

22nd May, 2006

To whom it may concern

Company Name: Nifco Inc.
Head Office: 184-1 Maioka-cho, Totsuka-ku,
Yokohama, Kanagawa Pref., Japan
Comp. Code no. 7988 (1st Board TSE)
Rep. Director: Ryuji Watanabe, President
Contact Person: Kenichi Sakurai, Managing Director
(tel 03-5476-4850)

Notice concerning acquisition of treasury stock

(Acquisition based on the Company Articles of Association in accordance
with Article 165-2 of the Commercial Code)

The Company would like to give notice that, at a meeting of the Board of Directors held on 22nd May, it resolved to acquire some of its own shares under Article 156 of the Commercial Code of Japan after applying the regulations of Article 165-3 of the Code.

Notes

1. Reason for acquisition

This acquisition is to be used as one means of increasing the return to the Company's shareholders.

2. Details of the acquisition

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| (1) Type of stock to be purchased | common shares |
| (2) Number of shares to be purchased | Up to 1,100,000 shares
(approx. 2.0% of the issued shares) |
| (3) Total funds available for purchase | Up to ¥2,700,000,000 |
| (4) Period for purchase | From 24 th May, 2006 to 20 th June, 2006 |

(Reference) Treasury stock held as of the end of April 2006

Total of issued and paid-up shares (excluding treasury stock)	49,763,389
Number of shares held in treasury	3,991,088