

10th July 2003

To Whom It May Concern

Nissho Iwai-Nichimen Holdings Corporation
President & Co-CEO: Hidetoshi Nishimura
Securities Code: 2768 TSE 1st Section / OSE 1st Section
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Notice Regarding Integration of Chemicals Business

As part of our organizational restructuring and rationalization drive, Nissho Iwai-Nichimen Holdings Corporation has completed preparations for the reorganization of the chemicals business currently under *Global Chemicals Holdings, Inc. (GCH)*, a holding company jointly established by Nichimen Corporation and Nissho Iwai Corporation. It is hereby notified that the 4 chemical companies, which are subsidiaries of GCH, will be merged into a new corporate entity, '*NN Chemical Corporation*', which will start business operations w.e.f 1st October 2003.

The four companies to be merged are as follows: *Nichimen Chemicals Co., Ltd.* (Nihonbashi Honcho, Chuo-ku, Tokyo), *Nichimen Kagakuhin Co., Ltd.* (Shiba, Minato-ku, Tokyo), *Nissho Iwai Chemical Corporation* (Nihonbashi Muromachi, Chuo-ku, Tokyo), and *Nissho Iwai Kagakuhin Co., Ltd.* (Daiba, Minato-ku, Tokyo). The merger will be conducted on equal terms, and the surviving entity will be *Nichimen Chemicals Co., Ltd.*

It is expected that this integration will result in a highly augmented product line-up centering on the existing operating and customer bases of the respective companies, which in turn will strengthen relations with customers and business partners and increase operating efficiency, thus maximizing consolidation synergies. This merger will also provide the company increased negotiating leverage during procurements, which will contribute to increased profitability. In addition, this integration will not only make the business organization leaner and more efficient, but will also result in rationalization by trimming down redundant administrative functions.

With around 300 employees on the payroll, it is estimated that the total sales in the first year of operations will be around JY 226 billion, with JY 5.3 billion in operating profit. Owing to the effects of rationalization and increased business efficiency brought about by the aforesaid merger, total sales at the end of the 3rd fiscal year are expected to be around JY 236 billion, and operating profit of around JY 6.4 billion.

Nissho Iwai-Nichimen Holdings Corporation is committed to speeding up its business restructuring efforts (based on its business portfolio strategies of 'Selection and Focus') as well as rationalization efforts, in order to actualize integration synergies as early as possible. This integration of the chemicals business is the first step in the organizational restructuring of business units.

Company : NN Chemical Corporation

Directors & Auditors

President : Eigoro Kuniyoshi
Vice-President : Nobuie Kimura
Director : Hiroshi Fujimoto
Director : Masami Hotta
Director : Katsuyuki Sumida
Director : Nobuaki Ito
Auditor : Hiromichi Ogino
Auditor (External) : Kazuhiko Kawasaki
Auditor (External) : Koichi Yamazaki

Headquarters : 1-4-30 Roppongi, Minato-ku, Tokyo
Branch office : 1-3-7 Tosabori, Nishi-ku, Osaka

Start of Business : 1st October 2003
Capital : JY 4,985.9 million

Major Shareholders : Global Chemical Holdings, Inc. (100%)
Number of Employees : 301

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.