

October 30, 2003

To whom it may concern

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**Notice Regarding Transfer of Subsidiary**

<Restructuring of Nissho Iwai Mineral Sand Business in Australia>

Nissho Iwai-Nichimen Holdings Corporation (NNH) has announced that **Nissho Iwai Corporation** (Nissho Iwai), a wholly owned subsidiary of NNH, has reached a basic agreement with **BeMax Resources NL** (BeMax) and **Sons of Gwalia Ltd.** (SGW; a NIMSA joint venture partner), that its subsidiary **Nissho Iwai Mineral Sands Group** (NIMSA), which conducts in Australia the mining of mineral sands (ilmenite, rutile and zircon) for use in the production of titanium dioxide, will be merged with BeMax, and that Nissho Iwai has commenced negotiations to work out the details of the merger.

Realization of this merger will remarkably improve synergistic effects by combining the facilities, technologies and marketing know-how of NIMSA, which has over 40 years of operating experience, with the promising world-class mineral sand reserve mining area BeMax possesses in the Murray Basin (southeast Australia). This will lead to realization of a higher business value.

The formal merger will be contingent upon the results of scheduled business scrutiny/assessment, approval at the BeMax general shareholders' meeting, and the acquisition of approvals and licenses from the relevant authorities.

1. Benefits of the merger:

- (1) The merger will ensure that BeMax owns more than half of the mineral sand resources, which presence has been confirmed especially in the northern part of the Murray Basin,

where world-class mineral sand deposits exist.

(2) The merger will allow BeMax to utilize the infrastructure assets owned by NIMSA and to expedite the development of the Pooncarie Project (mining area) in the Murray Basin, which mining area is owned by BeMax, and a significant reduction in capital development costs.

(3) BeMax will produce approximately 10% of the titanium material industry world demand, which will ensure a higher presence.

2. Basic conditions for the merger:

Nissho Iwai will receive cash and part of the new company's shares in compensation for its NIMSA shares. The share assignment method, transfer price and settlement method are currently under negotiation.

3. The merger agreement: Expected to be executed in December 2003

4. Transfer of stock:

The targeted timing for the stock transfer, around February 2004, awaits planned business scrutiny/assessment, approval at the BeMax general shareholders' meeting and acquisition of approvals and licenses.

5. Impact on forecast for FY2003

This matter is currently under negotiation, and the transfer price and so forth are not yet determined. At this stage, there is no change in the already-announced NNH's earnings forecast for the current fiscal year ending March 31, 2004.

<Outline of Each Company>

**Nissho Iwai Mineral Sands Group**

Headquarters: Perth, Australia

Representative: Masato Takei

NIMSA is a wholly owned subsidiary of the Nissho Iwai Corporation. NIMSA, the mining company group, conducts the development, production and sales of mineral sands, which is known as RZM/CABLE SANDS Group in Australia. Certain areas of the company business are operated together with SGW in the form of joint venture.

**BeMax Resources NL**

Headquarters: Brisbane, Australia

Representative: Stephen C. Everett

BeMax is an ASX (Australian Stock Exchange)-listed exploration company, possessing major mining rights in the Murray Basin. The largest shareholder is Cristal Australia Pty. Ltd. (Brisbane, Australia), a wholly owned subsidiary of Saudi Arabian titanium dioxide manufacturer, The National Titanium Dioxide Co. Ltd.

**Sons of Gwalia Ltd.**

Headquarters: Perth, Australia

Representative: Peter Lalor

Sons of Gwalia Ltd. is an ASX-listed mining company, which manufactures and sells gold and tantalum.

Since 2001, the company has been operating Murray Basin Titanium Pty. Ltd. (mineral sand production), a joint venture (50:50) with NIMSA, in the Murray Basin.

(end)

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

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