

March 25, 2002

To whom it may concern

Nissho Iwai Corporation
President & CEO: Shiro Yasutake
Securities code: 8063

Inquiries:
Tokyo
Public Relations Dept.
General Manager
Seiichi Aoki
TEL +81 (3) 5520 2400

Nissho Iwai and Nichimen to establish a
Joint holding company in the Chemicals field

Nissho Iwai Corporation and Nichimen Corporation have agreed to establish a joint holding company in the Chemicals field. This is a first step towards taking a potential full-scale merger of business operations between the two companies (as well as other companies in the same industry) in the aforesaid field into consideration, based on an equal footing. This new holding company, named 'Global Chemical Holdings, Inc.' (GCH), will be set up and one chemical subsidiary of each company, viz. Nissho Iwai Chemical Corporation and Nichimen Chemical Company Ltd., will become full-fledged subsidiaries of the new corporate entity.

1. Purpose

So far, Nissho Iwai and Nichimen have been independently endeavoring to establish new businesses in the Chemical industry, with the common aim of maximizing corporate profits. Nissho Iwai Chemical Corporation, a core subsidiary of Nissho Iwai in the Chemicals field, deals in a diverse range of chemicals as well as related minerals, and has a proven track record in the field of chemical development. On the other hand, Nichimen Chemical Company Ltd., again a core subsidiary of Nichimen's Chemicals operations, deals not only in all-purpose chemicals, but is also a prime supplier of cosmetic products to the domestic consumers' cooperatives and mail-order companies.

By setting up this new holding company (GCH), the two companies will merge the all-purpose chemicals business of their respective subsidiaries, and also endeavor to expand their sourcing prowess in the cosmetics business. This alliance will not only allow the two companies to take advantage of their mutual strengths and the resultant synergy, but will also aim towards the maximization of corporate value through creation of new businesses.

2. Scheme

Nissho Iwai will transfer the stock of its 100% subsidiary, Nissho Iwai Chemical Corporation, to the newly set up GCH (again a 100% subsidiary of Nissho Iwai Corporation). At the same time, Nichimen will transfer the stock of its 100% subsidiary, Nichimen Chemical Co. Ltd., to GCH, after which 50% of GCH stock will be transferred to Nichimen Corporation.

3. Details of the Joint Holding Company

Name: Global Chemical Holdings, Inc.

Management: Atsumi Shirai (Current Senior Managing Director, Nichimen Corp.)

Kosaku Nakatani (Current Senior Managing Director, Nissho Iwai Corp.)

Location: Shiba 4-1-23, Minato-ku, Tokyo

Established: 7th Nov. 1997

Paid-in Capital: JY 3 billion

Capital Reserve: JY 3 billion

Shareholding: Nissho Iwai Corp.: 50% Nichimen Corp. : 50%

Annual sales & profit target: Annual turnover: Around JY 100 billion
 (First business year;Consolidated) Operating profit: Around JY 1,500 million

4. Profile of subsidiaries to be transferred to GCH

Company	Nissho Iwai Chemical Corporation	Nichimen Chemical Co., Ltd
Principal Business	Domestic sales and Import/export of Chemicals and non-organic chemical ores	Sale of chemical products and cosmetics
Established	30 January, 1988	8th January, 1982
Location	Muromachi 4-4-10, Nihonbashi, Chuo-ku, Tokyo	Nihonbashihoncho4-8-15, , Chuo-ku, Tokyo
President	Hiroshi Hamano	Nobuie Kimura
Capital	Yen 700 million	Yen 200 million
Number of shares of common stock issued	14,000 shares	4,000 shares
Shareholders' equity	Yen 934 million	Yen 403 million
Total Assets	Yen 24,408 million	Yen 6,835 million
Accounting period	March	March
Number of Employees (as of 1st Oct.2001)	168 (Including 54 employees seconded from Nissho Iwai)	46 (Including 7 employees seconded from Nichimen)
Major shareholders	Nissho Iwai Corporation (100%)	Nichimen Corporation (100%)
Financial results and forecast for the current term (March 2002)	March 2001 Sales Yen 49,382 million Operating profit Yen 627 million Recurring profit Yen 539 million March 2002 (forecast) Sales Yen 86,700 million Operating profit Yen 1,300 million Recurring profit Yen 970 million	March 2001 Sales Yen 13,112 million Operating profit Yen 169 million Recurring profit Yen 141 million March 2002 (forecast) Sales Yen 12,500 million Operating profit Yen 240 million Recurring profit Yen 220 million

Note: Figures for capital, shareholders' equity, number of shares of common stock issued, and total assets are as of March 2001.

5. Details of transfer of Nissho Iwai Chemical Corp.'s shares to GCH by Nissho Iwai

- (1) No. of shares held before transfer: 14,000 shares (shareholding: 100%)
- (2) No. of shares to be transferred: 14,000 shares (Transfer price: JY 17.6 billion)

(3) No. of shares left after transfer: 0 (shareholding: 0%)

6. Details of transfer of GCH shares to Nichimen by Nissho Iwai

(1) No. of shares held before transfer: 200 shares (shareholding: 100%)

(2) No. of shares to be transferred: 100 shares (Transfer price: JY 5 million)

(3) No. of shares left after transfer: 100 shares (shareholding: 50%)

(4) GCH stock is proposed to be increased before the end of April 2002, and both Nissho Iwai and Nichimen will receive 50% each. Nissho Iwai will receive 59,900 shares, with a total value of 2,995 million Yen.

7. Time-line

25 March 2002: Approval of contract terms by the Board

26 March 2002: Transfer of shares (tentative)