

[Translation for Reference and Convenience Purposes Only]

Note. This document has been translated to English from the Japanese original for reference and convenience purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail. Pictures, graphs, charts and some reference matters in the Japanese original have been omitted from this translated document.

## **Nippon Sanso Holdings Corporation**

**(Securities Code: 4091)**

### **[Notice of Convocation of the 17th Ordinary General Meeting of Shareholders]**

Date and time: Friday, June 18, 2021, 10:00 a.m. (Registration desk open from 9:00 a.m.)

Venue: Grand Prince Hotel Takanawa, in Prince Room on basement floor B1

3-13-1 Takanawa, Minato-ku, Tokyo

Agenda:

Matters to Be Resolved

Proposal 1: **Appropriation of surplus**

Proposal 2: **Partial amendments to the Articles of Incorporation**

Proposal 3: **Election of nine directors**

Proposal 4: **Election of two Audit & Supervisory Board members**

\* We would like to ask for your consideration including not coming to the Meeting this year irrespective of your health condition by taking into account the novel coronavirus infection status. You may exercise your voting rights by postal mail or via the Internet, etc. instead of at the Meeting, so we would like to ask you to positively use one of the former two means.

We will ask for your understanding and cooperation for our infection prevention measures taken in the Meeting venue. We will post a notice on the following website if we ask your cooperation for the novel coronavirus infection expansion prevention operations in the Meeting on the Meeting day.

**<https://www.nipponsanso-hd.co.jp/ir/stock/meeting.html>**

\* We will not provide souvenirs to shareholders attending the Meeting. Thank you for your understanding.

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## To Our Shareholders

1-3-26, Koyama, Shinagawa-ku, Tokyo, Japan

Nippon Sanso Holdings Corporation

Yujiro Ichihara President, Representative Director, CEO

## Notice of Convocation of the 17th Ordinary General Meeting of Shareholders

Nippon Sanso Holdings Corporation (“we” or “Company”) will hold its 17th Ordinary General Meeting of Shareholders (“Meeting”) as detailed below.

If you are unable to attend the Meeting, you may exercise your voting rights using any of the methods described below. Please review the enclosed documentation and exercise your voting rights **no later than 5:40 p.m. on Thursday, June 17, 2021.**

### By Postal Mail

Indicate your approval or disapproval of each of the proposals on the enclosed ballot form and return it by mail to arrive by the date given above.

### Via the Internet, Etc.

Please review the “Instructions for Voting via the Internet, Etc.” on Page 6, then access our designated shareholder voting website (<https://soukai.mizuho-tb.co.jp> [in Japanese only]) and vote on the tendered proposals by the deadline given above.

### Internet Disclosure

Among the documentation we are required to provide for this Meeting in accordance with the provisions of applicable Japanese law and Article 17 of our Articles of Incorporation, the following are available on our corporate website and thus have not been included with this Notice:

- (1) “Framework for ensuring appropriateness of business & its operational status” and “Basic policy regarding corporate control” in the business report
- (2) “Consolidated statement of changes in equity” and “Notes to consolidated financial statements” in consolidated financial statements
- (3) “Statement of changes in equity” and “Notes to non-consolidated financial statements” in non-consolidated financial statements

Corporate website: <https://www.nipponranso-hd.co.jp/>

The matters stated in the aforesaid section (1) are included in the business report audited by the Audit & Supervisory Board members for preparation of the audit report. Also, the matters stated in the aforesaid section (2) and (3) are included in the consolidated and non-consolidated financial statements audited by the accounting auditor and the Audit & Supervisory Board members for preparation of the accounting audit report and the audit report.

## Meeting of Shareholders

- 1. Date and time** Friday, June 18, 2021, 10:00 a.m.  
(Registration desk open from 9:00 a.m.)
- 2. Venue** Grand Prince Hotel Takanawa, in Prince Room on basement floor B1  
3-13-1 Takanawa, Minato-ku, Tokyo

### 3. Agenda

#### **Matters to Be Reported**

1. Business report, consolidated financial statements, and the findings of audits of the consolidated financial statements carried out by the accounting auditor and the Audit & Supervisory Board for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)
2. Report on the non-consolidated financial statements for the Fiscal Year Ending March 31, 2021 (April 1, 2020 to March 31, 2021)

#### **Matters to Be Resolved**

**Proposal 1:** Appropriation of surplus

**Proposal 2:** Partial amendments to the Articles of Incorporation

**Proposal 3:** Election of nine directors

**Proposal 4:** Election of two Audit & Supervisory Board members

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- If you plan to exercise your voting rights by proxy, you may authorize another shareholder with voting rights to attend the Meeting on your behalf. Your proxy will need to present written proof of his or her power to act as your proxy.
  - If you plan to attend the Meeting, please bring the enclosed ballot form with you and present it at the registration desk.
  - **We will not provide souvenirs to shareholders attending the Meeting. Thank you for your understanding.**
  - Any revisions to the reference documentation, business report, or non-consolidated or consolidated financial statements will be posted on our corporate website.  
Corporate website: <https://www.nipponsanso-hd.co.jp/>

## Instructions for Voting

You may exercise your voting rights using any of the following three methods.

- **Attendance at the Meeting**

Present the enclosed ballot form at the registration desk when you arrive for the Meeting. (You do not need to affix your seal or signature.)

Date and time: Friday, June 18, 2021, 10:00 a.m. (Registration desk open from 9:00 a.m.)

- **By postal mail**

Indicate your approval or disapproval of each of the proposals on the enclosed ballot form and return it by postal mail (No mailing stamp required within Japan).

Deadline: Ballot must be received no later than 5:40 p.m. on Thursday, June 17, 2021.

- **Via the Internet, Etc.**

Access our designated shareholder voting website (<https://soukai.mizuho-tb.co.jp/> [in Japanese only]) and follow the on-screen instructions to enter your vote.

Deadline: Voting must be completed no later than 5:40 p.m. on Thursday, June 17, 2021.



More information on next page

\* If you plan to attend the Meeting in person, there is no need to submit a ballot by postal mail or via the Internet, etc.

Note for Institutional Investors

You may also exercise your voting rights by making use of the Electronic Voting Platform (run by Investor Communications Japan).

## Instructions for Voting via the Internet, etc.

### <Method 1: Scanning QR code®>

“Smart Vote”

You can simply login to the website for exercising voting rights without entering your voting code and password.

1 Please scan the QR code® located on the bottom right of the voting form.

\* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

2 Indicate your approval or disapproval by following the instructions on the screen.

Note that your voting rights can be exercised **only once** by using the “Smart Vote” method.

If you need to make a correction to the content of your vote after you have exercised your voting rights, please access the website for personal computer and login by entering your “voting code” and “password” printed on the voting form, and exercise your voting rights again.

\* You can access the website for personal computer by scanning the QR code® again.

### <Method 2: Entering voting code and password>

Shareholder voting website

1 Please access the shareholder voting website. <https://soukai.mizuho-tb.co.jp/>

Click "Next."

2 Enter your “voting code” printed on the ballot form.

Enter the “voting code.”

Click "Next."

3 Enter your password printed on the ballot form.

Enter the “initial password.”

Set the new password you are going to use.

Click “Register.”

4 Indicate your approval or disapproval by following the instructions on the screen.

### Matters to Be Noted

- (1) The deadline for voting is 5:40 p.m. on Thursday, June 17, 2021. You will need to complete the voting process by that time. We encourage you to vote early.
- (2) In the event votes submitted via the Internet (including via “Smart Vote”) are duplicated by the submission of a written ballot, the votes submitted via the Internet will prevail. If votes are submitted multiple times via the Internet, the final vote will prevail.
- (3) Passwords (including new passwords selected by shareholders after initial login) will be valid for this Meeting only. New passwords will be issued for the next General Meeting of Shareholders.
- (4) Shareholders will bear any costs incurred for voting via the Internet.

In case you need instructions for how to operate your personal computer/smartphone/mobile phone in order to exercise your voting rights via the Internet, please contact:

Securities Agent Dept. of Mizuho Trust & Banking Co., Ltd. Internet Help Dial 0120-768-524

(9:00 a.m. to 9:00 p.m. on weekdays) (JST)

# Reference Documentation

## For the General Meeting of Shareholders

### Proposal 1: Appropriation of surplus

The Company proposes that the surplus be appropriated as follows.

#### 1. Year-end dividend

Our proposed year-end dividend for this term is detailed below. This reflects our interest in using our internal reserves to improve and reinforce the Company's management foundation, as well as our core policy of returning profits to our shareholders on a stable and sustained basis, in keeping with our dividend policy, which takes into account linkages with consolidated results.

##### (1) Type of dividend

Cash

##### (2) Allocation and total amount of dividend

16 yen per common share in the Company

Total dividend: 6,926,560,672 yen

##### (3) Effective date of distribution of dividend from surplus

June 21, 2021

Including the interim dividend of 14 yen per share that was paid in December last year, the total annual dividend will be 30 yen per share.

#### 2. Other matters concerning the appropriation of surplus

None



**Proposal 2: Partial amendments to the Articles of Incorporation**

1. Reason for the amendments

The Convener and Chairperson of the Board of Directors provided in the Article 26 of the current Articles of Incorporation will be changed to the Director predesignated by the Board of Directors, in order to allow for flexible action in operating the Board of Directors meetings.

2. Details of the amendments

The details of the changes are as follows.

(Amended parts are underlined)

Current Articles of Incorporation	Proposed amendment
<p>Articles 1 through 25 (Omitted)</p> <p>Article 26 (Convener and Chairperson)</p> <p>1. A meeting of the Board of Directors <u>shall be convened by the Chairperson who shall preside at such meeting.</u></p> <p>2. <u>If the Chairperson is unable to attend to his/her duties or the office thereof is vacant, the President shall act in his/her place, and if the President is unable to attend to his/her duties, another Director shall act in his/her place in the order predetermined by resolution of the Board of Directors.</u></p> <p>Articles 27 through 44 (Omitted)</p>	<p>Articles 1 through 25 (Unchanged)</p> <p>Article 26 (Convener and Chairperson)</p> <p>1. <u>Except as otherwise provided by law, a meeting of the Board of Directors shall be convened and presided over by the Director predesignated by the Board of Directors.</u></p> <p>2. <u>If the Director designated in accordance with the previous section is unable to attend to his/her duties, another Director shall convene and preside over the meeting of the Board of Directors in the order predetermined by resolution of the Board of Directors.</u></p> <p>Articles 27 through 44 (Unchanged)</p>

### Proposal 3: Election of nine directors

The terms of office of nine directors (Yujiro Ichihara, Toshihiko Hamada, Kenji Nagata, Kazuyuki Futamata, Thomas Scott Kallman, Eduardo Gil Elejoste, Akio Yamada, Mitsuhiro Katsumaru, and Hidefumi Date) will expire at the conclusion of this Meeting. Accordingly, the Company proposes the election of nine directors (including three outside directors).

The candidates for directors are listed below.

No.	Name	Current position and responsibilities	
1	Toshihiko Hamada	Director Executive vice president (Aide to the president)	Reappointment
2	Yujiro Ichihara	President, representative director, CEO Member of Advisory Committee on Appointments and Remuneration	Reappointment
3	Kenji Nagata	Director	Reappointment
4	Thomas Scott Kallman	Director	Reappointment
5	Eduardo Gil Elejoste	Director	Reappointment
6	Akio Yamada	Director Chairman of Advisory Committee on Appointments and Remuneration	Reappointment, outside director, independent
7	Mitsuhiro Katsumaru	Director Member of Advisory Committee on Appointments and Remuneration	Reappointment, outside director, independent
8	Miri Hara		New appointment, outside director, independent
9	Hidefumi Date	Director	Reappointment

#### Notes

The candidates for directors were selected by the Board of Directors following recommendations by the Advisory Committee on Appointments and Remuneration (\*), which consists of the president and outside directors.

The Company has established Standards for the Independence of Outside Directors, detailed on Page 19. These standards have been met by the three candidates nominated for outside director positions in this Proposal.

\* See “Reference: Advisory Committee on Appointments and Remuneration” on page 22 below for the outline of the Advisory Committee on Appointments and Remuneration.

No.

1

**Toshihiko Hamada** (Date of birth: September 28, 1956) (Reappointment)

- **Number of Company shares owned:** 5,500
- **Years of service as a director:** 1
- **Record of attendance at the Board of Directors meetings:** 8 of 8 times

### **Career summary, position and responsibilities in the Company**

April 1981	Joined the Company
July 2002	Executive Vice President responsible for Specialty Gas Technology, Matheson Tri-Gas, Inc.
October 2005	Deputy general manager of Semiconductor Gas Section of Electronics Division
April 2006	General manager of Semiconductor Gas Section of Electronics Division
January 2010	Subordinate directly to General manager of Electronics Division and general manager of Business Strategy Promotion Section
June 2014	Managing director, NISSAN TANAKA CORPORATION
June 2016	Senior Managing director, NISSAN TANAKA CORPORATION
June 2017	President and representative director, NISSAN TANAKA CORPORATION
June 2020	Executive vice president (Aide to the president), director of the Company (current)

### **Significant concurrent positions**

None.

### **Reasons for nomination as candidate for director position**

After experiencing a wide range of sales activities for semiconductor gas in Japan and overseas, and serving as the general manager of the Semiconductor Gas Section, Toshihiko Hamada assumed the position of president and representative director of NISSAN TANAKA CORPORATION from June 2017 to June 2020. After assuming the executive vice president and director of the Company in June 2020, he is in charge of the groupwide management as an assistant to the president.

In view of his extensive background, we have nominated Mr. Hamada for a position as director in the expectation that his experience and insight will contribute significantly to enhancement of Group management. If Toshihiko Hamada is elected as a director, he will assume the position of representative director and CEO, on the condition that he is appointed by the Board of Directors.

### **Special interests**

Toshihiko Hamada has no special interests in the Company.

No.

2

**Yujiro Ichihara** (Date of birth: November 13, 1951) (Reappointment)

- **Number of Company shares owned:** 83,100
- **Years of service as a director:** 11
- **Record of attendance at the Board of Directors meetings:** 11 of 11 times

### **Career summary, position and responsibilities in the Company**

April 1974	Joined the Company
June 2005	Executive officer, deputy general manager of Business Planning Division and General Affairs Division, and manager of Secretary's Office and Corporate Audit Office
June 2008	Senior executive officer and general manager of General Affairs Division, with responsibility for Company-wide internal control
June 2010	Managing director and general manager of General Affairs Division, with responsibility for Company-wide internal control
June 2012	Senior managing director and general manager of Corporate Administration Division, with responsibility for Company-wide internal control
June 2013	Executive vice president, director, and general manager of Corporate Administration Division, with responsibility for Company-wide internal control
April 2014	Executive vice president and director, with responsibility for Corporate Administration Division and Corporate Planning & Global Operations Division
June 2014	President and representative director, CEO
June 2015	President and representative director, CEO
June 2018	President and representative director, CEO (current)

### **Significant concurrent positions**

Director, KAITEKI Institute, Inc.

### **Reasons for nomination as candidate for director position**

Yujiro Ichihara commands broad-based experience in the international business arena as well as in finance, business planning, and other aspects of business administration. Following his service as general manager of the Corporate Administration Division, in June 2014 he assumed his current position as president and representative director.

In view of his extensive background, we have nominated Mr. Ichihara for a position as director in the expectation that his experience and insight will contribute significantly to enhancement of governance of Group management. If Yujiro Ichihara is elected as a director, he will assume the position of Chairperson of the Board of Directors, on the condition that he is appointed by the Board of Directors.

### **Special interests**

Yujiro Ichihara has no special interests in the Company.

No.

3

**Kenji Nagata** (Date of birth: February 28, 1959) (Reappointment)

• **Number of Company shares owned:** 11,000

• **Years of service as a director:** 3

**Record of attendance at the Board of Directors meetings:** 11 of 11 times

### **Career summary, position and responsibilities in the Company**

April 1981	Joined the Company
June 2013	Executive officer, general manager of North Kanto Branch
April 2016	Executive officer, deputy general manager of Industrial Gases Division, general manager of Gases Business Unit, general manager of Product Management Unit
June 2016	Senior executive officer, deputy general manager of Industrial Gases Division, general manager of Gases Business Unit, general manager of Product Management Unit
April 2017	Senior executive officer, general manager of Industrial Gases Division
June 2018	Senior managing executive officer, director, general manager of Industrial Gases Division
October 2020	Director of the Company (current)/ Representative Director, President, TAIYO NIPPON SANSO CORPORATION(current)

### **Significant concurrent positions**

Representative Director, President, TAIYO NIPPON SANSO CORPORATION  
President & representative director, Shikoku Ekisan Co., Ltd.  
President & representative director, Japan Helium Center Corporation

### **Reasons for nomination as candidate for director position**

Kenji Nagata has wide-ranging experience in the areas of industrial gas logistics, sales, and planning. Following his tenure as president of one of our overseas subsidiaries and as general manager of our Kita-Kanto Regional Branch, he was appointed to serve as general manager of our Industrial Gases Division from April 2017 to September 2020. After the Company moved to a holding company structure in October 2020, he assumed Representative Director, President, TAIYO NIPPON SANSO CORPORATION which is our group company engaging in the industrial gases business in Japan.

In view of his extensive background, we have nominated Mr. Nagata for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

### **Special interests**

Kenji Nagata is also president and representative director of Shikoku Ekisan Co., Ltd., Japan Helium Center Corporation, in addition to TAIYO NIPPON SANSO CORPORATION (our wholly-owned subsidiary). TAIYO NIPPON SANSO CORPORATION has transactions of industrial gas products with these companies.

No.  <b>4</b>
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**Thomas Scott Kallman** (Date of birth: October 17, 1954) (Reappointment)

- **Number of Company shares owned:** 0
- **Years of service as a director:** 2
- **Record of attendance at the Board of Directors meetings:** 10 of 11 times

#### **Career summary, position and responsibilities in the Company**

July 1981	Joined BOC Group, plc.
January 2000	Vice-President, General Manager responsible for Eastern Region, BOC Group, plc.
January 2005	Executive Vice President responsible for Industrial Gas Group, Matheson Tri-Gas, Inc.
January 2008	Senior Executive Vice President and COO, Matheson Tri-Gas, Inc.
June 2009	President and COO, Matheson Tri-Gas, Inc.
January 2013	President and CEO, Matheson Tri-Gas, Inc.
June 2017	Chairman, President, and CEO, Matheson Tri-Gas, Inc.
April 2019	Chairman and CEO, Matheson Tri-Gas, Inc. (current)
June 2019	Director of the Company (current)

#### **Significant concurrent positions**

Chairman and CEO, Matheson Tri-Gas, Inc.

#### **Reasons for nomination as candidate for director position**

Thomas Scott Kallman has worked for many years in the industrial gas industry in the United States, and since 2013 has worked as CEO of Matheson Tri-Gas, Inc., a Company subsidiary engaged in the industrial gas business in the United States. In view of his extensive background, we have nominated Mr. Kallman for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

#### **Special interests**

Thomas Scott Kallman has no special interests in the Company.

No.

5

**Eduardo Gil Elejoste** (Date of birth: May 1, 1956) (Reappointment)

- **Number of Company shares owned:** 0
- **Years of service as a director:** 2
- **Record of attendance at the Board of Directors meetings:** 10 of 11 times

### **Career summary, position and responsibilities in the Company**

April 1981	Joined Argon S.A.
January 1992	Director Marketing responsible for Spain and Portugal, Argon S.A.
September 1996	Director Business Development responsible for Europe, Praxair España S.L.
January 2000	Director Marketing responsible for Europe, Praxair Euroholding S.L.
October 2004	CEO, Germany, Praxair Euroholding S.L.
January 2006	CEO, Germany and Benelux, Praxair Euroholding S.L.
April 2008	CEO, Praxair España S.L. CEO, Praxair Portugal S.A.
December 2016	President, Praxair Euroholding S.L.
December 2018	Chairman and President, TNSC Euro-Holding S.L.U. (current) (now Nippon Gases Euro-Holding S.L.U.)
June 2019	Director of the Company (current)

### **Significant concurrent positions**

Chairman and President, Nippon Gases Euro-Holding S.L.U.

### **Reasons for nomination as candidate for director position**

Eduardo Gil Elejoste has worked for many years in the industrial gas business in Europe, and was responsible for the European business of Praxair, Inc., now acquired by the Company. He continues to take charge of the Group's European business.

In view of his extensive background, we have nominated Mr. Elejoste for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

### **Special interests**

Eduardo Gil Elejoste has no special interests in the Company.

\* TNSC Euro-Holding S.L.U. changed its trading name to Nippon Gases Euro-Holding S.L.U. on December 17, 2018.

No.

6

**Akio Yamada** (Date of birth: September 25, 1943)

(Reappointment, outside director, independent)

- **Number of Company shares owned:** 800
- **Years of service as an outside director:** 6
- **Record of attendance at the Board of Directors meetings:** 11 of 11 times

### **Career summary, position and responsibilities in the Company**

April 1967	Joined General Secretariat of Japan Fair Trade Commission
June 2000	Secretary general, Japan Fair Trade Commission
December 2003	Commissioner, Japan Fair Trade Commission
April 2009	Senior advisor to Jones Day
June 2010	Outside Audit & Supervisory Board member, Daiichi Sankyo Co., Ltd.
March 2014	Outside Audit & Supervisory Board member, Yokohama Rubber Co., Ltd.
June 2014	Outside director, Watahan & Co., Ltd.
June 2015	Outside director, the Company (current)
March 2018	Chairman, Fair Trade Institute (current)

### **Significant concurrent positions**

Chairman, Fair Trade Institute

### **Reasons for nomination as candidate for outside director position**

Akio Yamada has occupied important posts on the Japan Fair Trade Commission, and is currently Chairman of the Fair Trade Institute. He also once served as an outside director at a publicly listed company, and a senior advisor to a law firm that provides global services. We have nominated him as a candidate for outside director in the expectation that he will apply his wealth of experience and professional expertise to the management of our Group. Aside from his duties as an outside director, Mr. Yamada has not been directly involved in corporate management. However, we believe he is capable of effectively fulfilling the role of an outside director at our Company, for the reasons given above.

### **Special interests**

Akio Yamada has no special interests in the Company.

### **Reporting of independent director status**

Akio Yamada is a candidate for the position of outside director. Also, he satisfies the requirements for independent directors as set forth by the Securities Listing Regulations of the Tokyo Stock Exchange. We have notified the Tokyo Stock Exchange of his selection as an independent director.

### **Overview of liability limitation agreement**

With regard to liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, the Company and Akio Yamada have entered into a liability limitation agreement that limits said liability to the amount stipulated by law in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. This agreement with Mr. Yamada will be extended if he is reelected as a director.



No.
7

**Mitsuhiro Katsumaru** (Date of birth: October 10, 1951)  
 (Reappointment, outside director, independent)

- **Number of Company shares owned:** 500
- **Years of service as an outside director:** 6
- **Record of attendance at the Board of Directors meetings:** 11 of 11 times

### **Career summary, position and responsibilities in the Company**

April 1978	Appointed as a public prosecutor assigned to Tokyo District Public Prosecutors Office
July 1989	First secretary of Embassy of Japan in Germany
April 2005	Assistant vice-minister, Ministry of Justice (responsible for general policy integration)
December 2010	Superintending prosecutor, Takamatsu High Public Prosecutors Office
June 2012	Superintending prosecutor, Hiroshima High Public Prosecutors Office
July 2014	Retired from superintending prosecutor position
October 2014	Registered as an attorney
June 2015	Outside director, the Company (current)
March 2017	Outside director, Shimano Inc. (current)

### **Significant concurrent positions**

Of Counsel, Shiba International Law Offices  
 Outside director, Shimano Inc.

### **Reasons for nomination as candidate for outside director position**

Prior to his current role as an attorney, Mitsuhiro Katsumaru followed an extensive career of service with the Ministry of Justice and Public Prosecutors Offices. We have nominated him as a candidate for outside director in the expectation that he will effectively apply his wide experience and professional expertise as a prosecutor and attorney to the management of our Group.

### **Special interests**

Mitsuhiro Katsumaru has no special interests in the Company.

### **Reporting of independent director status**

Mitsuhiro Katsumaru is a candidate for the position of outside director. Also, he satisfies the requirements for independent directors as set forth by the Securities Listing Regulations of the Tokyo Stock Exchange. We have notified the Tokyo Stock Exchange of his selection as an independent director.

### **Overview of liability limitation agreement**

With regard to liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, the Company and Mitsuhiro Katsumaru have entered into a liability limitation agreement that limits said liability to the amount stipulated by law in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act. This agreement with Mr. Katsumaru will be extended if he is reelected as a director.

No.
8

**Miri Hara** (Date of birth: December 20, 1961)  
 (New appointment, outside director, independent)

• **Number of Company shares owned: 0**

**Career summary, position and responsibilities in the Company**

June 1988          Director, Hara Jisho Co., Ltd. (current)  
 October 2017      Founded Tax Corporation Yokohama Benten Accounting, Inc., and assumed Representative  
                          Certified Public Tax Accountant (current)  
 June 2020          Outside director, SECOM CO., LTD. (current)

**Significant concurrent positions**

Representative Certified Public Tax Accountant, Tax Corporation Yokohama Benten Accounting, Inc.  
 Outside director, SECOM CO., LTD.

**Reasons for nomination as candidate for outside director position**

Miri Hara has served as a director of real estate management company over many years, and also has wide-ranging experience of serving as Representative Certified Public Tax Accountant of Tax Corporation, and an outside director at a publicly listed company. We have nominated her as a candidate for outside director in the expectation that she will effectively apply her wide experience and professional expertise of corporate accounting as a Certified Public Tax Accountant to the management of our Group, also from the viewpoint of promoting diversity and women's empowerment.

**Special interests**

Miri Hara has no special interests in the Company.

**Reporting of independent director status**

Miri Hara is a candidate for the position of outside director. Also, she satisfies the conditions for independent Audit & Supervisory Board members established by the Securities Listing Regulations of the Tokyo Stock Exchange. If this Proposal is approved and adopted, we will notify the Tokyo Stock Exchange of her selection as an independent Audit & Supervisory Board member.

**Overview of liability limitation agreement**

With regard to liability for damages as provided for in Article 423, Paragraph 1 of the Companies Act, if the election of Miri Hara is approved, the Company and Miri Hara intends to enter into a liability limitation agreement that limits said liability to the amount stipulated by law in accordance with the provisions of Article 427, Paragraph 1 of the Companies Act.

No.  <b>9</b>
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**Hidefumi Date** (Date of birth: July 10, 1958) (Reappointment)

- **Number of Company shares owned:** 0
- **Years of service as a director:** 2
- **Record of attendance at the Board of Directors meetings:** 11 of 11 times

### **Career summary, position and responsibilities in the Company**

April 1982	Joined Mitsubishi Chemical Industries Limited (now Mitsubishi Chemical Corporation)
June 2011	Associate director, general manager of Consolidated Management Office, Mitsubishi Chemical Corporation
April 2013	Executive officer, general manager of Consolidated Management Office, Mitsubishi Chemical Corporation
March 2014	Executive officer, general manager of Consolidated Management Office and Finance & Accounting Department, Mitsubishi Chemical Corporation
April 2014	Executive officer, general manager of Finance & Accounting Department, Mitsubishi Chemical Corporation
April 2015	Executive officer and general manager of Corporate Management Office, Mitsubishi Chemical Holdings Corporation
April 2018	Managing corporate executive officer and chief financial officer, Mitsubishi Chemical Holdings Corporation
June 2019	Director, managing corporate executive officer, and chief financial officer of Mitsubishi Chemical Holdings Corporation(current)/ Director, the Company (current)
April 2020	Representative Director and President of Mitsubishi Chemical Holdings Corporate Staff, Inc. (current)

### **Significant concurrent positions**

Director, managing corporate executive officer, and chief financial officer, Mitsubishi Chemical Holdings Corporation  
Representative director and president, Mitsubishi Chemical Holdings Corporate Staff, Inc.

### **Reasons for nomination as candidate for director position**

Hidefumi Date has wide-ranging experience in the fields of corporate management, finance and accounting, and has served as corporate executive officer and executive officer roles at Mitsubishi Chemical Corporation and Mitsubishi Chemical Holdings Corporation.

In view of his background, we have nominated Mr. Date for a position as director in the expectation that his experience and insight will be assets to Group management.

### **Special interests**

Hidefumi Date has no special interests in the Company.

\* Hidefumi Date's career summary above includes his positions and responsibilities over the past ten years as a person who executes business at our parent company, Mitsubishi Chemical Holdings Corporation, and one of its subsidiaries.

\* On April 1, 2017, the new Mitsubishi Chemical Corporation was launched following the integration of Mitsubishi Chemical Corporation, Mitsubishi Plastics, Inc., and Mitsubishi Rayon Co., Ltd.

**\* Matters common to all candidates for directors**

The Company have entered into a directors and officers (D&O) liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event that claims for damages including third party litigations, derivative lawsuits, and corporate litigations are made against the insured persons including directors of the Company due to the acts in the course of their duties as directors and officers of the Company, the said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured. (However, the said insurance agreement shall not cover damages arising from any conduct committed while knowing that the conduct is in violation of laws and regulations.) If each candidate is reelected or elected, each candidate will be insured under the said insurance agreement. Also, the Company intends to renew the said insurance agreement at the time of next renewal.

**Reference: Standards for the Independence of Outside Directors**

The Company considers outside directors to be independent provided they do not fit any of the descriptions listed below.

- (1) A person for whom the Company is a major client, or who executes business for such a person.
- (2) A major client of the Company, or a person who executes business for such a client.
- (3) A consultant, accounting professional, or legal professional who receives large sums of money or assets other than director's remuneration from the Company. (If the recipient is a judicial person, partnership, or other organization, this includes persons belonging to that organization.)
- (4) A person to whom any of the following criteria listed in (i) through (iii) applied at any time during the three years preceding their appointment:
  - (i) A person as described in (1), (2), or (3) above
  - (ii) A person who executes business, or a director who does not execute business, for the Company's parent company
  - (iii) A person who executes business for one of the Company's sister companies.
- (5) A close relative (within the second degree of kinship) of any person described in the following clauses (i) through (v) (excluding non-important personnel):
  - (i) A person as described in (1) through (4) above
  - (ii) A person who executes business for a Company subsidiary
  - (iii) A person who executes business, or a director who does not execute business, for the Company's parent company
  - (iv) A person who executes business for one of the Company's sister companies.
  - (v) A person who has fulfilled criterion (ii) above or executed business for the Company at any time during a three-year period preceding the date of the General Meeting of Shareholders that appoints him or her to serve as an outside director.

#### **Proposal 4: Election of two Audit & Supervisory Board members**

The terms of office of two Audit & Supervisory Board members (Junzo Tai and Akihiro Hashimoto) will expire at the conclusion of this Meeting.

Accordingly, the Company proposes the election of two Audit & Supervisory Board members. This Proposal has the consent of the Audit & Supervisory Board. The candidates for Audit & Supervisory Board members are listed below.

#### Notes

The candidates for Audit & Supervisory Board members were selected by the Board of Directors following recommendations by the Advisory Committee on Appointments and Remuneration (\*), which consists of the president and outside directors.

\* See “Reference: Advisory Committee on Appointments and Remuneration” on page 22 below for the outline of the Advisory Committee on Appointments and Remuneration.

No.
1

**Junzo Tai** (Date of birth: May 11, 1956) **(Reappointment)**

- **Number of Company shares owned:** 9,500
- **Year of service as an Audit & Supervisory Board member:** 3
- **Record of attendance at the Board of Directors meetings:** 11 of 11 times
- **Record of attendance at Audit & Supervisory Board:** 16 of 16 times

#### **Career summary, position in the Company**

April 1979	Joined the Company
June 2013	Manager of Corporate Audit Office
June 2014	Executive officer, manager of Corporate Audit Office
January 2015	Executive officer assigned to Mitsubishi Chemical Holdings Corporation
March 2017	Retirement from executive officer position
April 2017	Executive officer, manager of Industrial Gases Strategy Office in Corporate Strategy Division, Mitsubishi Chemical Holdings Corporation
March 2018	Retirement from executive officer position at Mitsubishi Chemical Holdings Corporation
April 2018	Manager, Corporate Planning Office (subordinate directly to General Manager the office), the Company
June 2018	Full-time Audit & Supervisory Board member, the Company(current)

#### **Significant concurrent positions**

None.

#### **Reasons for nomination as candidate for Audit & Supervisory Board member position**

Junzo Tai possesses wide-ranging experience in the fields of accounting and finance, and served as manager of the Company’s Corporate Audit Office from June 2013 to December 2014. After assuming the Audit & Supervisory Board member, the Company in June 2018, he is in charge of audit of the Company and domestic/overseas group companies as a full-time Audit & Supervisory Board member.

In view of his extensive background, we have nominated Mr. Tai for the position of Audit & Supervisory Board member because we believe our audit system can effectively harness his wealth of experience and broad insight.

#### **Special interests**

Junzo Tai has no special interests in the Company.

No.

2

**Akihiro Hashimoto** (Date of birth: February 18, 1960)

(Reappointment, outside Audit & Supervisory Board member, independent)

- **Number of Company shares owned:** 600
- **Year of service as an outside Audit & Supervisory Board member:** 4
- **Record of attendance at the Board of Directors meetings:** 11 of 11 times
- **Record of attendance at Audit & Supervisory Board:** 16 of 16 times

### **Career summary, position in the Company**

April 1983	Joined Fuji Bank, Limited (now Mizuho Bank, Ltd.)
April 2010	Executive officer and general manager of Americas Financial Products Division of Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd.)
April 2012	Managing executive officer in charge of branches of Mizuho Bank, Ltd. (to July 2013)
April 2013	Managing executive officer in charge of corporate banking of Mizuho Corporate Bank, Ltd.
July 2013	Managing executive officer in charge of corporate banking of Mizuho Bank, Ltd.
April 2014	Senior general manager of Mizuho Bank, Ltd.
April 2014	Resigned from Mizuho Bank, Ltd.
May 2014	Senior general manager of Sharp Corporation
June 2014	Director and executive managing officer of Sharp Corporation
June 2016	Resigned from Sharp Corporation
June 2016	Senior general manager of Mizuho Bank, Ltd.
June 2017	Resigned from Mizuho Bank, Ltd / Full-time outside Audit & Supervisory Board member, the Company (current)

### **Significant concurrent positions**

None.

### **Reasons for nomination as candidate for outside Audit & Supervisory Board member position**

Akihiro Hashimoto has amassed a long career in financial institutions. After assuming the outside Audit & Supervisory Board member, the Company in June 2017, he is in charge of audit of the Company and domestic/overseas group companies as a full-time Audit & Supervisory Board member. We have nominated him for the position of outside Audit & Supervisory Board member because we believe our audit system can effectively harness his wealth of experience and broad insight.

### **Special interests**

Akihiro Hashimoto has no special interests in the Company.

### **Reporting of independent director status**

Akihiro Hashimoto is a candidate for the position of outside Audit & Supervisory Board member. Also, he satisfies the requirements for independent Audit & Supervisory Board members as set forth by the Securities Listing Regulations of the Tokyo Stock Exchange. We have notified the Tokyo Stock Exchange of his selection as an independent Audit & Supervisory Board member.

\*On July 1st, 2013, Mizuho Bank, Ltd. and Mizuho Corporate Bank, Ltd. merged to form the current Mizuho Bank, Ltd.

**\* Matters common to all candidates for Audit & Supervisory Board members**

The Company have entered into a directors and officers (D&O) liability insurance agreement with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. In the event that claims for damages including third party litigations, derivative lawsuits, and corporate litigations are made against the insured persons including Audit & Supervisory Board members of the Company due to the acts in the course of their duties as directors and officers of the Company, the said insurance agreement shall compensate for legal damages and litigation expenses to be borne by the insured. (However, the said insurance agreement shall not cover damages arising from any conduct committed while knowing that the conduct is in violation of laws and regulations.) If each candidate is reelected, each candidate will be insured under the said insurance agreement. Also, the Company intends to renew the said insurance agreement at the time of next renewal.

**Reference: Advisory Committee on Appointments and Remuneration**

The Company has the Advisory Committee on Appointments and Remuneration, a discretionary committee under the Board of Directors consisting of the president (CEO) and two independent outside directors and being chaired by an independent outside director.

The Board of Directors consults with and receives advise from the Advisory Committee on Appointments and Remuneration on the election of candidates for the position of director and Audit & Supervisory Board member, appointment and removal of the president (CEO), election and dismissal of executive officers, and revisions to the internal regulations governing the remuneration of the Board of Directors, thereby ensuring the transparency and objectivity of decision making.

End of page

**(Attachment)**

**Business Report**  
〔 From April 1, 2020  
to March 31, 2021 〕

1. Current Status of Corporate Group

(1) Business conditions in fiscal year under review

The Nippon Sanso Holdings Group's (NSHD Group) business environment in the fiscal year under review (from April 1, 2020 to March 31, 2021) was as follows. In the first quarter (from April 1, 2020 to June 30, 2020), the global COVID-19 pandemic caused a significant economic downturn and decline in demand in the countries and regions in which the NSHD Group operates, and production activity in the manufacturing sector rapidly decreased. However, from the start of the second quarter (from July 1, 2020 to September 30, 2020), signs of overall recovery began to emerge. The trend in shipments of air separation gases (oxygen, nitrogen, and argon) has been gradually recovering from the third quarter (from October 1, 2020 to December 31, 2020), but in spite of the improved trends sequentially overall sales remain down as compared to previous fiscal year.

Against this backdrop, the NSHD Group achieved the following results for the fiscal year under review. Revenue on a consolidated basis decreased 3.8% year on year to ¥818,238 million, core operating income decreased 3.4% to ¥87,251 million, operating income decreased 5.4% to ¥88,846 million and net income attributable to owners of the parent increased 3.5% to ¥55,214 million. Core operating income is calculated as operating income excluding certain gains and expenses attributable to non-recurring factors (non-recurring items).

A breakdown of business performance by reportable segment is as follows.

Segment income represents core operating income.



**a. Gas Business in Japan**

In the industrial gas-related business, revenue from air separation gases, decreased sharply year on year, primarily due to sluggish production activity in relevant industries. Meanwhile, in the electronics-related field, revenue from electronic materials gases increased compared to the previous fiscal year. In equipment and installation, revenue rose substantially in the electronics-related field. However, there was a large year-on-year decline in revenue primarily in installation of air separation unit and welding and cutting equipment for metal processing.

As a result, in the Gas Business in Japan, revenue decreased 4.8 % year on year to ¥338,938 million, while segment income increased 1.3 % to ¥29,124 million.

**b. Gas Business in the United States**

In the industrial-gas related business, revenue from air separation gases decreased sharply year on year, primarily due to packaged and bulk gases. In the on-site business, revenue declined year on year due to the impact of lower demand from gas customers. In equipment and installation, electronics-related revenue increased, but revenue from welding and cutting equipment for metal processing decreased.

As a result, in the Gas Business in the United States, revenue decreased 4.5 % year on year to ¥189,994 million while segment income increased 5.4 % to ¥23,455 million.

**c. Gas Business in Europe**

Demand for packaged and bulk gases as well as demand from on-site customer decreased sharply due to strong decline in production activity as a whole in the key regions Iberia (Spain and Portugal), Germany, and Italy, but gradually trended toward recovery from the third quarter. In equipment and installation, demand decreased in general throughout the fiscal year.

As a result, in the Gas Business in Europe, revenue decreased 3.3 % year on year to ¥160,035 million and segment income decreased 14.5% to ¥21,254million.

**d. Gas Business in Asia & Oceania**

In the industrial gas-related business, revenue from air separation gases decreased due to the impact of government impose restrictions and the associated decline in production activity in the manufacturing sector. On the other hand in the electronics-related business, shipments were favorable for electronic materials gases in East Asia. In LPG, unit sales prices fell due to lower contract prices in purchasing, but shipments in Australia were positive. In equipment and installation, demand decreased sharply, mainly reflecting a decrease in spot projects in Singapore, as well as the absence of an installation project in Taiwan, and lower demand for welding and cutting equipment for metal processing.

As a result, in the Gas Business in Asia & Oceania, revenue increased 0.7% year on year to ¥105,305 million and segment income decreased 4.6 % to ¥9,497 million.

#### e. Thermos Business

In the Thermos Business, revenue from motion products decreased sharply in Japan, as revenue was heavily impacted by the loss of sales opportunities associated with the leisure season. These sales opportunities were lost because of restrictions on outdoor activities and the voluntary suspension of business activities due to requirements from Japanese government and municipalities. Meanwhile, sales volume of frying pans and tumblers increased substantially in connection with the widespread adoption of new lifestyles where consumers spend longer periods of time at home. Overseas, shipping volume increased while being influenced by business slowdowns in various regions.

As a result, in the Thermos Business, revenue decreased 4.6 % year on year to ¥23,964 million, and segment income fell 27.6 % to ¥5,229 million.

#### 2) Plant & equipment investments

The total amount of plant and equipment investment in the fiscal year under review came to 74,697 million yen.

#### 3) Fund procurements

The Company and its Group raised a total of 58.1 billion yen in long-term loans from financial institutions during the fiscal year under review. Borrowings at the end of the fiscal year, including increase and decrease, is as follows.

Item	Balance at April 1, 2020	Balance at March 31, 2021	Change
Borrowings	745,594 million yen	708,399 million yen	Down 37,194 million yen
Corporate bonds and commercial paper	216,997 million yen	204,217 million yen	Down 12,780 million yen
Total	962,592 million yen	912,616 million yen	Down 49,975 million yen

#### 4) Important organizational restructuring, etc.

To realize a transition to a holding company structure based on the Absorption-Type Company Split Agreement concluded as of May 15, 2020, with the Company's wholly owned subsidiary, Taiyo Nippon Sanso Split Preparation Corporation (hereinafter "Succeeding Company"), and approved at the 16th Ordinary General Meeting of Shareholders, the Company executed an absorption-type company split where the rights and obligations held by the Company in relation to all of its businesses were succeeded by the Succeeding Company, effective October 1, 2020. As of that date, the Company and the Succeeding Company changed their tradenames to Nippon Sanso Holdings Corporation and Taiyo Nippon Sanso Corporation, respectively.

(2) Assets & profits/losses in immediate past three fiscal years

Segment	FYE2018	FYE2019	FYE2020	FYE2021 (current term)
Revenue (millions of yen)	646,218	740,341	850,239	818,238
Core operating income (millions of yen)	60,033	65,819	90,337	87,251
Operating income (millions of yen)	59,862	66,863	93,921	88,846
Net income attributable to owners of the parent (millions of yen)	48,919	41,291	53,340	55,214
Basic earnings per share (yen)	113.04	95.42	123.26	127.59
Total assets (millions of yen)	931,047	1,771,015	1,751,732	1,836,294
Total equity (millions of yen)	412,072	435,854	440,693	543,900

(Note) Our Company Group has applied the International Financial Reporting Standards (IFRS), starting with FYE2017 (year to March 2017).

### (3) Status of parent company & significant subsidiaries

#### 1) Status of parent company

Our parent company is Mitsubishi Chemical Holdings Corporation, which owns 218,996,000 shares or 50.59% of Nippon Sanso Holdings Corporation stock. Mr. Hidefumi Date, Director of the Board, Managing Corporate Executive Officer and Chief Financial Officer of Mitsubishi Chemical Holdings Corporation, concurrently serves as a member of the Board of Directors of the Company.

The Company concluded a master agreement with Mitsubishi Chemical Holdings Corporation, dated May 13, 2014. The agreement calls for Mitsubishi Chemical Holdings Corporation to respect the autonomy of the Company and to provide us with comprehensive support and cooperation under the parent company's "group management policy."

#### 2) Status of significant subsidiaries

Company name	Capital	Company's equity ratio	Main business lines
		%	
Taiyo Nippon Sanso Corporation	million yen 1,500	100	Manufacture & sales of oxygen, nitrogen, argon, helium, hydrogen, gas-related equipment, specialty gases electronics-related equipment & installation, semiconductor-producing equipment, machinery & plants, liquefied petroleum gas, medical-use gases, medical equipment, stable isotopes
NIPPON EKITAN CORPORATION	million yen 600	* 84.25	Manufacture & sales of liquefied carbon dioxide, dry ice, and sales of various compressed and liquefied gas
Matheson Tri-Gas, Inc.	US dollar 55.77	100	Manufacture & sales of oxygen, nitrogen, argon, specialty gases and equipment, cutting & welding equipment
Nippon Gases Euro-Holding S.L.U.	euros 100,000,000	100	Ownership of shares in related companies in Europe
Leeden National Oxygen Ltd.	Singapore dollar 53,483,649	* 98.50	Manufacture, purchase and sales of welding related instrument, safety goods, and high-pressure gas, oxygen, nitrogen, argon
NSC (Australia) Pty Ltd	Australian dollar 514,267,883	98.95	Ownership of shares in related companies in Australia
Supagas Pty Ltd	Australian dollar 3,600,000	* 100	Filling and sales of liquefied petroleum gas and various industrious gas, sales and rental of related instruments
Taiyo Nippon Sanso (China) Investment Co., Ltd.	US dollar 87,195,449	100	Ownership of shares in related companies in China
THERMOS K.K.	million yen 300	100	Manufacture & sales of housewares

#### (4) Challenging issues to be addressed

COVID-19 has been with us for over a year. The impact as a result of the pandemic on the past fiscal year was swift and severe. Fortunately, our Company was deemed essential in nearly all geographies in which we operate and therefore we continued to operate through the worse times of the pandemic by providing critical gases, ventilators, home care supplies, and other essential goods. As fiscal year Mar 2021 progressed, our Company rebounded sharply as most economies in countries in which we operate, learned to co-exist with the pandemic and resumed economic activities.

Uncertain times remain especially as we try to understand whether vaccines will outpace the COVID-19 virus or if mutating genes will outpace the vaccine, however, we don't expect to be impacted as severely as what we experienced in 1Q of FYE Mar 2021.

In addition, on October 1, 2020 our Company formed a new company structure under the Nippon Sanso Holdings Corporation (NSHD). The holding company structure symbolizes our transition from a Japanese Company to a Global Integrated Industrial Gas Company. The objectives to transform our Company to a holding company structure is; (i) Speedier decision-making through authority delegation, and appropriate management resource allocation, (ii) Greater clarity in business execution responsibilities and performance and (ii) Enhance the group's comprehensive capabilities by sharing regional strengths and advantages. We have a strong, experienced, and talented team and will work to leverage the organization more effectively and efficiently across the globe.

Our organization has always been focused on sustainable initiatives such as reduced power consumption and less miles driven. However, we need to expand our role as business leaders, and we will work to improve our corporate value by promoting our group vision of " We aim to create social value through innovative gas solutions that increase industrial productivity, enhance human well-being and contribute to a more sustainable future." through reflecting the strengthening of ESG and SDGs initiatives in our next medium-term management plan and increasing productivity.

#### (5) Contents of main business lines (as of March 31, 2021)

Business segment	Main products & services
Japan gas business U.S. gas business European gas business Asia/Oceania gas business	oxygen, nitrogen, argon, carbon dioxide, helium, hydrogen, acetylene, gas-related equipment, specialty gases (electronic material gas, pure gas, etc.), electronics-related equipment & installation, semiconductor-producing equipment, cutting & welding equipment, welding materials, machinery & plants, liquefied petroleum gas & related equipment, medical-use gases (oxygen, nitrous oxide, etc.), medical equipment, stable isotopes
Thermos business	Housewares

(6) Main business offices, etc. (as of March 31, 2021)

1) Company

Head office	Shinagawa-ku, Tokyo
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2) Subsidiaries

Company name	Location of head office
Taiyo Nippon Sanso Corporation	Shinagawa-ku, Tokyo, Japan
NIPPON EKITAN CORPORATION	Minato-ku, Tokyo, Japan
Matheson Tri-Gas, Inc.	Texas, U.S.A.
Nippon Gases Euro-Holding S.L.U.	Madrid, Spain
Leeden National Oxygen Ltd.	Singapore
NSC (Australia) Pty Ltd	New South Wales, Australia
Supagas Pty Ltd	New South Wales, Australia
Taiyo Nippon Sanso (China) Investment Co., Ltd.	Liaoning, China
THERMOS K.K.	Tsubame-shi, Niigata Pref., Japan

(7) Employees (as of March 31, 2021)

Business segment	Number of employees	Increase (decrease) from the previous fiscal year end
Japan gas business	6,008	51
U.S. gas business	4,401	(344)
European gas business	2,912	42
Asia & Oceania gas business	4,377	12
Thermos business	1,333	(118)
Segment Total	19,031	(357)
Company-wide (common)	326	(5)
Total	19,357	(362)

(Note) The numbers are those of employees working in the Company and its subsidiaries.

(8) Main sources of borrowings (as of March 31, 2021)

Lender	Outstanding balance(millions of yen)
Mizuho Bank, Ltd.	286,685
The Norinchukin Bank	154,305
MUFG Bank, Ltd.	147,370

## 2. Status of Company

### (1) Status of shares (as of March 31, 2021)

1) No. of authorized shares	1,600,000,000
2) No. of shares issued	433,092,837
3) No. of shareholders	18,901

### 4) Major shareholders (top 10)

Shareholder	Status of investment in Company	
	Shares held (in 1,000 shares)	Shares held (%)
Mitsubishi Chemical Holdings Corporation	218,996	50.59
Client shareholding association of Taiyo Nippon Sanso Corporation	17,617	4.07
The Master Trust Bank of Japan, Ltd. (trust account)	14,946	3.45
Custody Bank of Japan, Ltd. (trust account)	13,294	3.07
Meiji Yasuda Life Insurance Company	10,007	2.31
Mizuho Bank, Ltd.	8,182	1.89
The Norinchukin Bank	7,000	1.62
Employee shareholding association of Nippon Sanso Holdings Corporation	3,282	0.76
Standard Life Assurance Limited-Pension Funds	3,067	0.71
Ibiden Co., Ltd.	3,004	0.69

(Note) 1. Our Company has 182,000 treasury shares.

2. The shareholding ratio excludes treasury shares.



(2) Status of Company officers

1) Status of directors & auditors (as of March 31, 2021)

Name	Position	Duties in charge & main concurrent posts
Yujiro Ichihara	Representative Director President	CEO Member, Advisory Committee on Appointments & Remuneration Member of the Board, KAITEKI Institute, Inc.
Toshihiko Hamada	Member of the Board Executive Vice President	Aide to the President
Kenji Nagata	Member of the Board	Representative Director & President, Taiyo Nippon Sanso Corporation Representative Director & President, Shikoku Ekisan Corporation Representative Director & President, Japan Helium Center Corporation
Kazuyuki Futamata	Member of the Board Managing Executive Officer	CCO (concurrently Taiyo Nippon Sanso Group CCO) Concurrently responsible for company-wide internal control
Thomas Scott Kallman	Member of the Board	Chairman & CEO, Matheson Tri-Gas, Inc.
Eduardo Gil Elejoste	Member of the Board	Chairman & President, Nippon Gases Euro-Holding S.L.U.
Akio Yamada	Member of the Board	Chairman, Advisory Committee on Appointments & Remuneration Chairman, Fair Trade Institute
Mitsuhiro Katsumaru	Member of the Board	Member, Advisory Committee on Appointments & Remuneration Attorney of counsel, Shiba International Law Offices Member of the Board (outside director), Shimano Inc.
Hidefumi Date	Member of the Board	Member of the Board & Managing Corporate Executive Officer / Chief Financial Officer, Mitsubishi Chemical Holdings Corporation  Representative Director & President, Mitsubishi Chemical Holdings Corporation Corporate Staff, Inc.
Junzo Tai	Full-time Auditor	
Akihiro Hashimoto	Full-time Auditor	
Masahiro Osada	Full-time Auditor	
Kazuya Kobayashi	Full-time Auditor	Auditor (Part-time), Taiyo Nippon Sanso Corporation

- (Notes)
1. Representative Director and President Yujiro Ichihara is appointed CEO because he has abundant knowledge and experience over management and because he is expected to be capable of promoting the growth of our Company Group.
  2. Directors Akio Yamada and Mitsuhiro Katsumaru are outside directors.
  3. Auditors Akihiro Hashimoto, Masahiro Osada and Kazuya Kobayashi are outside auditors.
  4. Auditors Junzo Tai, Akihiro Hashimoto, Masahiro Osada and Kazuya Kobayashi have significant financial and accounting knowledge as follows.
    - Auditor Junzo Tai has long-term professional experience at the Company's accounting department, and possesses a substantial level of financial and accounting knowledge.
    - Auditor Akihiro Hashimoto has long-term professional experience at financial institutions, and possesses a substantial level of financial and accounting knowledge.
    - Auditor Masahiro Osada has long-term professional experience at the accounting department of a chemical company, and possesses a substantial level of financial and accounting knowledge.
    - Auditor Kazuya Kobayashi has long-term professional experience at financial institutions, and possesses a substantial level of financial and accounting knowledge.
  5. The Company has designated Directors Akio Yamada and Mitsuhiro Katsumaru, and Auditors Akihiro Hashimoto and Kazuya Kobayashi as independent officers based on the Tokyo Stock Exchange's listing rules, and has reported them to the exchange.

## 2) Overview of liability-limiting contract

In accordance with the Articles of Incorporation of the Company and Article 427 (1) of the Companies Act, the Company has an agreement in place with each of its outside directors to limit their liability for damages stipulated in Article 423 (1) of the Companies Act.

The Company has set each outside director's maximum liability amount for damages in accordance with Article 425 (1) of the Companies Act.

## 3) Directors and auditors who resigned or were discharged during the business year.

There were no directors and auditors who resigned or were discharged during the business year.

## 4) Total amount of remunerations, etc. for directors & auditors

Category of officers	Total remunerations (millions of yen)	Total amount of remunerations by type (millions of yen)		No. of corresponding officers
		Basic remuneration	Performance-tied remuneration	
Directors	287	193	94	10
(incl. outside directors)	(24)	(24)	(—)	(2)
Auditors	103	103	—	6
(incl. outside auditors)	(76)	(76)	(—)	(5)
Total	391	297	94	16
(incl. outside officers)	(100)	(100)	(—)	(7)

(Notes) 1. The Company does not pay a director-cum-employee the employee portion of his/her pay.

2. The total amount of remunerations for directors is limited to 800 million yen per year (including 50 million or less for outside directors, excluding their employee portion) under a resolution passed at the 11th Ordinary General Meeting of Shareholders held on June 23, 2015. The number of directors as of the end of the relevant Ordinary General Meeting of Shareholders is 11, including two outside directors.

3. The total amount of remunerations for auditors is limited to 200 million yen per year under a resolution passed at the 3rd Ordinary General Meeting of Shareholders held on June 28, 2007. The number of auditors as of the end of the relevant Ordinary General Meeting of Shareholders is 4.

4. The above total amount of remunerations includes remuneration, etc. paid to one director and two outside auditors who retired during the fiscal year under review.

## 5) Matters related to performance-linked remunerations, etc.

Remunerations for directors consist of the fixed "Basic Monthly Remuneration," which is base salary specific to each rank, and "Performance-linked Bonuses" which vary according to business results. The proportion of the two portions is approximately six to four, which is reflected in the amount of remuneration for each director. Outside directors receive the fixed "Basic Monthly Remuneration" only. The Performance-linked Bonuses are determined on the basis of the following formula.

Performance-linked Bonuses (variable) = Rank-specific standard amount x Coefficient based on evaluation related to Performance-linked Bonuses

The following figures are applied to the coefficient based on evaluation related to Performance-linked Bonuses in order to judge the status of achievements of medium-term management plan targets while strengthening the extent of their interlocking with the Company's business results as well as improving their objectivity and transparency.

- Degree of achievements of each fiscal year's budget based on medium-term management plan targets (consolidated revenue and consolidated core operating profit margin)
  - Year-on-year improvements in business results (consolidated revenue, consolidated core operating profit and profit attributable to owners of the parent company)
- Targets & results of indicators tied to Performance-linked Bonuses for directors (excluding outside directors) in FYE 2021

Degree of achievement in each FY's budget based on medium-term management plan targets

Indicator for evaluation	Target for FYE2021	Results for FYE 2021
Consolidated revenue	830,000 mil. yen	818,238 mil. yen
Consolidated core operating profit margin	9.9%	10.7 %

Year-on-year performance improvements

Indicator for evaluation	Results of FYE2020	Results of FYE 2021
Consolidated revenue	850,239 mil. yen	818,238 mil. yen
Consolidated core operating profit	90,337 mil. yen	87,251 mil. yen
Profit attributable to owners of parent company	53,340 mil. yen	55,214 mil. yen

#### 6) Details of non-monetary remuneration

There is no related matter.

#### 7) Matters related to resolutions at General Meeting of Shareholders regarding remuneration, etc. for directors & auditors

This is as described in the above Notes 2. & 3. of 4) Total amount of remuneration, etc. for directors & auditors."

#### 8) Policy on determining contents of remuneration, etc. for individual directors

##### a. Method of determining policy on contents of remuneration, etc. for individual directors

The Board of Directors approved a policy on determining contents of remuneration, etc. for individual directors at its meeting held on May 11, 2016. The Board also approved establishment of the Advisory Committee on Appointments & Remuneration and revision to the Company's internal regulations on remuneration for directors at its meeting on June 21 that year. The Committee comprises two or more

independent outside directors and the Representative Director/President, with an outside director acting as its chairman. The Committee has been discussing remuneration for directors continuously and, based on the Committee's recommendation, the internal regulations on remuneration for directors were revised by the Board at its meeting on June 20, 2018.

b. Overview of determination policy

The amount of remuneration, etc. for directors and auditors is determined by a resolution adopted at the General Meeting of Shareholders in the form of a cap on the total amount for all directors and another cap on the total amount for all auditors.

The amount of remuneration for each director is determined on the basis of the policy described in "5) Matters related to performance-linked remunerations, etc."

Outside directors are paid the fixed "Basic Monthly Remuneration" only. Remuneration for directors is based in principle on an annual salary system, with the amount paid monthly equivalent to one-12th of the annual salary.

The amount of remuneration for individual directors in the fiscal year under review is calculated according to the internal regulations on remuneration for directors approved by the Board of Directors on the basis of the above policy on determining contents of remuneration, etc. for individual directors. Therefore, the Company believes the amount of remuneration is in line with that policy.

9) Matters on delegation of authority on fixing remuneration, etc. for individual directors

At its meeting on June 19, 2020, the Board of Directors passed a resolution delegating the decision-making authority to Representative Director Yujiro Ichihara regarding details of the amount of remuneration for individual directors. The contents of the delegated authority are calculations and decisions regarding the monthly amount of remuneration and performance-linked remuneration based on the internal regulations on remuneration for directors. The reason for delegating these powers is that the Representative Director who is in a position to supervise the Company's business execution is best suited for determining remuneration amounts based on the internal regulations.

The amount of remuneration for directors is to be unambiguously calculated from their rank and performance based on the internal regulations, and it is possible to verify the results of calculations by the Representative Director.

10) Matters related to outside officers

a. Status of significant concurrent jobs at other firms & relationship between Company & other firms

- Director Akio Yamada is the Chairman of Fair Trade Institute. The Company and the Institute where he concurrently works have no special interests in each other.
- Director Mitsuhiro Katsumaru is an attorney of counsel at Shiba International Law Offices and a board member (outside director) at Shimano Inc. The Company and the two entities where he concurrently works have no special interests in each other.

b. Main activities in fiscal year under review

- Main activities of outside directors & outside auditors

Category	Name	Board meeting attendance	Audit & Supervisory Board meeting attendance	Main activities, remarks & overview of duties done in relation to role expected of outside director
Outside director	Akio Yamada	11 appearances at 11 meetings	—	His rich experience at administrative organizations and expert knowledge were expected to be used in the Company's management. While offering necessary advice and proposals on desirable ways of governance and discussions on agenda items, he played a leading role, as Chairman of the Advisory Committee on Appointments & Remuneration, in discussing the selection of candidates for directors/auditors, planning a successor to the President/CEO, mulling desirable remuneration for directors, etc.
Outside director	Mitsuhiro Katsumaru	11 appearances at 11 meetings	—	His rich experience and expert knowledge, mainly as public prosecutor and attorney-at-law, were expected to be used in the Company's management. While offering necessary advice and proposals on desirable ways of governance and discussions on agenda items, he expressed opinions, as a member of the Advisory Committee on Appointments & Remuneration, in discussing the selection of candidates for directors/auditors, planning a successor to the President/CEO, mulling desirable remuneration for directors, etc.
Outside auditor	Akihiro Hashimoto	11 appearances at 11 meetings	16 appearances at 16 meetings	He has provided the Board of Directors with advice to ensure appropriateness of decision-making. As a full-time auditor, he also has held hearings with directors on the status of business execution, exchanged opinions with the Representative Director, and visited subsidiaries on an audit mission.
Outside auditor	Masahiro Osada	8 appearances at 8 meetings	12 appearances at 12 meetings	He has provided the Board of Directors with advice to ensure appropriateness of decision-making. As a full-time auditor, he also has held hearings with directors on the status of business execution, exchanged opinions with the Representative Director, and visited subsidiaries on an audit mission.
Outside auditor	Kazuya Kobayashi	8 appearances at 8 meetings	12 appearances at 12 meetings	He has provided the Board of Directors with advice to ensure appropriateness of decision-making. As a full-time auditor, he also has held hearings with directors on the status of business execution, exchanged opinions with the Representative Director, and visited subsidiaries on an audit mission.

(Note) The Board of Directors were held 11 meetings in the fiscal year under review.

(3) Status of accounting auditor

1) Name: Ernst & Young ShinNihon LLC.

2) Amount of remuneration, etc.

	Amount paid
Remuneration, etc. for accounting auditor associated with audit for fiscal year under review	105 million yen
Total amount of money and other economic benefits to be paid by Company and its subsidiaries to accounting auditor	210 million yen

(Note) 1. Of the Company's significant subsidiaries, Matheson Tri-Gas, Inc. and Nippon Gases Euro-Holding S.L.U., Leeden National Oxygen Ltd, NSC(Australia) Pty Ltd, Supagas Pty Ltd and Taiyo Nippon Sanso (China) Investment Co., Ltd. have received audits (limited to audits pursuant to provisions in the Companies Act and the Financial Instruments & Exchange Act, including foreign laws and regulations equivalent to these Japanese laws) by auditing firms other than the Company's accounting auditor (including those having qualifications equivalent to relevant qualifications in foreign countries).

2. Under our audit contract between the Company and its accounting auditor, remuneration, etc. for audits are not distinguished clearly between audits based on the Companies Act and those based on the Financial Instruments & Exchange Act, and it is practically impossible to distinguish these in effect. Therefore, the amount of remuneration, etc. paid to the accounting auditor in connection with the audits for the fiscal year under review is listed as a total sum of payments for these audits.

3) Contents of non-auditing service

The Company has commissioned to the accounting auditor the work of confirmation related to the feed-in tariff system for renewable energy and other duties outside the realm of services stipulated by Article 2 (1) of the Certified Public Accountants Act.

4) Consent to remuneration amount, etc. for accounting auditor

The Audit & Supervisory Board confirmed audit plans in the past and the status of their execution while discussing the appropriateness of audit hours and remuneration estimates in the fiscal year under review. As a result, the Board offered its consent regarding remuneration, etc. for the accounting auditor in line with Article 399 (1) of the Companies Act.

5) Policy on dismissal or refusal of reappointment of accounting auditor

The Audit & Supervisory Board shall dismiss the accounting auditor by the unanimous consent of all company auditors if that auditor is deemed to be pursuant to any of the provisions in Article 340 (1) of the Companies Act. In that event, an auditor selected by the Audit & Supervisory Board shall report the dismissal of that accounting auditor and its reasons to the first General Meeting of Shareholders convened after the dismissal.

If deemed necessary, including in case of significant difficulty in the continuation of the accounting auditor's duties, the Audit & Supervisory Board shall propose by its resolution "the dismissal or refusal of reappointment of the accounting auditor" to the General Meeting of Shareholders.

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(Note) Figures in the above tables are shown based on the following method.

1. In the amount of money shown in millions of yen, figures less than a million are omitted.
2. In the number of shares shown in thousands of shares, figures less than 1,000 are omitted.
3. Shareholding and investment ratios are rounded up at the third decimal point.