporation. The gain was offset by other expenses, including a provision for overseas doubtful receivables of ¥34.6 billion, a loss on revaluation of securities of ¥25.6 billion, reflecting the trends in mark-to-market accounting, and a loss, and provision for loss, on the dissolution of subsidiaries and affiliates of ¥20.6 billion as a result of ongoing efforts to restructure Group companies. For a full breakdown of other, net expenses, see Note 9.

The Company recorded income before income taxes of ¥18.2 billion.

Net Income

Income taxes, the sum of current and deferred, were ¥9.2 billion.

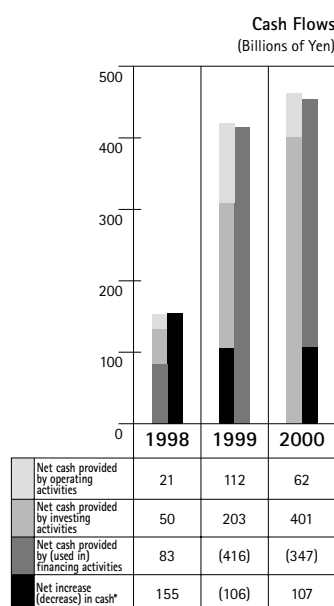
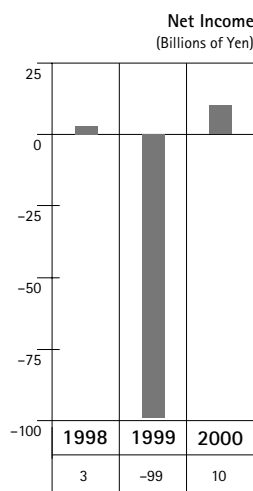
As a result of higher operating profitability and the substantial decline in other, net expenses, the Company recorded net income of ¥10.2 billion, compared with a net loss of ¥98.5 billion in the previous term.

LIQUIDITY AND FINANCIAL RESOURCES

Analysis of Cash Flows

Net cash provided by operating activities was ¥62.0 billion, which included ¥18.2 billion in income before income taxes and ¥28.1 billion in depreciation and amortization. Cash flows from operating activities also included a decrease in trade receivables of ¥136.2 billion and a decrease in inventories of ¥70.5 billion. These results reflected the securitization of receivables and tightened inventory controls as part of the Company's three-year management plan to streamline assets, as well as lower working capital needs as a result of the strategic withdrawal from lower margin businesses. At the same time, a decrease in trade payables and other liabilities used cash of ¥22.9 billion and ¥88.6 billion, respectively. In noncash income and expenses, a provision for doubtful receivables and loss on revaluation of securities caused net cash provided by operating activities to increase ¥61.6 billion and ¥22.6 billion, respectively, whereas a gain on sale of securities—net caused a decrease of ¥101.3 billion.

Net cash provided by investing activities was ¥401.1 billion, as the Company raised



*Inclusive of effect of exchange rate changes on cash and cash equivalents.

cash and improved the efficiency of its asset base while continuing to make strategic investments to support business expansion.

Net cash used in financing activities was ¥347.1 billion, reflecting the use of strong cash flow from operating and investing activities to aggressively reduce interest-bearing debt.

In aggregate, cash and cash equivalents at end of year increased ¥107.5 billion to ¥298.8 billion.

Analysis of Financial Position

Total current assets declined 10.8% to ¥2,614.6 billion, reflecting efforts to reduce underperforming assets and working capital requirements. In addition, marketable securities declined ¥94.9 billion to ¥422.1 billion owing mainly to the sale of equity at overseas subsidiaries and the redemption of bonds. Total current liabilities, however, edged up 0.3% to ¥2,623.7 billion, primarily owing to an increase in the current portion of long-term debt.

Investments and non-current receivables decreased 25.7%, or ¥303.3 billion, to ¥878.7 billion. Of this, investment securities declined ¥53.0 billion to ¥300.1 billion, mainly due to the redemption of bonds. Long-term loans, receivables and other declined ¥177.8 billion to ¥540.3 billion, reflecting reduced financing provided for aircraft and ships.

Property and equipment, at cost, less accumulated depreciation, was nearly unchanged at ¥399.2 billion. Total assets declined 12.4% to ¥4,078.3 billion.

The Company takes various measures to manage the risk of its investment portfolio. For investments, loans and guarantees in countries considered to represent above-average levels of political or economic risk, these measures include risk management from the viewpoints of both credit and country risk. Credit risk may be minimized through collateral, guarantees and project finance, and country risk may be hedged through insurance and guarantees from multinational lending institutions, letters of credit and guarantees from major overseas banks and corporations. Moreover, the Company made a provision for overseas doubtful receivables during the fiscal year of ¥34.6 billion. At fiscal year-end, the allowance for doubtful receivables stood at ¥131.4 billion.

Interest-bearing debt (short-term debt, commercial paper, current and long-term portions of long-term debt and notes discounted) decreased ¥465.0 billion to ¥2,911.1 billion. To increase the flexibility of its cash and medium-term liability management, the Company established a credit facility with financial institutions in the previous fiscal year to be available through March 2002.

Total shareholders' equity increased ¥15.6 billion to ¥182.4 billion, as the accumulated deficit declined to ¥19.4 billion.

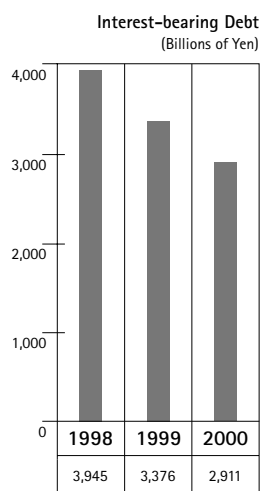
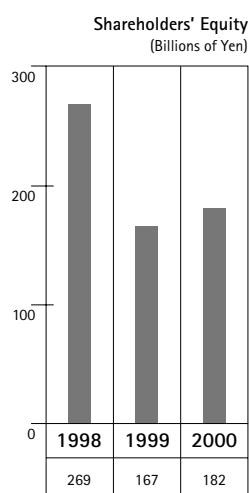
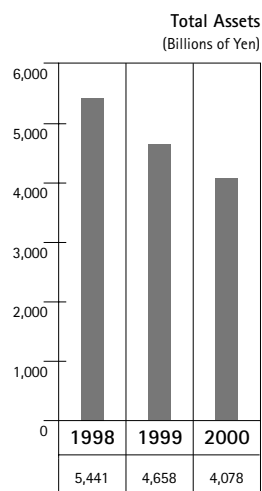
Performance of Consolidated Subsidiaries and Affiliates

For the fiscal year ended March 31, 2000, 412 subsidiaries were consolidated, an increase of 17 companies from a year earlier, comprising 184 domestic and 228 overseas companies. In addition, there were 205 companies accounted for by the equity method, a decrease of 18 companies, of which 96 were domestic and 109 were overseas companies. Overall, Group companies, comprising consolidated subsidiaries and companies accounted for by the equity method, decreased by 1 company to 617 at fiscal year-end. The following table presents information regarding the profitability of these companies for the past two fiscal years.

Years ended March 31

	2000			1999		
	Domestic	Overseas	Total	Domestic	Overseas	Total
Profitable companies.....	208 (74.3)	231 (68.6)	439 (71.2)	179 (63.3)	213 (63.6)	392 (63.4)
Total.....	280	337	617	283	335	618

(): Percentage of total



PROGRESS IN CREATING A MORE EFFICIENT BUSINESS PORTFOLIO

After the close of the fiscal year under review, the Company's subsidiary, ITX Corporation, acquired five IT-related subsidiaries of Nichimen Corporation for approximately ¥43 billion in cash. The combined net sales of the five companies during the fiscal year ended March 31, 2000, totaled approximately ¥60.0 billion. The effective purchase date was July 13, 2000.

As part of its policy to conserve and reallocate corporate resources, on December 15, 1999, the Company transferred 66% ownership of Nissho Iwai Paper and Pulp Corp. On April 1, 2000, the remainder of Nissho Iwai Paper and Pulp was merged with the paper operations of Kanematsu Corporation.

On July 1, 2000, Nissho Iwai Building Materials Corp., a wholly owned subsidiary of the Company with net sales during the fiscal year under review of ¥115.5 billion, merged with Nichimen Materials Corp., which had net sales of ¥67.5 billion during the fiscal year ended March 31, 2000, to form Sun Building Materials Corp. The Company owns 51% of the new entity, which management believes will strengthen its position in the building materials industry, a core business sector.

The following three ventures form the core of the Company's strategy for electronic commerce. By merging its accumulated expertise as a general trading company with the latest innovations in information technology, the Company aims to reinforce its market position in various areas of its trading operations.

On March 28, 2000, the Company established eBisTrade, Inc. with NTT-ME Information Xing, Inc. to launch portal sites for various industries, including the food, textile, building material and paper sectors. The Company and ITX Corporation hold a combined 64% stake in the new venture, which is capitalized at ¥400 million. In June 2000, eBisTrade established its first industry portal site, *beitsubo.com*, for paper and paper-board.

On May 8, 2000, the Company established Cynomix™ Corporation with Computer Associates International Inc. to offer post-transaction services, including credit control, logistics, insurance and account settlement, to electronic exchanges. The new company is capitalized at ¥400 million, with the Company holding a 50% stake.

In March 2000, the Company and three other companies established Asia Trade Alliance (ATA), which aims to be one of the world's largest business-to-business (B2B) electronic commerce hubs in the world. ATA is capitalized at US\$30 million, and the Company holds a 10% stake in the venture.

OUTLOOK

The current fiscal year, ending March 31, 2001, will mark the second year of the three-year management plan to streamline assets, reduce SG&A expenses and consolidate Group companies. The Company forecasts net sales of ¥7,300 billion, as the continued withdrawal from low-margin businesses offsets growth in strategic business areas, and net income of ¥23 billion, with a further improvement in profitability owing to a business portfolio concentrated in higher-value-added areas and additional cuts in SG&A expenses.

In view of a moderate recovery in the domestic economy, the Bank of Japan has begun to deliberate ending its zero interest rate policy, and an end to the current period of historically low interest rates may be approaching. However, management believes that the impact of rising interest rates on the Company's earnings performance will be minimal for the following reasons: (1) a portion of interest-bearing debt is hedged with interest-earning assets; (2) a rise in gross trading profit has the potential to offset a future rise in financial expenses, and (3) the Company intends to continue its debt reduction program. Furthermore, management's forecasts for net income growth in the current fiscal year incorporate a ¥2.5 billion rise in interest expenses.

CONSOLIDATED BALANCE SHEETS

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2000	1999	2000
Current assets:			
Cash and cash equivalents (Note 4).....	¥ 298,779	¥ 191,300	\$ 2,818,670
Time deposits (Note 4).....	28,012	79,639	264,264
Marketable securities (Notes 3 and 4).....	422,064	516,938	3,981,736
Receivables:			
Trade notes (Note 4).....	270,429	301,013	2,551,217
Trade accounts (Note 4).....	842,365	982,826	7,946,840
Loans (Note 4).....	170,400	192,217	1,607,547
Unconsolidated subsidiaries and affiliates.....	95,127	73,174	897,424
Allowance for doubtful receivables.....	(59,526)	(17,500)	(561,566)
Inventories (Note 4).....	322,456	399,587	3,042,038
Advance payments to suppliers.....	56,050	77,168	528,773
Deferred tax assets – current (Note 10).....	11,999	5,740	113,198
Other current assets.....	156,428	128,036	1,475,736
Total current assets.....	2,614,583	2,930,138	24,665,877
Investments and non-current receivables:			
Investment securities (Notes 3 and 4).....	300,081	353,103	2,830,953
Investments in and advances to unconsolidated subsidiaries and affiliates.....	110,239	165,080	1,039,991
Long-term loans, receivables and other (Note 4).....	540,251	718,066	5,096,707
Allowance for doubtful receivables.....	(71,911)	(54,251)	(678,406)
	878,660	1,181,998	8,289,245
Property and equipment, at cost (Note 4):			
Land.....	129,277	126,104	1,219,594
Buildings and structures.....	146,194	139,657	1,379,189
Equipment and fixtures.....	270,694	250,050	2,553,717
Construction in progress.....	34,039	44,100	321,123
Accumulated depreciation.....	(181,016)	(159,794)	(1,707,698)
	399,188	400,117	3,765,925
Other assets:			
Deferred tax assets – non-current (Note 10).....	30,395	29,349	286,745
Foreign currency translation adjustments.....	87,275	72,903	823,349
Intangible assets and deferred charges.....	68,185	43,528	643,255
	¥4,078,286	¥4,658,033	\$38,474,396

See accompanying notes.

LIABILITIES AND SHAREHOLDERS' EQUITY	Millions of yen		Thousands of U.S. dollars (Note 1)
	2000	1999	2000
Current liabilities:			
Short-term debt, principally unsecured (Notes 4 and 5)	¥1,125,168	¥1,170,642	\$10,614,792
Commercial paper	57,401	42,200	541,519
Current portion of long-term debt (Notes 4 and 5).....	509,511	340,181	4,806,708
Payables:			
Trade notes (Note 4)	207,631	224,663	1,958,783
Trade accounts (Note 4)	493,977	516,119	4,660,160
Unconsolidated subsidiaries and affiliates	12,873	11,686	121,443
Accrued liabilities	37,104	31,924	350,038
Income taxes payable.....	7,971	6,606	75,198
Advances received from customers.....	50,854	84,993	479,755
Deferred tax liabilities – current (Note 10).....	3,890	1,039	36,698
Other current liabilities.....	117,335	185,167	1,106,934
Total current liabilities.....	2,623,715	2,615,220	24,752,028
Non-current liabilities:			
Long-term debt, less current portion (Notes 4 and 5).....	1,182,109	1,790,741	11,151,972
Employees' retirement benefits	8,315	8,621	78,443
Deferred tax liabilities – non-current (Note 10).....	12,405	13,459	117,028
Other non-current liabilities (Note 4).....	26,446	37,264	249,491
Total non-current liabilities.....	1,229,275	1,850,085	11,596,934
Minority interests in consolidated subsidiaries.....	42,850	25,894	404,245
Contingent liabilities (Note 11)			
Shareholders' equity:			
Common stock, par value ¥50 per share (Note 6)	102,938	102,938	971,113
Additional paid-in capital (Note 6)	98,890	98,890	932,925
Accumulated deficit (Note 6)	(19,382)	(34,994)	(182,849)
Total shareholders' equity	182,446	166,834	1,721,189
Total equity and liabilities.....	¥4,078,286	¥4,658,033	\$38,474,396

CONSOLIDATED STATEMENTS OF INCOME

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2000	1999	1998	2000
Net sales (Total trading transactions) (Note 8).....	¥7,281,304	¥8,658,906	¥10,052,747	\$68,691,547
Cost of sales (Note 8).....	7,013,585	8,386,007	9,761,415	66,165,896
Gross trading profit.....	267,719	272,899	291,332	2,525,651
Selling, general and administrative expenses	218,631	227,917	232,309	2,062,557
Operating income.....	49,088	44,982	59,023	463,094
Other income (expenses):				
Interest and dividend income	89,811	95,040	118,370	847,274
Interest expense.....	(116,512)	(112,021)	(126,116)	(1,099,170)
Equity in losses of unconsolidated subsidiaries and affiliates	(2,038)	(3,611)	(4,051)	(19,226)
Other, net (Note 9).....	(2,148)	(132,616)	(29,538)	(20,264)
Income (loss) before income taxes	18,201	(108,226)	17,688	171,708
Income taxes (Note 10):				
Current.....	16,088	13,509	15,700	151,774
Deferred	(6,885)	(23,682)	(1,322)	(64,953)
Total.....	9,203	(10,173)	14,378	86,821
Minority interests in consolidated subsidiaries.....	1,222	(489)	(272)	11,528
Net income (loss)	¥ 10,220	¥ (98,542)	¥ 3,038	\$ 96,415
		Yen		U.S. cents
Net income (loss) per share.....	¥ 11.69	¥ (112.69)	¥ 3.47	11.03¢
Net income per share – diluted	11.10	–	3.24	10.47
Cash dividends per share.....	–	–	5.00	–

See accompanying notes.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

	Millions of yen			Thousands of U.S. dollars (Note 1)
	2000	1999	1998	2000
Common stock (Note 6):				
Balance at beginning of year	¥102,938	¥102,938	¥102,938	\$ 971,113
Balance at end of year.....	¥102,938	¥102,938	¥102,938	\$ 971,113
Additional paid-in capital (Note 6):				
Balance at beginning of year	¥ 98,890	¥ 98,890	¥ 98,890	\$ 932,925
Balance at end of year.....	¥ 98,890	¥ 98,890	¥ 98,890	\$ 932,925
Unappropriated retained earnings				
(Accumulated deficit) (Note 6):				
Balance at beginning of year	¥(34,994)	¥ 67,486	¥ 69,111	\$(330,132)
Net income (loss).....	10,220	(98,542)	3,038	96,415
Appropriation:				
Cash dividends paid	—	(2,186)	(4,372)	—
Bonuses to directors and corporate auditors	(43)	(57)	(88)	(406)
Effect arising from changes of subsidiaries and affiliates for consolidation	1,081	(382)	(203)	10,198
Net unrealized gains on securities available for sale (Note 2).....	4,354	—	—	41,076
Interperiod tax allocation adjustment	—	(1,313)	—	—
Balance at end of year.....	¥(19,382)	¥(34,994)	¥ 67,486	\$(182,849)
Number of shares of common stock authorized				
(thousands)	1,600,000	1,600,000	1,600,000	
Number of shares of common stock issued (thousands):				
At beginning of year.....	874,432	874,432	874,432	
At end of year	874,432	874,432	874,432	

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Millions of yen	Thousands of U.S. dollars (Note 1)
Cash flows from operating activities:		
Income before income taxes.....	¥ 18,201	\$ 171,708
Adjustments to reconcile income before income taxes to net cash provided by operating activities:		
Depreciation and amortization	28,065	264,764
Amortization of goodwill recognized on consolidation	2,872	27,094
Decrease in employees' retirement benefits.....	(284)	(2,679)
Provision for doubtful receivables.....	61,581	580,953
Interest and dividend income	(89,811)	(847,274)
Interest expense.....	116,512	1,099,170
Foreign exchange loss-net	8,519	80,368
Equity in losses of unconsolidated subsidiaries and affiliates	2,038	19,226
Loss on disposal of properties-net.....	5,125	48,349
Gain on sale of securities-net	(101,266)	(955,340)
Loss on revaluation of securities	22,550	212,736
Decrease in trade receivables	136,240	1,285,283
Decrease in inventories	70,549	665,557
Increase in other assets.....	(65,911)	(621,802)
Decrease in trade payables.....	(22,886)	(215,906)
Decrease in other liabilities.....	(88,635)	(836,179)
Bonuses to directors and corporate auditors.....	(64)	(604)
	103,395	975,424
Interest and dividends received	96,816	913,359
Interest paid.....	(128,705)	(1,214,198)
Income taxes paid.....	(9,532)	(89,925)
Net cash provided by operating activities.....	61,974	584,660
Cash flows from investing activities:		
Decrease in time deposits	46,953	442,953
Payments for purchase of marketable securities.....	(100,210)	(945,377)
Proceeds from redemption and sale of marketable securities.....	212,988	2,009,321
Payments for property and equipment.....	(34,373)	(324,274)
Proceeds from disposal of properties.....	44,738	422,057
Payments for purchase of investment securities.....	(35,947)	(339,123)
Proceeds from redemption and sale of investment securities.....	149,564	1,410,981
Increase in short-term loans receivable.....	(34,740)	(327,736)
Additions to long-term loans receivable	(117,214)	(1,105,793)
Decrease in long-term loans receivable.....	274,102	2,585,868
Other.....	(4,777)	(45,066)
Net cash provided by investing activities.....	401,084	3,783,811
Cash flows from financing activities:		
Increase in short-term debt.....	42,557	401,481
Increase in commercial paper.....	15,201	143,406
Proceeds from issuance of bonds.....	1,257	11,858
Redemption of bonds.....	(72,108)	(680,264)
Proceeds from other long-term debt	156,486	1,476,283
Repayments of other long-term debt.....	(490,278)	(4,625,264)
Proceeds from issuance of common stock for minority shareholders.....	64	604
Dividends paid for minority shareholders.....	(286)	(2,698)
Net cash used by financing activities.....	(347,107)	(3,274,594)
Effect of exchange rate changes on cash and cash equivalents.....	(8,472)	(79,924)
Net increase in cash and cash equivalents.....	107,479	1,013,953
Cash and cash equivalents at beginning of year.....	191,300	1,804,717
Cash and cash equivalents at end of year.....	¥ 298,779	\$ 2,818,670

See accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued):

	Millions of yen	
	1999	1998
Cash flows from operating activities:		
Net income (loss).....	¥ (98,542)	¥ 3,038
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	26,334	26,195
(Gain) loss on disposal of properties	(16,835)	1,823
(Gain) loss on sale of securities.....	(22,179)	4,530
Loss on revaluation of securities	28,750	9,964
Loss on fund trust investments and other financial investments.....	120,286	—
Deferred income taxes.....	(8,161)	(1,678)
Equity in losses of unconsolidated subsidiaries and affiliates	3,611	4,051
Provision for doubtful receivables.....	16,599	1,009
Decrease in trade receivables	153,063	124,042
Decrease (increase) in inventories.....	50,616	(51,446)
Increase in other assets.....	(22,177)	(1,422)
Decrease in trade payables.....	(189,866)	(127,754)
Decrease in income taxes payable	(1,097)	(755)
Increase in other liabilities.....	78,588	39,188
Other.....	(6,529)	(10,222)
Net cash provided by operating activities.....	112,461	20,563
Cash flows from investing activities:		
(Increase) decrease in time deposits	(43,340)	10,785
Proceeds from disposal of properties.....	53,307	23,544
Payments for property and equipment.....	(86,862)	(75,127)
Proceeds from sale of securities	556,646	514,435
Payments for purchase of securities.....	(247,879)	(404,385)
Decrease in short-term loans receivable	25,761	4,887
Additions to long-term loans receivable	(233,090)	(223,724)
Decrease in long-term loans receivable.....	176,945	203,651
Other.....	1,015	(3,977)
Net cash provided by investing activities.....	202,503	50,089
Cash flows from financing activities:		
(Decrease) increase in short-term debt.....	(678,583)	115,736
Proceeds from issuance of bonds.....	77,540	186,530
Redemption of bonds.....	(317,421)	(225,118)
Proceeds from other long-term debt	786,230	265,782
Repayments of other long-term debt.....	(281,755)	(255,056)
Dividends paid	(2,186)	(4,372)
Net cash (used in) provided by financing activities	(416,175)	83,502
Effect of exchange rate changes on cash and cash equivalents.....	(5,266)	919
Net (decrease) increase in cash and cash equivalents.....	(106,477)	155,073
Cash and cash equivalents at beginning of year.....	297,777	142,704
Cash and cash equivalents at end of year	¥ 191,300	¥ 297,777
Supplemental disclosure of cash flow information:		
Cash paid during the year for:		
Interest.....	¥ 106,561	¥ 109,902
Income taxes.....	12,058	16,669

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

Nissho Iwai Corporation (the "Company") and its consolidated domestic subsidiaries maintain their accounts and records in accordance with the provisions set forth in the Japanese Commercial Code and the Securities and Exchange Law and in conformity with accounting principles and practices generally accepted in Japan, which are different from the accounting and disclosure requirements of International Accounting Standards. The accounts of overseas consolidated subsidiaries are based on their accounting records maintained in conformity with generally accepted accounting principles and practices prevailing in the respective countries of domicile.

The accompanying consolidated financial statements are a translation of the audited consolidated financial statements of the Company which were prepared in accordance with accounting principles and practices generally accepted in Japan from the accounts and records maintained by the Company and its consolidated subsidiaries and were filed with the Minister of Finance ("MOF") as

required by the Securities and Exchange Law.

In preparing the accompanying consolidated financial statements, certain reclassifications have been made in the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. The consolidated statements of cash flows for 1999 and 1998 have been prepared for the purpose of inclusion in the consolidated financial statements, although such statements were not customarily prepared in Japan and were not required to be filed with MOF prior to 2000.

The translation of the Japanese yen amounts into U.S. dollars is included solely for the convenience of the readers using the prevailing exchange rate at March 31, 2000, which was ¥106 to U.S.\$1.00. The convenience translations should not be construed as representations that the Japanese yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at this or any other rate of exchange.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation

The Company prepared the consolidated financial statements for the year ended March 31, 2000 in accordance with the revised Accounting Principles for Consolidated Financial Statements effective from the year ended March 31, 2000.

The consolidated financial statements include the accounts of the Company and its 412 (395 in 1999) significant companies, over which the Company has control through majority voting right or certain other conditions evidencing control by the Company. Investments in 205 (223 in 1999) unconsolidated subsidiaries and affiliates (generally 20-50% ownership), over which the Company has the ability to exercise significant influence over operating and financial policies of the investees, are accounted for by the equity method. Intercompany transactions and accounts have been eliminated. In the elimination of investments in subsidiaries, the assets and liabilities of the subsidiaries, including the portion attributable to minority shareholders, are evaluated using the fair value at the time the Company acquired control of the respective subsidiaries. The excess of costs of the Company's investments in subsidiaries and affiliates over its equity in the fair value of net assets at dates of acquisition is, with minor exceptions, being amortized on the straight-line basis over periods ranging from five years to twenty years. In the prior year, certain major overseas consolidated subsidiaries changed their fiscal year end dates. For these subsidiaries the consolidated financial statements for the year ended March 31, 1999 include only nine months of operations.

Cash and cash equivalents

Cash and cash equivalents include short-term investments, which are readily convertible into cash and have no risk of change in value with original maturities of three months or less.

Allowance for doubtful receivables

The allowance for doubtful receivables is provided in amounts management considers sufficient to cover possible losses on collection. The allowance is based on past collection experience and management's estimate of the collectibility of individual receivables.

For the year ended March 31, 1998 the allowance was provided at the higher of management's estimate or a maximum amount permitted for tax purposes. The effect of this change, which was made

in accordance with revisions in the Corporation Tax Law, was immaterial.

Inventories

Inventories, consisting mainly of commodities and materials held for resale, are stated at cost, principally on the first-in, first-out basis, except for items that are written down because net realizable values are substantially less than their original costs.

Marketable securities and investments

Marketable securities and investment securities, except those accounted for by the equity method, are stated at cost by the moving average method.

If significant impairment of value of an individual equity security is deemed permanent, cost is written down to recoverable value. Effective for the year ended March 31, 2000, with respect to certain subsidiaries in the United States of America, the consolidated financial statements include net unrealized gains on securities available for sale as the result of their application of Statement of Financial Accounting Standards (SFAS) No. 115, "Accounting for Certain Investments in Debt and Equity Securities".

This change of policy resulted in an increase in marketable securities of ¥8,126 million (\$76,660 thousand) and decreases in investment securities of ¥870 million (\$8,208 thousand) and in accumulated deficit of ¥4,354 million (\$41,076 thousand).

Property and equipment

Property and equipment are stated at cost. Depreciation is computed primarily by the declining-balance method for assets held by the Company and its domestic subsidiaries, except that buildings and structures in the Nissho Iwai Shin-Yokohama Center and buildings acquired after March 31, 1998 are depreciated by the straight-line method. Assets held by foreign subsidiaries are depreciated in accordance with local accounting standards, principally by the straight-line method. Effective April 1, 1998, in accordance with revisions in the Corporation Tax Law of Japan, newly acquired buildings are depreciated using the straight-line method and the useful lives used to calculate depreciation of buildings were shortened. The effects of these changes were immaterial.

Repair and maintenance expenditures are charged to income when incurred.

Finance leases

Finance leases of the Company and its domestic subsidiaries which do not transfer ownership and do not have bargain purchase options are accounted for in the same manner as operating leases.

Translation of foreign currencies

—Receivables and payables denominated in foreign currencies—

Current and non-current receivables and payables in foreign currencies are principally translated at historical rates, except for those translated at contracted foreign exchange rates, while those of the Company's overseas branches and foreign consolidated subsidiaries are translated at the year-end rate.

If current and non-current receivables and payables denominated in foreign currencies had been translated at the current rate on March 31, 2000, a loss of ¥11,005 million (\$103,821 thousand) would have been recognized.

When fluctuations in foreign exchange rates are significant, the current exchange rate is applied to translation of both current and non-current receivables and payables denominated in foreign currencies.

—Foreign currency financial statements—

The financial statements of foreign consolidated subsidiaries and affiliates are translated at the year-end rate except for share capital accounts and retained earnings which are translated at historical rates.

Resulting translation adjustments are reflected in the consolidated financial statements as foreign currency translation adjustments.

Net sales (total trading transactions) and related costs

As general trading companies, the Company and certain of its consolidated subsidiaries act as principal or agent in trading transactions. When acting as agent, the companies charge a commission to their principal, but the total sales value of the related contracts is included in net sales (total trading transactions), and cost of sales represents the total sales value less the commission.

Gross trading profit represents the difference between net sales and cost of sales with respect to purchase and sale transactions in which the companies act as principal, and represents compensation in the form of commissions with respect to agency transactions.

As to a substantial portion of the transactions in which the companies act as principal, only title to and payment for the goods pass through the companies without physical acquisition and delivery by the companies.

Deferred charges

Bond and stock issue expenses are amortized on the straight-line method over three years. Bond issue discounts are deferred and amortized on the straight-line method over the period through redemption.

Software costs

In accordance with new accounting standards in Japan, the Company and its domestic subsidiaries include internal use software in intangible assets and amortize it on the straight-line method over an estimated useful life of five years. In prior year such costs were included in other investments.

Employees' retirement benefits

The Company has a lump-sum retirement benefit plan and a funded noncontributory pension plan generally covering all employees other than directors and corporate auditors. Under the terms of the lump-sum retirement benefit plan, eligible employees are entitled under most circumstances, upon mandatory retirement or earlier voluntary termination of employment, to lump-sum payments based on compensation at the time of retirement, years of service and other factors. The liability for employees' retirement benefits under the lump-sum benefit plan is provided to cover 40% of the sum that would be required if all employees voluntarily retired at the balance sheet date. The funded pension plan covers substantially all employees and provides for lifetime annuity payments commencing at age 60. Past service costs are being funded over approximately 7 years. The assets of the pension fund amounted to ¥89,101 million (\$840,575 thousand) at March 31, 2000. The lump-sum benefit plan covers approximately 25% of the amount of severance payments and the pension plan covers the remaining portion. Certain of the consolidated subsidiaries also have retirement benefits and/or pension plans similar to those of the Company.

Retirement benefits to directors and corporate auditors are charged to current income when approved by the General Meeting of Shareholders.

Income taxes

Effective for the year ended March 31, 1999, the Company and its major domestic subsidiaries adopted the newly issued "Accounting for Income Taxes." Under the new standard, deferred taxes are recognized for the estimated tax effects of temporary differences between the financial reporting and tax basis of assets and liabilities. Deferred tax assets and liabilities are measured using enacted tax rates applicable to the periods in which the temporary differences are expected to be recovered or settled.

For the year ended March 31, 1998 the Company and its domestic subsidiaries accounted for income taxes on the basis of amounts currently payable. Deferred taxes were not recognized except for the timing differences resulting from adjustments on consolidation, such as elimination of unrealized intercompany profit, and in the accounts of certain foreign consolidated subsidiaries.

The adoption of this new standard resulted in a decrease in the net loss of ¥22,548 million and a decrease in the March 31, 1999 accumulated deficit of ¥21,235 million.

Amounts per share

The computation of net income (loss) per share is based on the weighted average number of shares of common stock outstanding during the relevant period. Diluted net income per share is computed based on the assumption that all dilutive convertible bonds were converted at the beginning of the year or later date of issuance.

3. MARKETABLE SECURITIES

Information on book values, market values and net unrealized gains (losses) was as follows:

	Millions of yen			Thousands of U.S. dollars
	Book value	Market value	Net unrealized gains (losses)	Net unrealized gains (losses)
At March 31, 2000				
Current:				
Equity securities.....	¥204,020	¥171,517	¥(32,503)	\$(306,632)
Debt securities.....	28,339	25,568	(2,771)	(26,141)
Other.....	3,119	3,388	269	2,537
	¥235,478	¥200,473	¥(35,005)	\$(330,236)
Noncurrent:				
Equity securities.....	¥ 76,478	¥ 64,966	¥(11,512)	\$(108,604)
Debt securities.....	15,117	14,728	(389)	(3,670)
Other.....	88	81	(7)	(66)
	¥ 91,683	¥ 79,775	¥(11,908)	\$(112,340)

At March 31, 1999

	Millions of yen
Book value included in:	
Marketable securities.....	¥227,759
Investment securities.....	97,571
	325,330
Market value.....	269,203
Net unrealized loss.....	¥ (56,127)

The above excludes unlisted securities and bonds whose values are unaffected by market fluctuations.

4. PLEDGED ASSETS

At March 31, 2000, the following assets were pledged as collateral for short-term debt and payables of ¥66,614 million (\$628,434 thousand), long-term debt and other liabilities of ¥199,861 million (\$1,885,481 thousand) and transaction and other guarantees:

	Millions of yen	Thousands of U.S. dollars
Cash equivalents and time deposits.....	¥ 3,662	\$ 34,547
Trade notes and accounts receivable.....	44,611	420,859
Marketable securities and other investments.....	126,015	1,188,821
Inventories.....	15,870	149,717
Loans.....	85,068	802,528
Property and equipment, less accumulated depreciation.....	91,449	862,726
	¥366,675	\$3,459,198

5. SHORT-TERM DEBT AND LONG-TERM DEBT

Short-term debt was represented by short-term notes, generally for 90 days, bearing interest at annual rates ranging from 0.37% to 10.50% and from 0.45% to 12.31% at March 31, 2000 and 1999, respectively.

As is customary in Japan, long-term and short-term bank borrowings are made under general agreements which provide that additional security and guarantees for present and future indebtedness

A summary of long-term debt at March 31, 2000 and 1999, was as follows:

	Millions of yen		Thousands of U.S. dollars
	2000	1999	2000
0.65% convertible bonds due 2003 payable in Japanese yen.....	¥ 30,257	¥ 31,319	\$ 285,443
0.25% convertible bonds due 2003 payable in Japanese yen.....	—	17,500	—
1.0% bonds due 2003 payable in Japanese yen, exchangeable for shares of a certain company.....	11,016	12,500	103,925
Floating rate notes maturing serially through 2007 payable in Japanese yen.....	25,200	26,300	237,736
Bonds maturing serially through 2005 payable in Japanese yen at interest rates of 2.0% to 4.4%.....	102,100	120,600	963,208
Notes under medium-term note programmes maturing serially through 2007 at interest rates of 0.08% to 8.45%.....	165,558	208,047	1,561,868
Long-term loans, principally from commercial and trust banks and insurance companies, maturing serially through 2018 at interest rates of 0.34% to 9.50%.....	1,039,265	1,337,743	9,804,387
Long-term loans, from governmental financial institutions, principally Japan Bank for International Cooperation, maturing serially through 2018 at interest rates of 1.21% to 6.68%.....	246,544	299,792	2,325,887
Other long-term indebtedness, maturing serially through 2028 at interest rates of 2.00% to 9.75%.....	71,680	77,121	676,226
Total	1,691,620	2,130,922	15,958,680
Less current portion.....	509,511	340,181	4,806,708
	¥1,182,109	¥1,790,741	\$11,151,972

The aggregate annual amounts of long-term debt maturing in the years ending March 31, 2000 to 2006 and thereafter, are as follows:

Years ending March 31	Millions of yen	Thousands of U.S. dollars
2001	¥ 509,511	\$ 4,806,708
2002	470,907	4,442,519
2003	219,212	2,068,038
2004	202,763	1,912,858
2005	113,500	1,070,755
2006 and thereafter.....	175,727	1,657,802
	¥1,691,620	\$15,958,680

6. SHAREHOLDERS' EQUITY

The Commercial Code of Japan provides that:

- The entire issue price of shares must be credited to common stock, with the provision that, by resolution of the Board of Directors, up to one-half of such issue price may be credited to additional paid-in capital, so long as the common stock is equal to at least the aggregate par value of the shares issued.
- An amount equal to at least 10% of cash appropriations of retained earnings shall be set aside as legal reserve until such reserve equals

will be given upon the request of the bank, and that any collateral so provided will be applicable to all indebtedness due to such bank. In addition, the agreements provide that the bank has the right to off-set cash deposited against long-term borrowings that become due and, in case of default and certain other specified events, against all other debts payable to the bank.

The conversion price per share of the 0.65% convertible bonds was ¥441 (\$4.16).

At March 31, 2000, 78,020,408 shares of common stock were reserved for conversion of the convertible bonds, including those held by consolidated subsidiaries.

25% of the stated capital. The legal reserve may not be distributed to shareholders, but may be appropriated to eliminate or reduce a deficit, if any, by resolution of the shareholders, or it may be capitalized by resolution of the Board of Directors. Legal reserves of the Company and domestic consolidated subsidiaries are reflected in the consolidated financial statements as a reduction in the accumulated deficit.

7. SEGMENT INFORMATION

The activities of the Company and its major consolidated subsidiaries include worldwide trading in various commodities, financing for customers and suppliers relating to such trading activities, and organizing and coordinating industrial projects on an international basis in conjunction with trading activities.

In prior years, the Company did not report information about

operating segments because the Company has operated in a single industry commonly classified as general trading companies. However, commencing with the year ended March 31, 2000, the Company decided to report operating segment information for the purpose of disclosure of more useful information about the business of the Company and its subsidiaries.

Operating segment information was as follows:

Year ended March 31, 2000	Millions of yen										
	Machinery and Information Industries	Metals	Energy	Chemicals	Housing Materials and General Merchandise	Consumer Products	Construction and Urban Development	Overseas Trading Subsidiaries	Domestic Branches and Offices	Eliminations or Unallocated	Consolidated
Total trading transactions:											
Outside customers.....	¥1,833,796	¥1,384,829	¥872,297	¥371,294	¥489,809	¥571,026	¥296,233	¥1,072,393	¥333,473	¥ 56,154	¥7,281,304
Intersegment.....	65,485	101,024	34,695	123,431	307,536	41,816	12,094	1,008,295	129,143	(1,823,519)	—
Total.....	1,899,281	1,485,853	906,992	494,725	797,345	612,842	308,327	2,080,688	462,616	(1,767,365)	7,281,304
Operating expenses.....	1,887,511	1,477,264	903,222	487,446	792,433	610,041	299,760	2,079,105	460,553	(1,765,119)	7,232,216
Operating income.....	¥ 11,770	¥ 8,589	¥ 3,770	¥ 7,279	¥ 4,912	¥ 2,801	¥ 8,567	¥ 1,583	¥ 2,063	¥ (2,246)	¥ 49,088
Assets.....	¥ 816,213	¥ 638,489	¥155,976	¥253,899	¥182,544	¥243,189	¥316,893	¥ 840,255	¥101,954	¥ 528,874	¥4,078,286
Depreciation and amortization.....											
	¥ 5,636	¥ 2,659	¥ 1,452	¥ 5,753	¥ 673	¥ 2,095	¥ 974	¥ 1,246	¥ 288	¥ 7,289	¥ 28,065
Capital expenditures.....	¥ 6,177	¥ 6,925	¥ 2,581	¥ 3,321	¥ 497	¥ 447	¥ 6,422	¥ 1,540	¥ 172	¥ 12,192	¥ 40,274

	Thousands of U.S. dollars										
	Machinery and Information Industries	Metals	Energy	Chemicals	Housing Materials and General Merchandise	Consumer Products	Construction and Urban Development	Overseas Trading Subsidiaries	Domestic Branches and Offices	Eliminations or Unallocated	Consolidated
Outside trading transactions:											
Outside customers.....	\$17,299,962	\$13,064,424	\$8,229,217	\$3,502,774	\$4,620,840	\$5,387,037	\$2,794,651	\$10,116,915	\$3,145,972	\$ 529,755	\$68,691,547
Intersegment.....	617,783	953,057	327,311	1,164,443	2,901,283	394,491	114,094	9,512,217	1,218,330	(17,203,009)	—
Total.....	17,917,745	14,017,481	8,556,528	4,667,217	7,522,123	5,781,528	2,908,745	19,629,132	4,364,302	(16,673,254)	68,691,547
Operating expenses.....	17,806,707	13,936,453	8,520,962	4,598,547	7,475,783	5,755,103	2,827,924	19,614,198	4,344,840	(16,652,064)	68,228,453
Operating income.....	\$ 111,038	\$ 81,028	\$ 35,566	\$ 68,670	\$ 46,340	\$ 26,425	\$ 80,821	\$ 14,934	\$ 19,462	\$ (21,190)	\$ 463,094
Assets.....	\$ 7,700,123	\$ 6,023,481	\$1,471,472	\$2,395,274	\$1,722,113	\$2,294,236	\$2,989,557	\$ 7,926,934	\$ 961,830	\$ 4,989,376	\$38,474,396
Depreciation and amortization.....											
	\$ 53,170	\$ 25,085	\$ 13,698	\$ 54,274	\$ 6,349	\$ 19,764	\$ 9,189	\$ 11,755	\$ 2,717	\$ 68,763	\$ 264,764
Capital expenditures.....	\$ 58,274	\$ 65,330	\$ 24,349	\$ 31,330	\$ 4,689	\$ 4,217	\$ 60,585	\$ 14,528	\$ 1,623	\$ 115,018	\$ 379,943

Assets in the eliminations or unallocated column, totalling ¥957,623 million (\$9,034,179 thousand) consist primarily of foreign currency

translation adjustments, cash and cash equivalents, and securities.

Segment information by geographic area was as follows:

Year ended March 31, 2000	Millions of yen						Elimination or Unallocated	Consolidated
	Japan	North America	Europe	Asia, Oceania	Other Areas			
Total trading transactions:								
Outside customers.....	¥5,912,447	¥ 717,396	¥144,916	¥486,343	¥ 20,202	¥ —	¥7,281,304	
Inter-areas.....	673,472	420,103	248,524	385,616	239	(1,727,954)	—	
Total.....	6,585,919	1,137,499	393,440	871,959	20,441	(1,727,954)	7,281,304	
Operating expenses.....	6,548,076	1,134,908	389,099	868,665	21,035	(1,729,567)	7,232,216	
Operating income (loss).....	¥ 37,843	¥ 2,591	¥ 4,341	¥ 3,294	¥ (594)	¥ 1,613	¥ 49,088	
Assets.....	¥3,117,732	¥ 308,445	¥589,948	¥433,201	¥209,994	¥ (581,034)	¥4,078,286	

Thousands of U.S. dollars							
	Japan	North America	Europe	Asia, Oceania	Other Areas	Elimination or Unallocated	Consolidated
Total trading transactions:							
Outside customers.....	\$55,777,802	\$ 6,767,887	\$1,367,132	\$4,588,141	\$ 190,585	\$ —	\$68,691,547
Inter-areas.....	6,353,509	3,963,236	2,344,566	3,637,887	2,255	(16,301,453)	—
Total	62,131,311	10,731,123	3,711,698	8,226,028	192,840	(16,301,453)	68,691,547
Operating expenses.....	61,774,302	10,706,679	3,670,745	8,194,953	198,444	(16,316,670)	68,228,453
Operating income (loss).....	\$ 357,009	\$ 24,444	\$ 40,953	\$ 31,075	\$ (5,604)	\$ 15,217	\$ 463,094
Assets.....	\$29,412,566	\$ 2,909,858	\$5,565,547	\$4,086,802	\$1,981,076	\$ (5,481,453)	\$38,474,396

Millions of yen							
Year ended March 31, 1999	Japan	North America	Europe	Asia, Oceania	Other Areas	Elimination or Unallocated	Consolidated
Total trading transactions:							
Outside customers.....	¥ 7,553,445	¥ 665,561	¥ 146,695	¥ 247,261	¥ 45,944	¥ —	¥ 8,658,906
Inter-areas.....	620,500	603,675	256,901	941,691	326	(2,423,093)	—
Total	8,173,945	1,269,236	403,596	1,188,952	46,270	(2,423,093)	8,658,906
Operating expenses.....	8,141,026	1,263,514	401,841	1,186,692	46,281	(2,425,430)	8,613,924
Operating income (loss).....	¥ 32,919	¥ 5,722	¥ 1,755	¥ 2,260	¥ (11)	¥ 2,337	¥ 44,982
Assets.....	¥ 3,398,465	¥ 415,712	¥ 800,812	¥ 500,107	¥ 279,132	¥ (736,195)	¥ 4,658,033

Millions of yen							
Year ended March 31, 1998	Japan	North America	Europe	Asia, Oceania	Other Areas	Elimination or Unallocated	Consolidated
Total trading transactions:							
Outside customers.....	¥ 8,225,575	¥ 1,090,466	¥ 267,748	¥ 404,693	¥ 64,265	¥ —	¥10,052,747
Inter-areas.....	936,221	832,928	438,437	1,202,297	682	(3,410,565)	—
Total	9,161,796	1,923,394	706,185	1,606,990	64,947	(3,410,565)	10,052,747
Operating expenses.....	9,120,203	1,916,542	703,110	1,601,315	65,142	(3,412,588)	9,993,724
Operating income (loss).....	¥ 41,593	¥ 6,852	¥ 3,075	¥ 5,675	¥ (195)	¥ 2,023	¥ 59,023
Assets.....	¥ 3,734,802	¥ 465,416	¥ 986,285	¥ 505,783	¥ 257,652	¥ (509,300)	¥ 5,440,638

The principal countries or areas included in each region are as follows:

Asia, Oceania.....	Singapore and China
North America.....	U.S.A. and Canada
Other areas.....	Central and South America and Africa
Europe.....	United Kingdom and Germany

Included in assets in the elimination or unallocated column at March 31, 2000, 1999 and 1998 are foreign currency translation adjustments of ¥87,275 million (\$823,349 thousand), ¥72,903 million and ¥47,610 million, respectively.

Overseas trading transactions for the years ended March 31, 2000, 1999 and 1998 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2000	1999	1998	2000
North America.....	¥ 830,853	¥ 893,454	¥1,033,107	\$ 7,838,236
Europe.....	361,585	372,532	457,257	3,411,179
Asia, Oceania.....	853,834	1,219,429	1,563,249	8,055,038
Other areas.....	696,108	683,008	961,570	6,567,056
.....	¥2,742,380	¥3,168,423	¥4,015,183	\$25,871,509

The principal countries or areas included in each region are as follows:

Asia, Oceania.....	Thailand, China, Republic of Korea and Indonesia
North America.....	U.S.A. and Canada
Other areas.....	Middle and Near East and Central and South America
Europe.....	Belgium, Netherlands and United Kingdom

Overseas trading transactions include the total sales of the Company and the consolidated subsidiaries that occurred outside of Japan.

8. SALES TO AND PURCHASES FROM UNCONSOLIDATED SUBSIDIARIES AND AFFILIATES

Sales to and purchases from unconsolidated subsidiaries and affiliates for the years ended March 31, were as follows:

	Millions of yen			Thousands of U.S. dollars
	2000	1999	1998	2000
Net sales.....	¥177,026	¥277,791	¥318,213	\$1,670,057
Purchases.....	263,370	302,278	411,155	2,484,623

9. OTHER INCOME (EXPENSES)

Details of "Other, net" in the consolidated statements of income for the years ended March 31 were as follows:

	Millions of yen			Thousands of U.S. dollars
	2000	1999	1998	2000
Gain (loss) on sale of securities.....	¥101,266	¥ 22,179	¥ (4,530)	\$ 955,340
Loss on revaluation of securities.....	(25,632)	(28,750)	(9,964)	(241,811)
Gain (loss) on disposal of properties.....	(5,125)	16,835	(1,823)	(48,349)
Loss on withdrawal from certain foreign operations.....	—	(937)	(1,375)	—
Loss, and provision for loss, on the dissolution of subsidiaries and affiliates.....	(20,612)	(2,792)	(5,986)	(194,453)
Provision for overseas doubtful receivables.....	(34,605)	(13,401)	(4)	(326,462)
Loss on fund trust investments and other financial investments.....	—	(120,286)	—	—
Loss on translation of receivables and payables in foreign currencies.....	(7,633)	(3,519)	—	(72,010)
Special early retirement benefits.....	(5,052)	—	—	(47,661)
Other.....	(4,755)	(1,945)	(5,857)	(44,858)
	¥ (2,148)	¥(132,616)	¥(29,538)	\$ (20,264)

10. INCOME TAXES

The Company and its domestic subsidiaries are subject to a number of different taxes based on income which in the aggregate, for the years ended March 31, 2000, 1999 and 1998, indicate approximate statutory rates of 42%, 48% and 51% respectively. Foreign subsidiaries are subject to income taxes of the countries where they operate.

Significant components of deferred tax assets and liabilities were as follows:

At March 31, 2000	Millions of yen	Thousands of U.S. dollars
Deferred tax assets:		
Allowance for doubtful receivables.....	¥30,067	\$283,651
Employees' retirement benefits.....	2,006	18,925
Unrealized intercompany profit.....	17,182	162,094
Other.....	7,192	67,849
Gross deferred tax assets.....	56,447	532,519
Less valuation allowance.....	(11,728)	(110,642)
Deferred tax assets—less valuation allowance.....	44,719	421,877
Deferred tax liabilities:		
Deferred gain on sale of properties.....	9,682	91,340
Reversal of allowance resulting from elimination of intercompany accounts.....	1,215	11,462
Net unrealized gains on application of SFAS115.....	2,902	27,377
Other.....	4,821	45,481
Gross deferred tax liabilities.....	18,620	175,660
Net deferred tax assets.....	¥26,099	\$246,217

Deferred tax assets of ¥21,475 million (\$202,594 thousand) with respect to net operating loss carryforwards of consolidated subsidiaries have not been recognized.

The difference between the statutory tax rate of 42.1% and the effective rate of income taxes reflected in the accompanying consolidated statements of income of 50.6% for the year ended March 31, 2000, is mainly due to amortization of goodwill recognized on consolidation, making up 6.6 points of the difference and equity in losses of unconsolidated subsidiaries and affiliates, making up 4.7 points of the difference.

At March 31, 1999	Millions of yen
Deferred tax assets:	
Allowance for doubtful receivables.....	¥15,983
Employees' retirement benefits.....	2,035
Unrealized intercompany profit.....	13,208
Other.....	6,569
Gross deferred tax assets.....	37,795
Deferred tax liabilities:	
Deferred gain on sale of properties.....	9,980
Reversal of allowance resulting from elimination of intercompany accounts.....	2,132
Other.....	5,092
Gross deferred tax liabilities.....	17,204
Net deferred tax assets.....	¥20,591

Deferred tax assets of ¥30,235 million with respect to net operating loss carryforwards of the Company and its subsidiaries were not recognized.

11. CONTINGENT LIABILITIES

Contingent liabilities at March 31, 2000, were as follows:

	Millions of yen	Thousands of U.S. dollars
For repurchase of notes discounted and endorsed.....	¥ 44,652	\$ 421,245
For guarantees of indebtedness to:		
Unconsolidated subsidiaries and affiliates.....	¥ 44,361	\$ 418,500
Others.....	95,402	900,019
	¥139,763	\$1,318,519

12. LEASES

Information on finance leases of the Company and its consolidated subsidiaries is as follows:

Non-capitalized finance leases, as lessee:	Millions of yen				Thousands of U.S. dollars
	Buildings and structures	Equipment and fixtures	Other	Total	Total
At March 31, 2000					
Original lease obligation, including finance charges.....	¥ 453	¥11,253	¥ 615	¥12,321	\$116,236
Future minimum lease payments.....	147	4,960	255	5,363	50,594
Portion due within one year.....				1,950	18,396

At March 31, 1999	Millions of yen			
	Buildings and structures	Equipment and fixtures	Other	Total
Original lease obligation, including finance charges.....	¥ 459	¥14,978	¥ 368	¥15,805
Future minimum lease payments.....	245	7,214	188	7,647
Portion due within one year.....				2,498

Lease payments for the years ended March 31, 2000, 1999 and 1998 were ¥688 million (\$6,491 thousand), ¥1,330 million and ¥1,463 million, respectively.

Finance leases, as lessor:	Millions of yen				Thousands of U.S. dollars
	Buildings and structures	Equipment and fixtures	Other	Total	Total
At March 31, 2000					
Lease properties, at cost.....	¥ 297	¥21,629	¥ 213	¥22,139	\$208,858
Lease properties, less accumulated depreciation.....	68	8,242	124	8,433	79,557

At March 31, 1999	Millions of yen			
	Buildings and structures	Equipment and fixtures	Other	Total
Lease properties, at cost	¥ 288	¥21,875	¥ 13	¥22,176
Lease properties, less accumulated depreciation.....	150	12,193	8	12,351

Future minimum lease payments to be received after March 31, 2000 are ¥11,419 million (\$107,726 thousand) of which ¥4,289 million (\$40,462 thousand) is due within one year.

Lease payments received for the years ended March 31, 2000, 1999 and 1998 were ¥3,549 million (\$33,481 thousand), ¥4,579 million and ¥4,347 million, respectively.

As lessee under noncancelable operating leases, future minimum lease payments are ¥531 million (\$5,009 thousand) of which ¥216 million (\$2,038 thousand) is due within one year.

13. DERIVATIVE INSTRUMENTS

The Company and its consolidated subsidiaries use foreign exchange contracts, currency options, swap and various types of interest rate, bond, equity and commodity related forwards, futures and options, principally to reduce the market risk associated with financial activities and commodity trading activities. The Company and its consolidated subsidiaries select highly-ranked financial institutions, exchanges and brokers as counter parties to minimize credit risk

exposure. All of the derivative transactions are under the strict control of management through various limit restrictions and reporting by risk control sections. The Company and each consolidated subsidiary's accounting sections also confirm the outstanding positions and fair values with counter parties. The results of these procedures are reported to the Company's risk control section.

Outstanding positions and unrealized gains and losses at March 31, 2000 were as follows:

	Millions of yen		Thousands of U.S. dollars
	Contract amount	Unrealized gains (Losses)	Unrealized gains (Losses)
Currency related contracts:			
Foreign exchange contracts			
Sell U.S. dollars	¥ 48,930	¥ (144)	\$ (1,358)
Other currencies.....	2,317	161	1,519
Purchase U.S. dollars	43,542	(836)	(7,887)
Euro	2,970	(110)	(1,038)
Other currencies.....	2,552	(186)	(1,755)
Swap contracts			
U.S. dollars	4,714	(492)	(4,642)
German marks	22,533	(7,006)	(66,094)
Total		¥ (8,613)	\$ (81,255)
Interest rate related contracts:			
Option contracts			
Cap Purchase	¥ 750	¥ (20)	\$ (189)
Swaption Sell	2,511	(19)	(179)
Purchase	3,284	(63)	(594)
Swap contracts			
Receive fixed for variable rates.....	152,394	8,207	77,425
Receive variable for fixed rates.....	571,895	(17,194)	(162,208)
Receive variable for variable rates	48,389	405	3,821
Total		¥ (8,684)	\$ (81,924)
Bond related contracts:			
Future contracts			
Bond Purchase	¥ 2,359	¥ 8	\$ 75
Forward contracts			
Bond Purchase	10,000	(418)	(3,943)
Total		¥ (410)	\$ (3,868)
Other related contracts:			
Credit swap contracts.....	¥ 7,781	¥ 109	\$ 1,028
Total		¥ 109	\$ 1,028

	Millions of yen		Thousands of U.S. dollars
	Contract amount	Unrealized gains (Losses)	Unrealized gains (Losses)
Commodity related contracts:			
Future contracts			
Metals			
Sell	¥ 2,819	¥ 48	\$ 453
Purchase	3,256	3	28
Foodstuffs			
Sell	3,062	56	528
Purchase	4,522	65	613
Forward contracts			
Metals			
Sell	61,970	(1,672)	(15,773)
Purchase	47,322	(1,093)	(10,311)
Option contracts			
Foodstuffs			
Sell options			
Call	394	(23)	(217)
Purchase options			
Call	1,458	(2)	(19)
Total		¥(2,618)	\$(24,698)

Contract amounts of option and swap contracts are represented by notional amounts which are not appropriate for evaluating market or credit risk.

As a substantial portion of the derivative transactions are used for hedging purposes, unrealized gains and losses are largely offset by opposite movements in the underlying exposures.

14. THE MEDIUM-TERM MANAGEMENT PLAN 2002

The Board of Directors approved a three year plan "Medium-Term Management Plan 2002" on August 6, 1999.

This plan follows the slogan "Selection and Concentration" based on the three year plan approved April 23, 1999, which has two fundamental policies to "Improve financial position" and to "Reform earnings structure".

The key points of this plan are to improve our financial position by streamlining consolidated assets and reducing interest-bearing debt

each by ¥1,200 billion in three years, to strengthen consolidated management by merging and liquidating Group companies, and to concentrate resources in strategic core businesses.

With strong enforcement of this plan to improve our financial position and business activities, it is possible that the plan will have an effect on the financial position and the results of operations in the next fiscal year.

15. RESTATEMENT IN PRESENTATION

For the year ended March 31, 2000, amortization of goodwill recognized on consolidation is newly included in selling, general and administrative expenses, equity in losses of unconsolidated subsidiaries and affiliates is newly presented before income taxes, and minority interests in consolidated subsidiaries is newly presented after income taxes in the consolidated statements of income. Prior year amounts

have been reclassified to conform to the 2000 presentation according to the revised Japanese GAAP.

Compared with the presentation of the prior years, operating income decreased ¥2,872 million (\$27,094 thousand) and income before income taxes decreased ¥3,260 million (\$30,755 thousand) for the year ended March 31, 2000.

Report of Independent Public Accountants

To the Shareholders and
the Board of Directors of
Nissho Iwai Corporation :

We have audited the accompanying consolidated balance sheets of Nissho Iwai Corporation (a Japanese corporation) and subsidiaries as of March 31, 2000 and 1999, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three years in the period ended March 31, 2000, expressed in Japanese yen. Our audits were made in accordance with generally accepted auditing standards in Japan and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements referred to above present fairly the consolidated financial position of Nissho Iwai Corporation and subsidiaries as of March 31, 2000 and 1999, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2000 in conformity with accounting principles generally accepted in Japan applied on a consistent basis, during the periods, except for the new accounting policies and changes in accounting policies, with which we concur, as noted in the following paragraph.

As explained in Note 2, in the year ended March 31, 2000, Nissho Iwai Corporation and subsidiaries prospectively adopted new Japanese accounting standards for consolidation and equity method accounting and software. Also, effective for the year ended March 31, 2000, Nissho Iwai Corporation and subsidiaries changed their method of accounting for securities with respect to certain subsidiaries in the United States of America as referred to in Note 2 and their method of disclosure of segment information as described in Note 7.

Also, in our opinion, the U.S. dollar amounts in the accompanying consolidated financial statements have been translated from Japanese yen on the basis set forth in Note 1.

Osaka, Japan
June 28, 2000



Asahi & Co.
(Member Firm of Andersen Worldwide SC)

Statement on Accounting Principles and Auditing Standards

This statement is to remind users that accounting principles and auditing standards and their application in practice may vary among nations and therefore could affect, possibly materially, the reported financial position and results of operations. The accompanying financial statements are prepared based on accounting principles generally accepted in Japan, and the auditing standards and their application in practice are those generally accepted in Japan. Accordingly, the accompanying financial statements and the auditors' report presented above are for users familiar with Japanese accounting principles, auditing standards and their application in practice.

GLOBAL NETWORK

(As of July 1, 2000)



OFFICES

JAPAN

HEAD OFFICES:

OSAKA
TOKYO

OTHER OFFICES:

NAGOYA (AICHI PREF.)
KYUSHU (FUKUOKA PREF.)
HOKKAIDO (HOKKAIDO PREF.)
CHUGOKU (HIROSHIMA PREF.)

CHIBA (CHIBA PREF.)
CHITA (AICHI PREF.)
FUKUI (FUKUI PREF.)
HAKODATE (HOKKAIDO PREF.)
HAMAMATSU (SHIZUOKA PREF.)
HIMEJI (HYOGO PREF.)
HOKURIKU (TOYAMA PREF.)
HOKKO (OSAKA PREF.)
KAKOGAWA (HYOGO PREF.)
KAMAISHI (IWATE PREF.)
KIMITSU (CHIBA PREF.)

KITA-KYUSHU (FUKUOKA PREF.)
KOBE (HYOGO PREF.)
MATSUYAMA (EHIME PREF.)
MURORAN (HOKKAIDO PREF.)
NAGANO (NAGANO PREF.)
NAGASAKI (NAGASAKI PREF.)
NAHA (OKINAWA PREF.)
NIIGATA (NIIGATA PREF.)
OITA (OITA PREF.)
OKAYAMA (OKAYAMA PREF.)
SHIZUOKA (SHIZUOKA PREF.)
TAKAMATSU (KAGAWA PREF.)
TOHOKU (MIYAGI PREF.)
TOKUYAMA (YAMAGUCHI PREF.)
UBE (YAMAGUCHI PREF.)

AMERICAS**U. S. A.**

NISSHO IWAI AMERICAN CORPORATION
NEW YORK / CHARLOTTE / WASHINGTON /
ATLANTA / DETROIT / CLEVELAND / NASHVILLE /
CHICAGO / HOUSTON / LOS ANGELES / SILICON
VALLEY / PORTLAND / BELLEVUE / SEATTLE /
TUCSON

CANADA

NISSHO IWAI CANADA LTD.
TORONTO / VANCOUVER / INGERSOLL

MEXICO

NISSHO IWAI MEXICANA S.A. DE C.V.
MEXICO CITY / AGUASCALIENTES

PANAMA

NISSHO IWAI PANAMA INTERNATIONAL S.A.
PANAMA

GUATEMALA

NISSHO IWAI DE CENTROAMERICA Y EL CARIBE,
S.A.
GUATEMALA / PANAMA / SAN JOSE

COLOMBIA

NISSHO IWAI DE COLOMBIA S.A.
BOGOTA

VENEZUELA

NISSHO IWAI DE VENEZUELA C.A.
CARACAS

ECUADOR

NIC DEL ECUADOR S.A.
QUITO

PERU

NISSHO IWAI DEL PERU S.A.
LIMA

BRAZIL

NISSHO IWAI DO BRASIL S.A.
SÃO PAULO / RIO DE JANEIRO

ARGENTINE

NISSHO IWAI (ARGENTINA) S.A.
BUENOS AIRES

CHILE

NISSHO IWAI (CHILE) LTDA.
SANTIAGO

CUBA

HAVANA

EUROPE AND AFRICA**U.K.**

NISSHO IWAI EUROPE PLC
LONDON / ABERDEEN

NORWAY

NISSHO IWAI EUROPE PLC
OSLO

GERMANY

NISSHO IWAI DEUTSCHLAND GMBH
DÜSSELDORF / HAMBURG

FINLAND

NISSHO IWAI DEUTSCHLAND GMBH
HELSINKI

BELGIUM

N.V. NISSHO IWAI (BENELUX) S.A.
BRUSSELS

FRANCE

NISSHO IWAI FRANCE S.A.
PARIS

ITALY

NISSHO IWAI ITALIA S.P.A.
MILANO

SPAIN

NISSHO IWAI IBERIA S.A.
MADRID

PORTUGAL

NISSHO IWAI IBERIA S.A.
LISBON

GREECE

PIRAEUS

AUSTRIA

NISSHO IWAI EUROPE PLC
WIEN

ROMANIA

NISSHO IWAI EUROPE PLC
BUCHAREST

POLAND

NISSHO IWAI EUROPE PLC
WARSZAWA

ALGERIA

NISSHO IWAI FRANCE S.A.
ALGER

SOUTH AFRICA

JOHANNESBURG

ZIMBABWE

HARARE

ANGOLA

LUANDA

NIGERIA

NISSHO IWAI (NIGERIA) LTD.
LAGOS

COTE D'IVOIRE

ABIDJAN

KENYA

NAIROBI

MIDDLE EAST, CIS, ASIA AND OCEANIA**SAUDI ARABIA**

RIYADH
AL-KHOBAR

YEMEN

SANAA

QATAR

DOHA

U.A.E.

ABU DHABI
DUBAI

OMAN

MUSCAT

IRAQ

BAGHDAD

JORDAN

AMMAN

EGYPT

CAIRO

IRAN

NISSHO IWAI CORPORATION, (IRAN) LTD.
TEHERAN

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ISTANBUL
ANKARA

ISRAEL

TEL-AVIV

UZBEKISTAN

TASHKENT

AZERBAIDJAN

BAKU

KAZAKHSTAN

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BOMBAY
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JAMSHEDPUR
MADRAS
BANGALORE

BANGLADESH

DHAKA
CHITTAGONG

PAKISTAN

KARACHI
ISLAMABAD

THAILAND

NISSHO IWAI (THAILAND) LIMITED PARTNERSHIP
BANGKOK

THAI SUNROCK COMPANY LTD.
BANGKOK

MYANMAR

YANGON

VIETNAM

HANOI
HO CHI MINH CITY
DANANG
VUNG TAU

LAOS

VIENTIANE

CAMBODIA

PHNOM PENH

MALAYSIA

KUALA LUMPUR
KOTA KINABALU
MIRI

SUNROCK (MALAYSIA) SENDIRIAN BERHAD
KUALA LUMPUR

SINGAPORE

SINGAPORE

NISSHO IWAI INTERNATIONAL (SINGAPORE) LTD.
SINGAPORE

THE PHILIPPINES

PHILIPPINE

INDONESIA

JAKARTA
BANDUNG

P.T. NISSHO IWAI INTERNATIONAL INDONESIA
JAKARTA

AUSTRALIA

NISSHO IWAI AUSTRALIA LIMITED
SYDNEY / MELBOURNE / PERTH / BRISBANE

PAPUA NEW GUINEA

NISSHO IWAI AUSTRALIA LIMITED
PORT MORESBY

NEW ZEALAND

NISSHO IWAI NEW ZEALAND LIMITED
AUCKLAND

KOREA

SEOUL

NISSHO IWAI KOREA CORPORATION
SEOUL / BUSAN / POHANG / KWANG-YANG

TAIWAN

TAIPEI

NISSHO IWAI TAIWAN CORPORATION LIMITED
TAIPEI / KAOHSIUNG

CHINA

BEIJING
TIANJIN
QINGDAO
WUHAN
NANJING
CHONGQING
DALIAN
SHANGHAI
GUANGZHOU

NISSHO IWAI (CHINA) CO., LTD.
BEIJING

NISSHO IWAI (SHANGHAI) CORPORATION
SHANGHAI

NISSHO IWAI (DALIAN) CO., LTD.
DALIAN

NISSHO IWAI (GUANGZHOU) CORPORATION
GUANGZHOU

NISSHO IWAI (TIANJIN) CORPORATION
TIANJIN

NISSHO IWAI (QINGDAO) CORPORATION
QINGDAO

NISSHO IWAI HONG KONG CORPORATION LIMITED
HONG KONG / SHENZHEN / XIAMEN / KUNMING

Plant & Project Company

JAPAN

NI CONSTRUCTION MACHINERY CORP.
Sales of construction machinery

NITEC CORP.
Heavy machinery and industrial equipment sales

NISSHO IWAI CHEMIMAC TOKYO CORP.
Chemical machinery sales

SENDZIMIR JAPAN, LTD.
Sendzimir rolling mill manufacturing and sales

RIETSCHLE NI, LTD.
Vacuum pump import and sales

THAILAND

ASIAN TRADE & LEASING CO., LTD.
Multifinance services

INDONESIA

P.T. MAHARAJA ARTHASTAR INDONESIA FINANCE
Multifinance services

Industrial System & Automotive Company

JAPAN

N.I. EURO-MOTORS CO., LTD.
Sale of Porsche and Peugeot automobiles

STERN NISHI IKEBUKURO CO., LTD.
Mercedes-Benz car sales

CHUBU NI MACHINERY CO., LTD.
Sale of industrial robots and machinery equipment

NISSHO IWAI INDUSTRIAL MACHINERY INC.
Industrial machinery sales

NISSHO IWAI MOTOR SALES CORP.
Sale of Peugeot automobiles

NISSHO IWAI TECMAC CORP.
Chemical machinery sales

NISSHO IWAI MECHATRONICS CORP.
Factory automation system and equipment, and humidified refrigerator sales

U.S.A.

MAZAK NISSHO IWAI CORP.
Distributor of laser cutting machines

METAL PROCESSING SYSTEMS, INC.
Import and sale of metal processing machines

OAC INC.
Sales of ultraviolet exposure equipment and related parts

VENEZUELA

MMC AUTOMOTRIZ, S.A.
Mitsubishi and Hyundai auto import, assembly and distribution

CHILE

AUTOMOTRIZ PROTON S.A.
Import and sales of Proton cars

GERMANY

ORC MANUFACTURING VERTRIEBS GMBH
Ultraviolet exposure equipment sales

BELGIUM

MAZAK NISSHO IWAI EUROPE N.V./S.A.
CO₂ laser processing machine sales

FRANCE

MAZAK LASER FRANCE SARL
CO₂ laser processing machine sales

ITALY

MAZAK LASER ITALIA S.R.L.
CO₂ laser processing machine sales

SPAIN

KIA MOTORS ESPANA, S.A.
Distribution of Kia automobiles

NISSHO MOTOR ESPANA, S.A.
Wholesale Indian-made automobiles

THAILAND

GN LEASING CO., LTD.
Sale of motorcycles by installment

MALAYSIA

KAWASAKI MOTORS HOLDING (MALAYSIA) SDN., BHD.
Holding company of Kawasaki Motorcycles manufacturing plant

SINGAPORE

HOWA MACHINERY SINGAPORE PTE., LTD.
Import and sales of machine tools, and customer service

THE PHILIPPINES

AICHI FORGING COMPANY OF ASIA, INC.
Manufacture and sale of steel forging parts

ASIAN TRANSMISSION CORP.
Transmission manufacturing and Engine Assembly

MITSUBISHI MOTORS PHILIPPINES CORP.
Mitsubishi auto import, assembly and distribution

INDONESIA

P.T. ARTHACAKRA MULTIFINANCE
Automobile leasing

CHINA

NISSHO-ORIENT (SHANGHAI) MACHINERY TECHNICAL CENTER CO., LTD.
Maintenance service, technical application engineering and sales of machine tools

VIETNAM

VIETNAM SUZUKI CORP.
Suzuki automobile and motorcycle manufacturing and sales

Aerospace, Marine & Rolling Stock Company

JAPAN

NI AIRCRAFT LEASING CORP.

Used aircrafts sale and leasing

KOKUSAI KISEN K.K.

Ship broker and agent

NISSHO IWAI AEROSPACE CORP.

Import and sales of aerospace systems/parts

NIMAC CORP.

Marine and other machinery sales

FUJII WELDING CO., LTD.

Welding materials sales

NISSIN GAS ENGINEERING LTD.

Sale of gas reliquefying devices

NI-KOBE WELDING CO., LTD.

Welding materials sales

U.S.A.

NIMAC AMERICA, INC.

Sale of marine equipment

NISSHO IWAI AEROSPACE (AMERICA) CORP.

Export of aerospace systems/parts

ASANO AMERICA, INC.

Sales of transmission gears and related products

IRELAND

SUNROCK AIRCRAFT CORPORATION LTD.

Aircraft operating leasing

Metals Company

JAPAN

ASAMI STEEL SERVICE CORP.

Processing and sale of thin steel sheet

THE ASTRAL CO., LTD.

Precious stone, pearl and jewel wholesaling

ARIAKE STEEL CENTER CO., LTD.

Steel sheet and bar processing and warehousing

ALTOWN CORP.

Sale and maintenance of automobiles

NISSHO IWAI STEEL TRADE CO., LTD.

Export/import of steel products

NI STAINLESS CENTER CO., LTD.

Processing and sale of stainless steel sheet

NI ALLOY STEEL CO., LTD.

Processing and sale of special steel sheet

NI-METAL CO., LTD.

Delivery service operations

KYUSHU STEEL CORP.

Steel bar manufacturing and sales

CREATIVE DIECAST CORP.

Manufacture and machining aluminium diecast products

KOMATSUGAWA KOKI K.K.

Light-gauge steel rolling

SUNROCK OYODO CO., LTD.

Wire product manufacturing

SUZUYASU CORP.

Steel product sales

TEIMO CO., LTD.

Wire gauge manufacturing

TOKAI STEEL CORP.

Steel bar manufacturing and sales

WEST JAPAN STAINLESS STEEL WIRE CO., LTD.

Stainless steel wire manufacturing

NIK METAL CORP.

Steel product sales

NISSHO IWAI STRUCTURAL STEEL CO., LTD.

Structural steel sales

NI STEEL PRODUCTS CO., LTD.

Steel product wholesaling

NISSHO IWAI STEEL LEASING CO., LTD.

Construction material leasing

NISSHO IWAI ALCONIX CORP.

Non-ferrous metals sales and rental

NISSHO IWAI FUTURES INC.

Futures commission merchant

NISSHO IWAI BENTONITE CO., LTD.

Bentonite powder and Volclay panel sales

HAMAMATSU KOHAN KAKO CO., LTD.

Steel sheet shearing and slitting

FUJISHO COMPANY LTD.

Stainless Scrap Dealer

UNICON CO., LTD.

Pail can manufacturing

UNIVERSAL PRINT CORP.

Print processing for cans

WATAEI STEEL CO., LTD.

Steel product sales

AIKI TEKKO HANBAI CO., LTD.

Steel product sales

ARAYA SPECIAL METAL CO., LTD.

Sale of steel pipes

IMARI STEEL CENTER CO., LTD.

Processing, sale and warehousing of steel

O. F. INDUSTRIAL CO., LTD.

Special processing of stainless steel sheet

CANOX CORP.

Steel product sales

KONDO STEEL WIRE CO., LTD.

Manufacture of parts for industrial chains

CBMM ASIA CO., LTD.

Sale of niobium Products

SHINKO KOHAN KAKO, LTD.

Steel service center

SHINKO CORP.

Specialized trader of stainless steel

SHINSEI KOGYO CO., LTD.

Wire processing and sales

DAINIPPON FOIL INDUSTRIES CO., LTD.

Processing of food storage wrap

TECHNO STEEL CORP.

Various rolled products and flat bar manufacturing and sales

TOPURA CO., LTD.

Manufacture and sale of screws and bolts

TTC CO., LTD.

Manufacture and sale of screws and bolts

NIHON SEIKO CO., LTD.

Antimony product manufacturing

MAXIS CORP.

Sale of special steel products

METAL ART CORP.

Steel forging

U.S.A.

ALLOY TOOL STEEL, INC.

Distributor and processor of alloy steel

N-I ENERGY DEVELOPMENT, INC.

Pipe and tube import and sales

NI METAL PRODUCTS, INC.

Distributor of air conditioner tubes and parts

NIAC STEEL SALES, INC.

Distributor of steel pipes

Metals Company

SANSHIN INDUSTRIAL (U.S.A.) CORP.

Manufacture of press products for use in FD

STAMFORD CAPITAL MANAGEMENT, INC.

Advisory services for commodity trading

MARUICHI AMERICAN CORP.

Steel pipe manufacturing and sales

STRATEGIC MINERALS CORP.

Vanadium production and sales

TWN FASTENER INC.

Construction and industrial fastener manufacturing and sales

CANADA

MONZEN STEEL INC.

Steel service centers

NISSHO IWAI COAL DEVELOPMENT (CANADA) LTD.

Coal mining

NISSHO IWAI MOLY RESOURCES, INC.

Molybdenum mining

MEXICO

SANSHIN DE MEXICO S.A. DE C.V.

Manufacture and sale of parts for metal presses

NICOMETAL MEXICANA, S.A. DE C.V.

Process and sale of steel sheet

SANOI INDUSTRIAL DE MEXICO, S.A. DE C.V.

Brake-tube manufacturing

FRANCE

NISSHIN FRANCE S.A.

Stockholder and management company of Le Nikkel Corp. Valve manufacturing and sales

CZECH

NIKOM, A.S.

Ferrovandium production and sales

SOUTH AFRICA

NSA METALS (PROPRIETARY) LTD.

Finance company; sale of ferrochrome

THAILAND

MAHAJAK KYODO CO., LTD.

Cold Finished Bar Manufacturing

NI STEEL SALES (THAILAND) CO., LTD.

Sale of steel products

KITZ (THAILAND) LTD.

Valve manufacturing and sales

VIETNAM

VIETNAM JAPAN ALUMINIUM CO., LTD.

Aluminum extrusion products manufacturing and sales

VINANIC STEEL PROCESSING CO.

Cutting and processing of steel sheet

MALAYSIA

COLD PARTS (MALAYSIA) SDN., BHD.

Marketing and sales of OA/AV parts

NICOM STEEL CENTRE (MALAYSIA) SDN., BHD.

Steel coil and sheet processing and sales

SUNROCK STEEL CENTRE (MALAYSIA) SDN., BHD.

Steel coil and sheet processing and sales

SINGAPORE

N-I TUBULAR INTERNATIONAL PTE., LTD.

Sale of steel pipes

NISSHIN INDUSTRY (SINGAPORE) PTE., LTD.

Copper tripod manufacturing

SINGAPORE ELECTRICAL STEEL SERVICES PTE., LTD.

Electrical steel processing and sales

ASIA CABLE ENGINEERING CO., PTE., LTD.

Cable outfitting and connection operations

THE PHILIPPINES

COIL TECH MANILA, INC.

Steel sheet processing center

INDONESIA

P.T. INDONESIA STEEL TUBE WORKS LTD.

Steel tube manufacturing and sales

P.T. IRON WIRE WORKS INDONESIA

Steel wire manufacturing

P.T. SESS INDONESIA

Steel stamping

P.T. NICORINDO BAJA

Steel sheet processing center for automobiles and consumer electronics

P.T. SHINTO LANCE INDONESIA

Lance pipe manufacturing and sales

AUSTRALIA

NISSHO IWAI ALUMINA PTY., LTD.

Refinement and sale of aluminum

CATHERINE HILL RESOURCES PTY., LTD.

Coal mining

KOBE ALUMINA ASSOCIATES (AUSTRALIA) PTY., LTD.

Alumina production

WINNIN PTY., LTD.

Coal mining

WINVIEW PTY., LTD.

Coal mining

KOREA

MASAN STEEL TUBE WORKS CO., LTD.

Steel pipe manufacturing and sales

CHINA

NIFAST (SHANGHAI) CO., LTD.

Secondary iron rod products

SHANGHAI JIARI PRECISE STEEL SHEET PRODUCTS CO., LTD.

Processing and sales of steel plates

SHUNDE HUA RI STEEL COIL CENTER CO., LTD.

Steel service center

TIANJIN RIHUA STEEL PRODUCTS CO., LTD.

Processing and sales of steel plates

WELLING STEEL TRADING CO., LTD.

Investment operations for development of mining in China

KAWAMURA PRECISION MATERIAL (WUXI) CO., LTD.

Manufacture and sale of capillary tubing for refrigerators and air conditioners

MID-CONTINENT TUBULAR LTD.

Sale of oil well pipe equipment

SHENZHEN AERO-FASTENERS MANUFACTURING CO., LTD.

Fastener manufacturing

Energy Company

JAPAN

K.K. N.I. AUTO SERVICE

Petroleum product sales and automobile maintenance

EHIME NISSHO PROPANE CO., LTD.

LPG sales

KOCHI NISSHO PROPANE CORP.

LPG sales

KOKUYO SEKIYU CO., LTD.

Petroleum product sales

TOKAI NISSHO GAS CO., LTD.

LPG sales

TOKYO YUSO CORP.

Warehousing and tank leasing

NICHIGETSU GAS SETSUBI K.K.

LPG sales

NISSHO IWAI GAS CORP.

LPG sales

NISSHO IWAI SYSTEM SALES CO., LTD.

Computer sales and software development for LPG

NISSHO IWAI PETROLEUM CORP.

Petroleum product and LPG sales

NISSHO IWAI PETROLEUM GAS CORP.

LPG import and sales

NISSHO GAS SUPPLY CORP.

LPG sales

NISSHO KOYU CO., LTD.

Petroleum product sales

NISSHO PROPANE SEKIYU CORP.

LPG and petroleum product sales

NISSEI CORP.

LPG sales

JAPAN ENERGY SERVICE CORP.

Representative for LNG import

HOKURIKU NISSHO PROPANE CO., LTD.

LPG sales

MIE GAS TERMINAL CO., LTD.

LPG sales

MIE NISSHO GAS CO., LTD.

LPG sales

NAGANO PROPANE GAS CO., LTD.

LPG sales

NUSANTARA GAS SERVICES CO., INC.

LNG import and sales

HIROSHIMA LP GAS TERMINAL CO., LTD.

LPG sales

HONMA NENRYO CORP.

LPG sales

YOKKAICHI LPG TERMINAL CO., LTD.

LPG warehouse manager

U.S.A.

BLNG INC.

LNG tanker navigation management

LIBERIA

MOL-NIC TRANSPORT LTD.

Investment company for LNG transport

SINGAPORE

NISSHO IWAI PETROLEUM CO., (SINGAPORE) PTE., LTD.

Crude oil/oil products trading

INDONESIA

INDONESIA NATURAL GAS RESOURCES MUTURI, INC.

Exploration, development, production and sale of oil and natural gas

Chemicals Company

JAPAN

IKKA KOSAN CO., LTD.

Sale of materials for plastic injector moldings

NI CHEMICAL CORP.

Transport and leasing of tanks for chemical and petroleum products

NI TECHNOPLAS CO., LTD.

Coloring and processing of ABS synthetic resin

SAMBOW PLASTICS CO., LTD.

Vinyl chloride product manufacturing and sales

DAIICHI KASEI CO., LTD.

Precision molding and assembly

TAIHO FILM MANUFACTURING CO., LTD.

Manufacture and sale of polyethylene film

TAIYO CHEMICAL INDUSTRY CO., LTD.

Vinyl chloride film manufacturing and sales

TAKAFUJI CHEMICALS CO., LTD.

Vinyl chloride sheet and synthetic rubber products manufacturing

TOHTO FUJIKURA SALES CO., LTD.

Vinyl chloride and synthetic resin film sales

NISSHO IWAI CHEMICAL LTD.

Chemical product sales

NISSHO IWAI CEMENT CORP.

Wholesaling of cement, ready-mixed concrete, and other building materials

NISSHO IWAI CERAMICS CORP.

Refractory raw material and nonmetallic mineral sales

NISSHO IWAI PLASTIC CORP.

Plastic product sales

VERMITTECH CORP.

Vermiculite processing

HOKKO CHEMICAL CO., LTD.

Manufacture and sale of thinner; storage and transport of chemicals

YAHATA CONCRETE CO., LTD.

Manufacture and sale of ready-mixed concrete

YAHATA READY MIXED CONCRETE CO., LTD.

Manufacture and sale of ready-mixed concrete

ICHIKOH INTERNATIONAL CO., LTD.

Synthetic resin material sales

UBE FILM, LTD.

Synthetic resin product manufacture and sales

DAIDO SHOKO CO., LTD.

Manufacture and sale of molded paper products

TAKAICHI CO., LTD.

Polyethylene film manufacturing

TAFUNIC CO., LTD.

Manufacture and sale of agricultural film

TOKUYAMA TSUSHO CORP.

Wholesaling of cement, ready-mixed concrete, and other building materials

JAPAN WAVELOCK CO., LTD.

Plastics and textiles processing

FUJI KAKO CO., LTD.

Plastic pipe manufacturing and sales

LAFARGE BRAAS ROOFING JAPAN CO., LTD.

Manufacture and sale of roof covers; manufacture of concrete roofing tiles

U.S.A.

IKKA TECHNOLOGY INC.

Manufacturing and sales of plastic parts and components

NATIONAL PIPE & PLASTICS, INC.

PVC pipe manufacturing and sales

Chemicals Company

MEXICO

CORPORACION PIPSA, S.A. DE C.V.
Manufacturing and sales of lead-bearing chemicals

NETHERLANDS

TEIJIN KASEI EUROPE B.V.
Storage, repacking and shipping of polycarbonate plastic

PORTUGAL

NEMOTO PORTUGAL-QUMICA FINA, LDA.
Nonorganic fluorescent pigment manufacturing and sales

THAILAND

MC INDUSTRIAL CHEMICAL CO., LTD.
Chemicals importing and sales

THAI CENTRAL CHEMICAL PUBLIC CO., LTD.
Fertilizer production and sales

THAI GCI RESITOP CO., LTD.
Phenol resin manufacturing and sales

VIETNAM

JAPAN VIETNAM FERTILIZER COMPANY
Production and sale of compound fertilizer

PTN CHEMICALS COMPANY LTD.
Raw material of detergent alky-benzene salphonic acid manufacturing and sales

THE PHILIPPINES

AFC FERTILIZER AND CHEMICALS, INC.
Fertilizer production and sales

INDONESIA

P.T. KALTIM METHANOL INDUSTRI
Manufacture and sale of methanol

AUSTRALIA

NISSHO IWAI MINERAL SANDS (AUSTRALIA) PTY., LTD.
Mineral resource development, production and sales

KOREA

N.I. AGROSCIENCE CORP.
Promotion control for pesticide sales

CHINA

FANGCHENG GANG YUNYAN PHOSPHATE CO., LTD.
Pulverization, drying, and exporting of phosphate rock from Yunyan Province

SHANGHAI NEW WAKO PRECISION PLASTICS CO., LTD.
Precision mold injectors for plastics

TIANJIN BINHAI CHEMICAL STORAGE & TRANSPORTATION CO., LTD.
Bulk chemical tank leasing

TIANJIN SUNSHINE PLASTICS CO., LTD.
BOPP film manufacturing and sales

YINGKOU QUNXING SILICON CARBIDE CO., LTD.
Pulverization of silicon carbide ceramic

Housing Materials & General Merchandise Company

JAPAN

NI HOUSING MATERIAL CO., LTD.
Housing material sales

NI TOBACCO CORP.
Sales promotion of imported tobacco

NI PROMOTION CORP.
Consignment for marketing and promotion of sporting goods

NI LUMBER CO., LTD.
Processing and wholesaling of lumber

SUZUKEN CORP.
Processing and wholesaling of lumber and housing materials

TORIN CO., LTD.
Wholesaling of logs and housing materials

HOKKAIDO YOSHIMOTO CO., LTD.
Manufacture and sale of logs, packing materials and woodchips

NICHIWA CORP.
Wholesaling of logs

SUN BUILDING MATERIALS CORP.
Wholesaling of building materials

NISSHO IWAI GENERAL MERCHANDISE CORP.
Import and wholesaling of cigarettes, shotguns and general merchandise

NIPPON CROWN HOUSE CO., LTD.
Sale of wood-frame housing construction materials

FUKUDA JUKEN CO., LTD.
Wholesaling of building materials

BEISEI INC.
Import tobacco leaf

YOSHIMOTO PRE-CUT CENTER CO., LTD.
Processing of lumber

YOSHIMOTO RINGYO CO., LTD.
Processing and wholesaling of lumber and housing materials

NCN CO., LTD.
Construction contracting for three-story wood-construction homes

OKAMURA SANKO CO., LTD.
Lumber and sale of building materials

KOHOKU VENEER CO., LTD.
Manufacture of plywood

TAKEHARA KOGYO CO., LTD.
Processing of lumber; manufacture and sale of particleboard

NISSHO IWAI PAPER AND PULP CORP.
Import/export and wholesaling of paper and pulp

VIETNAM

VIETNAM-JAPAN CHIP CORP.
Afforestation and wood chip manufacture

MALAYSIA

NIPPON HI-PACK (MALAYSIA) SDN., BHD.
Pulp mold manufacturing and sales

SAMLING FIBRE BOARD SDN., BHD.
MDF manufacturing

SAMLING PLYWOOD (MIRI) SDN., BHD.
Plywood manufacturing

INDONESIA

P.T. MITRA MUTIARA WOODTECH
Wooden interior products manufacturing

PAPUA NEW GUINEA

STETTIN BAY LUMBER CO. PTY., LTD.
Afforestation, logging, and timber sawing

CHINA

HI-PACK (HK) LTD.
Sale of packing materials

Consumer Products Company

JAPAN

NI LOGISTICS CORP.

International and domestic transportation services

NSC LOGISTICS CO., LTD.

Logistics

SUNROCK INSURANCE BROKERS CO., LTD.

Insurance broker and consultant

SUNROCK INSURANCE AGENCY CORP.

Insurance agency

SEAFESTA CORP.

Sale of marine products for the domestic market

CITY FOODS INC.

Sale of meat and processed meat products

SHIN-MEITO SUGAR REFINING CO., LTD.

Sugar refining

NAPS CO., LTD.

Clothing testing, repairing and finishing

NIKKYO TRANSPORTATION AND WAREHOUSING CO., LTD.

Transportation and warehousing

NISSHO IWAI APPAREL CO., LTD.

Garment manufacturing

NISSHO IWAI FOODS CORP.

Wholesaling of sugar and foodstuff

NISSHO IWAI TEXTILE CO., LTD.

Finished textile goods sales

NISSHO IWAI TEXTILE MATERIALS CORP.

Import, export and domestic sales of textile materials

NISSHO IWAI DELICA CORP.

Wholesaling of meat and prepared foods

NISSHO IWAI INSURANCE AGENCY CORP.

Insurance agency

NEW NOZAWA FOOD CORP.

Wholesale, polish and sale of rice

K.K. NIF

Sale of processed foods

SAITAMA SHIMADAYA CORP.

Manufacture and sale of noodles

SHIKISHIMA STARCH MFG. CO., LTD.

Manufacture of starch and sweetener

SHINSHU HAM CO., LTD.

Manufacture of ham and sausage

GEM CO., LTD.

Manufacture and wholesale and retail sale of men's apparel

GEM SEWING CO., LTD.

Men's apparel manufacturer

CENTURY-YELL INC.

Wholesaler for men's suits

CENTURY TECHNO CORE CO., LTD.

Tailor-made men's apparel manufacturer

THE CHUO WOOLEN MILLS, LTD.

Wool spinning and weaving

PANDORA CO., LTD.

Sale of dress and ornaments

FIRST OCEAN CO., LTD.

Import sale of marine products

FUJI SEITO CO., LTD.

Sugar refining, developing sugar-related products and others

FUNABASHI REIZO CENTER CO., LTD.

Warehousing

MASUDAYA FOODS CORP.

Wholesale of wheat flour and rice

MARU HOME TEXTILE LTD.

Sale of beds and bedclothes

CYNOMIX CORP.

eTrade support service

U.S.A.

AUTRANS CORP.

Transportation and distribution of auto parts

NISSHO IWAI TEXTILE (U.S.A.) INC.

Wholesale of textiles

SUNROCK INSURANCE BROKERS (U.S.A.) INC.

Insurance broker and consultant

BRAZIL

OMI-ZILLO-LORENZETTI S.A. INDUSTRIA TEXTIL

Cotton yarn spinning

U.K.

AUTRANS EUROPE LTD.

Automobile parts distribution

THAILAND

AUTRANS (THAILAND) CO., LTD.

Warehousing and transport operations

TSR DEVELOPMENT CO., LTD.

Real estate and trade

SNB AGRIPRODUCTS LTD.

Crude rice bran oil production and sales

UNITED THAI LOGISTICS CO., LTD.

Transport and warehousing

SINGAPORE

UNIMAX INSURANCE PTE., LTD.

Reinsurance underwriting

THE PHILIPPINES

AUTRANS PHILIPPINES CORP.

Warehousing and transport operations

INDONESIA

P.T. ASIA TRADE LOGISTICS

Third-party logistics and forwarding

NEW ZEALAND

NISSHO ROBERTS (NZ) LTD.

Wool buying and export

TAIWAN

TNS LOGISTICS CORP.

Warehousing and logistics operations

CHINA

FASHION FORCE (HONG KONG) LTD.

Fabric sales

SUNROCK INTERNATIONAL CO., LTD.

Insurance broker

WANTONG INTERNATIONAL LOGISTICS CO., LTD.

Warehousing and logistics

Construction & Urban Development Company

JAPAN

NI COMMUNITY CORP.

General maintenance of buildings and condominiums

NI HOME CORP.

Private housing construction and development

SUNROCK DEVELOPMENT INC.

Hotel management and real estate development

NISSHO IWAI REALNET CORP.

Realtor; sales of private housing

NISSHO IWAI REAL ESTATE CORP.

Real estate development, sales, and brokerage

TAKARAZUKA KAIHATSU CO., LTD.

Condominium development and sales

YAMAGATA NEW CITY DEVELOPMENT CORP.

Real estate development and sales

U.S.A.

NI HAWAII RESORT, INC.

Owner of 550-room Hotel on Maui island, Hawaii

VIETNAM

THE LONG BINH DEVELOPMENT INDUSTRIAL ZONE JOINT VENTURE

Owning, operating and sales of industrial park near Ho Chi Minh, Vietnam

Others

JAPAN

WORLD LEASING CORP.

Leasing

NISSHO IWAI SECURITIES CO., LTD.

Investment advisory business

NISSHO IWAI ASSET MANAGEMENT LTD.

Asset management

NISSHO IWAI MANAGEMENT SERVICE CORP.

Management service

CREDIT PIA CORP.

Credit service

NI PERSONNEL CORP.

Temporary employment services

NI SERVICE CORP.

Business support services

NI TOURIST CORP.

Travel agency

EBISTRAD E. INC.

Integrated e-marketplace making company

LECREX CO., LTD.

Trade risk management consulting

F R C INC.

Real estate rental management operations

TOYO METAL SERVICE CORP.

Sale of raw materials for steel mills

NISSHO IWAI KYUSHU CORP.

Wholesaling

FUKUOKA HEAT SUPPLY CO., LTD.

Supply and sale of heat for regional air-conditioning and hot water boilers

SHIKOKU NI CORP.

Manufacture and sales of steel

NISSHO IWAI SHIKOKU CORP.

Wholesaling

NISSHO IWAI TOHOKU CORP.

Wholesaling

NISSHO IWAI NISHINIHON CORP.

Wholesaling

NISSHO IWAI HIGASHINIHON CORP.

Wholesaling

NISSHO IWAI HOKKAIDO CORP.

Wholesaling

NISHIMOTO SANGYO CORP.

Steel product sales

SANPUKU SHOJI CO., LTD.

Wholesaling of construction materials

NI-OVICO CORP.

Sale and leasing of steel

NI-KATAWAKU CO., LTD.

Manufacture and sale of steel frameworks

NI-FUJIX CO., LTD.

Sale of building materials and leasing of temporary construction materials

SUNROCK CHUBU CO., LTD.

Business support services

U.S.A.

FEDERATED CAPITAL CORP.

Vendor leasing

FEDERATED FINANCIAL RESERVE CORP.

Vendor leasing

N.I. LOGISTICS AMERICAN CORP.

Global logistics including international and domestic transportation to third parties

SUNROCK CAPITAL CORP.

Asset-based leasing

SUNROCK RISK SERVICES CORP.

Specialized insurance agent

TACT ASSET MANAGEMENT, INC.

Private investment advisor

AIRSHIP MANAGEMENT SERVICES, INC.

Operation of aircraft

RICHARD LEWIS COMMUNICATIONS, INC.

Public relations, advertising & marketing service agency

SPECIALTY GRAINS, INC.

Production of special corn and soybeans for use in Japan

BERWICK STEEL COMPANY

Steel service center

NIFAST CORP.

Fastener sales

N.I. MOTORS U.S.A. INC

Holding company of automobile dealers

WEATHERFORD MOTORS, INC

Dealer of automobiles

CANADA

INGERSOLL MONZEN INC.

Warehouse service for autoparts

NIFAST CANADA CORP.

Distributor of bolts, nuts and fasteners

Others

GUATEMALA

PILONCITO VERDE S.A.
Production of vegetable plugs

U.K.

NI TUBULARS (UK) LTD.
Sale of pipes

NISSHO IWAI INTERNATIONAL FINANCE PLC.

Financial services

NORWAY

I O S TUBULAR MANAGEMENT AS
Oil well pipe handling

SINGAPORE

NICO MARINE PTE., LTD.
Marine transport

NISSHO IWAI CAPITAL ASIA PTE., LTD.
Financial services

ITX Corporation

JAPAN

ATLUX CORP.
Information data processing

N.I. TELECOM CORP.
Sales promotion of portable telecommunication services

SATELLITE NEWS CORP.
Distribution of BBC World Service TV channels in Japan

JAPAN SPACELINK CORP.
Satellite communications provider

INFOCOM CO., LTD.
Computer operations, software and programming

NI HIGH-TECHNOLOGY INC.
Mechanical engineering and equipment sales

NISSHO ELECTRONICS CORP.
Computer sales, rental, and data processing computer systems integrator

MEDIA LIBRARY INC.
Information-provision services

AKITA CABLE NETWORK CO., LTD.
CATV services

KITA CABLE TV CO., LTD.
CATV service in north ward of Tokyo

TOSHIMA CABLE NETWORK CO., LTD.
CATV services

NIPPON OUTSOURCING CORP.
Outsourcing and temporary employment services

JSAT CORP.
Satellite communications services

PAY PER VIEW JAPAN, INC.
Broadcasting

K.K. USS JAPAN
Consignment for auction of used automobiles

U.S.A.

N.I. HIGH TECH AMERICA, INC.
Research and fact-finding in computer software

NISSHO ELECTRONICS (U.S.A.) CORP.
Import/export of electronic machinery

RUSSIA

VOSTOK TELECOM CO., LTD.
International telecommunication services

DIRECTORS AND AUDITORS

(As of June 29, 2000)



(from left) *Managing Director Shinpachi Hasegawa, Senior Managing Director Susumu Tsuchida, President and CEO Shiro Yasutake, Senior Managing Director Kosaku Nakatani, Senior Managing Director Tomoyoshi Kondo, Senior Managing Director Kunio Morikiyo, Vice President Masanobu Kondo, Senior Managing Director Tokuichi Yamaguchi, Managing Director Ryuji Hori, Vice President Takayuki Mabuchi*

PRESIDENT AND CEO

SHIRO YASUTAKE

VICE PRESIDENTS

TAKAYUKI MABUCHI Plant & Project Company; Industrial System & Automotive Company; Aerospace, Marine & Rolling Stock Company; Energy Company

MASANOBU KONDO General Accounting Dept.; Finance Dept.; Financial Markets & Business Dept.; Project Finance Dept.

SENIOR MANAGING DIRECTORS

KOSAKU NAKATANI Corporate Planning Dept.; Strategy Promotion Dept.; Personnel Dept.; General Affairs Dept.; Public Relations Dept.

TOMOYOSHI KONDO Chemicals Company; Housing Materials & General Merchandise Company; Consumer Products Company; Construction & Urban Development Company

KUNIO MORIKIYO Nissho Iwai Business Strategy Center; Special Task Force Officer

SUSUMU TSUCHIDA Internal Auditing Office; Risk Management Dept.; ALM Office; Investment Office; Legal Dept.; Credit Dept.

TOKUICHI YAMAGUCHI Investor Relations Office; IT Promotion Dept.; International Planning & Co-ordination Dept.; Group Planning & Co-ordination Dept.

MANAGING DIRECTORS

SHINPACHI HASEGAWA Metals Company

RYUJI HORI Headquarters Construction Project Dept.; Assistant to General Affairs Dept., Legal Dept. and Credit Dept.

CORPORATE AUDITORS

MASAYOSHI HONMA

KEIJIRO HORI

MASAJI SHINAGAWA

TOSHIJIRO NAKAJIMA

EXECUTIVE OFFICERS

(As of June 29, 2000)

SENIOR MANAGING EXECUTIVE OFFICER

HIDETOSHI NISHIMURA The Americas; President of Nissho Iwai American Corporation and Nissho Iwai Canada Ltd.

MANAGING EXECUTIVE OFFICERS

TAKAHARU TANABE President of Energy Company

MASASHI MIZUTANI President of Metals Company

TOMA MASAOKA Europe & Africa; President of Nissho Iwai Europe Plc, Nissho Iwai France S.A. and Nissho Iwai Italia S.P.A.

KUNIO YOSHIKAWA General Manager, Nagoya Branch

KUNIHIDE IZUMI President of Aerospace, Marine & Rolling Stock Company

SEKIO HARA General Manager for China

MAKOTO SUNAGAWA Assistant to Strategy Promotion Dept.

EXECUTIVE OFFICERS

mitsubishi KISHIMOTO President of Housing Materials & General Merchandise Company

YOSHITAKA MATSUNO General Manager for South-East Asia

HIROAKI MOROHOSHI Senior Vice President of Consumer Products Company

TERUO MATSUMURA President of Consumer Products Company

AKIO TOSHIKIYO Assistant to President of Consumer Products Company; President of Nissho Iwai Apparel Co., Ltd.

HIROSHI HAMANO President of Chemicals Company

AKITOSHI UENO President of Construction & Urban Development Company

KAZUO SEKIKAWA President of Industrial System & Automotive Company

HIROYUKI TANABE Senior Vice President of Metals Company

KATSUTOSHI MATSUI Assistant to International Planning & Co-ordination Dept. and Group Planning & Co-ordination Dept.

EISUKE TAKAKUWA Assistant to General Accounting Dept., Finance Dept., Financial Markets & Business Dept. and Project Finance Dept.

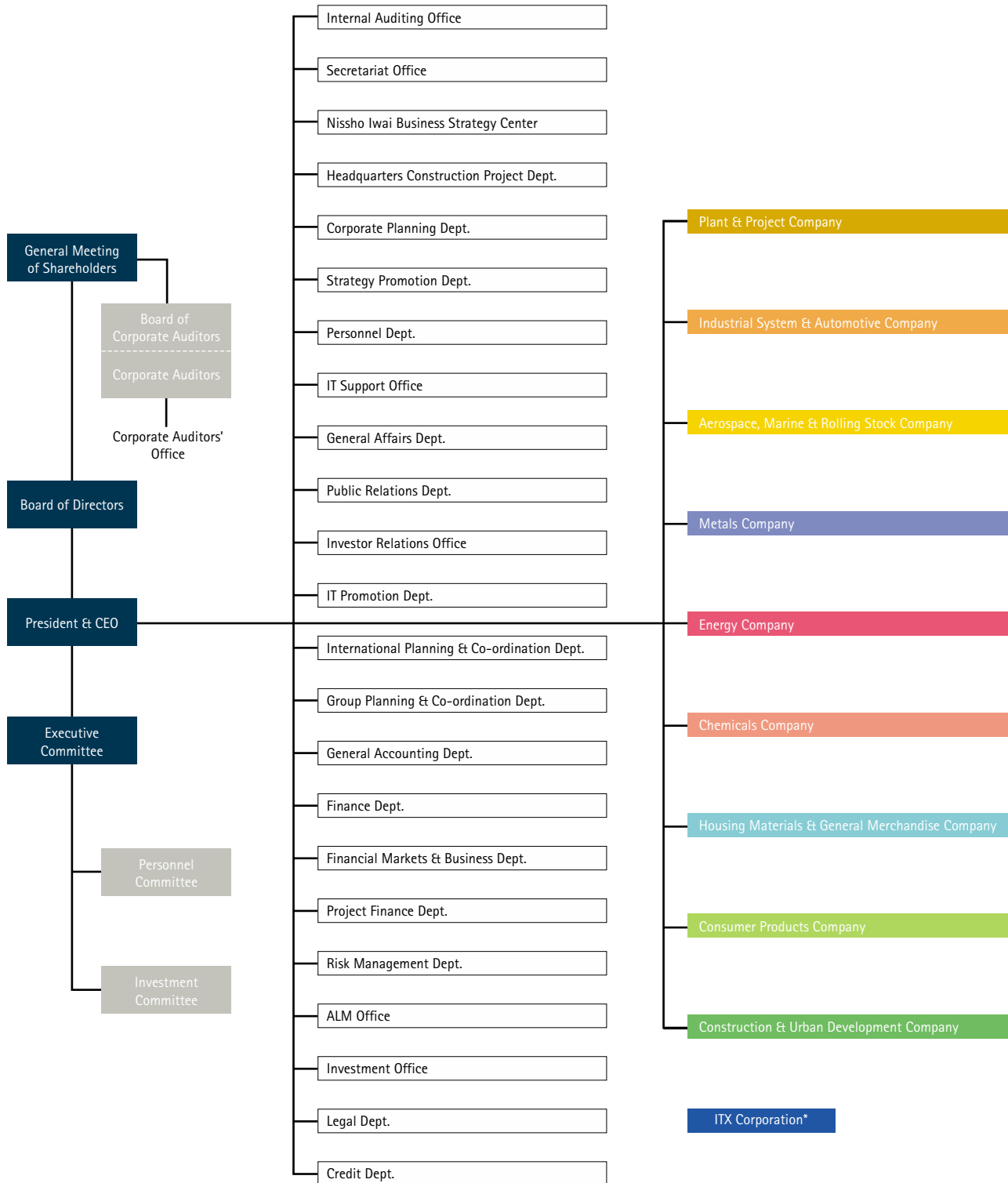
HIROSHI KANEMATSU President of Plant & Project Company

KATSUHIKO MASADA Assistant to The Americas; Chief Financial Officer of Nissho Iwai American Corporation

KENICHI MINAMI General Manager, Corporate Planning Dept.

CORPORATE ORGANIZATION

(As of July 1, 2000)



*ITX Corporation is an independent subsidiary spun off from the former Information Business Division.

SHAREHOLDERS' GUIDE

The ownership and distribution of shares as of March 31, 2000, was as follows:

	Number of shares owned (thousands)	Percentage of total shares outstanding
Government and municipal corporation.....	35	0.00%
Financial institutions.....	362,465	41.46
Corporations.....	154,447	17.66
Individuals and others	296,956	33.96
Securities companies	4,580	0.52
Foreign corporations and individuals.....	55,954	6.45
Total	874,432	100.00%

Business term ends:	March 31
General meeting of shareholders held:	June
Newspaper in which public notice is made:	<i>The Nihon Keizai Shimbun</i>
Share transfer agents:	The Toyo Trust & Banking Co., Ltd. 4-3, Marunouchi 1-chome, Chiyoda-ku, Tokyo
Agents' offices:	Head offices and branch offices of the Toyo Trust & Banking Co., Ltd., and the Nomura Securities Co., Ltd.

Common Stock Price Range

	(Tokyo Stock Exchange)		
	High	Low	Trading volume (thousands of shares)
1998			
January-March	405	213	106,006
April-June	335	216	74,696
July-September	278	86	169,580
October-December	113	69	296,968
1999			
January-March	120	76	182,996
April-June	156	96	226,175
July-September	125	95	80,064
October-December	107	80	76,754
2000			
January-March	130	68	153,406
April-June	120	80	110,255

Note: Until this year, the high and low prices were based on closing prices.
From this year, the high and low prices include intraday trading results.

Corporate Data

(As of July 1, 2000)

Established:	February 8, 1928
Headquarters:	Tokyo: 4-5, Akasaka 2-chome, Minato-ku, Tokyo 107-8655 Tel. (03) 3588-2111 Osaka: 5-8, Imabashi 2-chome, Chuo-ku, Osaka 541-8558 Tel. (06) 6209-2111
Number of employees:	Japanese: 2,964 Foreign nationals: 1,754*
Number of offices:	Domestic: 32 Overseas: 136

*Foreign Nationals figure only is as of March 31, 2000.

Additional copies of this annual report and other publications are available upon request from the Public Relations Dept., Nissho Iwai Corporation, 4-5, Akasaka 2-chome, Minato-ku, Tokyo 107-8655, Japan
Tel: (03) 3588-4017
Home page: <http://www.nisshoiwai.co.jp/>

NISSHO IWAI CORPORATION

4-5, Akasaka 2-chome, Minato-ku, Tokyo 107-8655, Japan

