

March 31, 2004

To whom it may concern

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Notice Regarding Transfer of Associated Companies

Nissho Iwai - Nichimen Holdings Corporation ("NNH") announced that Nichimen Corporation ("Nichimen"), a wholly owned subsidiary of NNH, had decided to transfer its holdings of shares in the following associated companies.

1. Associated companies transferred

(1) Lifesparc, Inc. (the United States of America)

Shares transferred	537 shares (23.45%, representing all of Nichimen's shareholding)
Book value	¥581 million

(2) INDET SAFETY SYSTEMS, a.s. (Czech Republic)

Shares transferred	85 shares (34.00%, representing all of Nichimen's shareholding)
Book value	¥398 million

(3) NKNM Ltd. (British Virgin Islands)

Shares transferred	180 shares (30.00%, representing all of Nichimen's shareholding)
Book value	¥2 million

2. Rationale

In concert with its partner Nippon Kayaku Co., Ltd., Nichimen operates three joint companies to undertake the overseas manufacture and sales of automotive safety product igniters such as inflators. Consistent with the Group's "Selection and Focus" policy, Nichimen has decided to withdraw from this business activity and to transfer all of its shareholdings in three associated companies to Nippon Kayaku Co., Ltd.

3. Profile of transferee

Company Name	Nippon Kayaku Co., Ltd.
Representative	Koichiro Shimada, Representative Director and President
Headquarters	11-2, Fujimi 1-chome, Chiyoda-ku, Tokyo
Main Business	Manufacture and sales of pharmaceuticals, functional chemical products, color chemicals, agrochemicals, inflators, explosives and catalysts

4. Transfer price (total amount for three companies)

¥ 1.5 billion

5. Schedule

March 31, 2004	Conclusion of the share transfer agreement
	Date of share transfer

6. Forecasts

The gain from this share transfer will be approximately ¥ 1.1 billion on a consolidated basis and approximately ¥ 0.5 billion on a non-consolidated basis. NNH has not, however, changed its earnings forecast for the fiscal year ending March 31, 2004.

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.